

The Ontario Securities Commission

OSC Bulletin

January 24, 2003

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The Ontario Securities Commission Administers the Securities Act of Ontario (R.S.O. 1990, c.S.5) and the Commodity Futures Act of Ontario (R.S.O. 1990, c.C.20)

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JANUARY 24, 2003

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q.C.	—	HLM
Robert L. Shirriff, Q.C.	—	RLS

SCHEDULED OSC HEARINGS

DATE: TBA **Robert Thomislav Adzija et al**
s. 127

T. Pratt in attendance for Staff

Panel: RLS/HLM

DATE: TBA **First Federal Capital (Canada)
Corporation and Monte Morris
Friesner**

s. 127

A. Clark in attendance for Staff

Panel: TBA

DATE: TBA **Patrick Fraser Kenyon Pierrepont
Lett, Milehouse Investment
Management Limited, Pierrepont
Trading Inc., BMO Nesbitt
Burns Inc.*, John Steven Hawkyard
and John Craig Dunn**

s. 127

K. Manarin in attendance for Staff

Panel: TBA

* BMO settled Sept. 23/02

Date: TBA **Meridian Resources Inc. and Steven
Baran**

s. 127

K. Manarin in attendance for Staff

Panel: TBA

Date: TBA **Philip Services Corporation (Motion)**

s. 127

K. Manarin in attendance for Staff

Panel: TBA

January 30, 2003 **Mark Edward Valentine**

10:00 a.m. s. 127
 A. Clark in attendance for Staff
 Panel: HIW/RWD/DB

January 31, 2003 **Universal Settlements International Inc.**

9:30 a.m. s. 127
 Y. Chisolm in attendance for Staff
 Panel: PMM/KDA

February 14, 2003 **ATI Technologies Inc. et al**

9:30 a.m. s. 127
 M. Britton in attendance for Staff
 Panel: TBA

February 14, 2003 **Jack Banks A.K.A. Jacques Benquesus and Larry Weltman**

10:00 a.m. s. 127
 K. Manarin in attendance for Staff
 Panel: PMM/KDA/MTM

February 17 and 18, 2003 **Offshore Marketing Alliance and Warren English**

10:00 a.m. s. 127
 A. Clark in attendance for Staff
 Panel: TBA

February 17 to 21, 2003 and February 25 to 28, 2003. **Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.**

s. 127
 Y. Chisolm in attendance for Staff
 Except, February 18, 2003 at 2:30 p.m. Panel: TBA

April 2003 **Phoenix Research and Trading Corporation, Ronald Mock and Stephen Duthie**

s. 127
 T. Pratt in attendance for Staff
 Panel: TBA

ADJOURNED SINE DIE

Buckingham Securities Corporation, Lloyd Bruce, David Bromberg, Harold Seidel, Rampart Securities Inc., W.D. Latimer Co. Limited, Canaccord Capital Corporation, BMO Nesbitt Burns Inc., Bear, Stearns & Co. Inc., Dundee Securities Corporation, Caldwell Securities Limited and B2B Trust

DJL Capital Corp. and Dennis John Little

Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall, DJL Capital Corp., Dennis John Little and Benjamin Emile Poirier

Global Privacy Management Trust and Robert Cranston

Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation

M.C.J.C. Holdings Inc. and Michael Cowpland

Philip Services Corporation

Rampart Securities Inc.

Robert Thomislav Adzija, Larry Allen Ayres, David Arthur Bending, Marlene Berry, Douglas Cross, Allan Joseph Dorsey, Allan Eizenga, Guy Fangeat, Richard Jules Fangeat, Michael Hersey, George Edward Holmes, Todd Michael Johnston, Michael Thomas Peter Kennelly, John Douglas Kirby, Ernest Kiss, Arthur Krick, Frank Alan Latam, Brian Lawrence, Luke John Mcgee, Ron Masschaele, John Newman, Randall Novak, Normand Riopelle, Robert Louis Rizzuto, And Michael Vaughan

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

1.1.2 Quarterly Summary of OSC Bulletin Publications

SUMMARY OF PUBLICATIONS

PUBLICATION BY DATE PUBLISHED

January 11, 2002

(2002) 25 OSCB 112
(2002) 25 OSCB 112

CSA Staff Notice **52-303** Non-GAAP Earnings Measures
Notice of Proposed Rule **62-501** Under the Securities Act and Amendment to Ontario Securities Policy **62-601** Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid/**Correction**
OSC Staff Notice Regarding Appendix A to the Notice of Proposed Multilateral Instrument **33-109** Comment Table

January 18, 2002

(2002) 25 OSCB 267

OSC Staff Notice **11-715** Policy Reformulation Project - Table of Concordance

January 25, 2002

(2002) 25 OSCB 432

Notice of Commission Approval - Amendment to IDA **By-Law No. 3** Entrance, Annual and Other Fees

(2002) 25 OSCB 432

Notice of Commission Approval - Amendment to IDA **Policy No. 2** Minimum Standards for Retail Account Supervision

(2002) 25 OSCB 433

Short Notice - Amendment to National Policy **43-201** Mutual Reliance Review System for Prospectuses and Annual Information Forms

(2002) 25 OSCB 485

Notice of Amendments to National Policy **43-201** Mutual Reliance Review System for Prospectuses and Annual Information Forms

(2002) 25 OSCB 505

Proposed National Instrument **51-101** Standards of Disclosure for Oil and Gas Activities and Proposed Repeal of National Policy Statement No. **2-B** and Proposed Consequential Amendments/**Request for Comments**

February 1, 2002

(2002) 25 OSCB 630

Short Notice - Notice of Commission Adoption of Amendments to **OSC Policy 1.7** The Securities Advisory Committee to the OSC (OSC Policy **11-601**)

(2002) 25 OSCB 683

Notice of Amendments to Ontario Securities Commission Policy under the Securities Act - **OSC Policy 1.7** The Securities Advisory Committee to the OSC (OSC Policy **11-601**)

February 8, 2002

(2002) 25 OSCB 811

CSA Staff Notice **43-303** Frequently Asked Questions (Revised February 8, 2002) re National Instrument **43-101** Standards of Disclosure for Mineral Projects

February 15, 2002

(2002) 25 OSCB 890

CSA Staff Notice **55-305** System for Electronic Disclosure by Insiders (SEDI) National Instrument **55-102** - Interim Requirements for Insiders and Issuers Affected by Suspension of SEDI Operation

(2002) 25 OSCB 891

Notice of Approval - Recognition of Market Regulation Services Inc.

(2002) 25 OSCB 892

Application for Recognition of RS Inc. - Summary of Comments Received

(2002) 25 OSCB 896

Memorandum of Understanding Regarding Oversight of Market Regulation Services Inc.

(2002) 25 OSCB 905

Short Notice - Notice of Minister of Finance Approval of an Amendment to OSC Rule **61-501**

(2002) 25 OSCB 943

Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions
Amendment to Ontario Securities Commission Rule **61-501** Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions

February 22, 2002

(2002) 25 OSCB 1060

Notice of Commission Approval - Amendment to IDA Regulation **100.2(f)(i)** Relating to Margin Requirements for Listed Securities

March 1, 2002

(2002) 25 OSCB 1201

OSC Staff Notice **52-713** Report on Staff's Review of Interim Financial Statements and Interim MD&A

(2002) 25 OSCB 1227

CSA Concept Proposal **81-402** - Striking a New Balance: A Framework for Regulating Mutual Funds and Their Managers/**Request for Comments**

(2002) 25 OSCB 1267

Background to Concept Proposal **81-402** - The Canadian Mutual Fund Industry: Its Experience With and Attitudes Toward Mutual Fund Reorganization/**Request for Comments**

(2002) 25 OSCB 1351 Notice of Commission Approval - Amendments to IDA **By-Law No. 29.27** Regarding Supervision and Compliance

March 15, 2002

(2002) 25 OSCB 1465 CSA Staff Notice **44-301** - Frequently Asked Questions Regarding the New Prospectus Rules

March 22, 2002

(2002) 25 OSCB 1577 CSA Staff Notice **55-306** Applications for Relief from Insider Reporting Requirements by Certain Vice-Presidents

(2002) 25 OSCB 1579 CSA Staff Notice **55-307** Reminder to File Paper Insider Reports Using the Correct Codes

(2002) 25 OSCB 1580 CSA Staff Notice **72-301** Distributions Outside the Local Jurisdiction - Proposed Multilateral Instrument **72-101**

March 29, 2002

(2002) 25 OSCB 1716 OSC Staff Notice **45-702** Frequently Asked Questions Concerning OSC Rule **45-501** Exempt Distributions

(2002) 25 OSCB 1719 CSA Staff Notice **57-301** Failing to File Management Statements on Time - Management Cease Trade Orders

(2002) 25 OSCB 1722 Notice of Commission Approval - Amendment to IDA Policy **No. 5** Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets

(2002) 25 OSCB 1807 TSE Notice of Consequential Amendments and Implementation of Attribution Choices and Undisclosed Volume

(2002) 25 OSCB 1811 IDA Policy **No. 5** Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets

April 5, 2002

(2002) 25 OSCB 1821 Notice of Commission Approval - Amendment to IDA **By-Law 7.1**

(2002) 25 OSCB 1822 Short Notice - Notice of Amendment to Rules Under the Securities Act *In the Matter of Certain Reporting Issuers*

(2002) 25 OSCB 1822 Short Notice - Notice of Commission Approval of National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument **54-102** Interim Financial Statement and Report Exemption

(2002) 25 OSCB 1863 Notice of National Instrument **54-101** and Companion Policy **54-101CP** Communication with Beneficial Owners of Securities of a Reporting Issuer

(2002) 25 OSCB 1875 National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer, Form **54-101F1** Explanation to Clients and Client Response Form, Form **54-101F2** Request for Beneficial Ownership Information, Form **54-101F3** Omnibus Proxy (Depositories), Form **54-101F4** Omnibus Proxy (Proximate Intermediaries), Form **54-101F5** Electronic Format for NOBO List, Form **54-101F6** Request for Voting Instructions Made by Reporting Issuer, Form **54-101F7** Request for Voting Instructions Made by Intermediary, Form **54-101F8** Legal Proxy and Form **54-101F9** Undertaking

(2002) 25 OSCB 1908 Companion Policy **54-101CP** to National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer

(2002) 25 OSCB 1917 Notice of National Instrument **54-102** Interim Financial Statement and Report Exemption

(2002) 25 OSCB 1920 National Instrument **54-102** Interim Financial Statement and Report Exemption

(2002) 25 OSCB 1924 Notice of Amendment and Amendment to Rules Under the Securities Act *In the Matter of Certain Reporting Issuers*

April 12, 2002

(2002) 25 OSCB 1996 Quarterly Summary of OSC Bulletin Publications - Summary of Publications

(2002) 25 OSCB 2001 OSC Staff Notice **11-716** Policy Reformulation Project - Table of Concordance

(2002) 25 OSCB 2036 Short Notice - Notice of OSC Policy **41-601** Capital Pool Companies and the CPC Operating Agreement

(2002) 25 OSCB 2036 Short Notice - Notice of Minister of Finance Approval of Memorandum of Understanding regarding the Oversight of Market Regulation Services Inc.

(2002) 25 OSCB 2073 Notice and Ontario Securities Commission Policy **41-601** Capital Pool Companies

(2002) 25 OSCB 2078 Publication of Certain Ancillary Documents in Connection with OSC Policy **41-601**

(2002) 25 OSCB 2079 CPC Operating Agreement

April 19, 2002

(2002) 25 OSCB 2203 CSA Staff Notice **41-303** Harmonization of Prospectus Requirements Across the CSA

(2002) 25 OSCB 2204 Notice of OSC Approval of TSE **By-Law Number 2** - A By-Law Concerning Appeals to the Board of Directors of The Toronto Stock Exchange Inc.

(2002) 25 OSCB 2317 Proposed Amendment to IDA **By-Law 16** Elimination of the Top 20 Regulatory Reporting

(2002) 25 OSCB 2319 Proposed Amendment to IDA **By-Law 29.26** Leverage Disclosure
(2002) 25 OSCB 2321 Proposed Amendment to IDA **By-Law 28** Discretionary Trust Fund
(2002) 25 OSCB 2323 Proposed Amendments to IDA Regulation **100.4c** Capital and Margin Requirements for an Offset
(2002) 25 OSCB 2329 Notice of Approval - TSE **By-Law No. 2** - A By-Law Concerning Appeals to the Board of Directors of The Toronto Stock Exchange Inc.

April 26, 2002

(2002) 25 OSCB 2337 Short Notice - The Toronto Stock Exchange - Amendments to Corporate Governance Policy/**Request for Comments**
(2002) 25 OSCB 2476 TSX **Request for Comments** - Corporate Governance Policy - Proposed New Disclosure Requirement and Amended Guidelines

May 3, 2002

(2002) 25 OSCB 2489 OSC Notice **51-707** OSC Continuous Disclosure Advisory Committee
(2002) 25 OSCB 2490 Notice of Correction - Notice of National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument **54-102** Interim Financial Statement and Report Exemption

May 10, 2002

(2002) 25 OSCB 2626 CSA Notice **13-310** Securities Regulatory Authority Closed Dates 2002
(2002) 25 OSCB 2627 OSC Staff Notice **31-705** Common Renewal Date

May 17, 2002

(2002) 25 OSCB 2791 OSC Notice **11-717** Securities Advisory Committee - OSC Policy **11-601**
(2002) 25 OSCB 2792 Short Notice - Notice of Amendment to Rules Under the Securities Act *In the Matter of Certain Reporting Issuers*
(2002) 25 OSCB 2825 Notice of Amendment and Amendment to Rules Under the Securities Act *In the Matter of Certain Reporting Issuers*

May 31, 2002

(2002) 25 OSCB (Supp) Five Year Review Committee Draft Report
(2002) 25 OSCB 3049 Short Notice - Notice of Rule **62-501** Under the Securities Act and Amendment to OSC Policy **62-601** - Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-over Bid
(2002) 25 OSCB 3099 Notice of Rule **62-501** Under the Securities Act and Amendment to OSC Policy **62-601** - Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-over Bid
(2002) 25 OSCB 3100 OSC Rule **62-501** Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-over Bid
(2002) 25 OSCB 3100 Amendment to Ontario Securities Commission Policy **62-601**
(2002) 25 OSCB 3151 Withdrawal of Proposed IDA **By-Law 29.6A** Referral Arrangements and Commission Splitting

June 7, 2002

(2002) 25 OSCB 3303 Notice of OSC Approval of Amendment to IDA Constitution
(2002) 25 OSCB 3303 Notice of OSC Approval of Amendments to IDA **By-Law 29.26** Regarding Leverage Disclosure

June 14, 2002

(2002) 25 OSCB 3313 Short Notice - Notice of Minister of Finance Approval of National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument **54-102** Interim Financial Statement and Report Exemption
(2002) 25 OSCB 3314 Short Notice of Request for Comments - National Registration Database Proposed Multilateral Instrument **31-102**, Companion Policy **31-102CP**, Proposed Ontario Securities Commission Rule **31-509** (*Commodity Futures Act*) and Companion Policy **31-509CP/Request for Comments**
(2002) 25 OSCB 3314 Short Notice of Request for Comments - Registration Information Proposed Multilateral Instrument **33-109**, Companion Policy **33-109CP**, Proposed Ontario Securities Commission Rule **33-506** (*Commodity Futures Act*) and Companion Policy **33-506CP/Request for Comments**
(2002) 25 OSCB 3315 Short Notice - OSC Policy **41-601** Capital Pool Companies and Ministerial Approval of the CPC Operating Agreement

- (2002) 25 OSCB 3361 National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer, Form **54-101F1** Explanation to Clients and Client Response Form, Form **54-101F2** Request for Beneficial Ownership Information, Form **54-101F3** Omnibus Proxy (Depositories), Form **54-101F4** Omnibus Proxy (Proximate Intermediaries), Form **54-101F5** Electronic Format for NOBO List, Form **54-101F6** Request for Voting Instructions Made by Reporting Issuer, Form **54-101F7** Request for Voting Instructions Made by Intermediary, Form **54-101F8** Legal Proxy and Form **54-101F9** Undertaking
- (2002) 25 OSCB 3394 Companion Policy **54-101CP** to National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer
- (2002) 25 OSCB 3402 National Instrument **54-102** Interim Financial Statement and Report Exemption
- (2002) 25 OSCB 3405 Republication for Comment of Proposed Multilateral Instrument **31-102** and Companion Policy **31-102CP** National Registration Database (NRD)/**Request for Comments**
- (2002) 25 OSCB 3425 Multilateral Instrument **31-102** National Registration Database (NRD), Form **31-102F1** Enrolment Form - Firm Filer, Form **31-102F2** Enrolment of Chief Authorized Firm Representative and Form **31-102F3** Account Holder Authorization, and Companion Policy **31-102CP** to Multilateral Instrument **31-102/Request for Comments**
- (2002) 25 OSCB 3443 Republication for Comment of Proposed Ontario Securities Commission Rule **31-509** and Companion Policy **31-509CP** National Registration Database (NRD)/**Request for Comments**
- (2002) 25 OSCB 3445 Ontario Securities Commission Rule **31-509** National Registration Database (*Commodity Futures Act*), Form **31-509F1** Enrolment Form - Firm Filer, Form **31-509F2** Enrolment of Chief Authorized Firm Representative, Form **31-509F3** Account Holder Authorization, and Companion Policy **31-509CP/Request for Comments**
- (2002) 25 OSCB 3463 Republication for Comment of Proposed Multilateral Instrument **33-109** and Companion Policy **33-109CP** Registration Information/**Request for Comments**
- (2002) 25 OSCB 3475 Multilateral Instrument **33-109** Registration Information, Form **33-109F1** Notice of Termination, Form **33-109F2** Change or Surrender of Individual Categories, Form **33-109F3** Business Locations Other Than Head Office, Form **33-109F4** Registration Information for an Individual, Form **33-109F5** Change of Registration Information, and Companion Policy **33-109CP** to Multilateral Instrument **33-109/ Request for Comments**
- (2002) 25 OSCB 3515 Republication for Comment of Proposed Ontario Securities Commission Rule **33-506** (*Commodity Futures Act*) and Companion Policy **33-506CP** Registration Information/**Request for Comments**
- (2002) 25 OSCB 3517 Ontario Securities Commission Rule **33-506** Registration Information (*Commodity Futures Act*), Form **33-506F1** Notice of Termination, Form **33-506F2** Change or Surrender of Individual Categories, Form **33-506F3** Business Locations Other Than Head Office, Form **33-506F4** Registration Information for an Individual, Form **33-506F5** Change of Registration Information, and Companion Policy **33-506CP** to Ontario Securities Commission Rule **33-506** (*Commodity Futures Act*) Registration Information/**Request for Comments**
- (2002) 25 OSCB 3623 Notice of OSC Approval of Proposed IDA Regulation **100.21** Maximum Margin Required for Convertible Securities
- June 21, 2002
- (2002) 25 OSCB 3637 Short Notice - Notice of Request for Comments - Proposed National Instrument **51-102** and Companion Policy **51-102CP** Continuous Disclosure Obligations, Proposed OSC Rule **51-801** Implementing National Instrument **51-102** Continuous Disclosure, and Companion Policy **51-801CP/ Request for Comments**
- (2002) 25 OSCB 3638 Notice of Minister of Finance Approval to Final Amendments to Ontario Securities Commission Rules *In the Matter of Certain Reporting Issuers*
- (2002) 25 OSCB 3646 Short Notice - Notice of Request for Comments - Proposed National Instrument **71-102** and Companion Policy **71-102CP** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, and Proposed Ontario Securities Commission Rule **71-802** Implementing National Instrument **71-102/Request for Comments**
- (2002) 25 OSCB 3699 Amendment to Ontario Securities Commission Rules *In the Matter of Certain Reporting Issuers*

- (2002) 25 OSCB 3701 Notice and Request for Comment - Proposed National Instrument **51-102**, Form **51-102F1** Annual Information Form (AIF), Form **51-102F2** Management Discussion & Analysis (MD&A), Form **51-102F3** Material Change Report, Form **51-102F4** Business Acquisition Report, Form **51-102F5** Information Circular, Form **51-102F6** Statement of Executive Compensation, and Companion Policy **51-102CP** to National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Multilateral Instrument **45-102** Resale of Securities, Proposed Revocation of National Instrument **62-102** Disclosure of Outstanding Share Data, Proposed Rescission of National Policy **No. 3** Unacceptable Auditors, National Policy **No. 27** Canadian Generally Accepted Accounting Principles, National Policy **No. 31** Change of Auditors of a Reporting Issuer, and National Policy **No. 50** Reservations in an Auditor's Report/**Request for Comments**
- (2002) 25 OSCB 3718 National Instrument **51-102** Continuous Disclosure Obligations/**Request for Comments**
- (2002) 25 OSCB 3817 Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**
- (2002) 25 OSCB 3820 Ontario Securities Commission Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations/**Request for Comments**
- (2002) 25 OSCB 3823 Notice and Request for Comment - Proposed National Instrument **71-102** and Companion Policy **71-102CP** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**
- (2002) 25 OSCB 3833 National Instrument **71-102** and Companion Policy **71-102CP** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**
- (2002) 25 OSCB 3854 Notice and Request for Comment - Proposed Rule **71-802** Implementing National Instrument **71-102** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**
- (2002) 25 OSCB 3856 Rule **71-802** Implementing National Instrument **71-102** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**
- June 28, 2002
- (2002) 25 OSCB 3949 OSC Staff Notice **15-702** Credit for Cooperation
- (2002) 25 OSCB 3951 CSA Staff Notice **45-302** Frequently Asked Questions Regarding the New Resale Rules
- (2002) 25 OSCB 3955 CSA Staff Notice **43-304**, **62-302** and **81-308** Prospectus Filing Matters - Arthur Andersen LLP Consent
- (2002) 25 OSCB 4035 Notice of National Policy **46-201** Escrow for Initial Public Offerings and Form **46-201F1** Escrow Agreement, and Notice of Rescission of Ontario Securities Commission Policy **5.9** Escrow Guidelines - Industrial Issuers
- (2002) 25 OSCB 4038 National Policy **46-201** Escrow for Initial Public Offerings
- (2002) 25 OSCB 4067 Notice of Proposed Rule **13-502** Fees, Companion Policy **13-502CP** Fees, Form **13-502F1**, Form **13-502F2**, and Form **13-502F3/Request for Comments**
- (2002) 25 OSCB 4086 Ontario Securities Commission Rule **13-502** Fees, Companion Policy **13-502CP** Fees, Form **13-502F1** Annual Participation Fee for Reporting Issuers, Form **13-502F2** Adjustment of Fee Payment Under Subsection 2.4(2) of Rule **13-502** and Form **13-502F3** Participation Fee Calculation for Registrant Firms and Unregistered Fund Managers/**Request for Comments**
- (2002) 25 OSCB 4189 TSX Notice to Participating Organizations
- (2002) 25 OSCB 4190 TSX **Request for Comments** - The Proposed Market-on-Close System
- July 5, 2002
- (2002) 25 OSCB 4207 OSC Notice **45-704** OSC Small Business Advisory
- (2002) 25 OSCB 4329 Proposed IDA **By-Law 29.6A** Referral Arrangements
- (2002) 25 OSCB 4336 Proposed IDA **By-Law No. 11** Analyst Standards
- (2002) 25 OSCB 4344 Notice of OSC Approval of Amendments to IDA **By-Law 16** Elimination of the Top 20 Report
- (2002) 25 OSCB 4345 Proposed Amendment to IDA Regulation **100** to Specifically Address the Capital and Margin Requirements for Capital Trust Securities
- (2002) 25 OSCB 4347 Proposed Amendment to IDA Regulation **200** Minimum Records
- (2002) 25 OSCB 4350 TSX **Request for Comments** - Cross Interference Exempt Marker

July 12, 2002

- (2002) 25 OSCB 4364 Short Notice - Amendment to National Policy **12-201** Mutual Reliance Review System for Exemptive Relief Applications
- (2002) 25 OSCB 4366 Short Notice - Notice of National Policy **51-201** Disclosure Standards
- (2002) 25 OSCB 4445 CSA Notice of Amendments to National Policy **12-201** Mutual Reliance Review System for Exemptive Relief Applications (the System)
- (2002) 25 OSCB 4447 National Policy **12-201** Mutual Reliance Review System for Exemptive Relief Applications (the System)
- (2002) 25 OSCB 4459 Notice of Policy under the Securities Act - National Policy **51-201** Disclosure Standards and Rescission of National Policy **40** Timely Disclosure
- (2002) 25 OSCB 4492 National Policy **51-201** Disclosure Standards
- (2002) 25 OSCB 4601 IDA - Proposed Regulation Amendment to Inter-Dealer bond Brokerage Systems
- (2002) 25 OSCB 4605 IDA Proposed Amendment to **By-Law 11**
- (2002) 25 OSCB 4606 IDA Proposed Amendments to **Policy 8**

July 19, 2002

- (2002) 25 OSCB 4637 OSC Staff Notice **11-718** Policy Reformulation Project - Table of Concordance
- (2002) 25 OSCB 4671 Short Notice of Request for Comments - Proposed Amendments to National Instrument **81-102** and Company Policy **81-102CP** Mutual Funds and to National Instrument **81-101** Mutual Fund Prospectus Disclosure, Form **81-101F1** Contents of Simplified Prospectus and Form **81-101F2** Contents of Annual Information Form/**Request for Comments**
- (2002) 25 OSCB 4705 Notice of OSC Approval of Amendments to IDA **By-Law No. 15** Regarding the Provisions of Financial Assistance by the IDA to Securities Industry Organizations and Securities Regulatory Organizations
- Notice of Proposed Amendments to National Instrument **81-102** and Companion Policy **81-102CP** Mutual Funds, and to National Instrument **81-101** Mutual Fund Prospectus Disclosure and Form **81-101F1** Contents of Simplified Prospectus and Form **81-101F2** Contents of Annual Information Form/ **Request for Comments**
- (2002) 25 OSCB 4713 Amendment to National Instrument **81-102** and Companion Policy **81-102CP** Mutual Funds/**Request for Comments**
- (2002) 25 OSCB 4720 Amendment to National Instrument **81-101** Mutual Funds Prospectus Disclosure, Form **81-101F1** Contents of Simplified Prospectus Disclosure and Form **81-101F2** Contents of Annual Information Form/**Request for Comments**
- (2002) 25 OSCB 4810 IDA - Centre for the Financial Services Ombudsnetwork (CFSON) and the Securities Industry Ombudsperson
- (2002) 25 OSCB 4813 IDA **By-Law No. 15** Association Accounts and Funds and Execution of Instruments

July 26, 2002

- (2002) 25 OSCB 4820 Short Notice - Canadian Trading and Quotation System Application for Recognition as a Quotation and Trade Reporting System
- (2002) 25 OSCB 4821 Short Notice - TSX Inc. (Formerly The Toronto Stock Exchange Inc.) Reorganization and Initial Public Offering
- (2002) 25 OSCB 4933 Notice and **Request for Comment** - Application for Recognition of Canadian Trading and Quotation System Inc.
- (2002) 25 OSCB 4934 Canadian Trading and Quotation System Inc. Application Letter
- (2002) 25 OSCB 4939 Canadian Trading and Quotation System Inc. Policies
- (2002) 25 OSCB 4966 Canadian Trading and Quotation System Inc. Rules
- (2002) 25 OSCB 4988 Canadian Trading and Quotation System Inc. Order
- (2002) 25 OSCB 4995 Notice and **Request for Comment** - TSX Inc. (Formerly The Toronto Stock Exchange Inc.) - Reorganization and Initial Public Offering
- (2002) 25 OSCB 4998 TSX Inc. (Formerly The Toronto Stock Exchange Inc.) - Reorganization and Initial Public Offering

August 2, 2002

- (2002) 25 OSCB 5062 The Toronto Stock Exchange Amendments to Parts V, VI and VII of The Toronto Stock Exchange Company Manual/**Request for Comments**
- (2002) 25 OSCB 5063 OSC Staff Notice No. **33-720** - 2001 National Compliance Review (NCR)
- (2002) 25 OSCB 5066 Short Notice - Amendments to IDA Regulation **400.1** Mail Insurance - Notice of Commission Approval
- (2002) 25 OSCB 5201 Toronto Stock Exchange - **Request for Comments** - Amendments to Parts V, VI and VII of The Toronto Stock Exchange Company Manual in Respect of Non-Exempt Issuers, Changes in Structure of Issuers' Capital and Delisting Procedures
- (2002) 25 OSCB 5249 IDA Amendment to Regulation **400.1** Mail Insurance Requirement

August 9, 2002

- (2002) 25 OSCB 5272 Short Notice - Notice of Request for Comments - Proposed Amendments to National Policy **11-201** Delivery of Documents by Electronic Means/**Request for Comments**
- (2002) 25 OSCB 5273 Short Notice of Rule - Multilateral Instrument **81-104** and Companion Policy **81-104CP** Commodity Pools
- (2002) 25 OSCB 5273 **Request for Comments** - Amendments to the Rules and Policies of the Toronto Stock Exchange/**Request for Comments**
- (2002) 25 OSCB 5274 Short Notice of Minister of Finance Approval for Ontario Securities Commission Rule **62-501** Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid
- (2002) 25 OSCB 5274 Short Notice - Amendment to Ontario Securities Commission Policy **62-601** Take-Over Bids - Miscellaneous Guidelines
- (2002) 25 OSCB 5337 Notice of Rule, Multilateral Instrument **81-104** and Companion Policy **81-104CP** Commodity Pools
- (2002) 25 OSCB 5342 Multilateral Instrument **81-104** and Companion Policy **81-104CP** Commodity Pools
- (2002) 25 OSCB 5356 Ontario Securities Commission Rule **62-501** Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid
- (2002) 25 OSCB 5357 Amendment to Ontario Securities Commission Policy **62-601** Take-Over Bids - Miscellaneous Guidelines
- (2002) 25 OSCB 5359 Notice - Proposed Amendments to National Policy **11-201** Delivery of Documents by Electronic Means/**Request for Comments**
- (2002) 25 OSCB 5364 Amendments to National Policy **11-201** Delivery of Documents by Electronic Means/**Request for Comments**
- (2002) 25 OSCB 5413 TSX **Request for Comments** - Amendments to the Rules and Policies of The Toronto Stock Exchange
- (2002) 25 OSCB 5419 Amendments to the Rules and Policies of The Toronto Stock Exchange

August 16, 2002

- (2002) 25 OSCB 5552 CSA Staff Notice **52-304** and **81-309** Application of National Policy **31** *Change of Auditor of a Reporting Issuer* and National Instrument **81-104** *Mutual Funds* When A Reporting Issuer Appoints A New Auditor As A Result of Arthur Andersen LLP - Canada Ceasing to Practise Public Accounting
- (2002) 25 OSCB 5553 Amendments to IDA **By-Law 28** Discretionary Trust Fund - Notice of Commission Approval
- (2002) 25 OSCB 5555 OSC Staff Notice **51-708** Continuous Disclosure Review Program Report - August 2002
- (2002) 25 OSCB 5689 IDA **By-Law 28** Discretionary Trust Fund
- (2002) 25 OSCB 5690 Amendment to IDA **By-Law No. 28** - Discretionary Trust Fund

August 23, 2002

- (2002) 25 OSCB 5698 Approval of Amendments to IDA Regulation **100.4C** - Capital and Margin Requirements for an Offset Involving Canadian Bank Acceptances and the Three-Month Canadian Bank Acceptance Futures Contract - Notice of Commission Approval

September 6, 2002

- (2002) 25 OSCB 5921 Short Notice of Commission Approval of Amendment to IDA **By-law 8** - Resignations, Amalgamations, etc.
- (2002) 25 OSCB 6011 IDA **By-law 8** - Resignations and Amalgamations, etc. - Housekeeping Amendment

September 13, 2002

- (2002) 25 OSCB 6021 Short Notice of Commission Approval - TSX Inc. (formerly The Toronto Stock Exchange Inc.) - Reorganization and Initial Public Offering
- (2002) 25 OSCB 6021 Short Notice of Commission Approval of Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems
- (2002) 25 OSCB 6131 Notice of Commission Approval - TSX Inc. (formerly The Toronto Stock Exchange Inc.) - Reorganization and Initial Public Offering
- (2002) 25 OSCB 6134 TSX Group Inc. and TSX Inc. - Recognition Order
- (2002) 25 OSCB 6144 TSX Inc. and TSX Group Inc. - Order
- (2002) 25 OSCB 6145 Ontario Regulation made under the Securities Act - Toronto Stock Exchange Inc.
- (2002) 25 OSCB 6145 TSX Venture Exchange Inc. - Exemption Order
- (2002) 25 OSCB 6186 Letter to Stephen Sibold, Chair, Alberta Securities Commission, and Douglas M. Hyndman, Chair, British Columbia Securities Commission

September 20, 2002

- (2002) 25 OSCB 6197 Short Notice of Request for Comments - Proposed National Instrument **81-106** and Companion Policy **81-106CP** Investment Fund Continuous Disclosure, and Form **81-106F1** Contents of Annual and Quarterly Management Reports of Fund Performance/**Request for Comments**
- (2002) 25 OSCB 6198 Short Notice - Notice of Commission Approval of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans and OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario
- (2002) 25 OSCB 6198 CSA Staff Notice **31-305** Registration Streamlining System
- (2002) 25 OSCB 6261 Notice of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans and to OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario
- (2002) 25 OSCB 6273 Notice of Request for Comments - Proposed National Instrument **81-106** and Companion Policy **81-106CP** Investment Fund Continuous Disclosure, and Form **81-106F1** Contents of Annual and Quarterly Management Reports of Fund Performance/**Request for Comments**
- (2002) 25 OSCB 6281 National Instrument **81-106**, Companion Policy **81-106CP** Investment Fund Continuous Disclosure, and Form **81-106F1** Contents of Annual and Quarterly Management Reports of Fund Performance/ **Request for Comments**
- (2002) 25 OSCB 6321 Amendment to National Instrument **81-101** Mutual Fund Prospectus Disclosure, Form **81-101F1** Contents of Simplified Prospectus, Form **81-101F2** Contents of Annual Information Form and Companion Policy **81-101CP/Request for Comments**
- (2002) 25 OSCB 6324 Amendment to National Instrument **81-102** Mutual Funds and Companion Policy **81-102CP/Request for Comments**
- (2002) 25 OSCB 6326 Amendment to National Instrument **13-101** System for Electronic Document Analysis and Retrieval (SEDAR)/**Request for Comments**
- (2002) 25 OSCB 6327 Amendment to Ontario Securities Commission Rule **41-502** Prospectus Requirements for Mutual Funds/**Request for Comments**

September 27, 2002

- (2002) 25 OSCB 6474 IDA **Policy 8** Regarding Reporting and Record Keeping Requirements - Notice of Commission Approval

October 4, 2002

- (2002) 25 OSCB 6611 Notice of Commission Approval – Proposed Amendments to IDA **By-Law 11** District Councils and Meetings

October 11, 2002

- (2002) 25 OSCB 6619 CSA Staff Notice **31-306** National Registration Database (NRD) – NRD to Launch March 31, 2003
- (2002) 25 OSCB 6773 Market Regulation Services Inc. **Request for Comments** – Administrative and Editorial Amendments
- (2002) 25 OSCB 6776 Market Regulation Services Inc. **Request for Comments** – Accommodation of Anonymous Orders
- (2002) 25 OSCB 6778 Market Regulation Services Inc. **Request for Comments** – Definition of "Employee"
- (2002) 25 OSCB 6780 Market Regulation Services Inc. **Request for Comments** – Public Access to Hearings

October 18, 2002

- (2002) 25 OSCB 6790 Short Notice – Notice of Amendments to National Instrument **14-101** Definitions
- (2002) 25 OSCB 6839 Notice of Amendments to National Instrument **14-101** Definitions
- (2002) 25 OSCB 6840 Amendments to National Instrument **14-101** Definitions
- (2002) 25 OSCB 6938 Notice of Commission Approval – Amendments to IDA Policy **No. 7** Partners, Directors and Officers
- (2002) 25 OSCB 6939 Notice of Commission Approval – Amendments to IDA Regulation **2100.6** Inter-Dealer Brokerage Systems

October 25, 2002

- (2002) 25 OSCB 6955 Short Notice – Notice of Minister of Finance Approval of Multilateral Instrument **81-104** Commodity Pools
- (2002) 25 OSCB 6956 OSC Staff Notice **51-709** Refilings and Corrections of Errors as a Result of Regulatory Reviews
- (2002) 25 OSCB 6997 Multilateral Instrument **81-104** Commodity Pools
- (2002) 25 OSCB 7097 Notice of Commission Approval of Amendments to IDA Regulation **100.12** – Capital and Margin Requirements for Capital Trust Securities

November 1, 2002

- (2002) 25 OSCB 7103 Quarterly Summary of OSC Bulletin Publications
(2002) 25 OSCB 7126 OSC Staff Notice **11-720** Policy Reformulation Table of Concordance and List of New Instruments
(2002) 25 OSCB 7157 Short Notice – Notice of Request for Comments – Proposed Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants, and Proposed Rule **45-801** Implementing Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants/**Request for Comments**
(2002) 25 OSCB 7157 Notice of IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information
(2002) 25 OSCB 7205 Proposed Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants/**Request for Comment**
(2002) 25 OSCB 7210 Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants/**Request for Comment**
(2002) 25 OSCB 7218 Notice and Request for Comments – Proposed Commission Rule **45-801** Implementing Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants/**Request for Comment**

November 8, 2002

- (2002) 25 OSCB 7277 Short Notice – Notice of Minister of Finance Approval of Multilateral Instrument **81-104** Commodity Pools – Correction
(2002) 25 OSCB 7277 CSA Staff Notice **51-304** Report on Staff's Review of Executive Compensation Disclosure – November 2002
(2002) 25 OSCB 7379 Notice of Commission Approval – Approval of Amendments to IDA **By-law 37** – Ombudsman for Banking Services and Investments
(2002) 25 OSCB 7382 Amendment to IDA **By-law 5** – Small Investments by Industry Investors in Another Member or Holding Company
(2002) 25 OSCB 7384 Amendments to IDA **By-laws 1.1, 29.3A, 29.28, 29.29** and **29.30** – Conflicts of Interest and Client Priority
(2002) 25 OSCB 7396 Amendment to IDA Regulation **800** – Trading and Delivery
(2002) 25 OSCB 7399 Amendments to IDA Policy **6** – Proficiency Requirements for Portfolio Managers and Futures Contracts Portfolio Managers
(2002) 25 OSCB 7402 Amendments to IDA Regulation **100** – Capital Share and Convertible and Exercisable Security Offsets
(2002) 25 OSCB 7416 Amendments to IDA Regulation **100** – Positions in and Offsets Involving Interest Rate and Total Performance Swaps
(2002) 25 OSCB 7426 Amendments to IDA **By-law 29.7** – Advertisement, Sales Literature and Correspondence

November 15, 2002

- (2002) 25 OSCB 7438 CSA Staff Notice **55-308** Questions on Insider Reporting
(2002) 25 OSCB 7459 Short Notice – Multilateral Instrument **31-102**, Companion Policy **31-102CP**, OSC Rule **31-509** and Companion Policy **31-509CP** – National Registration Database
(2002) 25 OSCB 7459 Short Notice – Multilateral Instrument **33-109**, Companion Policy **33-109CP**, OSC Rule **33-506** and Companion Policy **33-506CP** Registration Information
(2002) 25 OSCB 7460 Short Notice – Notice of Proposed Amendments to the Securities Act and Commodity Futures Act
(2002) 25 OSCB 7503 Notice and Commission Approval of Rule Under the Securities Act – Multilateral Instrument **31-102** and Companion Policy **31-102CP** National Registration Database
(2002) 25 OSCB 7509 Multilateral Instrument **31-102** National Registration Database
(2002) 25 OSCB 7517 Notice and Commission Approval of Rule Under the Commodity Futures Act – OSC Rule **31-509** (Commodity Futures Act) and Companion Policy **31-509CP** National Registration Database
(2002) 25 OSCB 7519 Ontario Securities Commission Rule **31-509** National Registration Database
(2002) 25 OSCB 7526 Notice and Commission Approval of Rule Under the Securities Act – Multilateral Instrument **33-109** and Companion Policy **33-109CP** Registration Information
(2002) 25 OSCB 7531 Multilateral Instrument **33-109** Registration Information
(2002) 25 OSCB 7582 Notice and Commission Approval of Rule Under the Commodity Futures Act – OSC Rule **33-506** (Commodity Futures Act) and Companion Policy **33-506CP** Registration Information
(2002) 25 OSCB 7583 Ontario Securities Commission Rule **33-506** (Commodity Futures Act) – Registration Information
(2002) 25 OSCB 7697 Notice of Proposed Amendments to the Securities Act and Commodity Futures Act
(2002) 25 OSCB 7698 Proposed Amendments to the Securities Act and Commodity Futures Act
(2002) 25 OSCB 7727 Amendments to Statements B and C of IDA Form 1 – Custodial Agreements
(2002) 25 OSCB 7742 Amendments to MFDA By-laws re Ombudsman Services

November 22, 2002

- (2002) 25 OSCB 7761 Short Notice of Minister of Finance Approval – Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems
- (2002) 25 OSCB 7761 Short Notice of Minister of Finance Approval of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans, OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario
- (2002) 25 OSCB 7762 Short Notice of Request for Comments – TSX Proposed Market-On-Close System/**Request for Comments**
- (2002) 25 OSCB 7837 Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans, OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario
- (2002) 25 OSCB 7927 Notice of Commission Approval – Approval of Amendments to IDA Regulation **100.2A** and **By-law 1** – Margin Requirements for Bonds with Embedded Options

November 29, 2002

- (2002) 25 OSCB 7971 CSA Notice **51-305** Canadian Capital Markets Association – Corporate Actions and Other Entitlements White Paper – October 2002
- (2002) 25 OSCB 7975 Short Notice of Amendments to the Securities Act and Commodity Futures Act
- (2002) 25 OSCB 7975 Short Notice of Amendments to OSC Rule **31-501** Registrant Relationships, OSC Rule **31-504** Applications for Registration and OSC Rule **35-502** Non-resident Advisers
- (2002) 25 OSCB 7976 Short Notice and Request for Comment – Application for Approval of MFDA Investor Protection Corporation/Corporation de Protection des Investisseurs de l'ACFM, Pursuant to s.110 of Reg. 1015 and MFDA Proposed Amendments to Rule **2.7** Advertising and Sales Communications and Proposed MFDA Policy Number **4** ("Advertising Relating to MFDA IPC Participation")/**Request for Comment**
- (2002) 25 OSCB 8007 Notice of Amendment to OSC Rule **31-501** Registrant Relationships Under the Securities Act
- (2002) 25 OSCB 8008 Amendment to OSC Rule **31-501** Registrant Relationships
- (2002) 25 OSCB 8009 Notice of Amendment to OSC Rule **31-504** Applications for Registration Under the Securities Act
- (2002) 25 OSCB 8010 Amendment to OSC Rule **31-504** Applications for Registration
- (2002) 25 OSCB 8011 Notice of Amendment to OSC Rule **35-502** Non-resident Advisers Under the Securities Act
- (2002) 25 OSCB 8012 Amendment to OSC Rule **35-502** Non-resident Advisers
- (2002) 25 OSCB 8071 Notice of Amendments to the Securities Act and Commodity Futures Act
- (2002) 25 OSCB 8072 Amendments to the Securities Act and Commodity Futures Act
- (2002) 25 OSCB 8095 Notice and Request for Comment - Application for Approval of MFDA Investor Protection Corporation/Corporation de Protection des Investisseurs de l'ACFM, Pursuant to s.110 of Reg. 1015/**Request for Comment**
- (2002) 25 OSCB 8097 MFDA Investor Protection Corporation Application Letter
- (2002) 25 OSCB 8131 MFDA Investor Protection Corporation Order

December 6, 2002

- (2002) 25 OSCB 8233 TSX **Request for Comments** – Specialty Price Crosses

December 13, 2002

- (2002) 25 OSCB 8341 Notice of Publication – IDA/CSA Market Survey on the Regulation of Fixed Income Markets
- (2002) 25 OSCB 8342 IDA/CSA Market Survey on Regulation of Fixed Income Markets
- (2002) 25 OSCB 8385 Notice of Publication of Materials Relating to Bourse de Montreal Inc. – Exemption from Recognition as a Stock Exchange, Exemption from Registration as a Commodity Futures Exchange and Exemption from Part 4 of OSC Rule **91-502** Trades in Recognized Options
- (2002) 25 OSCB 8386 Bourse de Montreal Inc. – Application for Exemption from Recognition as a Stock Exchange Under Section **21** of the Securities Act, for Exemption from Registration as a Commodity Futures Exchange Under Section **15** of the Commodity Futures Act and for Certain Ancillary Exemptions
- (2002) 25 OSCB 8389 Bourse de Montreal Inc. – Draft Exemption Order

December 20, 2002

- (2002) 25 OSCB 8409 Short Notice of Request for Comments – Proposed Amendments to OSC Rule **31-502** Proficiency Requirements for Registrants, OSC Rule **31-505** Conditions of Registration and OSC Rule **35-502** Non-Resident Advisers/**Request for Comments**
- (2002) 25 OSCB 8409 Short Notice of Minister of Finance Approval – IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information – Approval by Ontario Minister of Finance
- (2002) 25 OSCB 8410 OSC Staff Notice **11-719** A Risk-based Approach for More Effective Regulation

(2002) 25 OSCB 8418 Short Notice of Ministerial Approval – National Instrument **14-101** Definitions – Amendments
(2002) 25 OSCB 8461 Amendments to National Instrument **14-101** Definitions
(2002) 25 OSCB 8463 Notice of Request for Comments – Proposed Amendments to OSC Rule **31-502** Proficiency
Requirements for Registrants, OSC Rule **31-505** Conditions of Registration and OSC Rule
35-502 Non-Resident Advisers/**Request for Comments**

A. NOTICES

Local Notices

January 18, 2002
(2002) 25 OSCB 267

OSC Staff Notice **11-715** Policy Reformulation Project - Table of Concordance

March 1, 2002
(2002) 25 OSCB 1201

OSC Staff Notice **52-713** Report on Staff's Review of Interim Financial Statements and Interim MD&A

March 29, 2002
(2002) 25 OSCB 1716

OSC Staff Notice **45-702** Frequently Asked Questions Concerning OSC Rule **45-501** Exempt Distributions

April 12, 2002
(2002) 25 OSCB 2001

OSC Staff Notice **11-716** Policy Reformulation Project - Table of Concordance

May 3, 2002
(2002) 25 OSCB 2489

OSC Notice **51-707** OSC Continuous Disclosure Advisory Committee

May 10, 2002
(2002) 25 OSCB 2627

OSC Staff Notice **31-705** Common Renewal Date

May 17, 2002
(2002) 25 OSCB 2791

OSC Notice **11-717** Securities Advisory Committee - OSC Policy **11-601**

June 28, 2002
(2002) 25 OSCB 3949

OSC Staff Notice **15-702** Credit for Cooperation

July 5, 2002
(2002) 25 OSCB 4207

OSC Notice **45-704** OSC Small Business Advisory

July 19, 2002
(2002) 25 OSCB 4637

OSC Staff Notice **11-718** Policy Reformulation Project - Table of Concordance

August 2, 2002
(2002) 25 OSCB 5063

OSC Staff Notice No. **33-720** - 2001 National Compliance Review (NCR)

August 16, 2002
(2002) 25 OSCB 5555

OSC Staff Notice **51-708** Continuous Disclosure Review Program Report - August 2002

October 25, 2002
(2002) 25 OSCB 6956

OSC Staff Notice **51-709** Refilings and Corrections of Errors as a Result of Regulatory Reviews

November 1, 2002
(2002) 25 OSCB 7126

OSC Staff Notice **11-720** Policy Reformulation Table of Concordance and List of New Instruments

December 20, 2002
(2002) 25 OSCB 8410

OSC Staff Notice **11-719** A Risk-based Approach for More Effective Regulation

Canadian Securities Administrators' Notices

January 11, 2002
(2002) 25 OSCB 112

CSA Staff Notice **52-303** Non-GAAP Earnings Measures

February 8, 2002
(2002) 25 OSCB 811

CSA Staff Notice **43-303** Frequently Asked Questions (Revised February 8, 2002) re National Instrument **43-101** Standards of Disclosure for Mineral Projects

February 15, 2002
(2002) 25 OSCB 890

CSA Staff Notice **55-305** System for Electronic Disclosure by Insiders (SEDI) National Instrument **55-102** - Interim Requirements for Insiders and Issuers Affected by Suspension of SEDI Operation

March 1, 2002
(2002) 25 OSCB 1227

(2002) 25 OSCB 1267

CSA Concept Proposal **81-402** - Striking a New Balance: A Framework for Regulating Mutual Funds and Their Managers/**Request for Comments**
Background to Concept Proposal **81-402** - The Canadian Mutual Fund Industry: Its Experience With and Attitudes Toward Mutual Fund Reorganization/**Request for Comments**

March 15, 2002
(2000) 25 OSCB 1465

CSA Staff Notice **44-301** - Frequently Asked Questions Regarding the New Prospectus Rules

March 22, 2002
(2000) 25 OSCB 1577

CSA Staff Notice **55-306** Applications for Relief from Insider Reporting Requirements by Certain Vice-Presidents

(2000) 25 OSCB 1579
(2000) 25 OSCB 1580

CSA Staff Notice **55-307** Reminder to File Paper Insider Reports Using the Correct Codes
CSA Staff Notice **72-301** Distributions Outside the Local Jurisdiction - Proposed Multilateral Instrument **72-101**

March 29, 2002
(2002) 25 OSCB 1719

CSA Staff Notice **57-301** Failing to File Management Statements on Time - Management Cease Trade Orders

April 19, 2002
(2002) 25 OSCB 2203

CSA Staff Notice **41-303** Harmonization of Prospectus Requirements Across the CSA

May 10, 2002
(2002) 25 OSCB 2626

CSA Notice **13-310** Securities Regulatory Authority Closed Dates 2002

June 28, 2002
(2002) 25 OSCB 3951
(2002) 25 OSCB 3955

CSA Staff Notice **45-302** Frequently Asked Questions Regarding the New Resale Rules
CSA Staff Notice **43-304**, **62-302** and **81-308** Prospectus Filing Matters - Arthur Andersen LLP Consent

August 16, 2002
(2002) 25 OSCB 5552

CSA Staff Notice **52-304** and **81-309** Application of National Policy **31** *Change of Auditor of a Reporting Issuer* and National Instrument **81-104** *Mutual Funds When A Reporting Issuer Appoints A New Auditor As A Result of Arthur Andersen LLP - Canada Ceasing to Practise Public Accounting*

September 20, 2002
(2002) 25 OSCB 6198

CSA Staff Notice **31-305** Registration Streamlining System

October 11, 2002
(2002) 25 SCB 6619

CSA Staff Notice **31-306** National Registration Database (NRD) – NRD to Launch March 31, 2003

November 8, 2002
(2002) 25 OSCB 7277

CSA Staff Notice **51-304** Report on Staff's Review of Executive Compensation Disclosure – November 2002

November 15, 2002
(2002) 25 OSCB 7438

CSA Staff Notice **55-308** Questions on Insider Reporting

November 29, 2002
(2002) 25 OSCB 7971

CSA Notice **51-305** Canadian Capital Markets Association – Corporate Actions and Other Entitlements White Paper – October 2002

B. MEMORANDA OF UNDERSTANDING

February 15, 2002

(2002) 25 OSCB 891
(2002) 25 OSCB 892
(2002) 25 OSCB 896

Notice of Approval - Recognition of Market Regulation Services Inc.
Application for Recognition of RS Inc. - Summary of Comments Received
Memorandum of Understanding Regarding Oversight of Market Regulation Services Inc.

April 12, 2002

(2002) 25 OSCB 2036

Notice of Minister of Finance Approval of Memorandum of Understanding regarding the Oversight of Market Regulation Services Inc.

September 13, 2002

(2002) 25 OSCB 6021

Short Notice of Commission Approval of Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems

November 1, 2002

(2002) 25 OSCB 7157

Notice of IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information

November 22, 2002

(2002) 25 OSCB 7761

Short Notice of Minister of Finance Approval – Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems

December 20, 2002

(2002) 25 OSCB 8409

Short Notice of Minister of Finance Approval – IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information – Approval by Ontario Minister of Finance

C. RESCISSION OF POLICY STATEMENTS

Ontario Securities Commission Policy 5.9 Escrow Guidelines - Industrial Issuers

June 28, 2002

(2002) 25 OSCB 4035

Notice of National Policy **46-201** Escrow for Initial Public Offerings and Form **46-201F1** Escrow Agreement, and Notice of Rescission of Ontario Securities Commission Policy **5.9** Escrow Guidelines - Industrial Issuers

National Policy Statement No. 2-B Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators

January 25, 2002

(2002) 25 OSCB 505

Proposed National Instrument **51-101** Standards of Disclosure for Oil and Gas Activities and Proposed Repeal of National Policy Statement No. **2-B** and Proposed Consequential Amendments/**Request for Comments**

National Policy Statement No. 3 Unacceptable Auditors

June 21, 2002

(2002) 25 OSCB 3701

Notice and Request for Comment - Proposed National Instrument **51-102**, Form **51-102F1** Annual Information Form (AIF), Form **51-102F2** Management Discussion & Analysis (MD&A), Form **51-102F3** Material Change Report, Form **51-102F4** Business Acquisition Report, Form **51-102F5** Information Circular, Form **51-102F6** Statement of Executive Compensation, and Companion Policy **51-102CP** to National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Multilateral Instrument **45-102** Resale of Securities, Proposed Revocation of National Instrument **62-102** Disclosure of Outstanding Share Data, Proposed Rescission of National Policy **No. 3** Unacceptable Auditors, National Policy **No. 27** Canadian Generally Accepted Accounting Principles, National Policy **No. 31** Change of Auditors of a Reporting Issuer, and National Policy **No. 50** Reservations in an Auditor's Report/**Request for Comments**

National Policy Statement No. 27 Canadian Generally Accepted Accounting Principles

June 21, 2002

(2002) 25 OSCB 3701

Notice and Request for Comment - Proposed National Instrument **51-102**, Form **51-102F1** Annual Information Form (AIF), Form **51-102F2** Management Discussion & Analysis (MD&A), Form **51-102F3** Material Change Report, Form **51-102F4** Business Acquisition Report, Form **51-102F5** Information Circular, Form **51-102F6** Statement of Executive Compensation, and Companion Policy **51-102CP** to National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Multilateral Instrument **45-102** Resale of Securities, Proposed Revocation of National Instrument **62-102** Disclosure of Outstanding Share Data, Proposed Rescission of National Policy **No. 3** Unacceptable Auditors, National Policy **No. 27** Canadian Generally Accepted Accounting Principles, National Policy **No. 31** Change of Auditors of a Reporting Issuer, and National Policy **No. 50** Reservations in an Auditor's Report/**Request for Comments**

National Policy Statement No. 31 Change of Auditors of a Reporting Issuer

June 21, 2002

(2002) 25 OSCB 3701

Notice and Request for Comment - Proposed National Instrument **51-102**, Forms **51-102F1**, **51-102F2**, **51-102F3**, **51-102F4**, **51-102F5**, **51-102F6** and Companion Policy **51-102CP** Continuous Disclosure Obligations, Proposed Amendments to Multilateral Instrument **45-102** Resale of Securities, Proposed Revocation of National Instrument **62-102** Disclosure of Outstanding Share Data, Proposed Rescission of National Policy **No. 3** Unacceptable Auditors, National Policy **No. 27** Canadian Generally Accepted Accounting Principles, National Policy **No. 31** Change of Auditors of a Reporting Issuer, and National Policy **No. 50** Reservations in an Auditor's Report/**Request for Comments**

National Policy 40 Timely Disclosure

July 12, 2002

(2002) 25 OSCB 4459

Notice of Policy under the Securities Act - National Policy **51-201** Disclosure Standards and Rescission of National Policy **40** Timely Disclosure

National Policy Statement No. 50 Reservations in an Auditor's report

June 21, 2002

(2002) 25 OSCB 3701

Notice and Request for Comment - Proposed National Instrument **51-102**, Forms **51-102F1**, **51-102F2**, **51-102F3**, **51-102F4**, **51-102F5**, **51-102F6** and Companion Policy **51-102CP** Continuous Disclosure Obligations, Proposed Amendments to Multilateral Instrument **45-102** Resale of Securities, Proposed Revocation of National Instrument **62-102** Disclosure of Outstanding Share Data, Proposed Rescission of National Policy **No. 3** Unacceptable Auditors, National Policy **No. 27** Canadian Generally Accepted Accounting Principles, National Policy **No. 31** Change of Auditors of a Reporting Issuer, and National Policy **No. 50** Reservations in an Auditor's Report/**Request for Comments**

D.

PROCEDURE AND RELATED MATTERS

11-201 Delivery of Documents by Electronic Means

August 9, 2002

(2002) 25 OSCB 5272

Short Notice - Notice of Request for Comments - Proposed Amendments to National Policy **11-201** Delivery of Documents by Electronic Means/**Request for Comments**

(2002) 25 OSCB 5359

Notice - Proposed Amendments to National Policy **11-201** Delivery of Documents by Electronic Means/**Request for Comments**

(2002) 25 OSCB 5364

Amendments to National Policy **11-201** Delivery of Documents by Electronic Means/**Request for Comments**

11-601 The Securities Advisory Committee to the OSC

February 1, 2002

(2002) 25 OSCB 630

Short Notice - Notice of Commission Adoption of Amendments to **OSC Policy 1.7** The Securities Advisory Committee to the OSC (OSC Policy **11-601**)

(2002) 25 OSCB 683 Notice of Amendments to Ontario Securities Commission Policy under the Securities Act - **OSC Policy 1.7** The Securities Advisory Committee to the OSC (OSC Policy **11-601**)

12-201 Mutual Reliance Review System for Exemptive Relief Applications

July 12, 2002

(2002) 25 OSCB 4364 Short Notice - Amendment to National Policy **12-201** Mutual Reliance Review System for Exemptive Relief Applications

(2002) 25 OSCB 4445 CSA Notice of Amendments to National Policy **12-201** Mutual Reliance Review System for Exemptive Relief Applications (the System)

(2002) 25 OSCB 4447 National Policy **12-201** Mutual Reliance Review System for Exemptive Relief Applications (the System)

13-101 System for Electronic Document Analysis and Retrieval (SEDAR)

September 20, 2002

(2002) 25 OSCB 6326 Amendment to National Instrument **13-101** System for Electronic Document Analysis and Retrieval (SEDAR)/**Request for Comments**

13-502 13-502CP 13-502F1 13-502F2 13-502F3 Fees

June 28, 2002

(2002) 25 OSCB 4067 Notice of Proposed Rule **13-502** Fees, Companion Policy **13-502CP** Fees, Form **13-502F1**, Form **13-502F2** and Form **13-502F3/Request for Comments**

(2002) 25 OSCB 4086 Ontario Securities Commission Rule **13-502** Fees, Companion Policy **13-502CP** Fees, Form **13-502F1** Annual Participation Fee for Reporting Issuers, Form **13-502F2** Adjustment of Fee Payment Under Subsection 2.4(2) of Rule **13-502** and Form **13-502F3** Participation Fee Calculation for Registrant Firms and Unregistered Fund Managers/**Request for Comments**

14-101 Definitions

October 18, 2002

(2002) 25 OSCB 6790 Short Notice –Notice of Amendments to National Instrument **14-101** Definitions

(2002) 25 OSCB 6839 Notice of Amendments to National Instrument **14-101** Definitions

(2002) 25 OSCB 6840 Amendments to National Instrument **14-101** Definitions

December 20, 2002

(2002) 25 OSCB 8418 Short Notice of Ministerial Approval – National Instrument **14-101** Definitions – Amendments

(2002) 25 OSCB 8461 Amendments to National Instrument **14-101** Definitions

E. CERTAIN CAPITAL MARKET PARTICIPANTS

F. REGISTRATION REQUIREMENTS AND RELATED MATTERS

31-102 31-102CP 31-102F1 31-102F1 31-102F3 National Registration Database

June 14, 2002

(2002) 25 OSCB 3314 Short Notice of Request for Comments - National Registration Database Proposed Multilateral Instrument **31-102**, Companion Policy **31-102CP**, Proposed Ontario Securities Commission Rule **31-509** (*Commodity Futures Act*) and Companion Policy **31-509CP/Request for Comments**

(2002) 25 OSCB 3405 Republication for Comment of Proposed Multilateral Instrument **31-102** and Companion Policy **31-102CP** National Registration Database (NRD)/**Request for Comments**

(2002) 25 OSCB 3425 Multilateral Instrument **31-102** National Registration Database (NRD), Form **31-102F1** Enrolment Form - Firm Filer, Form **31-102F2** Enrolment of Chief Authorized Firm Representative and Form **31-102F3** Account Holder Authorization, and Companion Policy **31-102CP** to Multilateral Instrument **31-102/Request for Comments**

November 15, 2002

(2002) 25 OSCB 7459 Short Notice – Multilateral Instrument **31-102**, Companion Policy **31-102CP**, OSC Rule **31-509** and Companion Policy **31-509CP** – National Registration Database

(2002) 25 OSCB 7503 Notice and Commission Approval of Rule Under the Securities Act – Multilateral Instrument **31-102** and Companion Policy **31-102CP** National Registration Database

(2002) 25 OSCB 7509 Multilateral Instrument **31-102** National Registration Database

31-501 Registrant Relationships

November 29, 2002

(2002) 25 OSCB 7975 Short Notice of Amendments to OSC Rule **31-501** Registrant Relationships, OSC Rule **31-504** Applications for Registration and OSC Rule **35-502** Non-resident Advisers

(2002) 25 OSCB 8007 Notice of Amendment to OSC Rule **31-501** Registrant Relationships Under the Securities Act

(2002) 25 OSCB 8008 Amendment to OSC Rule **31-501** Registrant Relationships

31-502 Proficiency Requirements for Registrants

December 20, 2002

(2002) 25 OSCB 8409 Short Notice of Request for Comments – Proposed Amendments to OSC Rule **31-502** Proficiency Requirements for Registrants, OSC Rule **31-505** Conditions of Registration and OSC Rule **35-502** Non-Resident Advisers/**Request for Comments**

(2002) 25 OSCB 8463 Notice of Request for Comments – Proposed Amendments to OSC Rule **31-502** Proficiency Requirements for Registrants, OSC Rule **31-505** Conditions of Registration and OSC Rule **35-502** Non-Resident Advisers/**Request for Comments**

31-504 Applications for Registration

November 29, 2002

(2002) 25 OSCB 7975 Short Notice of Amendments to OSC Rule **31-501** Registrant Relationships, OSC Rule **31-504** Applications for Registration and OSC Rule **35-502** Non-resident Advisers

(2002) 25 OSCB 8009 Notice of Amendment to OSC Rule **31-504** Applications for Registration Under the Securities Act

(2002) 25 OSCB 8010 Amendment to OSC Rule **31-504** Applications for Registration

31-505 Conditions of Registration

December 20, 2002

(2002) 25 OSCB 8409 Short Notice of Request for Comments – Proposed Amendments to OSC Rule **31-502** Proficiency Requirements for Registrants, OSC Rule **31-505** Conditions of Registration and OSC Rule **35-502** Non-Resident Advisers/**Request for Comments**

(2002) 25 OSCB 8463 Notice of Request for Comments – Proposed Amendments to OSC Rule **31-502** Proficiency Requirements for Registrants, OSC Rule **31-505** Conditions of Registration and OSC Rule **35-502** Non-Resident Advisers/**Request for Comments**

31-509 31-509CP 31-509F1 31-509F2 31-509F3 National Registration Database (under the Commodity Futures Act)

June 14, 2002

(2002) 25 OSCB 3314 Short Notice of Request for Comments - National Registration Database Proposed Multilateral Instrument **31-102**, Companion Policy **31-102CP**, Proposed Ontario Securities Commission Rule **31-509** (*Commodity Futures Act*) and Companion Policy **31-509CP/Request for Comments**

(2002) 25 OSCB 3443 Republication for Comment of Proposed Ontario Securities Commission Rule **31-509** and Companion Policy **31-509CP** National Registration Database (NRD)/**Request for Comments**

(2002) 25 OSCB 3445 Ontario Securities Commission Rule **31-509** National Registration Database (*Commodity Futures Act*), Form **31-509F1** Enrolment Form - Firm Filer, Form **31-509F2** Enrolment of Chief Authorized Firm Representative, Form **31-509F3** Account Holder Authorization, and Companion Policy **31-509CP/Request for Comments**

November 15, 2002

(2002) 25 OSCB 7459 Short Notice – Multilateral Instrument **31-102**, Companion Policy **31-102CP**, OSC Rule **31-509** and Companion Policy **31-509CP** – National Registration Database

(2002) 25 OSCB 7517 Notice and Commission Approval of Rule Under the Commodity Futures Act – OSC Rule **31-509** (*Commodity Futures Act*) and Companion Policy **31-509CP** National Registration Database

(2002) 25 OSCB 7519 Ontario Securities Commission Rule **31-509** National Registration Database

33-109 33-109F1 33-109F2 33-109F3 33-109F4 33-109F5 33-109CP Registration Information Requirements (under the Securities Act)

January 11, 2002

(2002) 25 OSCB 169

OSC Staff Notice Regarding Appendix A to the Notice of Proposed Multilateral Instrument **33-109** Comment Table

June 14, 2002

(2002) 25 OSCB 3314

Short Notice of Request for Comments - Registration Information Proposed Multilateral Instrument

33-109, Companion Policy **33-109CP**, Proposed Ontario Securities Commission Rule **33-506** (*Commodity Futures Act*) and Companion Policy **33-506CP/Request for Comments**

(2002) 25 OSCB 3463

Republication for Comment of Proposed Multilateral Instrument **33-109** and Companion Policy **33-109CP** Registration Information/**Request for Comments**

(2002) 25 OSCB 3475

Multilateral Instrument **33-109** Registration Information, Form **33-109F1** Notice of Termination, Form **33-109F2** Change or Surrender of Individual Categories, Form **33-109F3** Business Locations Other Than Head Office, Form **33-109F4** Registration Information for an Individual, Form **33-109F5** Change of Registration Information, and Companion Policy **33-109CP** to Multilateral Instrument **33-109/ Request for Comments**

November 15, 2002

(2002) 25 OSCB 7459

Short Notice – Multilateral Instrument **33-109**, Companion Policy **33-109CP**, OSC Rule **33-506** and Companion Policy **33-506CP** Registration Information

(2002) 25 OSCB 7526

Notice and Commission Approval of Rule Under the Securities Act – Multilateral Instrument **33-109** and Companion Policy **33-109CP** Registration Information

(2002) 25 OSCB 7531

Multilateral Instrument **33-109** Registration Information

33-506 33-506CP 33-506F1 33-506F2 33-506F3 33-506F4 33-506F5 Registration Information (under the Commodity Futures Act)

June 14, 2002

(2002) 25 OSCB 3314

Short Notice of Request for Comments – Registration Information Proposed Multilateral Instrument **33-109**, Companion Policy **33-109CP**, Proposed Ontario Securities Commission Rule **33-506** (*Commodity Futures Act*) and Companion Policy **33-506CP/Request for Comments**

(2002) 25 OSCB 3515

Republication for Comment of Proposed Ontario Securities Commission Rule **33-506** (*Commodity Futures Act*) and Companion Policy **33-506CP** Registration Information/**Request for Comments**

(2002) 25 OSCB 3517

Ontario Securities Commission Rule **33-506** Registration Information (*Commodity Futures Act*), Form **33-506F1** Notice of Termination, Form **33-506F2** Change or Surrender of Individual Categories, Form **33-506F3** Business Locations Other Than Head Office, Form **33-506F4** Registration Information for an Individual, Form **33-506F5** Change of Registration Information, and Companion Policy **33-506CP** to Ontario Securities Commission Rule **33-506** (*Commodity Futures Act*) Registration Information/**Request for Comments**

November 15, 2002

(2002) 25 OSCB 7459

Short Notice – Multilateral Instrument **33-109**, Companion Policy **33-109CP**, OSC Rule **33-506** and Companion Policy **33-506CP** Registration Information

(2002) 25 OSCB 7582

Notice and Commission Approval of Rule Under the Commodity Futures Act – OSC Rule **33-506** (*Commodity Futures Act*) and Companion Policy **33-506CP** Registration Information

(2002) 25 OSCB 7583

Ontario Securities Commission Rule **33-506** (*Commodity Futures Act*) – Registration Information

35-502 Non-resident Advisers

November 29, 2002

(2002) 25 OSCB 7975

Short Notice of Amendments to OSC Rule **31-501** Registrant Relationships, OSC Rule **31-504** Applications for Registration and OSC Rule **35-502** Non-resident Advisers

(2002) 25 OSCB 8011

Notice of Amendment to OSC Rule **35-502** Non-resident Advisers Under the Securities Act

(2002) 25 OSCB 8012

Amendment to OSC Rule **35-502** Non-resident Advisers

December 20, 2002

(2002) 25 OSCB 8409

Short Notice of Request for Comments – Proposed Amendments to OSC Rule **31-502** Proficiency Requirements for Registrants, OSC Rule **31-505** Conditions of Registration and OSC Rule **35-502** Non-Resident Advisers/**Request for Comments**

(2002) 25 OSCB 8463 Notice of Request for Comments – Proposed Amendments to OSC Rule **31-502** Proficiency Requirements for Registrants, OSC Rule **31-505** Conditions of Registration and OSC Rule **35-502** Non-Resident Advisers/**Request for Comments**

G. DISTRIBUTION REQUIREMENTS

41-502 Prospectus Requirements for Mutual Funds

September 20, 2002

(2002) 25 OSCB 6327 Amendment to Ontario Securities Commission Rule **41-502** Prospectus Requirements for Mutual Funds/**Request for Comments**

41-601 Capital Pool Companies

April 12, 2002

(2002) 25 OSCB 2036 Short Notice - Notice of OSC Policy **41-601** Capital Pool Companies and the CPC Operating Agreement

(2002) 25 OSCB 2073 Notice and Ontario Securities Commission Policy **41-601** Capital Pool Companies

(2002) 25 OSCB 2078 Publication of Certain Ancillary Documents in Connection with OSC Policy **41-601**

(2002) 25 OSCB 2079 CPC Operating Agreement

June 14, 2002

(2002) 25 OSCB 3315 Short Notice - OSC Policy **41-601** Capital Pool Companies and Ministerial Approval of the CPC Operating Agreement

43-201 Mutual Reliance Review System for Prospectuses and Annual Information Forms

January 25, 2002

(2002) 25 OSCB 433 Short Notice - Amendment to National Policy **43-201** Mutual Reliance Review System for Prospectuses and Annual Information Forms

(2002) 25 OSCB 485 Notice of Amendments to National Policy **43-201** Mutual Reliance Review System for Prospectuses and Annual Information Forms

45-102 Resale of Securities

June 21, 2002

(2002) 25 OSCB 3701 Notice and Request for Comment - Proposed National Instrument **51-102**, Forms **51-102F1**, **51-102F2**, **51-102F3**, **51-102F4**, **51-102F5**, **51-102F6** and Companion Policy **51-102CP** Continuous Disclosure Obligations, Proposed Amendments to Multilateral Instrument **45-102** Resale of Securities, Proposed Revocation of National Instrument **62-102** Disclosure of Outstanding Share Data, Proposed Rescission of National Policy **No. 3** Unacceptable Auditors, National Policy **No. 27** Canadian Generally Accepted Accounting Principles, National Policy **No. 31** Change of Auditors of a Reporting Issuer, and National Policy **No. 50** Reservations in an Auditor's Report/**Request for Comments**

45-105 Trades to Employees, Senior Officers, Directors, and Consultants

November 1, 2002

(2002) 25 OSCB 7157 Short Notice – Notice of Request for Comments – Proposed Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants, and Proposed Rule **45-801** Implementing Multilateral Instrument **45-105**

(2002) 25 OSCB 7205 Proposed Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants/**Request for Comment**

(2002) 25 OSCB 7210 Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants/**Request for Comment**

(2002) 25 OSCB 7218 Notice and Request for Comments – Proposed Commission Rule **45-801** Implementing Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants/**Request for Comment**

45-502 Dividend or Interest Reinvestment and Stock Dividend Plans

September 20, 2002

(2002) 25 OSCB 6198

Short Notice - Notice of Commission Approval of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans and OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

(2002) 25 OSCB 6261

Notice of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans and to OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

November 22, 2002

(2002) 25 OSCB 7761

Short Notice of Minister of Finance Approval of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans, OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

(2002) 25 OSCB 7837

Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans, OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

45-503 Trades to Employees, Executives and Consultants

September 20, 2002

(2002) 25 OSCB 6198

Short Notice - Notice of Commission Approval of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans and OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

(2002) 25 OSCB 6261

Notice of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans and to OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

November 22, 2002

(2002) 25 OSCB 7761

Short Notice of Minister of Finance Approval of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans, OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

(2002) 25 OSCB 7837

Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans, OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

45-801 Implementing Multilateral Instrument 45-105 Trades to Employees, Senior Officers, Directors, and Consultants

November 1, 2002

(2002) 25 OSCB 7157

Short Notice – Notice of Request for Comments – Proposed Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants, and Proposed Rule **45-801** Implementing Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants/**Request for Comments**

(2002) 25 OSCB 7218

Notice and Request for Comments – Proposed Commission Rule **45-801** Implementing Multilateral Instrument **45-105** Trades to Employees, Senior Officers, Directors, and Consultants/**Request for Comment**

46-201 46-201F1 Escrow for Initial Public Offerings

June 28, 2002

(2002) 25 OSCB 4035

Notice of National Policy **46-201** Escrow for Initial Public Offerings and Form **46-201F1** Escrow Agreement, and Notice of Rescission of Ontario Securities Commission Policy **5.9** Escrow Guidelines - Industrial Issuers

(2002) 25 OSCB 4038

National Policy **46-201** Escrow for Initial Public Offerings

H. ONGOING REQUIREMENTS FOR ISSUERS AND INSIDERS

51-101 51-101F1 51-101F2 51-101F3 51-101CP Standards of Disclosure for Oil and Gas Activities

January 25, 2002

(2002) 25 OSCB 505

Proposed National Instrument **51-101** Standards of Disclosure for Oil and Gas Activities and Proposed Repeal of National Policy Statement No. **2-B** and Proposed Consequential Amendments/ **Request for Comments**

51-102 51-102CP 51-102F1 51-102F2 51-102F3 51-102F4 51-102F5 51-102F6 Continuous Disclosure Obligations

June 21, 2002

(2002) 25 OSCB 3637

Short Notice - Notice of Request for Comments - Proposed National Instrument **51-102** and Companion Policy **51-102CP** Continuous Disclosure Obligations, Proposed OSC Rule **51-801** Implementing National Instrument **51-102** Continuous Disclosure, and Companion Policy **51-801CP/ Request for Comments**

(2002) 25 OSCB 3701

Notice and Request for Comment - Proposed National Instrument **51-102**, Forms **51-102F1**, **51-102F2**, **51-102F3**, **51-102F4**, **51-102F5**, **51-102F6** and Companion Policy **51-102CP** Continuous Disclosure Obligations, Proposed Amendments to Multilateral Instrument **45-102** Resale of Securities, Proposed Revocation of National Instrument **62-102** Disclosure of Outstanding Share Data, Proposed Rescission of National Policy **No. 3** Unacceptable Auditors, National Policy **No. 27** Canadian Generally Accepted Accounting Principles, National Policy **No. 31** Change of Auditors of a Reporting Issuer, and National Policy **No. 50** Reservations in an Auditor's Report/**Request for Comments**

(2002) 25 OSCB 3718

(2002) 25 OSCB 3817

National Instrument **51-102** Continuous Disclosure Obligations/**Request for Comments** Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**

(2002) 25 OSCB 3820

Ontario Securities Commission Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations/**Request for Comments**

51-201 Disclosure Standards

July 12, 2002

(2002) 25 OSCB 4366

(2002) 25 OSCB 4459

Short Notice - Notice of National Policy **51-201** Disclosure Standards

Notice of Policy under the Securities Act - National Policy **51-201** Disclosure Standards and Rescission of National Policy **40** Timely Disclosure

(2002) 25 OSCB 4492

National Policy **51-201** Disclosure Standards

51-501 51-501CP AIF & MD&A

June 21, 2002

(2002) 25 OSCB 3817

Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**

51-603 Reciprocal Filings

June 21, 2002

(2002) 25 OSCB 3817

Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**

51-801 51-801CP Implementing National Instrument 51-102 Continuous Disclosure Obligations

June 21, 2002

(2002) 25 OSCB 3637

Short Notice - Notice of Request for Comments - Proposed National Instrument **51-102** and Companion Policy **51-102CP** Continuous Disclosure Obligations, Proposed OSC Rule **51-801** Implementing National Instrument **51-102** Continuous Disclosure, and Companion Policy **51-801CP/ Request for Comments**

(2002) 25 OSCB 3817

Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**

(2002) 25 OSCB 3820

Ontario Securities Commission Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations/**Request for Comments**

52-501 52-501CP Financial Statements

June 21, 2002

(2002) 25 OSCB 3817

Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**

52-601 Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material

June 21, 2002

(2002) 25 OSCB 3817

Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**

54-101 54-101F1 54-101F2 54-101F3 54-101F4 54-101F5 54-101F6 54-101F7 54-101F8 54-101F9 54-101CP
Communication with Beneficial Owners of Securities of a Reporting Issuer

April 5, 2002

(2002) 25 OSCB 1822

Short Notice - Notice of Commission Approval of National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument **54-102** Interim Financial Statement and Report Exemption

(2002) 25 OSCB 1863

Notice of National Instrument **54-101** and Companion Policy **54-101CP** Communication with Beneficial Owners of Securities of a Reporting Issuer

(2002) 25 OSCB 1875

National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer, Form **54-101F1** Explanation to Clients and Client Response Form, Form **54-101F2** Request for Beneficial Ownership Information, Form **54-101F3** Omnibus Proxy (Depositories), Form **54-101F4** Omnibus Proxy (Proximate Intermediaries), Form **54-101F5** Electronic Format for NOBO List, Form **54-101F6** Request for Voting Instructions Made by Reporting Issuer, Form **54-101F7** Request for Voting Instructions Made by Intermediary, Form **54-101F8** Legal Proxy and Form **54-101F9** Undertaking

(2002) 25 OSCB 1908

Companion Policy **54-101CP** to National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer

May 3, 2002

(2002) 25 OSCB 2490

Notice of Correction - Notice of National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument **54-102** Interim Financial Statement and Report Exemption

June 14, 2002

(2002) 25 OSCB 3313

Short Notice - Notice of Minister of Finance Approval of National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument **54-102** Interim Financial Statement and Report Exemption

(2002) 25 OSCB 3361

National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer, Form **54-101F1** Explanation to Clients and Client Response Form, Form **54-101F2** Request for Beneficial Ownership Information, Form **54-101F3** Omnibus Proxy (Depositories), Form **54-101F4** Omnibus Proxy (Proximate Intermediaries), Form **54-101F5** Electronic Format for NOBO List, Form **54-101F6** Request for Voting Instructions Made by Reporting Issuer, Form **54-101F7** Request for Voting Instructions Made by Intermediary, Form **54-101F8** Legal Proxy and Form **54-101F9** Undertaking

(2002) 25 OSCB 3394

Companion Policy **54-101CP** to National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer

54-102 Interim Financial Statement and Report Exemption

April 5, 2002

(2002) 25 OSCB 1822

Short Notice - Notice of Commission Approval of National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument **54-102** Interim Financial Statement and Report Exemption

(2002) 25 OSCB 1917

Notice of National Instrument **54-102** Interim Financial Statement and Report Exemption

(2002) 25 OSCB 1920

National Instrument **54-102** Interim Financial Statement and Report Exemption

May 3, 2002

(2002) 25 OSCB 2490

Notice of Correction - Notice of National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument **54-102** Interim Financial Statement and Report Exemption

June 14, 2002

(2002) 25 OSCB 3313

Short Notice - Notice of Minister of Finance Approval of National Instrument **54-101** Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument **54-102** Interim Financial Statement and Report Exemption
National Instrument **54-102** Interim Financial Statement and Report Exemption

(2002) 25 OSCB 3402

54-501 Prospectus Disclosure

June 21, 2002

(2002) 25 OSCB 3817

Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**

56-501 Restricted Shares

June 21, 2002

(2002) 25 OSCB 3817

Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**

I. TAKE-OVER BIDS AND SPECIAL TRANSACTIONS

61-501 Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions

February 15, 2002

(2002) 25 OSCB 905

Short Notice - Notice of Minister of Finance Approval of an Amendment to OSC Rule **61-501** Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions
Amendment to Ontario Securities Commission Rule **61-501** Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions

(2002) 25 OSCB 943

62-102 Disclosure of Outstanding Share Data

June 21, 2002

(2002) 25 OSCB 3701

Notice and Request for Comment - Proposed National Instrument **51-102**, Forms **51-102F1**, **51-102F2**, **51-102F3**, **51-102F4**, **51-102F5**, **51-102F6** and Companion Policy **51-102CP** Continuous Disclosure Obligations, Proposed Amendments to Multilateral Instrument **45-102** Resale of Securities, Proposed Revocation of National Instrument **62-102** Disclosure of Outstanding Share Data, Proposed Rescission of National Policy **No. 3** Unacceptable Auditors, National Policy **No. 27** Canadian Generally Accepted Accounting Principles, National Policy **No. 31** Change of Auditors of a Reporting Issuer, and National Policy **No. 50** Reservations in an Auditor's Report/**Request for Comments**

(2002) 25 OSCB 3817 Notice and Request for Comment - Proposed Ontario Securities Commission ("Commission") Rule **51-801** and Companion Policy **51-801CP** Implementing National Instrument **51-102** Continuous Disclosure Obligations, Proposed Amendments to Commission Rule **56-501** Restricted Shares, Proposed Revocation of Commission Rule **51-501** AIF & MD&A, Commission Rule **52-501** Financial Statements, Commission Rule **54-501** Prospectus Disclosure and Commission Rule **62-102** Disclosure of Outstanding Share Data, and Proposed Rescission of Companion Policy **51-501CP** to Commission Rule **51-501** AIF & MD&A, Companion Policy **52-501CP** to Commission Rule **52-501** Financial Statements, Commission Policy **52-601** Applications for Exemptions from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material, and Commission Policy **51-603** Reciprocal Filings/**Request for Comments**

62-501 Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid

January 11, 2002

(2002) 25 OSCB 112

Notice of Proposed Rule **62-501** Under the Securities Act and Amendment to Ontario Securities Policy **62-601** Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid/**Correction**

May 31, 2002

(2002) 25 OSCB 3049

Short Notice - Notice of Rule **62-501** Under the Securities Act and Amendment to OSC Policy **62-601** - Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-over Bid

(2002) 25 OSCB 3099

Notice of Rule **62-501** Under the Securities Act and Amendment to OSC Policy **62-601** - Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-over Bid

(2002) 25 OSCB 3100

OSC Rule **62-501** Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-over Bid

August 9, 2002

(2002) 25 OSCB 5274

Short Notice of Minister of Finance Approval for Ontario Securities Commission Rule **62-501** Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid

(2002) 25 OSCB 5356

Ontario Securities Commission Rule **62-501** Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid

62-601 Securities Exchange Take-Over Bids - Trades in the Offeror's Securities

January 11, 2002

(2002) 25 OSCB 112

Notice of Proposed Rule **62-501** Under the Securities Act and Amendment to Ontario Securities Policy **62-601** Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid/**Correction**

May 31, 2002

(2002) 25 OSCB 3049

Short Notice - Notice of Rule **62-501** Under the Securities Act and Amendment to OSC Policy **62-601** - Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-over Bid

(2002) 25 OSCB 3099

Notice of Rule **62-501** Under the Securities Act and Amendment to OSC Policy **62-601** - Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-over Bid

(2002) 25 OSCB 3100

Amendment to Ontario Securities Commission Policy **62-601**

August 9, 2002

(2002) 25 OSCB 5274

Short Notice - Amendment to Ontario Securities Commission Policy **62-601** Take-Over Bids - Miscellaneous Guidelines

(2002) 25 OSCB 5357

Amendment to Ontario Securities Commission Policy **62-601** Take-Over Bids - Miscellaneous Guidelines

J. SECURITY TRANSACTIONS OUTSIDE THE JURISDICTION

71-102 71-102CP Continuous Disclosure and Other Exemptions Relating to Foreign Issuers

June 21, 2002

(2002) 25 OSCB 3646

Short Notice - Notice of Request for Comments - Proposed National Instrument **71-102** and Companion Policy **71-102CP** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, and Proposed Ontario Securities Commission Rule **71-802** Implementing National Instrument **71-102/Request for Comments**

(2002) 25 OSCB 3823

Notice and Request for Comment - Proposed National Instrument **71-102** and Companion Policy **71-102CP** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**

(2002) 25 OSCB 3833

National Instrument **71-102** and Companion Policy **71-102CP** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**

(2002) 25 OSCB 3854

Notice and Request for Comment - Proposed Rule **71-802** Implementing National Instrument **71-102** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**

(2002) 25 OSCB 3856

Rule **71-802** Implementing National Instrument **71-102** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**

71-802 Implementing National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers

June 21, 2002

(2002) 25 OSCB 3646

Short Notice - Notice of Request for Comments - Proposed National Instrument **71-102** and Companion Policy **71-102CP** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, and Proposed Ontario Securities Commission Rule **71-802** Implementing National Instrument **71-102/Request for Comments**

(2002) 25 OSCB 3854

Notice and Request for Comment - Proposed Rule **71-802** Implementing National Instrument **71-102** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**

(2002) 25 OSCB 3856

Rule **71-802** Implementing National Instrument **71-102** Continuous Disclosure and Other Exemptions Relating to Foreign Issuers/**Request for Comments**

72-501 Prospectus Exemption for First Trade Over a Market Outside Ontario

September 20, 2002

(2002) 25 OSCB 6198

Short Notice - Notice of Commission Approval of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans and OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

(2002) 25 OSCB 6261

Notice of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans and to OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

November 22, 2002

(2002) 25 OSCB 7761

Short Notice of Minister of Finance Approval of Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans, OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

(2002) 25 OSCB 7837

Amendments to OSC Rule **45-502** Dividend or Interest Reinvestment and Stock Dividend Plans, OSC Rule **45-503** Trades to Employees, Executives and Consultants, and Rescission of OSC Rule **72-501** Prospectus Exemption for First Trade Over a Market Outside Ontario

K. MUTUAL FUNDS

81-101 81-101F1 81-101F2 Mutual Fund Prospectus Disclosure

July 19, 2002

(2002) 25 OSCB 4671

Short Notice of Request for Comments - Proposed Amendments to National Instrument **81-102** and Company Policy **81-102CP** Mutual Funds and to National Instrument **81-101** Mutual Fund Prospectus Disclosure, Form **81-101F1** Contents of Simplified Prospectus and Form **81-101F2** Contents of Annual Information Form/**Request for Comments**

(2002) 25 OSCB 4705

Notice of Proposed Amendments to National Instrument **81-102** and Companion Policy **81-102CP** Mutual Funds, and to National Instrument **81-101** Mutual Fund Prospectus Disclosure and Form **81-101F1** Contents of Simplified Prospectus and Form **81-101F2** Contents of Annual Information Form/ **Request for Comments**

(2002) 25 OSCB 4720

Amendment to National Instrument **81-101** Mutual Funds Prospectus Disclosure, Form **81-101F1** Contents of Simplified Prospectus Disclosure and Form **81-101F2** Contents of Annual Information Form/**Request for Comments**

September 20, 2002

(2002) 25 OSCB 6321

Amendment to National Instrument **81-101** Mutual Fund Prospectus Disclosure, Form **81-101F1** Contents of Simplified Prospectus, Form **81-101F2** Contents of Annual Information Form and Companion Policy **81-101CP/Request for Comments**

81-102 81-102CP Mutual Funds

July 19, 2002

(2002) 25 OSCB 4671

Short Notice of Request for Comments - Proposed Amendments to National Instrument **81-102** and Company Policy **81-102CP** Mutual Funds and to National Instrument **81-101** Mutual Fund Prospectus Disclosure, Form **81-101F1** Contents of Simplified Prospectus and Form **81-101F2** Contents of Annual Information Form/**Request for Comments**

(2002) 25 OSCB 4705

Notice of Proposed Amendments to National Instrument **81-102** and Companion Policy **81-102CP** Mutual Funds, and to National Instrument **81-101** Mutual Fund Prospectus Disclosure and Form **81-101F1** Contents of Simplified Prospectus and Form **81-101F2** Contents of Annual Information Form/ **Request for Comments**

(2002) 25 OSCB 4713

Amendment to National Instrument **81-102** and Companion Policy **81-102CP** Mutual Funds/**Request for Comments**

September 20, 2002

(2002) 25 OSCB 6324

Amendment to National Instrument **81-102** Mutual Funds and Companion Policy **81-102CP/Request for Comments**

81-104 81-104CP Commodity Pools

August 9, 2002

(2002) 25 OSCB 5273

Short Notice of Rule - Multilateral Instrument **81-104** and Companion Policy **81-104CP** Commodity Pools

(2002) 25 OSCB 5337

Notice of Rule, Multilateral Instrument **81-104** and Companion Policy **81-104CP** Commodity Pools

(2002) 25 OSCB 5342

Multilateral Instrument **81-104** and Companion Policy **81-104CP** Commodity Pools

October 25, 2002

(2002) 25 OSCB 6955

Short Notice – Notice of Minister of Finance Approval of Multilateral Instrument **81-104** Commodity Pools

(2002) 25 OSCB 6997

Multilateral Instrument **81-104** Commodity Pools

November 8, 2002

(2002) 25 OSCB 7277

Short Notice – Notice of Minister of Finance Approval of Multilateral Instrument **81-104** Commodity Pools – Correction

81-106 81-106CP 81-106F1 Investment Fund Continuous Disclosure

September 20, 2002

(2002) 25 OSCB 6197

Short Notice of Request for Comments - Proposed National Instrument **81-106** and Companion Policy **81-106CP** Investment Fund Continuous Disclosure, and Form **81-106F1** Contents of Annual and Quarterly Management Reports of Fund Performance/**Request for Comments**

(2002) 25 OSCB 6273

Notice of Request for Comments - Proposed National Instrument **81-106** and Companion Policy **81-106CP** Investment Fund Continuous Disclosure, and Form **81-106F1** Contents of Annual and Quarterly Management Reports of Fund Performance/**Request for Comments**

(2002) 25 OSCB 6281

National Instrument **81-106**, Companion Policy **81-106CP** Investment Fund Continuous Disclosure, and Form **81-106F1** Contents of Annual and Quarterly Management Reports of Fund Performance/ **Request for Comments**

L.

DERIVATIVES

91-502 Trades in Recognized Options

December 13, 2002

(2002) 25 OSCB 8385

Notice of Publication of Materials Relating to Bourse de Montreal Inc. – Exemption from Recognition as a Stock Exchange, Exemption from Registration as a Commodity Futures Exchange and Exemption from Part 4 of OSC Rule **91-502** Trades in Recognized Options

M.

MISCELLANEOUS

April 5, 2002

(2002) 25 OSCB 1822

Short Notice - Notice of Amendment to Rules Under the Securities Act *In the Matter of Certain Reporting Issuers*

(2002) 25 OSCB 1924

Notice of Amendment and Amendment to Rules Under the Securities Act *In the Matter of Certain Reporting Issuers*

May 17, 2002

(2002) 25 OSCB 2792

Short Notice - Notice of Amendment to Rules Under the Securities Act *In the Matter of Certain Reporting Issuers*

(2002) 25 OSCB 2825

Notice of Amendment to Rules Under the Securities Act *In the Matter of Certain Reporting Issuers*

June 21, 2002

(2002) 25 OSCB 3638

Notice of Minister of Finance Approval to Final Amendments to Ontario Securities Commission Rules *In the Matter of Certain Reporting Issuers*

(2002) 25 OSCB 3699

Amendment to Ontario Securities Commission Rules *In the Matter of Certain Reporting Issuers*

November 15, 2002

(2002) 25 OSCB 7460

Short Notice – Notice of Proposed Amendments to the Securities Act and Commodity Futures Act

(2002) 25 OSCB 7697

Notice of Proposed Amendments to the Securities Act and Commodity Futures Act

(2002) 25 OSCB 7698

Proposed Amendments to the Securities Act and Commodity Futures Act

November 29, 2002

(2002) 25 OSCB 7975

Short Notice of Amendments to the Securities Act and Commodity Futures Act

(2002) 25 OSCB 8071

Notice of Amendments to the Securities Act and Commodity Futures Act

(2002) 25 OSCB 8072

Amendments to the Securities Act and Commodity Futures Act

N.

RULES AND POLICIES OF SROs AND RECOGNIZED EXCHANGES

January 25, 2002

(2002) 25 OSCB 432

Notice of Commission Approval - Amendment to IDA **By-law No. 3** Entrance, Annual and Other Fees

(2002) 25 OSCB 432

Notice of Commission Approval - Amendment to IDA **Policy No. 2** Minimum Standards for Retail Account Supervision

February 22, 2002

(2002) 25 OSCB 1060

Notice of Commission Approval - Amendment to IDA Regulation **100.2(f)(i)** Relating to Margin Requirements for Listed Securities

March 1, 2002

(2002) 25 OSCB 1351

Notice of Commission Approval - Amendments to IDA **By-Law No. 29.27** Regarding Supervision and Compliance

March 29, 2002

(2002) 25 OSCB 1722

Notice of Commission Approval - Amendment to IDA **Policy No. 5** Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets

(2002) 25 OSCB 1807

TSE Notice of Consequential Amendments and Implementation of Attribution Choices and Undisclosed Volume

(2002) 25 OSCB 1811

IDA **Policy No. 5** Code of Conduct for IDA Member Firms Trading in Domestic Debt Markets

April 5, 2002

(2002) 25 OSCB 1821

Notice of Commission Approval - Amendment to IDA **By-Law 7.1**

April 19, 2002

(2002) 25 OSCB 2204

Notice of OSC Approval of TSE **By-Law Number 2** - A By-Law Concerning Appeals to the Board of Directors of the Toronto Stock Exchange Inc.

(2002) 25 OSCB 2317

Proposed Amendment to IDA **By-Law 16** Elimination of the Top 20 Regulatory Reporting

(2002) 25 OSCB 2319

Proposed Amendment to IDA **By-Law 29.26** Leverage Disclosure

(2002) 25 OSCB 2321

Proposed Amendment to IDA **By-Law 28** Discretionary Trust Fund

(2002) 25 OSCB 2323

Proposed Amendments to IDA Regulation **100.4c** Capital and Market Requirements for an Offset

(2002) 25 OSCB 2329

Notice of Approval - **By-Law No. 2** - A By-Law Concerning Appeals to the Board of Directors of The Toronto Stock Exchange Inc.

April 26, 2002

(2002) 25 OSCB 2337

Short Notice - The Toronto Stock Exchange - Amendments to Corporate Governance Policy/
Request for Comments

(2002) 25 OSCB 2476

TSX **Request for Comments** - Corporate Governance Policy - Proposed New Disclosure Requirement and Amended Guidelines

May 31, 2002

(2002) 25 OSCB 3151

Withdrawal of Proposed IDA **By-Law 29.6A** Referral Arrangements and Commission Splitting

June 7, 2002

(2002) 25 OSCB 3303

Notice of OSC Approval of Amendment to IDA Constitution

(2002) 25 OSCB 3303

Notice of OSC Approval of Amendments to IDA **By-Law 29.26** Regarding Leverage Disclosure

June 14, 2002

(2002) 25 OSCB 3623

Notice of OSC Approval of Proposed IDA Regulation **100.21** Maximum Margin Required for Convertible Securities

June 28, 2002

(2002) 25 OSCB 4189

TSX Notice to Participating Organizations

(2002) 25 OSCB 4190

TSX **Request for Comments** - The Proposed Market-on-Close System

July 5, 2002

(2002) 25 OSCB 4329

Proposed IDA **By-Law 29.6A** Referral Arrangements

(2002) 25 OSCB 4336

Proposed IDA **By-Law No. 11** Analyst Standards

(2002) 25 OSCB 4344

Notice of OSC Approval of Amendments to IDA **By-Law 16** Elimination of the Top 20 Report

(2002) 25 OSCB 4345

Proposed Amendment to IDA Regulation **100** to Specifically Address the Capital and Margin Requirements for Capital Trust Securities

(2002) 25 OSCB 4347

Proposed Amendment to IDA Regulation **200** Minimum Records

(2002) 25 OSCB 4350

TSX **Request for Comments** - Cross Interference Exempt Marker

July 12, 2002

(2002) 25 OSCB 4601

IDA - Proposed Regulation Amendment to Inter-Dealer Bond Brokerage Systems

(2002) 25 OSCB 4605

IDA Proposed Amendment to **By-Law 11**

(2002) 25 OSCB 4606

IDA Proposed Amendments to **Policy 8**

July 19, 2002

- (2002) 25 OSCB 4671 Notice of OSC Approval of Amendments to IDA **By-Law No. 15** Regarding the Provisions of Financial Assistance by the IDA to Securities Industry Organizations and Securities Regulatory Organizations
- (2002) 25 OSCB 4810 IDA - Centre for the Financial Services Ombudsnetwork (CFSON) and the Securities Industry Ombudsperson
- (2002) 25 OSCB 4813 IDA **By-Law No. 15** Association Accounts and Funds and Execution of Instruments

July 26, 2002

- (2002) 25 OSCB 4820 Short Notice - Canadian Trading and Quotation System Application for Recognition as a Quotation and Trade Reporting System
- (2002) 25 OSCB 4821 Short Notice - TSX Inc. (Formerly The Toronto Stock Exchange Inc.) Reorganization and Initial Public Offering
- (2002) 25 OSCB 4933 Notice and **Request for Comment** - Application for Recognition of Canadian Trading and Quotation System Inc.
- (2002) 25 OSCB 4934 Canadian Trading and Quotation System Inc. Application Letter
- (2002) 25 OSCB 4939 Canadian Trading and Quotation System Inc. Policies
- (2002) 25 OSCB 4966 Canadian Trading and Quotation System Inc. Rules
- (2002) 25 OSCB 4988 Canadian Trading and Quotation System Inc. Order
- t(2002) 25 OSCB 4995 Notice and **Request for Comment** - TSX Inc. (Formerly The Toronto Stock Exchange Inc.) - Reorganization and Initial Public Offering
- (2002) 25 OSCB 4998 TSX Inc. (Formerly The Toronto Stock Exchange Inc.) - Reorganization and Initial Public Offering

August 2, 2002

- (2002) 25 OSCB 5062 The Toronto Stock Exchange Amendments to Parts V, VI and VII of The Toronto Stock Exchange Company Manual/**Request for Comments**
- (2002) 25 OSCB 5066 Short Notice - Amendments to IDA Regulation **400.1** Mail Insurance - Notice of Commission Approval
- (2002) 25 OSCB 5201 Toronto Stock Exchange - **Request for Comments** - Amendments to Parts V, VI and VII of The Toronto Stock Exchange Company Manual in Respect of Non-Exempt Issuers, Changes in Structure of Issuers' Capital and Delisting Procedures
- (2002) 25 OSCB 5249 IDA Amendment to Regulation **400.1** Mail Insurance Requirement

August 9, 2002

- (2002) 25 OSCB 5273 **Request for Comments** - Amendments to the Rules and Policies of the Toronto Stock Exchange/**Request for Comments**
- (2002) 25 OSCB 5413 TSX **Request for Comments** - Amendments to the Rules and Policies of The Toronto Stock Exchange
- (2002) 25 OSCB 5419 Amendments to the Rules and Policies of The Toronto Stock Exchange

August 16, 2002

- (2002) 25 OSCB 5553 Amendments to IDA **By-Law 28** Discretionary Trust Fund - Notice of Commission Approval
- (2002) 25 OSCB 5689 IDA **By-Law 28** Discretionary Trust Fund
- (2002) 25 OSCB 5690 Amendment to IDA **By-Law No. 28** - Discretionary Trust Fund

August 23, 2002

- (2002) 25 OSCB 5698 Approval of Amendments to IDA Regulation **100.4C** - Capital and Margin Requirements for an Offset Involving Canadian Bank Acceptances and the Three-Month Canadian Bank Acceptance Futures Contract - Notice of Commission Approval

September 6, 2002

- (2002) 25 OSCB 5921 Short Notice of Commission Approval of Amendment to IDA **By-law 8** - Resignations, Amalgamations, etc.
- (2002) 25 OSCB 6011 IDA **By-law 8** - Resignations and Amalgamations, etc. - Housekeeping Amendment

September 13, 2002

- (2002) 25 OSCB 6021 Short Notice of Commission Approval - TSX Inc. (formerly The Toronto Stock Exchange Inc.) - Reorganization and Initial Public Offering
- (2002) 25 OSCB 6131 Notice of Commission Approval - TSX Inc. (formerly The Toronto Stock Exchange Inc.) - Reorganization and Initial Public Offering
- (2002) 25 OSCB 6134 TSX Group Inc. and TSX Inc. - Recognition Order
- (2002) 25 OSCB 6144 TSX Inc. and TSX Group Inc. - Order

(2002) 25 OSCB 6145 Ontario Regulation made under the Securities Act - Toronto Stock Exchange Inc.
(2002) 25 OSCB 6145 TSX Venture Exchange Inc. - Exemption Order
(2002) 25 OSCB 6186 Letter to Stephen Sibold, Chair, Alberta Securities Commission, and Douglas M. Hyndman, Chair, British Columbia Securities Commission

September 27, 2002

(2002) 25 OSCB 6474 IDA **Policy 8** Regarding Reporting and Record Keeping Requirements - Notice of Commission Approval

October 4, 2002

(2002) 25 OSCB 6611 Notice of Commission Approval – Proposed Amendments to IDA **By-Law 11** District Councils and Meetings

October 11, 2002

(2002) 25 OSCB 6773 Market Regulation Services Inc. **Request for Comments** – Administrative and Editorial Amendments

(2002) 25 OSCB 6776 Market Regulation Services Inc. **Request for Comments** – Accommodation of Anonymous Orders

(2002) 25 OSCB 6778 Market Regulation Services Inc. **Request for Comments** – Definition of "Employee"

(2002) 25 OSCB 6780 Market Regulation Services Inc. **Request for Comments** – Public Access to Hearings

October 18, 2002

(2002) 25 OSCB 6938 Notice of Commission Approval – Amendments to IDA Policy **No. 7** Partners, Directors and Officers

(2002) 25 OSCB 6939 Notice of Commission Approval – Amendments to IDA Regulation **2100.6** Inter-Dealer Brokerage Systems

October 25, 2002

(2002) 25 OSCB 7097 Notice of Commission Approval of Amendments to IDA Regulation **100.12** – Capital and Margin Requirements for Capital Trust Securities

November 8, 2002

(2002) 25 OSCB 7379 Notice of Commission Approval – Approval of Amendments to IDA **By-law 37** – Ombudsman for Banking Services and Investments

(2002) 25 OSCB 7382 Amendment to IDA **By-law 5** – Small Investments by Industry Investors in Another Member or Holding Company

(2002) 25 OSCB 7384 Amendments to IDA **By-laws 1.1, 29.3A, 29.28, 29.29** and **29.30** – Conflicts of Interest and Client Priority

(2002) 25 OSCB 7396 Amendment to IDA Regulation **800** – Trading and Delivery

(2002) 25 OSCB 7399 Amendments to IDA Policy **6** – Proficiency Requirements for Portfolio Managers and Futures Contracts Portfolio Managers

(2002) 25 OSCB 7402 Amendments to IDA Regulation **100** – Capital Share and Convertible and Exercisable Security Offsets

(2002) 25 OSCB 7416 Amendments to IDA Regulation **100** – Positions in and Offsets Involving Interest Rate and Total Performance Swaps

(2002) 25 OSCB 7426 Amendments to IDA **By-law 29.7** – Advertisement, Sales Literature and Correspondence

November 15, 2002

(2002) 25 OSCB 7727 Amendments to Statements B and C of IDA Form 1 – Custodial Agreements

(2002) 25 OSCB 7742 Amendments to MFDA By-laws re Ombudsman Services

November 22, 2002

(2002) 25 OSCB 7762 Short Notice of Request for Comments – TSX Proposed Market-On-Close System/**Request for Comments**

(2002) 25 OSCB 7927 Notice of Commission Approval – Approval of Amendments to IDA Regulation **100.2A** and **By-law 1** – Margin Requirements for Bonds with Embedded Options

November 29, 2002

(2002) 25 OSCB 7976 Short Notice and Request for Comment – Application for Approval of MFDA Investor Protection Corporation/Corporation de Protection des Investisseurs de l'ACFM, Pursuant to s.110 of Reg. 1015 and MFDA Proposed Amendments to Rule **2.7** Advertising and Sales Communications and Proposed MFDA Policy Number **4** ("Advertising Relating to MFDA IPC Participation")/**Request for Comment**

- (2002) 25 OSCB 8095 Notice and Request for Comment - Application for Approval of MFDA Investor Protection Corporation/Corporation de Protection des Investisseurs de l'ACFM, Pursuant to s.110 of Reg. 1015/**Request for Comment**
- (2002) 25 OSCB 8097 MFDA Investor Protection Corporation Application Letter
- (2002) 25 OSCB 8131 MFDA Investor Protection Corporation Order
- December 6, 2002
- (2002) 25 OSCB 8233 TSX **Request for Comments** – Specialty Price Crosses
- December 13, 2002
- (2002) 25 OSCB 8341 Notice of Publication – IDA/CSA Market Survey on the Regulation of Fixed Income Markets
- (2002) 25 OSCB 8342 IDA/CSA Market Survey on Regulation of Fixed Income Markets
- (2002) 25 OSCB 8385 Notice of Publication of Materials Relating to Bourse de Montreal Inc. – Exemption from Recognition as a Stock Exchange, Exemption from Registration as a Commodity Futures Exchange and Exemption from Part 4 of OSC Rule **91-502** Trades in Recognized Options
- (2002) 25 OSCB 8386 Bourse de Montreal Inc. – Application for Exemption from Recognition as a Stock Exchange Under Section **21** of the Securities Act, for Exemption from Registration as a Commodity Futures Exchange Under Section **15** of the Commodity Futures Act and for Certain Ancillary Exemptions
- (2002) 25 OSCB 8389 Bourse de Montreal Inc. – Draft Exemption Order

1.1.3 OSC Staff Notice 11-721 Policy Reformulation Table of Concordance and List of New Instruments

OSC STAFF NOTICE 11-721

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

Policy Reformulation Table of Concordance

To assist market participants in identifying the status of instruments that existed before the Policy Reformulation Project, we, the staff of the OSC, have prepared a Table of Concordance. The Table shows the treatment of each National Policy, Uniform Act Policy, OSC Policy, Blanket Ruling, CSA Notice, OSC Notice, Principles of Regulation, Staff Accounting Communiqué, Registration Section Clarification Note, and Interpretation Note in existence prior to Reformulation. The Table indicates whether the relevant instrument has been published for comment as a new instrument (under Reformulation), finalized, or is under consideration, or whether the instrument has been or is proposed to be repealed, rescinded or withdrawn. The Table only denotes the primary instrument and does not indicate the corresponding companion policy or forms where applicable.

The Table has been revised to reflect the status of all instruments, as of December 31, 2002.

List of New Instruments

The second part of this notice contains a list of new initiatives that were developed separately from the Policy Reformulation Project. The List of New Instruments represents staff's views at this time. All instruments are subject to the Commission's approval and may be subject to change.

A detailed explanation of the numbering system developed in conjunction with the Policy Reformulation Project can be found at (1996) 19 OSCB 4258.

Item Key

BR - Blanket Ruling	OSCN - Notice of OSC or OSC Staff	SAC - Staff Accounting Communiqué
CSAN - Notice of CSA	OSC - OSC Policy	UAP - Uniform Act Policy
IN - Interpretation Note	PR - Principles of Regulation	
NP - National Policy	REG - Registration Section Clarification Note	

NOTE: The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
National Policy				
NP 1	Clearance of National Issues RESCINDED JANUARY 1, 2000	43-201	Mutual Reliance Review System for Prospectus and Initial AIFs (1999), 22 OSCB 7308	<i>Adopted Jan 1/00</i>
NP 2-A	Guide for Engineers, Geologists and Prospectors Submitting Reports on Mining Properties to Canadian Provincial Securities Administrators RESCINDED FEBRUARY 1, 2001	43-101	Standards of Disclosure for Mineral Exploration and Development and Mining Properties (2001), 24 OSCB 303	<i>Came into Force Feb 1/01</i>
NP 2-B	Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators	51-101	Oil and Gas Disclosure Standards (2002), 25 OSCB 505 (previously 43-102)	<i>Published for comment Jan 25/02</i>
NP 3	Unacceptable Auditors	51-102	Continuous Disclosure Obligations (2002), 25 OSCB 3718	<i>Published for comment Jun 21/02</i>
		51-801	Implementing NI 51-102 Continuous Disclosure Obligations (2002), 25 OSCB 3820	<i>Published for comment Jun 21/02</i>
NP 4	Conditions for Dealer Sub-Underwriting			<i>Repealed Apr 1/99</i>
NP 12	Disclosure of "Market Out" Clauses in Underwriting Agreements in Prospectuses RESCINDED DECEMBER 31, 2000	41-101	Prospectus Disclosure Requirements (2000), 23 OSCB (SUPP) 759	<i>Came into Force Dec 31/00</i>
NP 13	Disclaimer Clause on Prospectus RESCINDED DECEMBER 31, 2000	41-101	Prospectus Disclosure Requirements (2000), 23 OSCB (SUPP) 759	<i>Came into Force Dec 31/00</i>
NP 14	Acceptability of Currencies in Material Filed with Securities Regulatory Authority			<i>Under Consideration</i>
NP 15	Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses	46-102	Scholarship Plans	<i>Currently being reformulated</i>
NP 16	Maintenance of Provincial Trading Records			<i>Repealed Apr 1/99</i>
NP 17	Violations of Securities Laws of Other Jurisdictions - Conduct Affecting Fitness for Continued Registration RESCINDED OCTOBER 16, 1998	34-201	Breach of Requirements of Other Jurisdictions (1998), 21 OSCB 6607	<i>Adopted Oct 16/98</i>
NP 18	Conflict of Interest - Registrants Acting as Corporate Directors RESCINDED SEPTEMBER 25, 1998	34-202	Registrants Acting as Corporate Directors (1998), 21 OSCB 6608	<i>Adopted Oct 16/98</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
NP 20	Trading in Unqualified Securities - Securities in Primary Distribution in Other Jurisdictions			<i>Repealed Apr 1/99</i>
NP 21	National Advertising - Warnings			<i>To be retained</i>
NP 22	Use of Information and Opinion Re Mining and Oil Properties by Registrants and Others	43-101	Standards of Disclosure for Mineral Exploration and Development and Mining Properties (2001), 24 OSCB 303	<i>Came into Force Feb 1/01</i>
NP 25	Registrants: Advertising: Disclosure of Interest			<i>To be repealed</i>
NP 27	Canadian Generally Accepted Accounting Principles	51-102	Continuous Disclosure Obligations (2002), 25 OSCB 3718 (previously 52-104)	<i>Published for comment Jun 21/02</i>
		51-801	Implementing NI 51-102 Continuous Disclosure Obligations (2002), 25 OSCB 3820	<i>Published for comment Jun 21/02</i>
NP 29	Mutual Funds Investing in Mortgages	81-103	Mutual Funds Investing in Mortgages	<i>Currently being reformulated</i>
NP 30	Processing of "Seasoned Prospectuses" RESCINDED APRIL 30, 2001	43-201	Mutual Reliance Review System for Prospectus and Initial AIFs (1999), 22 OSCB 7308	<i>Adopted Jan 1/00</i>
NP 31	Change of Auditor of a Reporting Issuer	51-102	Continuous Disclosure Obligations (2002), 25 OSCB 3718 (previously 52-103)	<i>Published for comment Jun 21/02</i>
		51-801	Implementing NI 51-102 Continuous Disclosure Obligations (2002), 25 OSCB 3820	<i>Published for comment Jun 21/02</i>
NP 32	Prospectus Warning Re: Scope of Distribution RESCINDED DECEMBER 31, 2000	41-101	Prospectus Disclosure Requirements (2000), 23 OSCB (SUPP) 759	<i>Came into Force Dec 31/00</i>
NP 33	Financing of Film Productions			<i>Repealed Apr 11/97</i>
NP 34	Unincorporated Issuers: Requirement to Maintain a Register of Security Holders RESCINDED FEBRUARY 1, 2000	81-102	Mutual Funds (2000), 23 OSCB 584	<i>Came into Force Feb 1/00</i>
NP 35	Purchaser's Statutory Rights RESCINDED DECEMBER 31, 2000	41-101	Prospectus Disclosure Requirements (2000), 23 OSCB (SUPP) 759	<i>Came into Force Dec 31/00</i>
NP 36	Mutual Funds - Simplified Prospectus Qualification System REPEALED FEBRUARY 1, 2000	81-101	Mutual Fund Prospectus Disclosure (2000), 23 OSCB 584	<i>Came into Force Feb 1/00</i>
NP 37	Take-Over Bids: Reciprocal Cease Trading Orders RESCINDED AUGUST 4, 1997	62-201	Bids Made Only in Certain Jurisdictions (1997), 20 OSCB 3523	<i>Adopted Aug 4/97</i>
NP 38	Take-Over Bids - Defensive Tactics RESCINDED AUGUST 4, 1997	62-202	Take-Over Bids - Defensive Tactics (1997), 20 OSCB 3525	<i>Adopted Aug 4/97</i>
NP 39	Mutual Funds RESCINDED FEBRUARY 1, 2000	81-102	Mutual Funds (2000), 23 OSCB 584	<i>Came into Force Feb 1/00</i>
NP 40	Timely Disclosure RESCINDED JULY 12, 2002	51-201	Disclosure Standards	<i>Adopted Jul 12/02</i>
NP 41	Shareholder Communication EXPIRED JUNE 30, 2002	54-101	Communication with Beneficial Owners of Securities of a Reporting Issuer (2002), 25 OSCB 3361	<i>Came into Force Jul 1/02</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
		54-102	Interim Financial Statement and Report Exemption (2002), 25 OSCB 3402	<i>Came into Force Jul 1/02</i>
NP 42	Advertising of Securities on Radio or Television (Interim)			<i>Under Consideration</i>
NP 44	Rules for Shelf Prospectus Offerings and Pricing Offerings After the Final Prospectus is Received EXPIRED DECEMBER 31, 2000	44-102	Shelf Distributions (2000), 23 OSCB (SUPP) 985	<i>Came into Force Dec 31/00</i>
		44-103	Post-Receipt Pricing (2000), 23 OSCB (SUPP) 1015	<i>Came into Force Dec 31/00</i>
NP 45	Multijurisdictional Disclosure System EXPIRED NOVEMBER 1, 1998	71-101	The Multijurisdictional Disclosure System (1998), 21 OSCB 6919	<i>Came into Force Nov 1/98</i>
NP 47	Prompt Offering Qualification System EXPIRED DECEMBER 31, 2000	44-101	Short Form Prospectus Distributions (2000), 23 OSCB (SUPP) 421	<i>Came into Force Dec 31/00</i>
		44-801	Implementing National Instrument 44-101 Short Form Prospectus Distributions (2001), 24 OSCB 2334	<i>Came into Force Apr 21/01</i>
NP 48	Future-Oriented Financial Information			<i>To be rescinded</i>
NP 49	Self-Regulatory Organization Membership	31-507	SRO Membership (2000), 23 OSCB 5628	<i>Came into Force Aug 17/00</i>
NP 50	Reservations in an Auditor's Report	51-102	Continuous Disclosure Obligations (2002), 25 OSCB 3718	<i>Published for comment Jun 21/02</i>
		51-801	Implementing 51-102 Continuous Disclosure Obligations (2002), 25 OSCB 3820	<i>Published for comment Jun 21/02</i>
NP 51	Changes in the Ending Date of a Financial Year and in Reporting Status			<i>Under Consideration</i>
Uniform Act Policy				
UAP 2-01	"Undertakings" - Extra-provincial Companies			<i>Repealed Jan 1/99</i>
UAP 2-02	Prospectuses - Annual Re-Filings			<i>Repealed Jan 1/99</i>
UAP 2-03	Prospectuses and Amendments - Certification (section 52[53]) Supporting Documentation REPEALED JANUARY 1/99	41-501	General Prospectus Requirements (2000), 23 OSCB (SUPP) 765	<i>Came into Force Dec 31/00</i>
UAP 2-04	Consent of Solicitors - Disclosure of Interest REPEALED JANUARY 1/99	41-501	General Prospectus Requirements (2000), 23 OSCB (SUPP) 765	<i>Came into Force Dec 31/00</i>
UAP 2-05	Applications under s. 34(1)14 [35(1)14] and 71(1)(h)[72(1)(h)] of the Securities Act by a Company Wishing to Sell Additional Securities to its Security Holders	45-101	Rights Offerings (2001), 24 OSCB 4397	<i>Came into Force Jul 25/01</i>
UAP 2-06	Use of Shareholders' Lists by Registrants			<i>Repealed Jan 1/99</i>
UAP 2-07	Surrender of Registration - Other than Salesman RESCINDED APRIL 7, 1998	33-501	Surrender of Registration (1998), 21 OSCB 2317	<i>Came into Force Apr 7/98</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
UAP 2-08	Declaration as to Short Position - Listed and Unlisted Securities			<i>Repealed Jan 1/99</i>
UAP 2-09	Insider Trading Reports - Loan and Trust Companies			<i>Repealed Jan 1/99</i>
UAP 2-10	Insider Trading Reports - Persons Required to Report in More Than One Capacity			<i>Repealed May 1/98</i>
UAP 2-11	Policy Statement in Connection with Applications to the Commission for an Order Under Section 79(a)[80(a)] of the Securities Act (Ontario)			<i>Repealed Apr 3/98</i>
UAP 2-13	Advertising During Waiting Period Between Preliminary and Final Prospectuses			<i>To be retained</i>
OSC Policy				
OSC 1.1	O.S.C. Policy Statements --- General			<i>Repealed Mar 1/99</i>
OSC 1.3	Restricted Shares RESCINDED OCTOBER 27, 1999	56-501	Restricted Shares (1999), 22 OSCB 6803	<i>Came into Force Oct 25/99</i>
OSC 1.4	Reciprocal Enforcement of Cease Trading Orders	57-301	Failing to File Management Statements on Time - Management Cease Trade Orders (2002), 25 OSCB 1719	<i>Published Mar 29/02</i>
OSC 1.6	Strip Bonds RESCINDED MAY 1, 1998	91-501	Strip Bonds (1998), 21 OSCB 2746	<i>Came into Force May 1/98</i>
OSC 1.7	The Securities Advisory Committee to the OSC	11-601	The Securities Advisory Committee to the OSC (2002), 25 OSCB 683	<i>Adopted Jan 28/02</i>
OSC 1.9	Use By Dealers of Brokerage Commissions as Payment for Goods or Services Other than Order Execution Services ("Soft Dollar" Deals)			<i>Under Consideration</i>
OSC 2.1	Applications to the Ontario Securities Commission	12-601	Applications to the OSC	<i>Currently being reformulated</i>
OSC 2.2	Public Availability of Material Filed under the Securities Act	13-601	Public Availability of Material Filed under the Securities Act	<i>Renumbered Apr 20/01</i>
OSC 2.3	Joint Hearings with Other Provincial Administrators - Conditions Precedent and Costs REPEALED JULY 1/97		Rules of Practice (1995), 18 OSCB 4041 (1997), 20 OSCB 1947	<i>Came into Force Jul 1/97</i>
OSC 2.4	Conflict of Interest Guidelines for Members of the Ontario Securities Commission and Staff REPEALED APRIL 16/98	By-law No. 2	A By-law relating to conflicts of interest in connection with the conduct of the affairs of the Securities Commission (1998), 21 OSCB 568	<i>Came into Force Jan 18/98</i>
OSC 2.5	Certificates of No Default under Section 72(8) and List of Defaulting Issuers under Section 72(9) of the Securities Act	51-601	Reporting Issuer Defaults (2001), 24 OSCB 6587	<i>Adopted Oct 30/01</i>
OSC 2.6	Applications for Exemption from Preparation and Mailing of Interim Financial Statements, Annual Financial Statements and Proxy Solicitation Material	52-601	Exemption re: Mailing of Financial Statements and Proxy Solicitation Material (2002), 24 OSCB 2404	<i>Renumbered Apr 20/01</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
OSC 2.7	Appeals to the Ontario Securities Commission By Way of Hearing and Review REPEALED JULY 1/97		Rules of Practice (1995), 18 OSCB 4041 (1997), 20 OSCB 1947	<i>Came into Force Jul 1/97</i>
OSC 2.8	Applications for Ontario Securities Commission Consent to Obtain Transcripts of Evidence Taken During Investigations or Hearings REPEALED JULY 1/97		Rules of Practice (1995), 18 OSCB 4041 (1997), 20 OSCB 1947	<i>Came into Force Jul 1/97</i>
OSC 2.9	Cease Trading Orders - Applications for Partial Revocation to Permit a Securityholder to Establish a Tax Loss for Income Tax Purposes RESCINDED FEBRUARY 24, 1998	57-602	Cease Trading Orders - Application for Partial Revocation to Permit a Securityholder to Establish a Tax Loss (1998), 21 OSCB 1379	<i>Adopted Feb 24/98</i>
OSC 2.10	Restrictions on Practice Before the Commission and its Staff Upon Termination of the Appointments of Members of the Commission and its Staff REPEALED APR 16/98	By-law No. 2	A By-law relating to conflicts of interest in connection with the conduct of the affairs of the Ontario Securities Commission (1998), 21 OSCB 568	<i>Came into Force Jan 18/98</i>
OSC 2.11	Conflicts of Interest of Members of the Ontario Securities Commission REPEALED APR 16/98	By-law No. 2	A By-law relating to conflicts of interest in connection with the conduct of the affairs of the Ontario Securities Commission (1998), 21 OSCB 568	<i>Came into Force Jan 18/98</i>
OSC 2.12	Televising of Ontario Securities Commission Hearings REPEALED JUL 1/97		Rules of Practice (1995), 18 OSCB 4041 (1997), 20 OSCB 1947	<i>Came into Force Jul 1/97</i>
OSC 3.1	Recognition by the Commission of Stock Exchanges, etc. PORTIONS REPLACED	21-901	Recognition Order - In the Matter of the Recognition of Certain Stock Exchanges (1997), 20 OSCB 1034	<i>Came into Force Mar 1/97</i>
		62-904	Recognition Order - In the Matter of the Recognition of Certain Jurisdictions [ss. 93(1)(e) and ss. 93(3)(h) of the Act] (1997), 20 OSCB 1035	<i>Came into Force Mar 1/97</i>
		45-501	Exempt Distributions [replaces subsection 25(2) of Regulation 1015] (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
		45-502	Dividend or Interest Reinvestment and Stock Dividend Plans (1998), 21 OSCB 3685	<i>Came into Force Jun 10/98</i>
OSC 4.1	Public Ownership of Dealers, Conditions of Registration and Institutional Ownership			<i>Repealed Mar 1/99</i>
OSC 4.2	Suspension of Registration - Criminal Charges Pending	34-602	Suspension of Registration - Criminal Charges Pending	<i>Renumbered Apr 20/01</i>
OSC 4.3	Self-Directed RRSPs and Other Plans Recognized by the Commission for Purposes of this Policy Statement and Administered by Brokers or Investment Dealers on Behalf of Authorized Trustees	33-101	Administration of Self-Directed RRSPs, RESPs and RRIFs by Dealers (1998), 21 OSCB 963	<i>Published for comment Feb 13/98</i>
OSC 4.4	Dual Registration Under the <i>Securities Act</i>	31-501	Registrant Relationships (1997), 20 OSCB 4633	<i>Came into Force Sep 4/97</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
OSC 4.5	Dual Licensing of Life Insurance Agents (1994), 17 OSCB 6073			<i>Repealed Dec 23/94</i>
OSC 4.6	Registration - Declaration of Personal Bankruptcy	34-601	Registration - Declaration of Personal Bankruptcy (2001), 24 OSCB 2404	<i>Renumbered Apr 20/01</i>
OSC 4.7	Registration of Non-Resident Salesmen, Partners or Officers of Registered Dealers			<i>To be retained</i>
OSC 4.8	Non-Resident Advisers EXPIRED NOVEMBER 18, 2000	35-502	Non-Resident Advisers (2000), 23 OSCB 7989	<i>Came into Force Nov 18/00</i>
OSC 5.1	Prospectuses - General Guidelines PORTIONS RESCINDED DECEMBER 31, 2000	41-501	General Prospectus Requirements (2000), 23 OSCB (SUPP) 765	<i>Came into Force Dec 31/00</i>
OSC 5.1 (24)	Prospectus Disclosure in Information Circulars: Amalgamation, Arrangements, Mergers and Reorganizations RESCINDED DECEMBER 31, 2000	54-501	Prospectus Disclosure in Certain Information Circulars (2000), 23 OSCB 8519	<i>Came into Force Dec 31/00</i>
OSC 5.1 (26)	Trading by issuers, Selling Security Holders, Underwriters, Dealers and Their Affiliates and Joint Actors During a Distribution by Prospectus of TSE - listed Securities	48-501	Market Stabilization During Distributions	<i>Currently being reformulated</i>
OSC 5.2	Junior Natural Resource Issuers			<i>Lapsed Jul 1/01</i>
OSC 5.3	Mortgage and Real Estate Investment Trusts and Partnerships			<i>To be repealed</i>
OSC 5.4	"Closed-End" Income Investment Trusts and Partnerships			<i>To be repealed</i>
OSC 5.7	Preliminary Prospectuses - Preparation, Filing and Frequently Occurring Deficiencies PORTIONS RESCINDED DECEMBER 31, 2000	41-501	General Prospectus Requirements (2000), 23 OSCB (SUPP) 765	<i>Came into Force Dec 31/00</i>
OSC 5.9	Escrow Guidelines - Industrial Issuers RESCINDED JUNE 30, 2002	46-201	Escrow for Initial Public Offering	<i>Adopted Jun 30/02</i>
OSC 5.10	Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations RESCINDED MAY 31, 2001	51-501	Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operation (2000), 23 OSCB 8365	<i>Came into Force Jan 1/01</i>
OSC 6.1	Private Placements RESCINDED DECEMBER 22, 1998	45-501	Exempt Distributions (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
OSC 6.2	Rights Offerings	45-101	Rights Offerings (2001), 24 OSCB 4397	<i>Came into Force Jul 25/01</i>
		45-502	Dividend or Interest Reinvestment and Stock Dividend Plans (1998), 21 OSCB 3685	<i>Came into Force Jun 10/98</i>
OSC 7.1	Application of Requirements of the Securities Act to Certain Reporting Issuers	71-102	Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (2002), 25 OSCB 3823 (previously 51-203 and 72-502)	<i>Published for comment Jun 21/02</i>
OSC 7.2	Timely Disclosure --- Early Warning			<i>Repealed Mar 1/99</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
OSC 7.3	Management's Report Disclosing Contingencies and Going Concern Considerations in Financial Statements			<i>Repealed Mar 1/99</i>
OSC 7.4	Business and Asset Combinations	62-602	Business and Asset Combinations (2001), 24 OSCB 2404	<i>Renumbered Apr 20/01</i>
OSC 7.5	Reciprocal Filings	51-603	Reciprocal Filings (2001), 24 OSCB 2404	<i>Renumbered Apr 20/01</i>
OSC 7.6	Enforcement of Timely Filings of Financial Statements			<i>Repealed Mar 1/99</i>
OSC 7.7	The Oil and Gas Industry - Application of the Ceiling Test When the Full Cost Method is Used			<i>Repealed Mar 1/99</i>
OSC 9.1	Disclosure, Valuation, Review and Approval Requirements and Recommendations for Insider Bids, Issuer Bids, Going Private Transactions, and Related Party Transactions	61-501	Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions (2000), 23 OSCB 2719	<i>Came into Force May 1/00</i>
OSC 9.3	Take-Over Bids - Miscellaneous Guidelines	48-501	Market Stabilization During Distributions	<i>Currently being reformulated</i>
		62-501	Prohibited Stock Market Purchases of the Offeree's Securities by the Offeror During a Take-Over Bid (2002), 25 OSCB 5356	<i>Came into Force Aug 2/02</i>
		62-601	Securities Exchange Take-Over Bids - Trades in the Offeror's Securities - Amendment (2002), 25 OSCB 5357	<i>Adopted Aug 2/02</i>
OSC 10.1	Applications for Exemption from Insider Reporting Obligations for Insiders of Subsidiaries and Affiliated Issuers RESCINDED MAY 15, 2001	55-101	Exemptions from Certain Insider Reporting Requirements (2001), 24 OSCB 3025	<i>Came into Force May 15/01</i>
OSC 10.2	Guidelines for Establishment of Procedures in Relation to Confidential Information RESCINDED JANUARY 27, 1998	33-601	Guidelines for Policies and Procedures Concerning Inside Information (1998), 21 OSCB 617	<i>Adopted Jan 27/98</i>
OSC 11.1	Mutual Fund Trusts: Interim OSC Approval of Mutual Fund Trustees Pursuant to Clause 213(3)(b) of the <i>Loan and Trust Corporations Act, 1987</i> RESCINDED JANUARY 14, 1997	81-901	Approval of Mutual Fund Trustees Under Clause 213(3)(b) of the Loan and Trust Corporations Act (1997), 20 OSCB 243	<i>Came into Force Jan 14/97</i>
OSC 11.2	Bond Ratings Services - Statements of Investment Portfolio and Statements of Portfolio Transactions of Mutual Funds	81-902	Recognition Order - In the Matter of the Recognition of Certain Rating Agencies (1997), 20 OSCB 1034	<i>Came into Force Mar 1/97</i>
OSC 11.4	Commodity Pool Programs	81-104	Commodity Pools	<i>Came into Force Nov 1/02</i>
OSC 11.5	Real Estate Mutual Funds - General Prospectus Guidelines			<i>Repealed Dec 20/96</i>
Blanket Ruling				
BR	Certain Reporting Issuers (1980), 3 OSCB 54	71-102	Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (2002), 25 OSCB 3823 (previously 51-103 and 72-502)	<i>Published for comment Jun 21/02</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
BR	Certain Reporting Issuers (1980), 3 OSCB 166 FORMER DEEMED RULE EXTENDED UNTIL DECEMBER 31, 2003	71-102	Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (2002), 25 OSCB 3823 (previously 51-103 and 72-502)	Published for comment Jun 21/02
BR	The Automatic Investment of Dividends or Distributions in Shares or Units of Mutual Funds (1983), 6 OSCB 1078 RESCINDED OCTOBER 10, 1997	81-501	Mutual Fund Reinvestment Plans (1997), 20 OSCB 5163	Came into Force Oct 10/97
BR	Certain Proposed Amendments (1983), 6 OSCB 3508 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions (1999), 22 OSCB 127	Came into Force Dec 22/98
BR	Discount Brokerage and The Role of Financial Institutions (1984), 7 OSCB 458			Expired Mar 1/97
BR	Trading in Commodity Futures Contracts and Commodity Futures Options Entered Into On Commodity Futures Exchanges Situate Outside Canada Other than Commodity Futures Exchanges in the United States of America (1980), 15 OSCB 7, as varied by (1984), 7 OSCB 995*	91-503	Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchange Situate Outside of Ontario (1997), 20 OSCB 1739	Came into Force Mar 28/97
BR	Order Execution Access Dealers (1984), 7 OSCB 1520			Expired Mar 1/97
BR	Certain Reporting Issuers (1984), 7 OSCB 1913 FORMER DEEMED RULE EXTENDED UNTIL DECEMBER 31, 2003	71-102	Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (2002), 25 OSCB 3823 (previously 51-103 and 72-502)	Published for comment Jun 21/02
BR	Certain Reporting Issuers (1984), 7 OSCB 3247 FORMER DEEMED RULE EXTENDED UNTIL DECEMBER 31, 2003	71-102	Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (2002), 25 OSCB 3823 (previously 51-103 and 72-502)	Published for comment Jun 21/02
BR	Zero Coupon Strip Bonds (1984), 7 OSCB 4085 RESCINDED MAY 1, 1998	91-501	Strip Bonds (1998), 21 OSCB 2746	Came into Force May 1/98
BR	Trading in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges in the United States of America (1984), 7 OSCB 4578 ¹	91-503	Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario (1997), 20 OSCB 1739	Came into Force Mar 28/97
BR	Eurosecurity Financing (1984), 7 OSCB 4897			Expired Mar 1/97
BR	Simplified Prospectus Qualification System for Mutual Funds (1984), 7 OSCB 5333 EXPIRED FEBRUARY 1, 2000	81-101	Mutual Fund Prospectus Disclosure (2000), 23 OSCB 584	Came into Force Feb 1/00

¹ This ruling remains in force for purposes of the *Commodity Futures Act*

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
BR	Trades In Securities of a Private Company Under The Execution Act (1985), 8 OSCB 127 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
BR	Certain Reporting Issuers (1985), 8 OSCB 2915 EXPIRED DECEMBER 31, 2000	44-101	Short Form Prospectus Distributions (2000), 23 OSCB (SUPP) 421	<i>Came into Force Dec 31/00</i>
		44-801	Implementing National Instrument 44-101 Short Form Prospectus Distributions (2001), 24 OSCB 2334	<i>Came into Force Apr 21/01</i>
BR	The Mandatory Investment of Dividends or Distributions In Shares or Units of Mutual Funds (1985), 8 OSCB 4308 EXPIRED OCTOBER 10, 1997	81-501	Mutual Fund Reinvestment Plans (1997), 20 OSCB 5163	<i>Came into Force Oct 10/97</i>
BR	TSE Policy on Small Shareholder Selling/Purchase Arrangements (1987), 10 OSCB 1455 EXPIRED OCTOBER 22, 1997	32-101	Small Securityholder Selling and Purchase Arrangements (1997), 20 OSCB 5435	<i>Came into Force Oct 22/97</i>
BR	A Policy of the Montreal Exchange on Small Shareholder Selling and Purchase Arrangements (1987), 10 OSCB 4938 EXPIRED OCTOBER 22, 1997	32-101	Small Securityholder Selling and Purchase Arrangements (1997), 20 OSCB 5435	<i>Came into Force Oct 22/97</i>
BR	Certain Proposed Amendments (1987), 10 OSCB 5936 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
BR	The Business Corporations Act and In the Matter of CDS (1988), 11 OSCB 542	22-901	Recognition Order - In the Matter of the Recognition of the Canadian Depository for Securities Limited (1997), 20 OSCB 1033	<i>Came into Force Mar 1/97</i>
BR	Certain Reporting Issuers (1987) 10 OSCB 6306, amended by (1988), 11 OSCB 1029 RULE EXTENDED UNTIL JUNE 30, 2002	54-101	Communication with Beneficial Owners of Securities of a Reporting Issuer (2002), 25 OSCB 3361	<i>Came into Force Jul 1/02</i>
		54-102	Interim Financial Statement and Report Exemption (2002), 25 OSCB 3402	<i>Came into Force Jul 1/02</i>
BR	Certain Trades in Securities of Junior Resource Issuers (1988), 11 OSCB 1522			<i>Lapsed Jul 1/01</i>
BR	Trading in Recognized Options Cleared Through Recognized Clearing Organizations (1988), 11 OSCB 4895 EXPIRED MARCH 28, 1997	91-502	Trades in Recognized Options (1997), 20 OSCB 1731	<i>Came into Force Mar 28/97</i>
BR	The Securities Act (1989), 12 OSCB 2735			<i>Expired Mar 1/97</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
BR	Trading in Commodity Futures Contracts Entered into on the Montreal Stock Exchange (August 25, 1980) OSCWS 15A, as varied by In the Matter of Trading in Commodity Futures Contracts and Commodity Futures Options Entered into on The Montreal Stock Exchange (1989), 12 OSCB 3392*	91-503	Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario (1997), 20 OSCB 1739	<i>Came into Force Mar 28/97</i>
BR	The TSE (1990), 13 OSCB 3007			<i>Expired Mar 1/97</i>
BR	Self-Directed RESPs (1990), 13 OSCB 4793			<i>Expired Mar 1/97</i>
BR	The TSE (1991), 14 OSCB 881	21-901	Recognition Order - In the Matter of the Recognition of Certain Stock Exchanges (1997), 20 OSCB 1034	<i>Came into Force Mar 1/97</i>
BR	Rules of Shelf Prospectus Offerings and for Pricing Offerings after the Prospectus Is Received (1991), 14 OSCB 1824 EXPIRED DECEMBER 31, 2000	44-102	Shelf Distributions (2000), 23 OSCB 8561	<i>Came into Force Dec 31/00</i>
		44-103	Post-Receipt Pricing (2000), 23 OSCB 8561	<i>Came into Force Dec 31/00</i>
BR	The Recognized Options Rationalization Order (1991), 14 OSCB 2157 EXPIRED MARCH 28, 1997	91-502	Trades in Recognized Options (1997), 20 OSCB 1731	<i>Came into Force Mar 28/97</i>
BR	Multijurisdictional Disclosure System (1991), 14 OSCB 2863 EXPIRED NOVEMBER 1, 1998	71-101	The Multijurisdictional Disclosure System (1998), 21 OSCB 6919	<i>Came into Force Nov 1/98</i>
		71-801	Implementing The Multijurisdictional Disclosure System (1998), 21 OSCB 6898	<i>Came into Force Nov 1/98</i>
BR	An Assignment to the Director Pursuant to Section 6 of The Securities Act (1991), 14 OSCB 3439			<i>Expired Mar 1/97</i>
BR	Mutual Fund Securities (1991), 14 OSCB 3763 EXPIRED SEPTEMBER 30, 1998	33-502	Exceptions to Conflict Rules in the Sale of Mutual Fund Securities (1998), 21 OSCB 6429	<i>Came into Force Sep 30/98</i>
		33-105	Underwriting Conflicts (2001), 24 OSCB 7687	<i>Came into Force Jan 3/02</i>
BR	First Prospectuses Filed by NP 36 Mutual Funds and Universal Money Market Fund (1991), 14 OSCB 3475			<i>Expired Jul 1/99 Now covered by subsection 23(10) of the Red Tape Reduction Act</i>
BR	The Recognized Options Rationalization Order (1991), 14 OSCB 4234 EXPIRED MARCH 28, 1997	91-502	Trades in Recognized Options (1997), 20 OSCB 1731	<i>Came into Force Mar 28/97</i>
BR	Self-Directed Registered Education Plans (1992), 15 OSCB 613 EXPIRED JUNE 17, 1997	46-501	Self-Directed Registered Education Savings Plans (1997), 20 OSCB 3353	<i>Came into Force Jun 17/97</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
BR	Certain Advisers (1992), 15 OSCB 1955 EXPIRED NOVEMBER 18, 2000	35-502	Non-Resident Advisers (2000), 23 OSCB 7989	<i>Came into Force Nov 17/00</i>
BR	Certain Members of the TSE (1992), 15 OSCB 3354 EXPIRED SEPTEMBER 4, 1997	35-503	Trades By Certain Members of the TSE (1997), 20 OSCB 4636	<i>Came into Force Sep 4/97</i>
BR	Limitations on a Registrant Underwriting Securities of a Related or Connected Issuer (1992), 15 OSCB 3645 LAPSED DECEMBER 31, 2000	33-105	Underwriting Conflicts (2001), 24 OSCB 7687	<i>Came into Force Jan 3/02</i>
BR	The Prompt Offering Qualification System (1993), 16 OSCB 731, 732, 949 EXPIRED DECEMBER 31, 2000	44-101	Short Form Prospectus Distributions (2000), 23 OSCB (SUPP) 421	<i>Came into Force Dec 31/00</i>
		44-801	Implementing National Instrument 44-101 Short Form Prospectus Distributions (2000), 23 OSCB 2334	<i>Came into Force Apr 21/01</i>
BR	NP 47 and The Solicitation of Expressions of Interests (1993), 16 OSCB 2832 EXPIRED DECEMBER 31, 2000	44-101	Short Form Prospectus Distributions (2000), 23 OSCB (SUPP) 421	<i>Came into Force Dec 31/00</i>
		44-801	Implementing National Instrument 44-101 Short Form Prospectus Distributions (2000), 23 OSCB 2334	<i>Came into Force Apr 21/01</i>
BR	Going Private Transactions (1993), 16 OSCB 3428 EXPIRED MAY 1, 2000	61-501	Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions (2000), 23 OSCB 2679	<i>Came into Force May 1/00</i>
BR	Insider, Issuer and Take-Over Bids in Anticipation of Going Private Transactions (1993), 16 OSCB 3429 EXPIRED MAY 1, 2000	61-501	Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions (2000), 23 OSCB 2679	<i>Came into Force May 1/00</i>
BR	Ontario Regulation 638/93 and The Disclosure of Executive Compensation and of Indebtedness of Directors, Executive Officers and Senior Officers (1993), 16 OSCB 5913			<i>Expired Mar 1/97</i>
BR	Blanket Permission Under S.81 of the Regulation Under The Securities Act (Ontario) (1993), 16 OSCB 5914			<i>Expired Mar 1/97</i>
BR	Dividend Reinvestment and Stock Dividend Plans (1993), 16 OSCB 5928 EXPIRED JUNE 10, 1998	45-502	Dividend or Interest Reinvestment and Stock Dividend Plans (1998), 21 OSCB 3685	<i>Came into Force Jun 10/98</i>
BR	Certain International Offerings by Private Placement in Ontario (1993), 16 OSCB 5931 RULE EXTENDED UNTIL JULY 1, 2002	45-501	Exempt Distributions (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
BR	Blanket Permission - International Offerings made by way of Private Placement (1993), 16 OSCB 5938			<i>Lapsed Jul 1/01</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
BR	Networking Arrangements Governed by the Principles of Regulation (1993), 16 OSCB 6168 LAPSED DECEMBER 31, 1998	33-102	Regulation of Certain Registrant Activities (2001), 24 OSCB 4409	<i>Came into Force Aug 1/01</i>
BR	Networking Arrangements Governed by the Principles of Regulation (1993), 16 OSCB 6168 LAPSED DECEMBER 31, 1998	33-102	Regulation of Certain Registrant Activities (2001), 24 OSCB 4409	<i>Came into Force Aug 1/01</i>
BR	A Proposal of The TSE to Foster Capital Formation for Junior Resource and Industrial Enterprises (1994), 17 OSCB 347			<i>Expired Mar 1/97</i>
BR	The Disclosure of Executive Compensation and of Indebtedness of Directors, Executive and Senior Officers (1994), 17 OSCB 1176			<i>Expired Mar 1/97</i>
BR	Dividend Reinvestment Plans (1994), 17 OSCB 1178 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
BR	Blanket Permission Under S.81 of The Regulation (1994), 17 OSCB 1187			<i>Expired Mar 1/97</i>
BR	Trades by Issuers In Connection With Securities Exchange Issuer Bids and an Amalgamation, Arrangement or Specified Statutory Procedure (1994), 17 OSCB 1975 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
BR	Real Return Bond Strip Bonds (1994), 17 OSCB 2875			<i>Expired Mar 1/97</i>
BR	Trades by Issuers Upon Exercise of Certain Conversion or Exchange Rights and The First Trade In Securities Acquired Upon Exercise of Such Conversion or Exchange Rights (1994), 17 OSCB 2877 EXPIRED DECEMBER 22, 1998	45-501	Exempt Distributions (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
BR	Trading in Securities of Labour Sponsored Investment Fund Corporations (1994), 17 OSCB 5505 LAPSED DECEMBER 31, 1998	31-502	Proficiency Requirements for Registrants (2000), 23 OSCB 5658	<i>Came into Force Aug 17/00</i>
		31-702	Ontario Securities Commission Designation of Courses Under Rule 31-502 (2000), 23 OSCB 5658	<i>Published Aug 17/00</i>
BR	The First Trade in Securities Acquired Pursuant to Certain Exemptions, (1994), 17 OSCB 1978, as amended by (1994), 17 OSCB 5506 EXPIRED JUNE 10, 1998	72-501	Prospectus Exemption for First Trade Over a Market Outside Ontario (1998), 21 OSCB 3688	<i>Rescinded Dec 1/02</i>
BR	Certain Amendments to Regulation 1015 (1994), 17 OSCB 5516	32-502	Registration Exemption for Certain Trades by Financial Intermediaries (1996), 19 OSCB 6861	<i>Came into Force Jan 1/97</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
BR	Certain Amendments to Regulation 1015 (1994), 17 OSCB 5517	32-503	Registration and Prospectus Exemption for Trades by Financial Intermediaries in Mutual Fund Securities to Corporate Sponsored Plans (1996) 19 OSCB 6923	<i>Came into Force Jan 1/97</i>
BR	Trades by an Issuer in Securities of its own issue to Senior Officers, Directors, etc. and a Controlling Shareholder in Securities of an Issuer to Employees, Senior Officers, etc. (1994), 17 OSCB 5518 EXPIRED DECEMBER 22, 1998	45-503	Trades to Employees, Executives and Consultants (1998), 21 OSCB 7708	<i>Came into Force Dec 22/98</i>
Notices of CSA				
CSAN	Audit Committees (1990), 13 OSCB 4247			<i>To be retained</i>
CSAN	Rates of Return on Money Market Mutual Funds (1990), 13 OSCB 4329	81-102	Mutual Funds (2000), 23 OSCB 584	<i>Came into Force Feb 1/00</i>
CSAN	Advertising by Money Market Mutual Funds That Have Not Offered Their Securities to the Public For a Full Year (1991), 14 OSCB 541	81-102	Mutual Funds (2000), 23 OSCB 584	<i>Came into Force Feb 1/00</i>
CSAN	Soft Dollar Transactions (1992), 15 OSCB 2714			<i>To be retained</i>
CSAN	Applications for Discretionary Orders (1992), 15 O.S.C.B 3046			<i>Withdrawn Apr 20/01</i>
CSAN	Bought Deal Financing (1992), 15 OSCB 3657			<i>To be retained</i>
CSAN	Review of National Policy Statement No. 41 (1992), 15 OSCB 5289			<i>Withdrawn Apr 20/01</i>
CSAN	Mutual Funds: Sales Incentives (1993), 16 OSCB 359			<i>Repealed May 1/98</i>
CSAN	Bought Deals (1993), 16 OSCB 2820			<i>To be retained</i>
CSAN	Pre-Marketing Activities in the Context of Bought Deals (1993), 16 OSCB 2822			<i>To be retained</i>
CSAN	Bought Deals (1993), 16 OSCB 4811			<i>To be retained</i>
CSAN	NP 39 - Mutual Funds: Section 16 Sales Communications (1993), 16 OSCB 5881 REVOKED	81-102	Mutual Funds (2000), 23 OSCB 584	<i>Came into Force Feb 1/00</i>
CSAN	An Electronic System for Securities Filings (1994), 17 OSCB 2857			<i>Withdrawn Apr 20/01</i>
CSAN	Conflicts of Interest (1995), 18 OSCB 130			<i>Withdrawn Apr 20/01</i>
CSAN	Mutual Fund Sales Incentives - Point-of-Sale Disclosure Statement (1995), 18 O.S.C.B 229			<i>Repealed May 1/98</i>
CSAN	SEDAR (1995), 18 OSCB 1892			<i>Withdrawn Apr 20/01</i>
CSAN	Proposed Foreign Issuer Prospectus and Continuous Disclosure System (Draft National Policy Statement No. 53) (1995), 18 OSCB 1893			<i>To be withdrawn</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
Notices of OSC or OSC Staff				
OSCN	Premature Announcements of Takeover Bids, Mergers, Amalgamations or Other Corporate Restructuring (1980), OSCB 2A			<i>Withdrawn Oct 6/00</i>
OSCN	Taxable Equivalent Adjustments (1983), 6 OSCB 1578			<i>Withdrawn Oct 6/00</i>
OSCN	Canadian Oil & Gas Lands Administration (1984), 7 OSCB 2675			<i>Withdrawn Oct 6/00</i>
OSCN	Auditors' Consent and Comfort Letters (1984), 7 OSCB 2993			<i>Withdrawn Oct 6/00</i>
OSCN	Color Your World - Take-over Bid Consideration (1984), 7 OSCB 3777			<i>Withdrawn Oct 6/00</i>
OSCN	Prospectus Disclosure of Ratings (1984), 7 OSCB 4362			<i>Withdrawn Oct 6/00</i>
OSCN	Application of Ceiling Test in Financial Statements of Oil and Gas Industry Issuers (1984), 7 OSCB 5114			<i>Withdrawn Oct 6/00</i>
OSCN	Bill 34 - Freedom of Information and Privacy Act (1984), 7 OSCB 6143			<i>Withdrawn Oct 6/00</i>
OSCN	Application of OSC Policy 11.4 on Commodity Pools Program (1985), 8 OSCB 2557	81-104	Commodity Pools	<i>Came into Force Nov 1/02</i>
OSCN	Prompt Offering Qualification System - "Wrap Around" AIFs (1985), 8 OSCB 2911			<i>Withdrawn Oct 6/00</i>
OSCN	Prohibition Against Principal Trading by Investment Dealers in Securities of Target Company During Take-Over Bid (1985), 8 OSCB 3293			<i>Withdrawn Oct 6/00</i>
OSCN	Second Notice Concerning Application of Ceiling Test in Financial Statements of Oil and Gas Industry Issuers (1985), 8 OSCB 4719			<i>Withdrawn Oct 6/00</i>
OSCN	Disclosure of Executive Compensation - Proxy Circulars (1986), 9 OSCB 1997			<i>Withdrawn Oct 6/00</i>
OSCN	Enforcement of Timely Filings of Financial Statements: Application of OSC 7.6 (1986), 9 OSCB 4216			<i>Withdrawn Oct 6/00</i>
OSCN	Leveraged Mutual Fund Purchases (1986), 9 OSCB 4375			<i>Withdrawn Oct 6/00</i>
OSCN	Fees for Prospectus Offerings Outside of Ontario (1987), 10 O.S.C.B 1452			<i>Withdrawn Oct 6/00</i>
OSCN	Filing of Prospectuses with the Commission (1987), 10 OSCB 1730			<i>Withdrawn Oct 6/00</i>
OSCN	Advertising and Use of Marketing Material During the Waiting Period (1987), 10 OSCB 2831	47-701	Advertising and Use of Marketing Material During the Waiting Period	<i>Renumbered Apr 20/01</i>
OSCN	Procedures and Requirements for Implementing Amendments to the Regulation Regarding Entry Into and Ownership of the Ontario Securities Industry (1987), 10 OSCB 2969	31-503	Limited Market Dealers (1998), 21 OSCB 2316	<i>Came into Force Apr 7/98</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
OSCN	Conditional Registration of Limited Market Dealers (1987), 10 OSCB 4791			<i>Withdrawn Oct 6/00</i>
OSCN	Regulation of Mortgage Syndications - Proposed Structural Changes (1987), 10 OSCB 5145			<i>Withdrawn Oct 6/00</i>
OSCN	Pre-Filing Consultation on Innovative or Unusual Financial Reporting (1987), 10 OSCB 5687	52-703	Pre-Filing Consultation on Innovative or Unusual Financial Reporting	<i>Renumbered Apr 20/01</i>
OSCN	Report on Financial Statement Review Program (1988), 11 OSCB 4277			<i>To be withdrawn</i>
OSCN	"Blank Cheque" Preferred Shares (1987), 10 OSCB 5690	56-501	Restricted Shares (1999), 22 OSCB 6803	<i>Came into Force Oct 25/99</i>
OSCN	Soft Dollars - Exemptions by the Director (1987), 10 OSCB 6422			<i>To be withdrawn</i>
OSCN	Outline of NP 39 (1987), 10 OSCB 6423			<i>Withdrawn Oct 6/00</i>
OSCN	NP 41 - Shareholder Communication Exemption from Interim Financial Statements (1988), 11 OSCB 1029	54-101	Communication with Beneficial Owners of Securities of a Reporting Issuer	<i>Came into Force Jul 1/02</i>
		54-102	Interim Financial Statement and Report Exemption	<i>Came into Force Jul 1/02</i>
OSCN	Media Articles Appearing During the Waiting Period (1988), 11 OSCB 1098	47-703	Media Articles Appearing During the Waiting Period	<i>Renumbered Apr 20/01</i>
OSCN	NP 41 - Shareholder Communication/The Canadian Depository for Securities Limited (1988), 11 OSCB 1242			<i>Withdrawn Oct 6/00</i>
OSCN	Compliance with Section 41 of the Securities Act (1988), 11 OSCB 2217	33-504	Compliance with Section 42 (1998), 21 OSCB 2318	<i>Came into Force Apr 7/98</i>
OSCN	Mutual Fund Dealer Registration as Limited Market Dealer (1988), 11 OSCB 2311			<i>Withdrawn Oct 6/00</i>
OSCN	Applications to the OSC (1988), 11 OSCB 3107			<i>Withdrawn Oct 6/00</i>
OSCN	NP 41 - Industry Implementation and Monitoring Report (1988), 11 OSCB 3325			<i>Withdrawn Oct 6/00</i>
OSCN	OSC 5.8 - Dissemination of Future-Oriented Financial Information (1988), 11 OSCB 3726			<i>Withdrawn Oct 6/00</i>
OSCN	Conditions of Registration - Capital Requirements (1988), 11 OSCB 3726	33-701	Calculation of Regulatory Capital (1997), 20 OSCB 3363	<i>Published Jun 27/97</i>
OSCN	Residential Real Estate Syndications (1988), 11 OSCB 4171			<i>To be withdrawn</i>
OSCN	Noranda Inc./Falconbridge Limited - Proposed Stock Exchange Take-over Bid/Pre-Bid Integration Rules (1988), 11 OSCB 4367	62-702	Noranda Inc./Falconbridge Limited - Proposed Stock Exchange Take-over Bid/Pre-Bid Integration Rules	<i>Renumbered Apr 20/01</i>
OSCN	Further Extension of System of Conditional Registration and other Exemptions of Financial Intermediaries (1988), 11 OSCB 5137			<i>Withdrawn Oct 6/00</i>
OSCN	OSC 5.2 - Junior Natural Resource Issuers - Standing Liaison Committee (1989), 12 OSCB 953			<i>Lapsed Jul 1/01</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
OSCN	OSC 1.3 - Restricted Shares Notice Regarding Compliance with Restricted Share Disclosure Requirements and Disclosure Regarding Take-Over Bids (1989), 12 OSCB 1227	56-501	Restricted Shares (1999), 22 OSCB 6803	<i>Came into Force Oct 25/99</i>
OSCN	Rights Offerings Under a Prospectus (1989), 12 OSCB 1463	45-101	Rights Offerings (2001), 24 OSCB 4397	<i>Came into Force Jul 25/01</i>
OSCN	Use of "Special Warrants" in Connection with Distribution of Securities By Prospectus (1989), 12 OSCB 2168	46-701	Use of "Special Warrants" in Connection with Distribution of Securities By Prospectus	<i>Renumbered Apr 20/01</i>
OSCN	Use of "Green Sheets" and other Marketing Material During the Waiting Period (1989), 12 OSCB 2641			<i>Withdrawn Oct 6/00</i>
OSCN	Supplementary Notice - Application of the Securities Act to Certain Residential Real Estate Offerings (1989) 12 OSCB 2732			<i>To be withdrawn</i>
OSCN	Collection of Personal Information - <i>Freedom of Information and Protection of Privacy Act, 1987</i> (1989), 12 OSCB 3083	31-504	Applications for Registration (1997), 20 OSCB 4634	<i>Came into Force Sept 4/97</i>
OSCN	Final Report on Capital, Financial Reporting and Audit Requirements (1990), 13 OSCB 493			<i>Withdrawn Oct 6/00</i>
OSCN	Review of Short Form Prospectuses Qualifying Derivative Securities (1990), 13 OSCB 1559			<i>Withdrawn Oct 6/00</i>
OSCN	Revised Notice of Amendment or Change of Information Form of Dealers and Advisers (1990), 13 OSCB 2971	33-109	Registration Information Requirements (under the Securities Act) (2002), 25 OSCB 3475	<i>Republished for comment Jun 14/02</i>
OSCN	Insider Reporting System (1991), 14 OSCB 260			<i>Withdrawn Oct 6/00</i>
OSCN	Staff Investigation in Respect of Loan by Stelco Inc. to controlling shareholder of Clarus Corporation (1991), 14 OSCB 1807	62-701	Staff Investigation in Respect of Loan by Stelco Inc. to controlling shareholder of Clarus Corporation	<i>Renumbered Apr 20/01</i>
OSCN	Debt-like Derivative Securities (1991), 14 OSCB 3316	91-701	Debt-Like Derivative Securities (1996), 19 OSCB 3427	<i>Published Jun 21/96</i>
OSCN	Disruption of Mail Service (1991), 14 OSCB 4113			<i>Withdrawn Oct 6/00</i>
OSCN	Market Balancing for a Proposed Multinational Offering (1991), 14 OSCB 5845			<i>Withdrawn Oct 6/00</i>
OSCN	Deficiency Letters in Respect of Salesperson Registration Applications (1992), 15 OSCB 6			<i>Withdrawn Oct 6/00</i>
OSCN	Report on Financial Statement Issues (1992), 15 OSCB 6	52-704	Report on Financial Statement Issues	<i>Renumbered Apr 20/01</i>
OSCN	Inter-Dealer Bond Broker Systems (1992), 15 OSCB 1081			<i>Withdrawn Oct 6/00</i>
OSCN	Confidential Material Change Reports (1992), 15 OSCB 4555	51-201	Disclosure Standards	<i>Adopted Jul 12/02</i>
OSCN	Report on Capital Adequacy Formula for SRO Members (1992), 15 OSCB 4750			<i>Withdrawn Oct 6/00</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
OSCN	Annual Information Form and MD&A of Financial Condition and Results of Operation Re: Small Issuer Exemption (1992), 15 OSCB 4772	51-501	Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operation (2000), 23 OSCB 8365	<i>Came into Force Jan 1/01</i>
OSCN	Office of the Chief Accountant MD&A Guide (1993), 16 OSCB 360	51-704	Office of the Chief Accountant - MD&A Guide	<i>Renumbered Apr 20/01</i>
OSCN	Universal Registration - Extension of Date for Registration of Financial Intermediaries (1993), 16 OSCB 2818			<i>Withdrawn Oct 6/00</i>
OSCN	Pre-Marketing Activities in the Context of Bought Deals (1993), 16 OSCB 4812			<i>To be retained</i>
OSCN	The GAAP Report (1993), 16 OSCB 5117			<i>To be withdrawn</i>
OSCN	Labour Sponsored Investment Funds (1993), 16 OSCB 5283	31-502	Proficiency Requirements for Registrants (2000), 23 OSCB 5658	<i>Came into Force Aug 17/00</i>
		31-702	Ontario Securities Commission Designation of Courses Under Rule 31-502 (2000), 23 OSCB 5658	<i>Published Aug 17/00</i>
OSCN	Contemporaneous Private Placements and Public Offerings and Media Coverage Prior to the Commencement of the Waiting Period (1993), 16 OSCB 5776	47-702	Contemporaneous Private Placements and Public Offerings and Media Coverage Prior to the Commencement of the Waiting Period	<i>Renumbered Apr 20/01</i>
OSCN	Misleading Disclosure (1994), 17 OSCB 5			<i>Withdrawn Oct 6/00</i>
OSCN	Cash Equivalents (1994), 17 OSCB 489			<i>Withdrawn Oct 6/00</i>
OSCN	Disclosure of Investigations (1990), 13 OSCB 598	41-501	General Prospectus Requirements (2000), 23 OSCB (SUPP) 765	<i>Came into Force Dec 31/00</i>
OSCN	Issuance of Receipts for Preliminary Prospectuses and (Final) Prospectuses (1994), 17 OSCB 1058	41-701	Issuance of Receipts for Preliminary Prospectus and Prospectus (1997), 20 OSCB 2275	<i>Came into Force May 2/97</i>
OSCN	Executive Compensation Disclosure for Debt Only Issuers (1994), 17 OSCB 1059	51-702	Executive Compensation Disclosure for Debt-Only Issuers	<i>Renumbered Apr 20/01</i>
OSCN	Securities Exchange Take-Over Bid Circulars - Reporting Issuer Status (1994), 17 OSCB 1402	45-501	Exempt Distributions (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
OSCN	Meetings with a Commissioner Regarding a Prospectus or an Application for Exemption or Registration (1994), 17 OSCB 3529	15-701	Meetings with a Commissioner Regarding a Prospectus or an Application for Exemption or Registration	<i>Renumbered Apr 20/01</i>
OSCN	Electronic Registration Application Forms (1994), 17 OSCB 3529			<i>To be withdrawn</i>
OSCN	Residency Requirements for Advisers and Their Partners and Officers (1994), 17 OSCB 4206			<i>To be retained</i>
OSCN	Selective Review of Prospectuses and Other Documents (1994), 17 OSCB 4385	43-703	Selective Review of Prospectuses and Other Documents	<i>Currently being reformulated</i>
OSCN	Solicitation Fee Claims (1994), 17 OSCB 4629			<i>Withdrawn Oct 6/00</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
OSCN	Expedited Review of Short Form Prospectuses and Renewal AIFs (1994), 17 OSCB 5210	43-201	Mutual Reliance Review System for Prospectus and Initial AIFs (1999), 22 OSCB 7293	<i>Adopted Jan 1/00</i>
OSCN	Electronic Registration Forms (1994), 17 OSCB 6073			<i>To be withdrawn</i>
OSCN	The Use of Securities Exchange Take-over Bid Circulars to Obtain Reporting Issuer Status (1995), 18 OSCB 1768	45-501	Exempt Distributions (1999), 22 OSCB 127	<i>Came into Force Dec 22/98</i>
OSCN	Courier/By Hand Deliveries (1995), 18 OSCB 2204			<i>Withdrawn Oct 6/00</i>
OSCN	Residency Requirements for Certain Non-Resident Salespersons and Supervisors (1995), 18 OSCB 3905			<i>To be retained</i>
OSCN	Registration Residency Requirements for Certain Canadian Dealers (1995), 18 OSCB 3908			<i>To be retained</i>
OSCN	Electronic Registration Forms (1995), 18 OSCB 5922			<i>To be withdrawn</i>
OSCN	Early Warning Information Publication (1996), 19 OSCB 1128			<i>Withdrawn Oct 6/00</i>
OSCN	Viatical Settlements (1996) 19 OSCB 4680			<i>To be retained</i>
Principles of Regulation				
PR	Distribution of Mutual Funds by Financial Institutions (1988), 11 OSCB 4436	33-102	Regulation of Certain Registrant Activities (2001), 24 OSCB 4409	<i>Came into Force Aug 1/01</i>
PR	Full Service and Discount Brokerage Activities in Branches of Related FIs (1988), 11 OSCB 4640	33-102	Regulation of Certain Registrant Activities (2001), 24 OSCB 4409	<i>Came into Force Aug 1/01</i>
PR	Activities of Registrants Related to Financial Institutions (1990), 13 OSCB 1779	33-102	Regulation of Certain Registrant Activities (2001), 24 OSCB 4409	<i>Came into Force Aug 1/01</i>
PR	Activities of Registrants Related to Financial Institutions (1990), 13 OSCB 1779	33-102	Regulation of Certain Registrant Activities (2001), 24 OSCB 4409	<i>Came into Force Aug 1/01</i>
Staff Accounting Communiqués				
SAC No. 1	(1989), 12 OSCB 2458			<i>Under Consideration</i>
SAC No. 1.1	(1993), 16 OSCB 1080			<i>To be retained</i>
SAC No. 2	Financial Statement Presentation of Corporate Financing Activities			<i>Under Consideration</i>
SAC No. 3	Auditors Report on Comparative Financial Statements			<i>To be withdrawn</i>
SAC No. 4	Interest Accrual on Delinquent Loans			<i>Withdrawn Apr 20/01</i>
SAC No. 5	Filing Extensions for Continuous Disclosure Financial Statements			<i>To be retained</i>
SAC No. 6	Income Statement Presentation			<i>Under Consideration</i>
SAC No. 7	Financial Disclosure in Information Circulars			<i>To be withdrawn</i>

Pre-Reformulation		Reformulation		Status as at December 31, 2002
Instrument	Title	Number	Title	
SAC No. 8	Accounting Basis in an Initial Public Offering (I.P.O.)			<i>Under Consideration</i>
SAC No. 9	Pro Forma Financial Statements (1994), 17 OSCB 5207			<i>Withdrawn Apr 20/01</i>
SAC No. 10	Restructuring and Similar Charges (Including Write Downs of Goodwill) (1994), 17 OSCB 6074			<i>Under Consideration</i>
Registration Section Clarification Note				
REG Note 1	Supplement to Principles of Regulation Regarding Distribution of Mutual Funds Through Branches of Financial Institutions			<i>To be repealed</i>
REG Note 2	Registration as an Investment Counsel or Portfolio Manager (IC/PM): Senior and Junior IC/PM Registration	31-502	Proficiency Requirements for Registrants (2000), 23 OSCB 5658	<i>Came into Force Aug 17/00</i>
		31-702	Ontario Securities Commission Designation of Courses Under Rule 31-502 (2000), 23 OSCB 5658	<i>Published Aug 17/00</i>
REG Note 3	Registration of Certain Employees or Independent Agents of Registered Dealers: Recommendations for Supervision of Qualifiers			<i>To be retained</i>
REG Note 4	New Procedures for Approving and Recording Amendments to Registration of Dealers and Advisers	33-109	Registration Information Requirements (under the Securities Act) (2002), 25 OSCB 3475	<i>Republished for comment Jun 14/02</i>
Interpretation Note				
Interpretation Note 1	Distribution of Securities Outside Ontario (1983), 6 OSCB 228	72-101	Distributions Outside of the Local Jurisdiction (2000), 23 OSCB 6140	<i>Published for comment Sep 8/00</i>
Interpretation Note 2	Prospectus Disclosure of Principal Holders (1983) OSCB 4536	41-501	General Prospectus Requirements (2000), 23 OSCB (SUPP) 765	<i>Came into Force Dec 31/00</i>

Item Key		
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NEW INSTRUMENTS		
Number	Title	Status as of December 31, 2002
11-201	Delivery of Documents by Electronic Means (2000), 23 OSCB 8156 (2002), 25 OSCB 5364	<i>Adopted Jan 1/00</i> <i>Amendments published for comment Aug 9/02</i>
11-301	Canadian Securities Administrators Strategic Plan 1999 - 2001	<i>Withdrawn Dec 21/01</i>
11-302	Withdrawal of CSA Notices (2001), 24 OSCB 7629	<i>Published Dec 21/01</i>
11-303	Uniform Securities Legislation Project	<i>Published Mar 8/02</i>
11-401	Delivery of Documents by Issuers Using Electronic Media Concept Proposal (1997), 20 OSCB 3075	<i>Published for comment Jun 13/97</i>
11-702	Notice re Table of Concordance (1998), 21 OSCB 31	<i>Published Jan 2/98</i>
11-703	Table of Concordance for the Reformulation Project (1999), 22 OSCB 3	<i>Published Jan 8/99</i>
11-704	Table of Concordance for the Reformulation Project (2000), 23 OSCB 193	<i>Published Jan 14/00</i>
11-705	Table of Concordance for the Reformulation Project (2000), 23 OSCB 4668	<i>Published Jul 7/00</i>
11-706	Rescission of Staff Notices (2000), 23 OSCB 6861	<i>Published Oct 6/00</i>
11-707	Table of Concordance for the Reformulation Project (2000), 23 OSCB 6836	<i>Published Oct 6/00</i>
11-708	Table of Concordance for the Reformulation Project (2001), 24 OSCB 28	<i>Published Jan 5/01</i>
11-709	Assignment of Notice Numbers (2001), 24 OSCB 2405	<i>Published Apr 20/01</i>
11-710	Withdrawal of Staff Accounting Communiques (2001), 24 OSCB 2406	<i>Published Apr 20/01</i>
11-711	Table of Concordance for the Reformulation Project (2001), 24 OSCB 2078	<i>Published Apr 6/01</i>
11-712	Withdrawal of CSA Notices (2001), 24 OSCB 2406	<i>Published Apr 20/01</i>
11-713	Table of Concordance for the Reformulation Project (2001), 24 OSCB 4177	<i>Published Jul 13/01</i>
11-714	Table of Concordance for the Reformulation Project (2001), 24 OSCB 5978	<i>Published Oct 12/01</i>
11-715	Table of Concordance for the Reformulation Project (2002), 25 OSCB 267	<i>Published Jan 18/02</i>
11-716	Table of Concordance for the Reformulation Project (2002), 25 OSCB 2001	<i>Published Apr 12/02</i>
11-717	Securities Advisory Committee -OSC Policy 11-601 (2002), 25 OSCB 2791	<i>Published May 17/02</i>
11-718	Table of Concordance for the Reformulation Project (2002), 25 OSCB 4637	<i>Published Jul 19/02</i>

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NEW INSTRUMENTS		
Number	Title	Status as of December 31, 2002
11-719	A Risk-based Approach for More Effective Regulation	<i>Published Dec 20/02</i>
11-720	Policy Reformulation Table of Concordance and List of New Instruments	<i>Published Nov 1/02</i>
11-901	Concept Proposal to Revise Schedule I (Fees) to be Regulation to the Securities Act (Ontario) (2001), 24 OSCB 1971	<i>Expired Nov 31/01</i>
12-201	Mutual Reliance Review System for Exemptive Relief Applications (2000), 23 OSCB 5508	<i>Adopted Jan 1/00</i>
12-302	National Policy 12-201 Mutual Reliance Review System ("MRRS") for Exemptive Relief Applications ("ERA") ERA and Applications for Approval or Exemptions under National Policy No. 39 "Mutual Funds" ("NP 39") (1999), 23 OSCB 7238	<i>Published Nov 19/99</i>
12-303	Exemptive Relief Applications and Year End (1999), 23 OSCB 5877	<i>Published Sep 17/99</i>
12-304	Mutual Reliance Review System for Exemptive Relief Applications - Frequently Occurring Issues (2000), 23 OSCB 5508	<i>Published Aug 11/00</i>
12-305	Exemptive Relief Application and Year End	<i>Withdrawn Dec 21/01</i>
12-306	Exemptive Relief Application and Year End (2001), 24 OSCB 5763	<i>Expired Dec 31/01</i>
12-401	National Application System Concept Proposal (1998), 21 OSCB 621	<i>Published for comment Jan 30/98 (extended Jul 3/98)</i>
12-602	Deeming an Issuer from Certain Other Canadian Jurisdictions to be a Reporting Issuer in Ontario (2001), 24 OSCB 3913	<i>Came into Force Jun 27/01</i>
12-702	Applications to be Deemed a Reporting Issuer in Ontario Orders Required by Year End (2001), 24 OSCB 6260	<i>Expired Dec 31/01</i>
13-101	SEDAR (Electronic Filing) Rule (1996), 19 OSCB 6858 (1999), 22 OSCB 5276 (2002), 25 OSCB 6326	<i>Came into Force Dec 17/96</i> <i>Amendment Came into Force Aug 27/99</i> <i>Amendments published for comment Sep 20/02</i>
13-301	SEDAR - Use of Incorrect Document Formats	<i>Withdrawn Apr 20/01</i>
13-302	Notice of Changes to SEDAR Filer Software	<i>Withdrawn Apr 20/01</i>
13-303	SEDAR Operational Changes	<i>Withdrawn Apr 20/01</i>

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NEW INSTRUMENTS		
Number	Title	Status as of December 31, 2002
13-304	Changes to SEDAR Filing Service Charges (2001), 24 OSCB 2777	<i>Withdrawn Apr 20/01</i>
13-305	SEDAR Changes for Mutual Reliance Review Systems for Prospectuses and AIFs	<i>Withdrawn Apr 20/01</i>
13-306	Guidance for SEDAR Users (2001), 24 OSCB 2777	<i>Published May 4/01</i>
13-307	Notice of Amendments to the SEDAR Filer Manual (2001), 24 OSCB 5112	<i>Published Aug 24/01</i>
13-308	Increases to SEDAR Annual Filing Service Charges (2001), 24 OSCB 7112	<i>Published Nov 30/01</i>
13-310	Securities Regulatory Authority Closed Dates 2002/03 (2002), 25 OSCB 2626	<i>Published May 10/02</i>
13-401	Request for Changes, Additions or Improvements for a Revised SEDAR System	<i>Withdrawn Dec 21/01</i>
13-501	Payment of Fees (1998), 21 OSCB 2925	<i>Came into Force May 5/98</i>
13-502	Fees (2002), 25 OSCB 4067	<i>Published for comment Jun 28/02</i>
13-701	SEDAR Filings and Year 2000 Contingency Plans (1999), 22 OSCB 8281	<i>Published Dec 24/99</i>
13-702	Processing Prospectuses Before Year-End (2001), 24 OSCB 5764	<i>Expired Dec 31/01</i>
14-101	Definitions (1997), 20 OSCB 1727 (1999), 22 OSCB 4069 (2001), 24 OSCB 5825	<i>Came into Force Apr 1/97</i> <i>Amendment Came into Force Jul 1/99</i> <i>Amendments Came into Force Dec 31/02</i>
14-501	Definitions (1997), 20 OSCB 4054 (1999), 22 OSCB 1173	<i>Came into Force Jul 29/97</i> <i>Amendment Came into Force Feb 13/99</i>
15-702	Credit for Cooperation (2002), 25 OSCB 3949	<i>Published Jun 28/02</i>
21-101	Marketplace Operation (2001), 24 OSCB 6591	<i>Came into Force Dec 1/01</i>
21-301	Canadian Venture Exchange	<i>Published Nov 26/99</i>
21-901	Recognition Order - In the Matter of the Recognition of Certain Stock Exchanges (1997), 20 OSCB 1034 - Amendment (2000), 23 OSCB 6984	<i>Came into Force Aug 29/00</i>
23-101	Trading Rules (2001), 24 OSCB 6591	<i>Came into Force Dec 1/01</i>

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NEW INSTRUMENTS		
Number	Title	Status as of December 31, 2002
23-501	Designation as Market Participant (2001), 24 OSCB 6591	<i>Came into Force Dec 1/01</i>
23-502	Reported Market (2000), 23 OSCB (SUPP) 411	<i>Published for comment Jul 28/00</i>
31-102	National Registration Database (under the Securities Act) (2002), 25 OSCB 3405	<i>Republished for comment Jun 14/02</i>
31-301	The Year 2000 Challenge	<i>Withdrawn Apr 20/01</i>
31-302	Securities Industry Contingency Planning	<i>Withdrawn Apr 20/01</i>
31-303	System Changes for Market Participants After Completion of Year 2000 Testing	<i>Withdrawn Apr 20/01</i>
31-304	Year 2000: Backup of Records	<i>Withdrawn Apr 20/01</i>
31-305	Registration Streamlining System (2002), 25 OSCB 6198	<i>Published Sept 20/02</i>
31-306	National Registration Database (NRD) - NRD to Launch March 31, 2003	<i>Published Oct 11/02</i>
31-401	Registration Forms Relating to the National Registration Database	<i>Withdrawn Dec 21/01</i>
31-402	Registration Forms Relating to the National Registration Database (2001), 24 OSCB 4039	<i>Expired Jan 6/02</i>
31-501	Registrant Relationships - Amendments (1998), 21 OSCB 3902	<i>Published for comment Jun 19/98</i>
31-502	Proficiency Requirements for Registrants – Amendments	<i>Published for comment Dec 20/02</i>
31-504	Applications for Registration - Amendments (1998), 21 OSCB 3902	<i>Published for comment Jun 19/98</i>
31-505	Conditions of Registration (1999) 22 OSCB 731	<i>Came into Force Dec 23/98</i> <i>Amendments published for comment Dec 20/02</i>
31-506	SRO Membership - Mutual Fund Dealers (2001), 24 OSCB 2333	<i>Came into Force Apr 23/01</i>
31-507	SRO Membership Securities Dealers (2000), 23 OSCB 5657	<i>Came into Force Dec 1/00</i>
31-508	Permanent Registration System (1998), 21 OSCB 4067	<i>Published for comment Jun 26/98 (replaced by 33-108)</i>

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NEW INSTRUMENTS		
Number	Title	Status as of December 31, 2002
31-509	National Registration Database (under the Commodity Futures act) (2002), 25 OSCB 3443	<i>Republished for comment Jun 14/02</i>
31-703	Year 2000	<i>Withdrawn Oct 6/00</i>
31-704	Application for Registration and Year 2000	<i>Withdrawn Oct 6/00</i>
31-705	Common Renewal Date (2002), 25 OSCB 2627	<i>Published May 10/02</i>
32-501	Direct Purchase Plans (2001), 25 OSCB 5919	<i>Came into Force Oct 4/01</i>
32-502	Registration Exemption for Certain Trades by Financial Intermediaries - Amendment (1998), 21 OSCB 2315	<i>Came into Force Apr 9/98</i>
32-503	Registration and Prospectus Exemption for Trades by Financial Intermediaries in Mutual Fund Securities to Corporate Sponsored Plans - Amendment (1998), 21 OSCB 2315	<i>Came into Force Apr 9/98</i>
32-701	Processing of Equity and Fixed Income Trades by Financial Institutions and Mutual Fund Dealers (1999), 23 OSCB 7091	<i>Published Nov 12/99</i>
32-702	Applications for Exemption from the Time Limits on Completion of Courses and Previous Registrations (2001), 24 OSCB 5762	<i>Published Sep 28/01</i>
33-106	Year 2000 Preparation Reporting	<i>Revoked Jul 18/99</i>
33-107	Proficiency Requirements for Registrants Holding Themselves Out as Providing Financial Planning Advice (1999), 22 OSCB 7647 (2001), 24 OSCB 1005	<i>Published for comment Dec 3/99 Republished for comment Feb 16/01</i>
33-108	Permanent Registration (2001), 24 OSCB 1671	<i>Published for comment Mar 16/01</i>
33-301	National Instrument 33-106 - Year 2000 Preparation Reporting	<i>Withdrawn Apr 20/01</i>
33-302	National Instrument 33-106 Non-Compliant Registered Firms and Possible Terms and Conditions	<i>Withdrawn Apr 20/01</i>
33-303	Trust Accounts for Mutual Fund Securities	<i>Withdrawn Dec 21/01</i>
33-304	CSA Distributions Structures Committee Position Paper (1999), 22 OSCB 5257	<i>Published Aug 27/99</i>
33-305	Sale of Insurance Products by Dually Employed Salespersons (2000), 23 OSCB 8	<i>Published Jan 7/00</i>
33-401	Canadian Capital Markets Association - T+1 White Paper (2001), 24 OSCB 2069	<i>Expired Nov 8/01</i>
33-505	Permanent Registration (Commodity Futures Act) (2001), 24 OSCB 1675	<i>Published for comment Mar 16/01</i>
33-506	Registration Information Requirements (under the Commodity Futures Act) (2002), 25 OSCB 3515	<i>Republished for comment Jun 14/02</i>

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Number	Title	Status as of December 31, 2002
33-704	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	<i>To be withdrawn</i>
33-705	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	<i>Withdrawn Oct 6/00</i>
33-706	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	<i>Withdrawn Oct 6/00</i>
33-707	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	<i>Withdrawn Oct 6/00</i>
33-708	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	<i>Withdrawn Oct 6/00</i>
33-709	List of Non-Complying Ontario Registered Firms Under National Instrument 33-106	<i>Withdrawn Oct 6/00</i>
33-710	List of Non-Compliant Ontario Registered Firms Under National Instrument 33-106	<i>Withdrawn Oct 6/00</i>
33-711	List of Non-Compliant Ontario Registered Firms Under National Instrument 33-106	<i>Withdrawn Oct 6/00</i>
33-712	Processing of Equity and Fixed Income Trades by Financial Institutions and Mutual Fund Dealers (1999), 22 OSCB 7091	<i>Published Nov 12/99</i>
33-713	Registrant Regulatory Filings (2000), 23 OSCB 3512	<i>Published May 19/00</i>
33-718	Networking Applications (2000), 23 OSCB 245	<i>Published Jan 14/00</i>
33-719	Registration Renewal and Permanent Registration (2001), 24 OSCB 4514	<i>Published Jul 27/01</i>
33-720	2001 National Compliance Review (NCR) (2002), 25 OSCB 5063	<i>Published Aug 2/02</i>
35-101	Conditional Exemption from Registration for United States Broker - Dealers and Agents (2000), 23 OSCB 8511	<i>Came into Force Jan 1/01</i>
35-301	Conditional Exemption from Registration for United States Broker-Dealers and Agents (1999), 22 OSCB 4319	<i>Published Jul 16/99</i>
35-502	Non-resident Advisers – Amendments	<i>Published for comment Dec 20/02</i>
41-301	The Year 2000 Challenge - Disclosure Issues	<i>Withdrawn Apr 20/01</i>
41-303	Harmonization of Prospectus Requirements Across the CSA (2002), 25 OSCB 2203	<i>Published Apr 19/02</i>
41-502	Prospectus Requirements for Mutual Funds (2001), 24 OSCB 2474	<i>Came into Force Apr 5/01</i>
41-601	Capital Pool Companies (2002), 25 OSCB 3315	<i>Came into Force June 15/02</i>
42-301	Dual Reporting of Financial Information (2000), 23 OSCB 905	<i>Published Feb 11/00</i>
43-201	Mutual Reliance Review System for Prospectus and Initial AIFs - Amendments (2002), 25 OSCB 487	<i>Adopted Jan 25/02</i>
43-301	CSA Mining Technical Advisory and Monitoring Committee	<i>Withdrawn Dec 21/01</i>
43-302	Frequently Asked Questions re National Instrument 43-101 Standards of Disclosure for Mineral Projects (2001), 24 OSCB 6250	<i>Published Oct 19/01</i>

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43-303	Frequently Asked Questions re National Instrument 43-101 Standards of Disclosure for Mineral Projects (Revised February 8, 2002) (2002), 25 OSCB 811	<i>Published Feb 8/02</i>
43-304	Prospectus Filing Matters - Arthur Andersen LLP Consent (2002), 25 OSCB 3955	<i>Published Jun 28/02</i>
43-701	OSC Staff Notice Regarding National Instrument 43-101 (2001), 24 OSCB 708	<i>Published Feb 2/01</i>
43-702	Review Time Frames for "Equity Line" Short Form Prospectuses (2001), 23 OSCB 4514	<i>Published Jul 27/01</i>
44-301	Frequently Asked Questions Regarding the New Prospectus Rules (2002, 35 OSCB 1465	<i>Published Mar 15/02</i>
44-401	CSA Notice and Request for Comment: Concept Proposal for an Integrated Disclosure System (2000), 23 OSCB 633	<i>Published for comment Jan 28/00</i>
45-102	Resale of Securities (2001), 24 OSCB 7029	<i>Came into Force Nov 30/01</i>
45-105	Trades to Employees, Executives, Senior Officers, Directors, and Consultants	<i>Published for comment Nov 1/02</i>
45-301	Implementation of Multilateral Instrument 45-102 Resale of Securities (2001), 24 OSCB 7110	<i>Published Nov 30/01</i>
45-302	Frequently Asked Questions Regarding the New Resale Rules (2002), 25 OSCB 3951	<i>Published Jun 28/02</i>
45-501	Exempt Distributions - Amendments (2001), 24 OSCB 7011	<i>Came into Force Nov 30/01</i>
45-502	Dividend or Interest Reinvestment and Stock Dividend Plans - Amendments (2001), 24 OSCB 5567	<i>Came into Force Dec 1/02</i>
45-503	Trades to Employees, Executives and Consultants - Amendments (2001), 24 OSCB 5567	<i>Came into Force Dec 1/02</i>
45-504	Prospectus Exemption for Distributions of Securities to Portfolio Advisers on Behalf of Fully Managed Accounts	<i>Repealed Nov 30/01</i>
45-701	Paragraph 35(2)14 of the Securities Act (Ontario) (2000), 23 OSCB 7589	<i>Published Nov 10/00</i>
45-702	Frequently Asked Questions regarding OSC Rule 45-501 Exempt Distributions (2002), 25 OSCB 1716	<i>Published Mar 29/02</i>
45-703	Filing and Delivery Information	<i>Published May 31/02</i>
45-704	Small Business Advisory Committee (2002), 25 OSCB 4207	<i>Published Jul 5/02</i>
46-201	Escrow for Initial Public Offerings (2002), 25 OSCB 4035	<i>Adopted Jun 30/02</i>
46-301	Escrows - Proposal for Uniform Terms of Escrow Applicable to Initial Public Distributions	<i>Withdrawn Jun 30/02</i>
46-302	Consent to Amend Existing Escrow Agreements	<i>Withdrawn Jun 30/02</i>
47-201	The Use of the Internet and Other Electronic Means of Communication to Facilitate Trading in Securities (2000), 23 OSCB 8062	<i>Adopted Jan 1/00</i>

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NEW INSTRUMENTS		
Number	Title	Status as of December 31, 2002
48-701	Notice of Lapse of SEC No-Action Letter regarding US Trading Rules and MJDS Transactions (1997), 20 OSCB 3307	<i>Published Jun 27/97</i>
51-201	Disclosure Standards (2002), 25 OSCB 4459	<i>Adopted Jul 12/02</i>
51-301	Conversion of Corporate Issuers to Trusts (1997), 20 OSCB 5134	<i>Published Oct 10/97</i>
51-302	The Year 2000 Challenge - Disclosure Issues	<i>Withdrawn Apr 20/01</i>
51-303	CSA Follow-up of Inadequate Year 2000 Disclosure	<i>Withdrawn Apr 20/01</i>
51-304	Report on Staff Review of Executive Compensation Disclosure	<i>Published Nov 8/02</i>
51-305	Canadian Capital Markets Association – Corporate Actions and Other Entitlements White Paper – October 2002	<i>Published Nov 29/02</i>
51-401	CSA Notice and Request for Comment: Concept Proposal for an Integrated Disclosure System (2000), 23 OSCB 633	<i>Published for comment Jan 28/00</i>
51-501	Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operation - Amendments (2001), 24 OSCB 7417	<i>Came into Force Dec 31/01</i>
51-503	Supplementary SEC Filings (2001), 24 OSCB 6083	<i>Published for comment Oct 12/01</i>
51-603	Reciprocal Filings (2001), 24 OSCB 6083	<i>Proposed rescission published for comment Oct 12/01</i>
51-703	Implementation of Reporting Issuer Continuous Disclosure Review Program (2000), 23 OSCB 4123	<i>Published Jun 16/00</i>
51-705	Notice of Commission Intention to Allow Rule to Lapse: In the Matter of Certain Trades in Securities of Junior Resource Issuers ((2001), 24 OSCB 3584	<i>Published Jun 15/01</i>
51-706	Continuous Disclosure Review Program Report - November 2001 (2001), 24 OSCB 6842	<i>Published Nov 16/01</i>
51-707	OSC Continuous Disclosure Advisory Committee (2002), 25 OSCB 2489	<i>Published May 3/02</i>
51-708	Continuous Disclosure Program Report (2002), 25 OSCB 5555	<i>Published Aug 16/02</i>
51-709	Refiling Documents as a Result of Regulatory Reviews	<i>To be withdrawn</i>
51-901	Report of the Toronto Stock Exchange Committee on Corporate Disclosure and Proposed Changes to the Definitions of "Material Fact" and "Material Change" (1997), 20 OSCB 5751	<i>Published Nov 7/97</i>
51-902	Proposal for a Statutory Civil Remedy for Investors in the Secondary Market (1998), 21 OSCB 3335	<i>Published for comment May 29/98</i>
52-302	Dual Reporting of Financial Information (2000), 23 OSCB 905	<i>Published Feb 11/00</i>
52-303	Non-GAAP Earnings Measures (2002), 25 OSCB 112	<i>Published Jan 11/02</i>

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NEW INSTRUMENTS		
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52-304	Application of National Policy statement 31 - <i>Change of Auditor of a Reporting Issuer</i> and National Instrument 81-102 <i>Mutual Funds</i> for Reporting Issuers with Arthur Andersen LLP - Canada as their former auditor (2002), 25 OSCB 5552	<i>Published Aug 16/02</i>
52-401	Financial Reporting in Canada's Capital Markets (2001), 24 OSCB 1678	<i>Expired Dec 30/01</i>
52-501	Financial Statements (2000), 23 OSCB 8372 (2001), 24 OSCB 6088	<i>Came into Force Dec 12/00 (replaces s. 7 to 11 of the Regulation)</i> <i>Amendments published for comment Oct 12/01</i>
52-708	Staff Accounting Communiqué - Initial Offering Costs of Closed-End Investment Funds (1997) 20 OSCB 6414	<i>To be withdrawn upon NI 81-106 coming into force</i>
52-709	Income Statement Presentation of Goodwill Charges (2000), 23 OSCB 1130	<i>Published Feb 18/00</i>
52-713	Report on Staff's Review of Interim Financial Statements and Interim Management's Discussion and Analysis - February 2002 (2002), 25 OSCB 1201	<i>Published Mar 1/02</i>
53-301	CSA Notice - Task Force on Civil Remedies	<i>Withdrawn Dec 21/01</i>
53-302	Proposal for a Statutory Civil Remedy for Investors in the Secondary Market and Response to the Proposed Change to the Definitions of "Material Fact" and "Material Change" (2000), 23 OSCB 7383	<i>Published Nov 10/00</i>
53-701	Staff Report on Corporate Disclosure Survey (2000), 23 OSCB 5098	<i>Published July 28/00</i>
55-102	System for Electronic Data on Insiders (2001), 24 OSCB 6325	<i>Came into Force Oct 29/01, except for s. 2.1, 2.2, 2.4, 3.1 and 3.2, which came into force Nov 13/01</i>
55-301	Filing Insider Reports By Facsimile and Exemption Where Minimal Connection to Jurisdiction	<i>Rescinded Nov 13/01</i>
55-302	National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) Implementation Date Postponed	<i>Withdrawn Dec 21/01</i>
55-303	Extension of Electronic Filing and Reporting Deadlines - Issuer Profile Supplement Filing Deadline Extended to November 19, 2001 and Insider and Issuer Event Reporting Starting December 17, 2001 (2001), 24 OSCB 6535	<i>Published Nov 2/01</i>
55-304	System for Electronic Disclosure by Insiders (SEDI) - Electronic Reporting Deadlines Shifted - Insider and Issuer Event Reporting Start January 21, 2002 (2001), 24 OSCB 7628	<i>Published Dec 21/01</i>
55-305	System for Electronic Disclosure by Insiders (SEDI) - Interim Requirements for Insiders and Issuers Affected by Suspension of SEDI Operation (2002), 25 OSCB 890	<i>Published Feb 15/02</i>

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Number	Title	Status as of December 31, 2002
55-306	Applications for Relief from the Insider Reporting Requirements by certain Vice-Presidents (2002), 25 OSCB 1577	<i>Published Mar 22/02</i>
55-307	Reminder to file paper insider reports using the correct codes (2002), 25 OSCB 1579	<i>Published Mar 22/02</i>
55-308	Questions on Insider Reporting	<i>Published Nov 15/02</i>
55-501	Insider Report Form (1996), 19 OSCB 821	<i>Came into Force Jan 28/96</i>
55-502	Facsimile Filing or Delivery of Insider Reports (1998), 21 OSCB 2925	<i>Came into Force May 5/98</i>
57-301	Failing to File Financial Statements on Time - Management Cease Trade Orders (2002), 25 OSCB 1719	<i>Published Mar 29/02</i>
57-603	Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements (2001), 24 OSCB 2700	<i>Came into Force April 27/01</i>
61-301	Staff Guidance on the Practice of "Mini-Tenders" (1999), 22 OSCB 7797	<i>Published Dec 10/99</i>
61-501	Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions - Amendments (2002), 25 OSCB 943	<i>Came into Force Mar 1/02</i>
61-701	Applications for Exemptive Relief under Rule 61-501 (2000), 23 OSCB 4498	<i>Published Jun 30/00</i>
62-101	Control Block Distribution Issues (2000), 23 OSCB 1367	<i>Came into Force Mar 15/00</i>
62-102	Disclosure of Outstanding Share Data (2000), 23 OSCB 1370	<i>Came into Force Mar 15/00</i>
62-103	The Early Warning System and Related Take-over Bid and Insider Reporting Issues (2000), 23 OSCB 1372	<i>Came into Force Mar 15/00</i>
62-301	Implementation of the Zimmerman Amendments Governing the Conduct of Take-over and Issuer Bids (2001), 24 OSCB 1368	<i>Published Mar 2/01</i>
62-302	Prospectus Filing Matters - Arthur Andersen LLP Consent (2002), 25 OSCB 3955	<i>Published Jun 28/02</i>
71-301	SEC Proposed Rule: Mandated Edgar Filing for Foreign Issuers (2001), 24 OSCB 6261	<i>Published Oct 19/01</i>
72-301	Distributions Outside the Local Jurisdictions Proposed MI 72-101 (2002), 25 OSCB 1580	<i>Published Mar 22/02</i>
72-501	Prospectus Exemption for First Trade over a Market Outside Ontario (2001), 25 OSCB 5567	<i>Rescinded Dec 1/02</i>
81-101	Mutual Fund Prospectus Disclosure (2001), 24 OSCB 2680 (2002), 25 OSCB 4720	<i>Came into Force May 2/01</i> <i>Amendments published for comment Jul 19/02</i>

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81-105	Mutual Fund Sales Practices (1998), 21 OSCB 2727	<i>Came into Force May 1/98</i>
81-301	Mutual Fund Prospectus Disclosure System Concept Proposal	<i>Revoked</i>
81-302	Sales of Mutual Funds in Current RRSP Season (1997), 20 OSCB 6732	<i>Published Dec 12/97</i>
81-303	Year 2000 Disclosure for Mutual Funds	<i>Withdrawn Apr 20/01</i>
81-304	Trust Accounts for Mutual Fund Securities	<i>Withdrawn Dec 21/01</i>
81-305	National Policy 12-201 Mutual Reliance Review System ("MRRS") for Exemptive Relief Applications ("ERA") ERA and Applications for Approval or Exemptions under National Policy No. 39 "Mutual Funds" ("NP 39") (1999), 22 OSCB 7238	<i>Published Nov 19/99</i>
81-306	Disclosure by Mutual Funds of Changes in Calculation of Management Expense Ratio (2000), 23 OSCB 2486	<i>Published Apr 7/00</i>
81-308	Prospectus Filing Matters - Arthur Andersen LLP Consent (2002), 25 OSCB 3955	<i>Published Jun 28/02</i>
81-309	Application of National Policy statement 31 - <i>Change of Auditor of a Reporting Issuer</i> and National Instrument 81-102 <i>Mutual Funds</i> for Reporting Issuers with Arthur Andersen LLP - Canada as their former auditor (2002), 25 OSCB 5552	<i>Published Aug 16/02</i>
81-401	Joint Forum of Financial Market Regulators Discussion Paper Proposed Regulatory Principles for Capital Accumulation Plans (2001), 24 OSCB 3047	<i>Published for comment May 11/01</i>
81-402	A Framework for Regulating Mutual Funds and their Managers (2002), 25 OSCB 1227	<i>Published for comment Mar 1/02</i>
81-704	Limited Powers of Attorney and Letters of Authorization Used in the Sale of Mutual Funds (2000), 23 OSCB 5269	<i>Published Aug 4/00</i>
91-504	Over-the-Counter Derivatives (2000), 23 OSCB 8077	<i>See Notice published Dec 1/00</i>
	Non-SRO Electronic Trading Systems and Market Fragmentation (1997), 20 OSCB 2565	<i>Published for comment May 16/97; replaced by 21-101 and 23-101</i>

1.1.4 Notice of Request for Comments - Proposed National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities and Proposed Repeal of National Policy No. 2-B and Proposed Consequential Amendments to National Instrument 13-101, National Instrument 44-101, National Instrument 45-101, Multilateral Instrument 45-102, and OSC Rule 41-501

PROPOSED NATIONAL INSTRUMENT 51-101 – STANDARDS OF DISCLOSURE FOR OIL AND GAS ACTIVITIES AND PROPOSED REPEAL OF NATIONAL POLICY NO. 2B AND PROPOSED CONSEQUENTIAL AMENDMENTS TO NATIONAL INSTRUMENT 13-101, NATIONAL INSTRUMENT 44-101, NATIONAL INSTRUMENT 45-101, MULTILATERAL INSTRUMENT 45-102, AND OSC RULE 41-501

NOTICE OF REQUEST FOR COMMENTS

The Commission is publishing in Chapter 6 of today's Bulletin a Notice requesting comments on: (i) proposed National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities; (ii) proposed repeal of National Policy No. 2B – *Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators*; and (iii) consequential amendments to National Instrument 13-101 – *Sedar*, National Instrument 44-101 – *Short Form Prospectus Distributions*, National Instrument 45-101 – *Rights Offerings*, Multilateral Instrument 45-102 – *Resale of Securities*, and OSC Rule 41-501 – *General Prospectus Requirements*.

1.1.5 CSA Staff Notice 43-302 - FAQs- NI 43-101 Standards of Disclosure for Mineral Projects

CANADIAN SECURITIES ADMINISTRATORS STAFF NOTICE 43-302

Frequently Asked Questions

First published October 19, 2001, revised February 8, 2002 and January 24, 2003

**NATIONAL INSTRUMENT 43-101 (NI 43-101)
Standards of Disclosure for Mineral Projects**

NI 43-101 is a rule that governs how issuers disclose scientific and technical information about their mineral projects to the public. To assist mining industry participants and their advisors in understanding and applying NI 43-101, we compiled a summary of questions and CSA staff responses (Frequently Asked Questions or FAQs) that was first published on October 19, 2001 and was revised on February 8, 2002. Attached to this notice is an update to the FAQs.

We update the summary of FAQs from time to time to assist in the interpretation and application of NI 43-101 as new issues arise. We continuously update this summary of FAQs rather than create supplemental summaries in order to retain one repository of interpretative guidance for the rule. We intend to publish another comprehensive update later this year.

In this update, we have modified and expanded the guidance in the FAQs in order to respond to questions that have frequently been asked over the last year. The key matters that have been clarified are as follows:

Section 3.6 – The CIM standard definitions should be used for estimating and reporting diamond mineral resources and mineral reserves pending the updating of the Guidelines for Reporting of Diamond Exploration Results, Identified Mineral Resources and Ore Reserves, published by the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories.

Section 4.2 – An issuer must generally file a complete and current technical report rather than an addendum containing new material information. Two exceptions are noted in this section. One relates to the prospectus filing process and the other to reports prepared under National Policy Statement No. 2-A or another reasonable format and filed prior to February 1, 2001.

Section 4.7 – If an issuer is required to file a technical report under subsections 4.1(1) or 4.2(1), it may rely on a technical report that it has previously filed under NI 43-101 if that report is still current and it files an updated certificate and consent from the qualified person. The issuer does not have to re-file the technical report.

Section 4.10 – In connection with the filing of an offering memorandum, an issuer may file a letter that states the name and SEDAR project number of a previously filed technical report that is still current and is being relied upon. The issuer need not file another copy of the report. If a current technical report has not been filed on SEDAR, the issuer must file a hard copy of the technical report with the hard copy of the offering memorandum.

Section 4.12 – An issuer need not file a technical report when it has agreed to acquire a property with mineral resources and perhaps mineral reserves if the announcement of the acquisition includes disclosure cautioning that the resource and reserve estimates are historical in nature, have not been verified by the issuer's qualified person, and should not be relied upon.

Section 4.18 – An issuer that holds a royalty interest in a mineral property may not refer to or rely upon the disclosure filed by the operating company.

Canadian Securities Administrators Staff Notice 43-302

Frequently Asked Questions
(First published October 19, 2001, revised February 8, 2002 and January 24, 2003)

NATIONAL INSTRUMENT 43-101
Standards of Disclosure for Mineral Projects

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Canadian Securities Administrators Staff Notice 43-302

Frequently Asked Questions
(First published October 19, 2001, revised February 8, 2002 and January 24, 2003)

NATIONAL INSTRUMENT 43-101
Standards of Disclosure for Mineral Projects

To assist mining industry participants and their advisors in understanding and applying NI 43-101, Canadian Securities Administrators (CSA) staff has compiled this summary of questions and CSA staff responses.

PART 1 APPLICATION OF NI 43-101

1.1 What is NI 43-101?

NI 43-101 is a rule that governs how issuers disclose scientific and technical information about mineral projects to the public. It covers oral statements as well as written documents and websites. It requires that all disclosure be based on advice by a "qualified person" (a term defined in NI 43-101) and in some circumstances that the person be independent of the issuer and the property. NI 43-101 also requires issuers to file technical reports at certain times and there is a prescribed format for the technical report. Issuers are required to make disclosure of reserves and resources using definitions approved by the CIM, except for coal.

NI 43-101, together with its Companion Policy 43-101CP and Form 43-101F1 *Technical Report*, can be found on our websites:

BC	www.bcsc.bc.ca
Ontario	www.osc.gov.on.ca
Quebec	www.cvmq.com
Alberta	www.albertasecurities.com

Exchanges may impose requirements on their listed issuers that are in addition to the requirements contained in NI 43-101.

1.2 Does NI 43-101 apply to both reporting and non-reporting issuers?

Yes. NI 43-101 applies to any issuer that discloses scientific and technical information to the public about a mineral project.

An **issuer** is any entity that issues a security. Issuers can include partnerships and grubstakes, as well as companies. **Securities** include interests in properties, profits, earnings and royalties, as well as shares and options.

It does not matter whether the issuer is listed on an exchange, or whether it is a "reporting issuer" under securities legislation or a non-reporting issuer. For example, if an issuer raises money under an offering memorandum before it goes public, NI 43-101 applies and the issuer is required to file a technical report that a qualified person prepares.

1.3 Does NI 43-101 apply to all of an issuer's scientific and technical disclosure?

No. NI 43-101 only applies to scientific and technical disclosure that an issuer makes concerning mineral projects on properties that are material to the issuer. However, issuers should be aware that materiality of a property may change over time. Therefore, issuers are encouraged to apply NI 43-101 to all scientific and technical disclosure to the extent possible. For guidance on whether a property is material to an issuer, issuers should refer to subsections 2.4 (1) to (5) of the Companion Policy 43-101CP. The assessment of materiality should be made for properties held, or to be acquired, by the issuer.

In addition to the requirements under NI 43-101, an issuer also has obligations under general securities laws regarding all disclosure that it makes. Guidance on selective disclosure and insider trading prohibitions are contained in a new national policy, NP-51-201 *Disclosure Standards*. Issuers should seek the advice of a lawyer experienced with securities laws to ensure that all its obligations under general securities laws are met.

1.4 Are assessment work reports covered by NI 43-101?

No. NI 43-101 does not cover assessment work reports that an issuer files to keep its properties in good standing. NI 43-101 also does not cover reports an issuer files to support permit applications or environmental legislation. However, NI 43-101 does apply to any public disclosure made by or on behalf of the issuer that is based on the technical information in these reports or which refers to the results and findings of these reports. NI 43-101 also applies to the reports themselves if they will be disseminated directly to the public by or on behalf of the issuer.

1.5 Does NI 43-101 apply if the issuer is doing a “private” placement?

Yes. Certain kinds of “private” placements involve public disclosure and therefore NI 43-101 applies. For example, a rights offering circular that contains scientific or technical disclosure about a mineral project is covered by NI 43-101 because when it is filed with securities regulators it is available to the public on request.

1.6 Does a prospector have to be concerned with NI 43-101?

No, a prospector who is carrying out the ordinary business of prospecting mineral properties and selling the properties to an exploration or mining company, does not have to be concerned about NI 43-101.

However, the situation changes if the prospector decides that he or she wants to raise money to finance exploration on the property. As soon as there is a “security” involved, securities legislation applies and if the prospector makes disclosure available to the public, NI 43-101 applies.

The *Securities Act* covers all “issuers” of securities, including individuals and partnerships, as well as companies. A security is not only a share of stock in a company. Profit sharing agreements and other arrangements where the investor’s return is based primarily on the efforts of the prospector can also be securities.

As an example, if a prospector meets with his family and close personal friends and raises money to do work on a mineral property to increase its value before the prospector plans to sell it to a junior company, and offers a return to those investors that is based on the sale of the property, the prospector is probably offering a “security”. Even in that case however, the prospector is not likely to be making disclosure that will be available to the public and therefore NI 43-101 does not apply.

If the circle gets wider, and friends of friends are investing, the “public” is involved. The prospector should make sure an exemption from the registration and prospectus requirements of the *Securities Act* is available. If the prospector relies on an exemption from registration and prospectus requirements that requires the use of an offering memorandum, NI 43-101 will apply, and the scientific and technical disclosure the prospector makes will have to be based on a technical report or other information prepared by a qualified person.

Prospectors engaged in the ordinary business of selling their properties should avoid calling the property information they prepare a “technical report” or an “investment package” as those terms could be misleading.

PART 2 THE QUALIFIED PERSON REQUIREMENT

2.1 How can a person satisfy the “professional association” requirement to be a qualified person?

One of the conditions to be a qualified person is membership in a “professional association” as defined in section 1.2 of NI 43-101. Any self-regulatory organization of engineers and/or geoscientists that meets the definition is a professional association, wherever it is located in the world.

For example, the following Canadian associations are professional associations:

- Association of Professional Engineers and Geoscientists of the Province of British Columbia (APEGBC)
- Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA)
- Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS)
- Association of Professional Engineers and Geoscientists of Manitoba (APEGM)
- Association of Professional Geoscientists of Ontario (APGO)
- Professional Engineers of Ontario (PEO)
- Ordre des ingenieurs du Québec (OIQ)
- Ordre des Géologues du Québec (OGQ)
- Association of Professional Engineers of Prince Edward Island (APEPEI)
- Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB)
- Association of Professional Engineers of Nova Scotia (APENS)
- Association of Professional Engineers and Geoscientists of Newfoundland (APEGN)
- Association of Professional Engineers of Yukon (APEY)
- Association of Professional Engineers, Geologists & Geophysicists of the Northwest Territories (NAPEGG) (representing NWT and Nunavut Territory)

Geoscientist associations in other Canadian provinces that do not have associations that are created or recognized by statute qualify as professional associations until February 1, 2003, when it is anticipated that these associations will be recognized by statute. Geoscientists that are members of these associations meet the requirement of belonging to a professional association.

There are other self-regulatory organizations outside of Canada that may not entirely meet the definition of "professional association" in NI 43-101 because they have not been given authority or recognition by statute. However, for the purpose of being a "member of a professional association" under NI 43-101, CSA staff will accept a person who

- is licensed or certified in a state in the United States that is a member of the National Association of State Boards of Geology (ASBOG). Currently these include: 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, Virginia, Washington, Wisconsin and Wyoming
- is certified by the American Institute of Professional Geologists (AIPG) as a Certified Professional Geologist
- is a professional engineer licensed or certified in a state in the United States
- holds the title European Geologist from the European Federation of Geologists (EFG)
- is a Fellow or Member of the Australasian Institute of Mining and Metallurgy (AusIMM)
- is a Fellow or a Member of the Institute of Materials, Minerals and Mining (IMMM)
- is a Fellow or Member of the Australian Institute of Geoscientists (AIG)
- is a Fellow of the South African Institute of Mining and Metallurgy (SAIMM)
- is a professional natural scientist of the South African Council for Natural Scientific Professions (SACNASP)
- is a Professional Member of the Institute of Geologists of Ireland (IGI)

This list is not exhaustive and may be amended in the future.

Any self-regulatory association of geoscientists and/or engineers that meets the definition of "professional association" in NI 43-101 is a professional association. If a qualified person is not a "member of a professional association" (as set out in NI 43-101 or in this FAQs), then the issuer will require exemptive relief.

2.2 How can a geoscientist who is a member of AGO satisfy the professional association requirement to be a qualified person after February 1, 2002?

One of the conditions to be a qualified person is membership in a "professional association" as defined in section 1.2 of NI 43-101. When NI 43-101 came into effect, it was anticipated that an Ontario based professional association for geoscientists, APGO, would be established by February 1, 2002. Until then, geoscientists who belonged to the Association of Geoscientists of Ontario were considered to belong to a professional association. Unfortunately, the application process for membership in APGO was delayed and could not be completed by February 1, 2002.

After February 1, 2002, an issuer that retains a geoscientist who is a member of AGO, but not a member of a professional association for purposes of the rule, must submit an application for exemptive relief to the appropriate securities regulators for that person to be considered a qualified person under the rule. We anticipate that, until the APGO membership process is completed, relief will be granted in virtually all cases where the geoscientist is a member in good standing of AGO and has submitted his/her application to become a member of APGO. An application for relief is not required in British Columbia because an instrument providing blanket relief for these types of applications is in effect in that province until February 1, 2003.

2.3 What can an issuer do in order to rely on the advice or technical report of a foreign person who does not satisfy the professional association requirement, but would otherwise be a qualified person?

The issuer may

- look to a person in its own organization or, if an independent technical report is required, retain an outside consultant that is a qualified person to review and take responsibility for the foreign person's advice or technical report
- arrange for the person to join one of the Canadian associations that accepts foreign citizens/residents as members or licensees, for example the APGO or APEGBC
- apply for an exemption from the professional association requirement for the foreign person.

2.4 Will securities regulators grant an exemption from the requirement that a qualified person belong to a professional association?

Yes, but only in very unique circumstances. If granted, we will likely limit the exemption to a particular property or area, or to a particular task, and grant the exemption for a limited period of time.

Where an issuer wishes to retain a person who is well qualified and who does not belong to a professional association because no association exists in his or her jurisdiction or because it is not common practice for members of his or her profession to be registered in the jurisdiction, we will consider granting an exemption. However, if there is any other qualified person known to the issuer who has been to the site and is able to co-author the report, then we will not likely grant an exemption.

In the event an exemption is granted, if the person wishes to continue to provide services either to the same issuer or to another issuer that makes public disclosure in Canada, then the person will be urged to join a professional association, as we will not provide continued relief.

We will generally not grant relief to an issuer that has qualified persons available to it in management positions, as these qualified persons should take responsibility for the issuer's scientific and technical disclosure on their mineral projects.

An exemption does not relieve the issuer of the responsibility to ensure that the person that the issuer plans to rely on has the required experience to carry out the responsibilities of a qualified person for the tasks at hand.

We remind issuers to comply with local laws governing the practice of engineering and geoscience. If the property is located in Canada, we expect that the qualified person will have the appropriate Canadian registration. We encourage issuers to check with the local professional association where the property is located.

2.5 Does every person who works on a mineral project have to be a qualified person?

No. Only the person who the issuer relies on in making public disclosure of scientific and technical information on its mineral projects must be a qualified person. Other people may work on the project. If a qualified person relies on the work of people who are not qualified persons (under the definition in NI 43-101) to prepare a technical report or to provide information or advice to the issuer, it is up to the qualified person to take whatever steps are appropriate, in his or her professional judgment, to ensure that the information that he or she relies upon is sound. A qualified person is required to visit the site.

2.6 If an independent qualified person must prepare a technical report, does every person who contributes information to the technical report have to be independent?

No. As in the example in 2.5 of these FAQs, provided that the independent qualified person has taken whatever steps are appropriate, in his or her professional judgment, to ensure that the information he or she relies on is sound, and takes responsibility for that information, the independent qualified person may rely on work done and information provided by others. However, the independent qualified person must visit the site.

2.7 When does an issuer have to name the qualified person it is relying on?

NI 43-101 requires issuers to name the qualified person they are relying on and that person's relationship to the issuer, if any, in all written disclosure of scientific and technical information, except in news releases. However, the exchanges require that listed issuers name the qualified person they are relying on and that person's relationship to the issuer, if any, in news releases that disclose scientific and technical information. Non-listed issuers are not required to name the qualified person in a news release.

2.8 In deciding whether a qualified person is not independent, do you calculate his or her aggregate income over a three-year period?

No. The test is whether the qualified person has received the majority of his or her income in each of the previous three years from the issuer and its affiliates and insiders.

PART 3 RESOURCES AND RESERVES

3.1 When a qualified person reclassifies an issuer's previously disclosed resources and reserves to the definitions in NI 43-101, does this issuer have to name the qualified person?

Yes. A listed issuer is required to name the qualified person and disclose the relationship of the qualified person to the issuer in all written disclosure. See 2.7 of these FAQs for more information on naming the qualified person.

3.2 Is an issuer required to retain an independent qualified person to reclassify the issuer's previously disclosed resources and reserves to the categories required by NI 43-101?

The answer depends on what triggers the disclosure of the reclassified reserves and resources.

The answer is yes if the reclassified resources and reserves are disclosed in a document that requires a technical report prepared by an independent qualified person. This includes a long form prospectus, a valuation and documents filed when an issuer becomes a reporting issuer for the first time in any jurisdiction.

3.3 Will securities regulators permit disclosure of preliminary feasibility and feasibility studies that include inferred resources?

NI 43-101 prohibits the inclusion of inferred resources in an economic evaluation in a preliminary feasibility or feasibility study. The prohibition is based on the guidance under the CIM definition of Inferred Mineral Resource that reads, in part:

“...Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.”

If the economic evaluation in the issuer’s preliminary feasibility or feasibility includes inferred resources, the issuer must “back out” the inferred resources in public disclosure of the economic evaluation contained in the study.

However, there will be some circumstances where securities regulators will grant an exemption to permit the issuer to disclose, as an alternative case, an evaluation that includes inferred resources. One example is an evaluation of an open pit that is designed based on proven and probable reserves or measured and indicated resources, and contains inferred resources within the pit. Securities regulators will not generally grant an exemption if the pit’s design is based on inferred resources.

If securities regulators permit disclosure, the issuer will be required to disclose both cases: a base case without inferred resources, and an alternative case that includes inferred resources. The alternative case must be accompanied by the disclosure required for preliminary assessments in section 2.3 (3)(b) of NI 43-101.

Whether securities regulators will grant an exemption to permit disclosure will depend on the particular circumstances of each deposit. The test will be stringent in view of the CIM’s expressed concern. We will consider granting relief where the pit or mine plan has been developed based on proven and probable reserves and it is reasonable to defer further development of the inferred resources. We will look at various factors including the percentage of inferred resources, their location in the deposit and other technical factors.

3.4 Can issuers report resources and reserves under any other foreign codes in addition to the JORC Code, USGS Circular 831 and the IMMM system?

These are the only codes permitted by NI 43-101. If an issuer wishes to report using another foreign code, the issuer must apply to securities regulators for exemptive relief.

We have granted relief to permit an issuer to report using the South African Code for Reporting of Mineral Resources and Mineral Reserves (the “SAMREC Code”) on terms consistent with those set out in section 7.1 of NI 43-101, including reconciliation to the CIM definitions.

3.5 What definitions should be used for estimating and reporting coal resources and reserves?

Coal resources and reserves should be estimated and reported using the Geological Survey of Canada (GSC) Paper 88-21, A Standardized Coal Resource/Reserve Reporting System for Canada. We acknowledge that this is not clear in NI 43-101 and we intend to clarify this in a future amendment to NI 43-101.

3.6 What definitions must be used for estimating and reporting diamond resources and reserves?

Diamond resources and reserves should be estimated and reported using Canadian Institute of Mining, Metallurgy and Petroleum – Definitions Adopted by CIM Council August 20, 2000 as amended, supplemented, or replaced. The Guidelines for Reporting of Diamond Exploration Results, Identified Mineral Resources and Ore Reserves, published by the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories is currently being updated. Therefore, the CIM standard definitions should be used until it is updated.

3.7 Do the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines apply to the estimation and reporting of industrial minerals?

Yes, plus the additional guidelines set out in section 1.5(a) of Companion Policy 43-101CP.

PART 4 TECHNICAL REPORTS

4.1 When must issuers file technical reports?

Issuers must file technical reports in each circumstance set out in subsections 4.1(1) and 4.2(1) of NI 43-101. In these circumstances, technical reports are only required on properties (or groups of properties) that are material to the issuer. For guidance on whether a property is material to an issuer, issuers should refer to section 2.4 of the Companion Policy 43-101CP.

In subsections 4.2(1)2., 6. and 10.(ii) relating to POP prospectuses, AIFs, annual reports, and news releases, the issuer is only required to file a technical report if:

- in the case of a news release, the work done on the property amounts to a material change in the affairs of the issuer from the most recently filed technical report or,
- in the case of a POP prospectus, AIF, or annual report, material scientific and technical information about the property is not contained in:
 - (i) a disclosure document (defined in NI 43-101) or a report prepared under National Policy Statement No. 2-A filed by the issuer before February 1, 2001, or
 - (ii) a previously filed NI 43-101 report.

4.2 Can an issuer file an addendum to update a previously filed technical report?

No, (however, there are exceptions, as outlined below). Any time an issuer is required to file a technical report, that report must be complete and current. Therefore, where an issuer which has previously filed a technical report is required to file another technical report because of the occurrence of one of the circumstances listed under subsections 4.1(1) or 4.2(1) of NI 43-101, and if the contents of the previously filed technical report are no longer current, the issuer must update the outdated sections of the previously filed report and file a new, complete, current technical report. **It is not sufficient for the issuer to only file the updated portions.** However, if there has been no change to the content required under Items 6 through 11 of Form 43-101F1 from that disclosed in the previously filed technical report, the issuer is not required to repeat that information, provided those items in the previous report are referred to in the new, current technical report.

There are exceptions to this principle. An issuer can file an addendum to a technical report that originally was:

- filed with a preliminary short form prospectus or preliminary long form prospectus and there is a material change in the information before the issuance of the final receipt, or
- prepared under National Policy Statement No. 2-A or another reasonable format and filed with a regulator prior to February 1, 2001 and the addendum contains additional information required to bring the report into compliance with the contents of Form 43-101F1 (see 4.4 of these FAQs).

For each exception, the addendum must be attached to and filed with the previously filed technical report. They must also be filed with an updated certificate and consent of the qualified person.

4.3 Who can prepare a technical report?

A technical report is required to be prepared by, or under the supervision of, a qualified person. Persons who are not “qualified persons” under NI 43-101, but have the experience and skill necessary may prepare portions of the technical report provided that a qualified person takes responsibility for the person’s work. The qualified person must take whatever steps are appropriate, in his or her professional judgment, to ensure that the work is sound. A qualified person must conduct the site visit.

4.4 Must a technical report follow Form 43-101F1?

Yes, the form is mandatory.

We will however allow an issuer to file a report prepared prior to February 1, 2001 under National Policy Statement No. 2-A or in another reasonable format and filed with a regulator prior to February 1, 2001, provided there has been no significant work done on the property since the report was prepared, and the report is accompanied by:

- an addendum that includes any information required by NI 43-101 that is not included in the report, and
- the certificate and consent of a qualified person required by NI 43-101.

The addendum should include an update on the status of the property and the new information required by NI 43-101. If the changes to the existing report are considerable or the work that has been done since the report affects the interpretation, conclusion or recommendations, a new technical report will be required.

If the issuer is required to file a technical report that is prepared by an independent qualified person and the prior report was not, the issuer can satisfy this requirement by having an independent qualified person prepare the addendum and give the certificate, taking responsibility for the information in the report, amended by his or her addendum.

Where the technical report is required to be filed with an exchange, the exchange may have additional requirements.

4.5 Where are the requirements for the qualified person's certificate and consent that must accompany the technical report that the issuer is required to file?

The requirements can be found in Part 8 of NI 43-101. The certificate must address the specific requirements listed under subsection 8.1(2) of NI 43-101. The consent must address the requirements listed under section 8.3 of NI 43-101. Issuers are required to provide a certificate and consent from the qualified person who visited the site. We are attaching as an appendix to these FAQs a sample certificate and a sample consent, with instructions, for the qualified issuer to use as a template. These samples illustrate the level of detail we expect the qualified person to include in these documents.

The consent cannot be included in the certificate because the qualified person typically provides them to the issuer at different times. A qualified person provides the issuer with the certificate at the same time as the technical report. The qualified person provides the issuer with the consent to the disclosure in the disclosure materials after the issuer has prepared the disclosure materials and the qualified person has read the disclosure materials that the issuer is filing.

4.6 When must an issuer file a qualified person's certificate and consent?

An issuer must file a qualified person's certificate and consent to the filing of the technical report and the technical information in the disclosure materials each time the issuer files, or is required to file, a technical report under subsections 4.1(1) or 4.2(1) of NI 43-101.

NI 43-101 does not require the issuer to get a qualified person's consent to all disclosure that an issuer makes in reliance on the qualified person's technical report or other advice, although issuers may wish to check their disclosure with the qualified person they are relying on.

4.7 If an issuer is required to file a technical report under subsections 4.1(1) or 4.2(1) of NI 43-101, may it rely on a technical report that it has previously filed under NI 43-101 if that report is still current?

Yes. However, the issuer must file an updated certificate and consent from a qualified person who will take responsibility for the technical disclosure in that report and the new disclosure material it supports. **The issuer does not have to re-file the technical report.**

Issuers are reminded to consider, when structuring contractual arrangements with the qualified person, that they may have to:

- obtain the qualified person's consent sometime after they receive the technical report and certificate, and
- obtain, subsequent to receiving the initial certificate and consent, an updated qualified person's certificate and consent to support a technical report that the issuer is not re-filing because it has been previously filed under NI 43-101 and is still current.

4.8 Must preliminary feasibility and feasibility studies be filed in full?

No. Preliminary feasibility and feasibility studies typically provide more technical detail than the investing public requires. In addition, they are difficult to file in full on SEDAR. Rather than filing these studies in full, we would prefer that issuers file a technical report that provides a summary in NI 43-101 format of the material information contained in the preliminary feasibility or feasibility study. However, we may request a paper copy of the full study for our review.

4.9 Must an issuer file a technical report with a rights offering circular?

An issuer is only required to file a technical report if there is scientific or technical disclosure in the rights offering circular. There is no specific requirement that a rights offering circular contain scientific and technical disclosure.

4.10 Must an issuer file a technical report with an offering memorandum?

Yes. An issuer is required to file a technical report to support the scientific or technical disclosure in the offering memorandum. However, if an issuer is filing an offering memorandum under MI 45-103 *Capital Raising Exemptions* in BC or Alberta and the issuer is a qualifying issuer (as defined under MI 45-102 *Resale of Securities*), the issuer is not required to file a technical report in some circumstances. The circumstances are if the disclosure about the mineral project is contained in:

- an AIF, prospectus, material change report or annual financial statement filed by the issuer with a regulator before February 1, 2001, or
- a previously filed technical report filed by the issuer either before February 1, 2001 or under NI 43-101.

If a current technical report has been previously filed on SEDAR and is still current, then instead of re-filing that technical report with the offering memorandum, an issuer may file a letter with the offering memorandum that states the name of the previously filed technical report and its SEDAR project number. The issuer must also file an updated certificate and consent with the letter filed with the offering memorandum. If a current technical report has not been filed on SEDAR, then the issuer must file a hard copy of the technical report, certificate, and consent concurrently with the hard copy of the offering memorandum. In this case, the issuer may voluntarily file the current technical report, certificate, and consent as an attachment to a press release or material change report if it wishes to have that report available on SEDAR.

4.11 Can an issuer obtain an extension of time to file a technical report?

The time for filing technical reports is contained in subsections 4.2(2) to (6) of NI 43-101. If an issuer needs an extension of time, it should apply to the securities regulators for an exemption order. See 7.1, 7.2 and 7.3 of these FAQs for more information on applying for an exemption.

4.12 When an issuer agrees to buy a property with resources and perhaps reserves, must the issuer disclose the resources and reserves using NI 43-101 definitions? Must the issuer file a technical report, and if so, when?

When an issuer options or agrees to buy a property, the issuer can disclose an estimate of resources and reserves made before February 1, 2001 using the terminology of the estimate as long as the issuer follows section 2.4 of NI 43-101.

The announcement of the acquisition and the historical estimate will not trigger the requirement to file a technical report under subsection 4.2(1)(10) of NI 43-101, if the issuer's disclosure states that the issuer has disclosed the historical estimate as a resource or reserve and includes the following cautions:

- the issuer has not done the work necessary to verify the classification of the resource or reserve,
- the issuer is not treating them as a NI 43-101 defined resource or reserve verified by a QP, and
- the historical estimate should not be relied upon.

If the issuer's disclosure shows that the issuer is treating the historical estimate as a NI 43-101 defined resource and reserve verified by a QP, then the issuer is required to file a current technical report on the property within 30 days of the issuer's disclosure if

- i. the property, or interest in the property, is material to the issuer and
- ii. the acquisition of the resources and reserves is a material change in the affairs of the issuer.

In most cases, the 30 day period will not begin to run until the issuer enters into a formal purchase or option agreement, which should allow the issuer time to complete its due diligence and have the technical report prepared. If the issuer, at the time of the disclosure, has not signed a formal agreement, but is conducting its day to day operations in reliance on the terms of a letter of intent or MOU, then the 30 day period will begin to run from time of the issuer first discloses the historical estimate as a resource or reserve without the three cautionary statements set out two paragraphs above.

If the agreement is subject to conditions such as the approval of a third party or the completion of a 60 day due diligence review, the technical report is still required to be filed within 30 days after the issuer enters into the agreement. However, the issuer may apply for relief to extend the 30 day period. Whether or not the securities regulators will grant such relief depends on the circumstances. See 7.1, 7.2 and 7.3 of these FAQs for more information on how to apply for an exemption order.

4.13 Must an issuer file technical reports on SEDAR?

Yes, technical reports are required to be filed electronically. However, an offering memorandum cannot be filed on SEDAR. For the filing requirements for an offering memorandum and its supporting technical report, see 4.10 in these FAQs.

Technical reports can be lengthy and costly to file on SEDAR if they are not prepared with SEDAR filing in mind. We have the following suggestions:

- Do not insert photographs or maps that are larger than 8 ½" x 11". Maps and photographs omitted from filing must be retained for six years after the date of the filing of the report.
- Limit the image resolution of the document. The image resolution must not exceed 300 dots per inch in any event, and may be less provided the document remains readable.
- Limit the use of colour.

- Do not scan documents into electronic format.
- Wherever possible, have technical reports prepared and transmitted in electronic format.
- Wherever possible, limit the size of the technical report. Many personal computers have limited ability to download larger files.

4.14 Can an issuer correct errors in a document filed on SEDAR?

Yes. Please refer to Part 9 of the SEDAR Manual for complete instructions on how to correct errors. In general, the issuer is not able to remove the original document from SEDAR. The issuer must file the corrected document on SEDAR under the same SEDAR project number and label the filing "Amended and Restated". It must also file a cover letter with the corrected document explaining what corrections were made to the original document (no blacklined version is necessary). Both the incorrect and the corrected versions will remain on SEDAR.

4.15 How can an electronic document be signed and sealed?

The qualified person must date, sign and, if possible, seal the technical report, certificate and consent. If a person's name appears in an electronic document with (signed by) and (sealed) next to the person's name or there is a similar indication in the document, we will consider that the document has been signed and sealed by that person. Although we do not require it, maps and drawings may be signed and sealed in the same manner.

4.16 If a TSX Venture Exchange listed issuer must become a reporting issuer in Ontario because it has a "significant connection to Ontario", must the issuer file technical reports on all its material properties with the OSC?

An issuer is required to file a technical report upon becoming deemed a reporting issuer in Ontario. Requests for relief from this requirement will be considered where an issuer is applying to be deemed a reporting issuer in consequence of the recent re-organization of Canadian exchanges and the issuer having a "significant connection with Ontario". OSC staff anticipates that this relief will be granted in virtually all cases. The relief may be denied in exceptional circumstances such as where an issuer is unable to demonstrate a reasonably up-to-date and accurate record of continuous disclosure.

An issuer should include the request for relief in the application to the OSC to be deemed to be a reporting issuer. OSC staff also anticipates that exemptions from the fee associated with this request for relief will be granted in virtually all cases.

4.17 In a circumstance other than the one described in 4.16, will an issuer that is a reporting issuer in one or more Canadian jurisdictions and becomes a reporting issuer in another Canadian jurisdiction be required to file technical reports on all its material properties in the new jurisdiction?

Yes, and if the issuer is not a producing issuer the qualified person that prepares the technical report is required to be independent. If a report has been previously filed in another jurisdiction, the issuer should update it and file a complete, current technical report as set out in 4.2 of these FAQs. If an issuer needs relief from these requirements, it should make application to the securities regulator in the new jurisdiction.

4.18 Can a royalty holder which is an issuer refer to and rely on the disclosure filed by the operating company?

No. A royalty holder that holds any interests in mineral properties or mineral projects must comply with all of the requirements under NI 43-101. It is not sufficient for a royalty holder simply to refer to the operating company's disclosure regardless whether the documents would be exactly the same. The royalty holder must file its own technical report anytime one is required under subsections 4.1(1) and 4.2(1) of NI 43-101 for each of its royalty interests that are material to its affairs. The extent to which the royalty holder chooses to rely on the same qualified person as the operating company, or have its qualified person rely on the work of that same qualified person, will be a matter to be determined by the royalty holder and the qualified person of the operating company in light of their contractual obligations.

PART 5 PRELIMINARY ASSESSMENTS

5.1 What is a "preliminary assessment"?

A preliminary assessment, commonly known as a "scoping study", is an assessment of the potential viability of the mineral project taken at an early stage of the project, prior to a preliminary feasibility study. It is generally used as a tool for management decisions on further advancement of the project. The term "preliminary assessment" is used in NI 43-101 to identify this type of study that contains an economic evaluation that includes inferred mineral resources. We consider an economic evaluation to include disclosure of forecast mine production rates that may contain capital costs to develop and sustain the mining operation, operating costs, and projected cash flows.

5.2 Why are there restrictions on disclosure of preliminary assessments?

Although preliminary assessments can provide important information to the market, because of the early stage of the project, the information has a high degree of uncertainty and can be used as the basis for abusive market tactics.

An issuer must disclose a preliminary assessment that is a material change in its affairs. An issuer must follow subsection 2.3(3)(b) of NI 43-101 when it discloses a preliminary assessment. This subsection was included in NI 43-101 to help an investor understand the information.

A preliminary assessment must be either in the form of a technical report, or be supported by a technical report. If the issuer is reporting in Ontario, the issuer is required to pre-file with the OSC, 5 days in advance of the proposed disclosure. The issuer must deliver to the OSC the proposed disclosure, the preliminary assessment and, if there is a separate technical report, the technical report. In other jurisdictions the issuer may file these documents at the time of the disclosure.

PART 6 GENERAL DISCLOSURE QUESTIONS

6.1 Can an issuer put some of the disclosure required by NI 43-101 on its website, instead of in the body of its news release?

Yes. The issuer may put detailed information of a background nature on the issuer's website, provided the news release clearly refers the reader to the issuer's website for the information and a hard copy of the website information is filed with the securities regulators

Each news release must include the name and relationship to the issuer of the qualified person (required by the exchanges) and whether or not the data has been verified. If the data has been verified, the news release may refer to the issuer's website for the full description of its data verification of its program. A hard copy of the information published on the website must be filed with the securities regulators to the attention of "Records".

Issuers are reminded that their news releases must not be misleading. Therefore, disclosure in a news release must also contain the prescribed statements that are required to be "proximate" to certain disclosure as required under NI 43-101. For example, the statements that are required to be made proximate to disclosure of a preliminary assessment under subsection 2.3(3)(b) of NI 43-101 cannot be omitted from a news release.

6.2 Can an issuer cross reference to other disclosure it has previously made?

Yes, but only in the circumstances prescribed under section 3.5 of NI 43-101. That section permits an issuer to cross-reference the information required under sections 3.3 and 3.4 (ie. quality assurance and control information) only if that information is contained in a previously filed disclosure document. "Disclosure document" is defined under NI 43-101 and means an annual information form, prospectus, material change report or annual financial statement.

Also, although a news release is not included in the definition of disclosure document, an issuer may cross-reference to a previous news release but only if the issuer has filed that news release on SEDAR.

6.3 Do the rules for disclosure in Form 43-101F1 apply to written disclosure other than technical reports?

No, not specifically. However, where the requirements in Form 43-101F1 reflect good professional practice, we strongly suggest issuers follow these requirements in all their written disclosure.

Good examples to follow for any written technical disclosure are:

- item 19(j) of the Form that requires an issuer that is reporting a quantity of contained metal to state the grade or quality, quantity and category of resources and reserves. We consider that the representation of a gross or *in situ* contained mineral value is misleading because it does not take into account mining and metallurgical recoveries and capital and operating cost parameters.
- item 19(k) of the Form that requires an issuer that is reporting the grade of a polymetallic resource as a metal equivalent to report the individual grade of each metal, among other things. We consider that polymetallic grade equivalents that are based only on price considerations are misleading because they do not take into account metallurgical recoveries, treatment costs and other relevant economic factors.

PART 7 EXEMPTION ORDERS

7.1 Where should an issuer apply for an exemption order?

An issuer that wants to obtain an exemption from any of the requirements of NI 43-101 or the form of technical report should apply to the securities regulators in all of the jurisdictions where the issuer is a reporting issuer for an order granting the exemption. A separate fee may apply in each jurisdiction. If the issuer is reporting in more than one jurisdiction please see National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications* for details on the application process.

7.2 When should an issuer apply for an exemption order?

Please apply well in advance of the time the relief is required. Where more than one jurisdiction is involved the process typically takes several weeks. **Exemption orders cannot cure a default that has already occurred.**

If an issuer plans on using a technical report to support disclosure, the issuer should apply for any relief from NI 43-101 **before** the issuer is required to file the technical report. For example, if the issuer requires relief from the requirements of NI 43-101 in connection with a technical report it plans to file with a preliminary prospectus, the issuer must make application for that relief before it files the preliminary prospectus.

7.3 Does an issuer need a separate exemption order if it obtains a prospectus receipt?

No. An issuer that requires relief from the requirements of NI 43-101 for disclosure in a prospectus is required to specifically request the securities regulator for the relief in its cover letter when it files the prospectus (or before it files the prospectus—see 7.2 above). If the regulator grants the exemption, the prospectus receipt will be the evidence that the exemption was granted. The issuer is not required to make a separate application for an exemption order in this situation.

7.4 What if someone has questions about NI 43-101?

If you have any questions about NI 43-101, please call:

Terry Macauley, Chief Mining Consultant, BCSC	(604) 899-6723
Deborah McCombe, Chief Mining Consultant, OSC	(416) 593-8151
Greg Gosson Senior Mining Advisor, BCSC	(604) 899-6519
Pamela Egger, Senior Legal Counsel, Corporate Finance, BCSC	(604) 899-6867
Pierre Martin, Legal Counsel, CVMQ	(514) 940-2199(x4557)
Bill Lawes, Securities Analyst, ASC	(403) 297-6454

We will be pleased to discuss your questions and to assist you in deciding whether you need to apply for an exemption. Please note that staff cannot guarantee that their commissions will grant the relief requested in a particular application.

7.5 Where can I find exemptions that securities regulators have granted?

Most of our exemption orders are posted on our websites.

For orders granted by the BC Securities Commission visit the BCSC website at www.bcsc.bc.ca. Click on "Commission Documents Database" and "Search" for "43-101" for a list of documents relating to NI 43-101. To view exemption orders, look at the documents classified as "D&O" (Decisions and Orders).

For orders granted by the Ontario Securities Commission visit the OSC website at www.osc.gov.on.ca. Click on "Rules and Regulation" followed by "Orders and Rulings" to find a list of orders and rulings organized in alphabetical order.

7.6 Does the CSA foresee changes to NI 43-101 in the future?

Yes. However, changes are not likely in the near future. In the interim, with the assistance of the Mining Technical Advisory and Monitoring Committee (MTAMC), we are monitoring NI 43-101 and identifying areas where relief is required and issues that need clarification. We established MTAMC for this purpose. MTAMC's members are drawn from the Canadian mining and exploration industry and represent a broad geographic and professional spectrum. We also welcome industry input and comments. Until NI 43-101 is amended, we will provide relief through orders and clarification through these FAQs.

APPENDIX

This is a sample of each a Certificate and Consent for an author of a technical report prepared in accordance with National Instrument 43-101 and Form 43-101F1. These samples contain sections of text in brackets with italics to provide instructions to the Qualified Person, the content of which should be included, as applicable. The brackets and bracketed text should be removed after the instruction has been followed. The final form of each of the Certificate and Consent which is signed, dated and filed should not contain any bracketed text.

[QP's Letterhead] or
[Insert name of QP]
[Insert name of QP's company]
[Insert address of QP or QP's company]
Telephone:
Fax:
Email:

CERTIFICATE of AUTHOR

I, [insert name of QP], [insert, as applicable, P. Eng., P. Geol.] do hereby certify that:

1. I am [insert title of position] of:

[ABC Mining Co.
Suite 000, 0 Avenue W.,
City, Province, Country,
Postal/Zip Code].
2. I graduated with a degree in [insert full title of degree/s] from the University of [insert name] in [insert year of graduation]. In addition, I have obtained a [insert other additional academic achievement (title, year and educational institution), if any].
3. I am a member [fellow] of the [insert names of all professional associations registered with].
4. I have worked as a geologist for a total of [insert number of years] since my graduation from university.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am responsible for the preparation of section [insert all sections of technical report responsible for] of the technical report titled [insert title of report] and dated [insert mo/day/yr of report] (the "Technical Report") relating to the [insert name of each property disclosed in the report] property. I visited the [insert name] property on [insert mo/day/yr] for [insert number] days. [repeat this last sentence (i.e. disclose the date and duration of site visit) for each property visited]. [if this certificate is being prepared for a Technical Report that has been previously filed and there has been no change in the information contained in that Technical Report, state the SEDAR project number for which the Technical Report was originally filed and confirm that there has been no change in the information contained in that Technical Report].
7. I have [have not] had prior involvement with the property [ies] that is [are] the subject of the Technical Report. The nature of my prior involvement is [briefly describe previous involvement with the property/ies].
8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.
9. I am [am not] independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101. [if not independent, state the reasons why not].
10. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

11.¹ I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated this [insert date] Day of [insert month], 200X.

Signature of Qualified Person

[Seal or Stamp
of Qualified Person]

Print name of Qualified Person

¹ If an issuer is using this certificate to accompany a technical report that it will file only with the exchange, then the exchange recommends that this paragraph is included in the certificate.

[QP's Letterhead] or
[Insert name of QP]
[Insert name of QP's company]
[Insert address of QP or QP's company]
Telephone:
Fax:
Email:

CONSENT of AUTHOR

TO: *[Insert names of relevant securities commissions and stock exchanges with which the technical report will be filed]*

I, *[name of QP]*, do hereby consent to the filing of the written disclosure of the technical report titled *[insert title of report]* and dated *[insert date of report]* (the "Technical Report") and any extracts from or a summary of the Technical Report in the *[insert type of disclosure document (i.e. prospectus, AIF, etc.)]* of *[insert name of company making disclosure]*, and to the filing of the Technical Report with the securities regulatory authorities referred to above.

I also certify that I have read the written disclosure being filed and I do not have any reason to believe that there are any misrepresentations in the information derived from the Technical Report or that the written disclosure in the *[insert type of disclosure document (i.e. prospectus, AIF, etc.)]* of *[insert name of company making disclosure]* contains any misrepresentation of the information contained in the Technical Report.

Dated this *[insert date]* Day of *[insert month]*, 200X.

Signature of Qualified Person

[Seal or Stamp
of Qualified Person]

Print name of Qualified Person

**1.1.6 CSA Notice 21-302 Confidentiality of Forms
Filed under National Instrument 21-101
Marketplace Operation**

**CANADIAN SECURITIES ADMINISTRATORS'
NOTICE 21-302**

**CONFIDENTIALITY OF FORMS FILED UNDER
NATIONAL INSTRUMENT 21-101
MARKETPLACE OPERATION**

The Canadian Securities Administrators have determined, under the applicable provisions of our local securities legislation, to keep confidential the forms that marketplaces and information processors are required to file under National Instrument 21-101 *Marketplace Operation*.

We will keep the following forms confidential:

- Form 21-101F1 *Information Statement – Exchange or Quotation and Trade Reporting System*
- Form 21-101F2 *Initial Operation Report Alternative System*
- Form 21-101F3 *Quarterly Report of Alternative Trading System Activities*
- Form 21-101F4 *Cessation of Operations Report for Alternative Trading System*
- Form 21-101F5 *Initial Operation Report for Information Processor*
- Form 21-101F6 *Cessation of Operations Report for Information Processor*

We plan to amend the companion policy to NI 21-101 to say that these forms will now be kept confidential. We are issuing this notice as an interim measure.

Background

Section 6.1(2) of the companion policy to National Instrument 21-101 *Marketplace Operation* states that the forms that marketplaces and information processors are required to file under the instrument will be open for public inspection unless the filer makes an application to keep them confidential and the commission agrees to do so.

This is consistent with the requirements of securities legislation that generally require securities regulators to make documents filed with them available to the public. Securities legislation also permits securities regulators to decide on their own motion to keep documents confidential in certain circumstances.

In most jurisdictions, the securities regulators have determined to keep these forms confidential because they require disclosure of intimate financial, business and technical information, and the desirability of avoiding

disclosure of the information outweighs the desirability of adhering to the principle of public disclosure. In Québec, the Commission des valeurs mobilières du Québec determined that making the forms public could result in serious prejudice (please refer to decision 2002-C-0384, dated October 8, 2002).

Questions

Please refer your questions to any of the following people:

Ian Kerr
Legal Counsel
Alberta Securities Commission
Phone: (403) 297-4225
E-mail: ian.kerr@seccom.ab.ca

Louyse Gauvin
Special Adviser to the Chair
British Columbia Securities Commission
Phone: (604) 899-6538
E-mail: lgauvin@bcsc.bc.ca

Veronica Armstrong
Senior Policy Advisor, Legal and Market Initiatives
British Columbia Securities Commission
Phone: (604) 899-6538
E-mail: varmstrong@bcsc.bc.ca

Tracey Stern
Senior Legal Counsel, Market Regulation
Ontario Securities Commission
Phone: (416) 593-8167
E-Mail: tstern@osc.gov.on.ca

Ann Leduc
Chef du service de la réglementation
Commission des valeurs mobilières du Québec
Phone: (514) 940-2199 ext. 4572
E-mail: ann.Leduc@cvmq.com

January 24, 2003

**1.1.7 CSA Staff Notice 51-306 Status of Proposed
Continuous Disclosure Rule**

**CSA STAFF NOTICE 51-306
STATUS OF PROPOSED
CONTINUOUS DISCLOSURE RULE**

Saskatchewan Securities Commission

Ian McIntosh, Deputy Director, Corporate Finance, (306)
787-5867

January 24, 2002

Introduction

On June 21, 2002, the CSA published for comment National Instrument 51-102 *Continuous Disclosure Obligations*. NI 51-102 would replace existing continuous disclosure obligations of reporting issuers. The CSA are currently considering the public comment on NI 51-102 and formulating responses. We aim to complete this work early in 2003 and publish a revised instrument for comment by mid-2003.

NI 51-102 Filing Deadlines Not Mandatory Before 2004

To assist reporting issuers and their advisers in planning and scheduling directors' and securityholders' meetings and continuous disclosure in the coming months, CSA staff advise that the NI 51-102 filing deadlines for financial statements, management discussion and analysis (MD&A) and annual information forms (AIFs) will not be mandatory for financial years beginning before January 1, 2004. We will provide more information on the transitional application of NI 51-102 when we publish the revised instrument for comment.

Questions

Please refer your questions to any of the following people:

British Columbia Securities Commission

Peter Brady, Senior Legal Counsel (604) 899-6874
Carla-Marie Hait, Chief Accountant (604) 899-6726
Michael Moretto, Associate Chief Accountant (604) 899-6767
You may also call 1-800-373-6393 from B.C. and Alberta.

Alberta Securities Commission

Mavis Legg, Manager, Securities Analysis (403) 297-2663

Manitoba Securities Commission

Bob Bouchard, Director, Corporate Finance (204) 945-2555

Nova Scotia Securities Commission

Bill Slattery, Deputy Director, Corporate Finance and Administration (902) 424-7355

Ontario Securities Commission

Joanne Peters, Senior Legal Counsel (416) 593-8134
Irene Tsatsos, Senior Accountant (416) 593-8223

Commission des valeurs mobilières du Québec

Rosetta Gagliardi, Conseillère en réglementation (514)
940-2199 ext. 4554

**1.1.8 Notice of Commission Approval of
Memorandum of Understanding with Respect
to the Canadian Investor Protection Plan and
Notice of Commission Approval Order of the
Canadian Investor Protection Plan**

**NOTICE OF COMMISSION APPROVAL OF
MEMORANDUM OF UNDERSTANDING WITH RESPECT
TO THE CANADIAN INVESTOR PROTECTION PLAN
AND NOTICE OF COMMISSION APPROVAL ORDER OF
THE CANADIAN INVESTOR PROTECTION PLAN**

The Commission has approved a memorandum of understanding (MOU) between the securities regulatory authorities of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Northwest Territories, Nova Scotia, Ontario, Prince Edward Island, Nunavut, Saskatchewan, and the Yukon and the Canadian Investor Protection Plan (CIPF).

The Commission has also granted and continued the approval of CIPF. The approval order is attached at Appendix B to the MOU.

The MOU and its accompanying Notice are published in chapter 13 of this bulletin.

1.2 Notices of Hearing

1.2.1 ATI Technologies Inc. et al.

**IN THE MATTER OF
THE SECURITIES ACT R.S.O. 1990, c.S.5, as amended**

AND

**ATI TECHNOLOGIES INC., KWOK YUEN HO,
BETTY HO, JO-ANNE CHANG, DAVID STONE,
MARY DE LA TORRE, ALAN RAE, AND SALLY DAUB**

NOTICE OF HEARING

TAKE NOTICE THAT the Ontario Securities Commission will hold a hearing pursuant to section 127 under the *Securities Act*, R.S.O. 1990, c.S.5, as amended, at its offices on the 17th floor, 20 Queen Street West, Toronto, Ontario, commencing on the 14th day of February, 2003 at 9:30 a.m. or so soon thereafter as the hearing can be held:

TO CONSIDER:

Whether in the opinion of the Commission it is in the public interest to make:

- a) an order pursuant to subsection 127(1) clause 3 of the Act that the exemptions contained in Ontario securities law, particularly Rule 45-503, Part 3, Section 3.1, that exempts trades by a listed issuer of its own issues to executives, not apply to ATI for such period as is specified in the order;
- b) an order pursuant to subsection 127(1) clause 4 that ATI submit to a review of its practices and procedures and institute such changes as may be ordered by the Commission;
- c) an order pursuant to subsection 127(1) clause 6 that the Respondents be reprimanded;
- d) an order pursuant to subsection 127(1) clause 2 that trading in securities by K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae, or Sally Daub cease permanently or for such period as specified in the order;
- e) an order pursuant to subsection 127(1) clause 3 that any exemptions contained in Ontario securities law not apply to K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae, or Sally Daub permanently or for such period as specified in the order;

- f) an order pursuant to subsection 127(1) clause 7 that K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae, or Sally Daub resign one or more positions that they hold or may hold as officer or directors of any issuers;
- g) an order pursuant to subsection 127(1) clause 8 that K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae, or Sally Daub be prohibited from becoming or acting as a director or officer of any issuer;
- h) an order pursuant to subsection 127.1 of the Act that the Respondents pay the costs of Staff's investigation and the costs of and related to this proceeding incurred by or on behalf of the Commission; and
- i) to make such other orders as the Commission deems appropriate.

AND FURTHER TAKE NOTICE THAT in the event that the Commission determines that any of the Respondents have not complied with the Ontario securities law Staff will request the Commission to consider whether, in the opinion of the Commission, application should be made to the Superior Court of Justice for a declaration pursuant to subsection 128(1) of the Act, that such persons or companies have not complied with Ontario securities law and that, if such declaration be made, the Superior Court of Justice make such further orders pursuant to subsection 128(3) of the Act as it considers appropriate including an order requiring a person disgorge to the Minister any amounts attained as a result of the non-compliance with Ontario securities law.

AND FURTHER TAKE NOTICE THAT any party to the proceeding may be represented by counsel.

AND FURTHER TAKE NOTICE THAT if any party to the proceedings fails to attend, the hearing may proceed in the absence of the party and the party is not entitled to any further notice of the proceeding.

January 16, 2003.

"John Stevenson"

**IN THE MATTER OF
THE SECURITIES ACT R.S.O. 1990, c.S.5, as amended**

AND

**ATI TECHNOLOGIES INC., KWOK YUEN HO,
BETTY HO, JO-ANNE CHANG, DAVID STONE,
MARY DE LA TORRE, ALAN RAE, AND SALLY DAUB**

**STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION**

I. The Respondents

1. ATI Technologies Inc. designs, manufactures and markets video, graphics and multi-media hardware and software products for the desktop and mobile personal computer markets. It was incorporated in 1985. Its shares were listed and posted for trading on the Toronto Stock Exchange on November 29, 1993.
2. Kwok Yuen Ho (K.Y. Ho) was a founder of ATI. Between September 1, 1999 and August 31, 2000 (the material time) he was the Chief Executive Officer and a Director of ATI.
3. Betty Ho is married to K.Y. Ho.
4. Jo-Anne Chang was the Director of Investor Relations at ATI during the material time.
5. David Stone is married to Chang.
6. Mary de la Torre was the Manager of Marketing Administration at ATI during the material time.
7. Alan Rae is married to de la Torre.
8. Sally Daub was General Counsel at ATI during the material time.

II. Overview of Staff's Allegations

9. The specific allegations advanced by Staff are:
 - (a) That ATI failed to disclose material information forthwith contrary to s. 408 of the TSX Company Manual and thereby acted contrary to the public interest. The material information was that ATI would report lower than expected revenue and earnings for Q3-2000.
 - (b) That ATI made a statement to Staff of the Commission during the course of its investigation of ATI that, in a material respect and at the time and in light of the circumstances in which the statement was made, was misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statement not misleading. In

particular, ATI made the statement that the earliest material meetings, communications, events and developments leading up to the disclosure on May 24, 2000 occurred on May 16, 2000.

- (c) That between April 24, 2000 and May 2, 2000, K.Y. Ho and Betty Ho traded 494,900 ATI shares. At the time these shares were traded, they were in a special relationship with ATI and had knowledge of a material fact with respect to ATI that had not been generally disclosed. The material fact was that ATI would fall short of its forecasted revenue and earnings for Q3-2000. Of these shares, 240,900 ATI shares were sold from an account in the name of Betty Ho for total proceeds of approximately \$6,954,279. By selling the shares prior to the issuance of the news release on May 24, 2000, K.Y. Ho and Betty Ho avoided a loss of \$3,352,824. The remaining 254,000 shares were donated to charities from an account in the name of K.Y. Ho. By donating the shares prior to the issuance of the news release, K.Y. Ho was able to maximize his tax benefit and avoid a loss in the value of the shares of \$3,585,100.
- (d) That between May 10, 2000 and May 19, 2000, Chang and Stone purchased 1,000 put option contracts, representing a total of 100,000 shares of ATI, at a time when they were in a special relationship with ATI and had knowledge of a material fact with respect to ATI that had not been generally disclosed. The material fact was that ATI would fall short of its forecasted revenue and earnings for sales for Q3-2000. On May 24, 2000 they exercised the put option contracts for profit of approximately \$950,385.
- (e) That on May 23, 2000, de la Torre and Rae sold 1,000 ATI shares for total proceeds of approximately \$26,000. At the time the shares were sold, they were in a special relationship with ATI and had knowledge of a material fact with respect to ATI that had not been generally disclosed. The material fact was that ATI would fall short of its forecasted revenue and earnings for sales of Q3-2000. As a result of the sale of their shares, they avoided a loss of \$11,050.
- (f) That Daub made a statement to Staff of the Commission during the course of its investigation of ATI that, in a material respect and at the time and in light of the

circumstances in which the statement was made, was misleading or untrue or did not state a fact that was required to be stated or was necessary to make the statement not misleading. In particular, Daub made the statement that the earliest material meetings, communications, events and developments leading up to the disclosure on May 24, 2000 occurred on May 16, 2000.

III. Background to Allegations

a) Operating Plan for Fiscal 2000

- 10. ATI's fiscal 2000 year began on September 1, 1999.
- 11. On October 19, 2000 the Board of Directors implemented the fiscal 2000 Operating Plan. The plan set the company's overall direction for fiscal 2000. It was used to determine financial, operating and technical objectives and provide a basis of measuring actual performance against these objectives.
- 12. Preparation of the plan was overseen by the Chief Financial Officer.
- 13. The plan set out the financial objectives for fiscal 2000 as:

Sales	US\$1.5 billion
Gross Margins	32%
Earnings	US\$0.62 per share

For Q3, sales were budgeted to be US\$310,000,000.

b) ATI's Customers

- 14. ATI recognizes revenue when products are shipped to customers.
- 15. ATI had four types of customers: Original Equipment Manufacturers (OEMs), system builders, distributors and retail. OEMs and distributors are ATI's main customers.
- 16. OEM customers incorporate ATI's graphic chips and boards into their own line of personal computers which are ultimately sold to the retail market. ATI's OEM customers include Apple, Dell, Compaq and Fujitsu. OEMs grant design contracts, known as "design wins", to graphics companies they choose to purchase products from.
- 17. OEMs introduce new personal computer systems as often as twice a year and look for graphics products that are competitive in costs, performance and quality. As a result, ATI's

success depends largely on securing design wins.

c) Sales Summaries and Sales Meetings

- 18. Summary reports were distributed to Directors and senior management on a weekly basis. The reports were comprised of weekly sales analysis, a financial summary, and a graph depicting actual sales achieved compared to sales targets.
- 19. Sales meetings were held weekly to discuss sales and production. During these meetings, sales managers would discuss sales achieved as compared to requested targets with senior management.

IV. Particulars of Allegations

A. ATI's Failure to Disclose in a Timely Manner

i. ATI's Public Profile

- 20. Between September 1, 1999 and May 23, 2000, ATI presented a consistently positive profile of its business to analysts and investors.
- 21. On January 13, 2000 ATI issued a news release and announced "first quarter sets revenue record."
- 22. Later that day, ATI management held a conference call with analysts and stated it expected 25% year over year revenue growth and gross margins in the "low 30s" for fiscal 2000.
- 23. For the three month period between February 1 and April 30, 2000, ATI issued 31 positive press releases.
- 24. On April 6, 2000 ATI management held a conference call with analysts and repeated its guidance that it expected 20-25% year over year revenue growth and gross margins in the "low 30s" for the balance of the year.

ii. An Unexpected Announcement

- 25. Prior to the opening of trading on May 24, 2000, ATI released an early warning news release that it expected a loss of .06¢ to .07¢ per share for Q3-2000. ATI filed a material change report with the Commission on May 25, 2000. The Company cited component shortages and aggressive pricing from competitors as the reasons for the adverse results.
- 26. As a result of the announcement on May 24, 2000, ATI's share price fell by 42% from \$25.45 to \$14.75. On May 25, 2000, the price fell further to close at \$12.10 for a two day loss of 53% from \$25.45 to \$12.10.

iii. Senior Management's Awareness of Problems at ATI

27. Senior management were aware of problems at ATI and were aware in late April 2000 that ATI would not achieve its Q3 forecast. The Operating Plan had highlighted various concerns for fiscal 2000 including risks regarding market share, competition, higher costs, lack of a competitive product and declining gross margins. Senior management were warned of rising inventory levels.
28. Senior management were aware that ATI was having difficulty achieving sales forecasts. In order to achieve the forecasts, ATI placed as much inventory as possible with its customers to make up the shortfall between actual sales and sales forecasts. This practice is known in the industry as stuffing the channel.
29. ATI's Q2 ended on February 29, 2000. Sales for the final week of Q2 were \$155 million and total sales for the quarter were \$380 million. Over 40% of Q2 sales occurred in the final week of the quarter. In order to meet Q2 sales targets, ATI stuffed the channel.
30. From the outset of Q3, the weekly sales summaries reflected that sales began slowly and did not achieve forecasts set internally by ATI. Sales began slowly for Q3 because the distribution channel was full and customers were not ordering product after the massive shipping effort in the last week of Q2.
31. Senior management were aware that ATI was stuffing the channel and were aware of the adverse effects the practice was having on subsequent quarters.
32. On March 20, 2000 the Vice-President for Sales in Europe warned senior management that Q3 revenue objectives for Europe might not be met.
33. On April 11 and 12, 2000 ATI's Controller informed senior management that he had analysed the sales forecast for ATI's European Division and concluded that the forecast was too high and requested it be reviewed.
34. On April 19, 2000 senior management had the weekly sales summary for Q3, week 7. The report indicated that ATI sales to date were \$33 million behind target. As the weeks wore on, ATI continually failed to reach its weekly sales targets.
35. On April 21, 2000 the General Manager of ATI Technologies (Europe) Ltd. informed senior management that forecasted revenue for Q3 in Europe would be \$35 million short of the requested target.

36. By May 6, 2000 senior management had decided to issue a Q3 earnings warning and were discussing the timing of the news release. In an e-mail to the CFO, the Chief Operating Officer indicated he had discussed the issue of the timing of the release with Chang and she was pushing for late May to June 1, 2000.

B. ATI's False Statement to Staff

37. On August 1, 2000, Staff wrote to ATI requesting a chronology of events which resulted in the announcement of May 24, 2000. In a letter dated August 30, 2000 ATI provided a chronology of all material meetings, communications, events and developments leading up to the disclosure on May 24, 2000. In the chronology, the first of all material meetings, communications, events and developments leading up to the disclosure on May 24, was identified as having occurred on May 16.
38. By May 6, 2000 senior management had decided to issue the early warning press release.
39. On May 12, 2000, Chang had invited the COO and others to a meeting to discuss the timing of the press release.

C. Insider Trading of K.Y. Ho and Betty Ho

40. K.Y. Ho was a founder of ATI and had a thorough knowledge of the computer chip business. He was aware of the positive information that ATI was providing to analysts and investors. At the same time, he was aware of the problems at ATI. He was aware of the concerns raised in the 2000 Operating Plan. He was aware of the difficulties that ATI had in achieving Q1 and Q2 sales. He received the weekly sales summaries. He attended the weekly sales meetings. He knew the importance of European sales to the overall sales picture. He received or was copied with e-mails from Europe indicating that their sales staff would be unable to meet their sales objectives. Indeed, on April 21, 2000 he was copied with the e-mail from the General Manager of ATI Technologies (Europe) Ltd. informing senior management that Europe would fall short of its requested target by \$35 million.
41. Beginning on the next trading day of April 24, 2000 and continuing through May 2, 2000, 240,900 ATI shares were sold for total proceeds of approximately \$6,954,279 from an account in the name of Betty Ho.
42. These shares were previously delivered from an account in the name of K.Y. Ho to an account in the name of Betty Ho.
43. By selling the shares prior to the issuance of the news release on May 24, 2000, K.Y. Ho and Betty Ho avoided a loss of approximately \$3,352,824.

44. Between April 24, 2000 and May 2, 2000, an account in the name of K.Y. Ho donated 254,000 shares to charities.

45. Previously, on July 12, 1999, an account in the name of Betty Ho delivered ATI shares to an account in the name of K.Y. Ho. These shares were delivered to enable K.Y. Ho to satisfy a pledge to the Princess Margaret Hospital.

46. K.Y. Ho and Betty Ho delayed the donation of the ATI shares to the hospital due to a depression in the value of the shares at the time.

47. By donating the shares between April 24, 2000 and May 2, 2000, prior to the issuance of the news release on May 24, 2000, K.Y. Ho maximized his tax benefit and avoided a loss in the value of the shares of \$3,586,167.

D. Insider Trading of Chang and Stone

48. As the Director of Investor Relations, Chang was thoroughly familiar with the information ATI was providing to analysts and investors. She was copied with the weekly sales summaries.

49. On February 7, 2000 Chang and Stone incorporated QDOS Capital Corp. in the Turks and Caicos Islands.

50. On February 11, 2000 QDOS opened a brokerage account in the Turks and Caicos Islands.

51. On March 31, 2000, the brokerage account was updated to include options trading.

52. On May 6, 2000 ATI's COO e-mailed the CFO indicating that he had discussed the issue of the timing of the news release with Chang and she was pushing for late May to June 1.

53. Between May 10, 2000 and May 24, 2000, QDOS purchased a total of 1,000 put options for a total cost of approximately \$311,180.

54. On May 24, 2000 ATI issued the early warning news release. Chang was responsible for its drafting.

55. On May 24, 2000 QDOS purchased 100,000 shares at an average price of \$14.70 for a total cost of approximately \$1,489,935, exercised 1,000 ATI put option contracts and sold 100,000 shares at an average price of \$27.57. The gross profit, after the exercise of the options and the sale of the shares, was \$1,261,565. After deducting the cost of the purchase of the put options, the net profit derived from the trading was approximately \$950,385.

56. After earning the profit, Chang and Stone subsequently incorporated other offshore entities

to move the money through various offshore accounts.

E. Insider trading of de la Torre and Rae

57. In the letter of August 30, 2000, ATI attached a list of all persons inside and outside ATI, who to the best of ATI's knowledge, participated in or were privy to information about the company's preliminary results prior to public announcement on May 24, 2000. De la Torre was identified as one privy to information on May 18, 2000.

58. On May 23, 2000, at 8:15 a.m. Rae placed an order to sell 1,000 ATI shares. The order was filled at 9:30 a.m.

59. On May 23, 2000, at 1:11 p.m. de la Torre e-mailed K.Y. Ho a draft of an employee announcement of K.Y. Ho and the COO that ATI would significantly miss its revenue and earnings for Q3-2000.

F. Misleading Statements of Daub

60. As set out in paragraph 37, ATI provided Staff with a letter dated August 30, 2000. This letter was prepared under the supervision of Daub and was signed by her. In the letter, she provided a chronology in which the first of all material meetings, communications, events and developments leading up to the disclosure of May 24 was identified as May 16. The letter also indicated the first date that she was aware of the problem was May 19, 2000.

61. On May 11, 2000 Chang e-mailed Daub and others regarding a meeting on May 12. One of the topics to be discussed at the meeting was the timing of the press release. Daub was invited to attend this meeting.

V. Conduct Contrary to the Public Interest and Contrary to Ontario Securities Law

62. Staff submit that:

a) ATI failed to disclose material information forthwith contrary to the provisions of the TSX Company Manual and contrary to the public interest;

b) That ATI and Daub made misleading statements to Staff contrary to Ontario securities law and contrary to the public interest; and

c) That K.Y. Ho, Betty Ho, Chang, Stone, de la Torre and Rae committed insider trading contrary to section 76(1) of the Act and contrary to the public interest.

63. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

January 16, 2003.

1.3 News Releases

1.3.1 Investor e.ducation Fund - Protect Your Money: Schemes, Scams and Flimflams

**FOR IMMEDIATE RELEASE
January 20, 2003**

**PROTECT YOUR MONEY: SCHEMES,
SCAMS AND FLIMFLAMS**

Toronto – Terri Williams, President of the Investor e.ducation Fund will offer investors information and guidance on how they can help protect themselves from falling victim to investment scams. Protect Your Money: Schemes, Scams and Flimflams will be the focus of her speech at the Financial Forum 2003 on Saturday, January 25, 2003 at 3:15 at the Metro Toronto Convention Centre, North Building.

Ms. Williams will encourage investors to investigate before they invest. She will outline some of the common strategies used by scam artists and identify the red flags to watch out for. Using real life examples of investment scams, she will educate investors on how they can protect their hard-earned money.

Her speech takes place on Saturday, January 25th, 2003 between 3:15 and 4:00 PM. The Financial Forum will be located in Hall C, North Building of the Metro Toronto Convention Centre, 255 Front Street West.

For more information on the Financial Forum (January 23-26th, 2003) and to register for free please visit www.financialforum.ca.

For Media Inquiries: Terri Williams
President, Investor e.ducation
Fund
416-593-2350
twilliams@osc.gov.on.ca

1.3.2 OSC Commences Proceedings in Relation to ATI Technologies Inc., K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae, and Sally Daub

**FOR IMMEDIATE RELEASE
January 16, 2003**

**OSC COMMENCES PROCEEDINGS
IN RELATION TO ATI TECHNOLOGIES INC., K.Y. HO,
BETTY HO, JO-ANNE CHANG, DAVID STONE,
MARY DE LA TORRE, ALAN RAE, AND SALLY DAUB**

TORONTO – The Ontario Securities Commission announced today that it has commenced proceedings against ATI Technologies Inc., K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae and Sally Daub.

ATI is alleged to have failed to disclose material information on a timely basis and made a misleading statement to Staff.

K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, and Alan Rae are alleged to have committed insider trading contrary to Ontario securities law, resulting in more than \$7.9 million in profits or avoided losses and triggering significant tax benefits. Staff of the OSC have given notice of the intent to seek disgorgement of any amounts attained as a result of non-compliance with Ontario's securities law.

Sally Daub is alleged to have made a misleading statement to Staff.

The first appearance is scheduled for February 14, 2003 at 9:30 a.m. in the small hearing room, 17th floor, 20 Queen Street West.

Copies of the Notice of Hearing and Statement of Allegations are available at www.osc.gov.on.ca or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario.

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.3 OSC Drops Enforcement Proceeding Against Southwest Securities Inc.

FOR IMMEDIATE RELEASE
January 20, 2003

**OSC DROPS ENFORCEMENT PROCEEDING
AGAINST SOUTHWEST SECURITIES INC.**

TORONTO – Staff of the Ontario Securities Commission has withdrawn an enforcement proceeding in respect of Southwest Securities Inc. having regard to the considerations referred to below.

The Notice of Hearing and related Statement of Allegations was issued on September 15, 2000. Staff of the Commission alleged that Southwest, a member of the New York Stock Exchange and the National Association of Securities Dealers, was not registered with the Commission although it was engaged in activity that required registration under section 25 of the Securities Act (Ontario). In particular, Staff of the Commission alleged that Southwest was a carrying broker for the customers of Swift Trade Securities Inc., a securities dealer registered under Ontario securities laws, and that Southwest carried on the business of trading securities in Ontario as a result of contractual arrangements between Southwest and Swift Trade, and Southwest and the customers of Swift Trade. Staff of the Commission further alleged that by failing to be registered, Southwest not only violated section 25 of the Act, but also deprived the customers of Swift Trade of the protections associated with registration. Staff made no allegations in respect of Swift Trade.

Since the issuance of the Notice of Hearing, Swift Trade has restructured its Ontario operations. Swift Trade acquired a member of the Investment Dealers Association of Canada with the approval of the IDA and the Commission, and transferred all of its customers and their accounts (with their consent) to an IDA member. The IDA member clears its trades through an IDA member clearing broker.

As a result of the re-structuring, Staff of the Enforcement Branch is withdrawing the Notice of Hearing.

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Loews Cineplex Theatres, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – as a result of a reorganization under bankruptcy and a subsequent corporate reorganization, issuer has only one security holder – issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am. s. 83.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO,
QUÉBEC, NOVA SCOTIA AND
NEWFOUNDLAND AND LABRADOR**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
LOEWS CINEPLEX THEATRES, INC.
(FORMERLY LOEWS CINEPLEX
ENTERTAINMENT CORPORATION)**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the provinces of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the “**Jurisdictions**”) has received an application from Loews Cineplex Theatres, Inc. (formerly Loews Cineplex Entertainment Corporation) (“**Loews**”) for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that Loews be deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “**System**”), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS, Loews has represented to the Decision Makers that:

1. Loews was originally incorporated under the name LTM Holdings, Inc. in the State of Delaware on October 31, 1986. Loews was formed by the combination of the Loews Theatres exhibition business of Sony Pictures Entertainment Inc., a wholly-owned subsidiary of Sony Corporation of America and Cineplex Odeon Corporation (“**Cineplex**”) on May 14, 1998. As part of a corporate reorganization effected during the month of October 2002 (the “**October Reorganization**”), Loews changed its name to Loews Cineplex Theatres, Inc. As part of the October Reorganization, Loews became a wholly-owned subsidiary of LCEC Corp. (“**New Loews**”) which has since changed its name to Loews Cineplex Entertainment Corporation and stockholders of Loews received shares of New Loews.
2. The registered office of Loews is located at 615 South DuPont Highway, Dover, Delaware and its principal executive offices are located at 711 Fifth Avenue, New York, New York.
3. On February 15, 2001, Loews and its subsidiaries, including Cineplex, filed for bankruptcy protection under Chapter 11 of the *U.S. Bankruptcy Code* in the United States and under the *Companies Creditors Arrangement Act* (Canada) in Canada.
4. Loews and its subsidiaries emerged from bankruptcy on March 21, 2002. Pursuant to the Loews’ U.S. plan of reorganization (the “**US Plan**”), all of the outstanding common stock (the “**Old Common Stock**”) of Loews was cancelled and the new common stock of the reorganized Loews was issued to an affiliate of Onex Corporation (“**Onex**”) and to OCM Cinema Holdings, LLC (“**OCM Cinema**”) (or its affiliates).
5. Loews’ authorized capital stock consists of 345,000 shares, of which (i) 25,000 shares are preferred stock, par value \$0.01 per share, (ii) 250,000 shares are Class A Common Stock (the “**Loews Class A Stock**”), par value \$0.01 per share, and (iii) 70,000 shares are Class B Common Stock (the “**Loews Class B Stock**”), par value \$0.01 per share. There are 42,560 shares of Loews Class A Stock issued and 63,588 shares of Loews Class B Stock issued. All of the Loews Class A Stock and the Loews Class B Stock is owned by New Loews. Other than the Loews Class A Stock and the Loews Class B Stock,

Loews has no securities, including debt securities, outstanding.

6. New Loews' authorized capital stock consists of 345,000 shares, of which (i) 25,000 shares are preferred stock, par value \$0.01 per share, (ii) 250,000 shares are Class A Common Stock (the "**New Loews Class A Stock**"), par value \$0.01 per share, and (iii) 70,000 shares are Class B Common Stock (the "**New Loews Class B Stock**"), par value \$0.01 per share. Onex, its affiliates and certain other Onex-controlled entities own all of the issued and outstanding shares of the New Loews Class B Stock. OCM Cinema owns 42,599 shares of New Loews Class A Stock. The non-employee directors of New Loews own an aggregate of 597 shares of New Loews Class A Stock, and the non-executive chairman of a subsidiary of New Loews owns 59.7 shares of New Loews Class A Stock. Other than the shares of New Loews Class A Stock owned by OCM Cinema, the non-employee directors and the non-executive chairman, there are no shares of the New Loews Class A Stock outstanding. Other than the New Loews Class A Stock and the New Loews Class B Stock, New Loews has no securities, including debt securities, outstanding.
7. Pursuant to the US Plan, the Old Common Stock was delisted from The Toronto Stock Exchange on December 6, 2002 and New York Stock Exchange on February 15, 2001. No securities of Loews are listed or quoted on any stock exchange or market.
8. On March 22, 2002, Loews filed with the U.S. Securities Exchange Commission (the "**SEC**") a Certification and Notice of Termination of Registration under Section 12(g) of the *Securities Exchange Act of 1934* on Form 15, following which it ceased to make filings with the SEC and each of the securities regulatory authorities in each of the Jurisdictions.
9. Other than its failure to comply with the applicable requirements of the Legislation to file continuous disclosure material since March 21, 2002, Loews is not in default of any of the requirements of the Legislation.
10. Loews has no present intention of seeking public financing by way of an offering of its securities in Canada.

AND WHEREAS under MRRS, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "**Decision**");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

THE DECISION of the Decision Makers under the Legislation is that Loews is deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation.

January 14, 2003.

"John Hughes"

**2.1.2 CNH Capital Canada Receivables Trust
- MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirement in National Instrument 44-101 to file the consent of the issuer’s former auditors, Arthur Andersen LLP – Canada, to being named, and to the incorporation by reference of such auditor’s report on certain audited financial statements of the issuer included, in a shelf prospectus.

Applicable Ontario Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 10.4 and 15.1.
CSA Staff Notice 43-304, 62-302 and 81-308 Prospectus Filing Matters – Arthur Andersen LLP Consent.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC,
NEWFOUNDLAND AND LABRADOR,
NOVA SCOTIA, NEW BRUNSWICK,
PRINCE EDWARD ISLAND, YUKON,
NORTHWEST TERRITORIES AND NUNAVUT**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
CNH CAPITAL CANADA RECEIVABLES TRUST**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Yukon, Northwest Territories and Nunavut (the “Jurisdictions”) has received an application from CNH Capital Canada Receivables Trust (“CNH”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that CNH be exempt from the requirement (the “Consent Requirement”) in the Legislation to file a consent of CNH’s former auditors, Arthur Andersen LLP – Canada (“Andersen Canada”), to being named, and to the incorporation by reference of the auditor’s report of Andersen Canada on the audited annual financial statements of CNH for the financial year ended December 31, 2001, in the base shelf prospectus of CNH dated October 11, 2001 (the “Base Shelf Prospectus”);

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the

“System”), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS CNH has represented to the Decision Makers that:

1. CNH is a trust formed under the laws of Ontario. The head office of the trustee of CNH is in Ontario.
2. CNH is a reporting issuer or the equivalent in all of the provinces and territories of Canada where that term is applicable.
3. CNH intends to offer a series of receivable-backed notes to the public under prospectus supplements to the Base Shelf Prospectus. CNH plans to file a prospectus supplement with securities regulatory authorities in Canada in early to mid-November, 2002.
4. On June 3, 2002, Andersen Canada ceased practising public accounting. As a result, Andersen Canada will no longer consent to the use of previously issued auditor’s reports for purposes of securities filings.
5. The inability of CNH to obtain a consent letter from Andersen Canada is an exceptional situation that is outside the control of CNH.
6. The Canadian Securities Administrators (“CSA”) issued CSA Staff Notice 43-304, 62-302, and 81-308 *Prospectus Filing Matters – Arthur Andersen LLP Consent* (the “Andersen Notice”) to provide guidance to issuers with respect to the inclusion in securities filings of financial statements previously audited by Andersen Canada.
7. The Andersen Notice states that CSA staff will consider applications from issuers to waive the requirement to obtain the consent of Andersen Canada for audit reports relating to financial statements incorporated by reference in a prospectus or prospectus supplement provided that the prospectus or prospectus supplement includes certain prominent disclosure immediately prior to the listing of the documents incorporated by reference.
8. In the absence of a consent from Anderson Canada, CNH will include in each prospectus supplement filed under the Base Shelf Prospectus the disclosure set out in Appendix A.
9. The exemptive relief application procedure contemplated by the Andersen Notice is not available to CNH because the application procedure described in the Andersen Notice is not available to an issuer offering securities under a base shelf prospectus and prospectus supplement thereunder where the prescribed disclosure is not included in the base shelf prospectus.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that CNH is exempt from the Consent Requirement in connection with each prospectus supplement filed under the Base Shelf Prospectus.

October 28, 2002.

“Iva Vranic”

AND THE FURTHER DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that the Application and the Decision shall be held in confidence by the Decision Makers until the earlier of (a) the public announcement of an offering of receivable backed notes under a prospectus supplement to the Base Shelf Prospectus, and (b) January 1, 2003.

October 28, 2002.

“Robert W. Korthals”

“Harold P. Hands”

APPENDIX A

Cover Page Disclosure:

The Shelf Prospectus incorporates by reference financial statements audited and reported on by Arthur Andersen LLP (“Andersen Canada”). We have not obtained the consent of Andersen Canada to the use of its audit report in respect of the financial statements for the year ended December 31, 2001. Because Andersen Canada has not provided this consent, purchasers of notes pursuant to this Prospectus Supplement will not have the statutory right of action for damages against Andersen Canada prescribed by applicable securities legislation with respect to the financial statements for the year ended December 31, 2001. See “Documents Incorporated by Reference” and “Statutory Rights of Withdrawal and Rescission” in this Prospectus Supplement.

Disclosure Immediately Prior to “Documents Incorporated by Reference”

The Shelf Prospectus incorporates by reference financial statements audited and reported on by Andersen Canada. We have not obtained the consent of Andersen Canada to the use of its audit report in respect of the financial statements for the year ended December 31, 2001. Andersen Canada’s consent was not obtained because, on June 3, 2002, Andersen Canada ceased to practice public accounting. Because Andersen Canada has not provided this consent, purchasers of notes pursuant to this Prospectus Supplement will not have the statutory right of action for damages against Andersen Canada prescribed by applicable securities legislation with respect to the financial statements for the year ended December 31, 2001. Andersen Canada may not have sufficient assets available to satisfy any judgements against it. See “Statutory Rights of Withdrawal and Rescission” in this Prospectus Supplement. Relief from the requirement of applicable securities legislation to file the consent of Andersen Canada with certain Canadian securities regulatory authorities was obtained under an MRRS Decision Document dated October 28, 2002.

2.1.3 TGS North American Real Estate Investment Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - closed-end real estate investment trust exempt from prospectus and registration requirements in connection with issuance of units to existing unit holders pursuant to distribution reinvestment plan whereby distributions are reinvested in additional units of the trust, subject to certain conditions - first trade in additional units deemed a distribution unless made in compliance with MI 45-102.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53 and 74(1).

Multilateral Instrument Cited

Multilateral Instrument 45-102 Resale of Securities (2001), 24 OSCB 5522.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUÉBEC, NOVA SCOTIA,
NEW BRUNSWICK, PRINCE EDWARD ISLAND,
NEWFOUNDLAND AND LABRADOR,
YUKON, NUNAVUT AND NORTHWEST TERRITORIES**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
TGS NORTH AMERICAN REAL ESTATE
INVESTMENT TRUST**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories (the "Jurisdictions") has received an application from TGS North American Real Estate Investment Trust (the "REIT") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "Registration and Prospectus Requirements") shall not apply to the distribution or resale of units of the REIT pursuant to a distribution reinvestment plan (the "DRIP");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS THE REIT has represented to the Decision Makers that:

1. The REIT is an unincorporated open-end investment trust established under the laws of the Province of Alberta by declaration of trust dated July 31, 2002, as amended and restated (the "Declaration of Trust").
2. The beneficial interests in the REIT are divided into a single class of units (the "Units") and the REIT is authorized to issue an unlimited number of Units.
3. Each Unit represents a proportionate undivided beneficial interest in the REIT, and entitles holders of Units ("Unitholders") to one vote at any meeting of Unitholders and to participate pro rata in the distributions of the REIT.
4. The Units of the REIT have been conditionally approved for listing on the Toronto Stock Exchange (the "TSX").
5. The REIT is not a "mutual fund" as described in the Legislation because the Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the REIT as contemplated in the definition of "mutual fund" in the Legislation.
6. The REIT will become a reporting issuer or the equivalent thereof in each province and territory in Canada when it obtains a receipt for its final prospectus (the "Prospectus"). As of the date hereof, the REIT is not in default of any requirements under the Legislation.
7. The REIT has been formed to invest in income-producing real estate located in western North America. The REIT offers an opportunity to invest, through a tax-efficient Canadian real estate investment trust structure, in a diversified portfolio of office, retail and, in the future, industrial properties organized along the natural north/south economic and trading patterns of western North America. The REIT's properties will be located in selected markets in the western United States and western Canada which exhibit strong economic and population growth trends. The REIT will be internally managed.
8. The REIT currently intends to make cash distributions to Unitholders monthly, equal to, on an annual basis, approximately 89% of its Distributable Income.

9. The REIT intends to establish the DRIP pursuant to which Unitholders may, at their option, invest cash distributions paid on their Units in additional Units ("Additional Units"). The DRIP will not be available to Unitholders who are not Canadian residents.
10. Distributions due to participants in the DRIP ("DRIP Participants") will be paid to Computershare Trust Company of Canada in its capacity as agent under the DRIP (in such capacity, the "DRIP Agent") and applied to purchase Additional Units. All Additional Units purchased under the DRIP will be purchased by the DRIP Agent directly from the REIT.
11. The price of Additional Units purchased with such cash distributions will be the volume weighted average of the closing price for a board lot of Units on the TSE for the twenty trading days immediately preceding the relevant distribution date. Unitholders who elect to participate in the DRIP will receive a further distribution of Additional Units equal in value to 3% of each distribution that is reinvested under the DRIP.
12. No commissions, service charges or brokerage fees will be payable by DRIP Participants in connection with the DRIP and all administrative costs will be borne by the REIT.
13. Additional Units purchased under the DRIP will be registered in the name of the DRIP Agent, as agent for the DRIP Participants.
14. Unitholders may terminate their participation in the DRIP at any time by written notice to the DRIP Agent. Such notice, if received prior to a distribution date, will have effect for such distribution. Thereafter, distributions payable to such Unitholders will be by cheque.
15. The REIT may amend, suspend or terminate the DRIP at any time, provided that such action shall not have a retroactive effect which would prejudice the interests of the DRIP Participants. All DRIP Participants will be sent notice of any such amendment, suspension or termination.
16. The distribution of the Plan Units by the REIT pursuant to the DRIP cannot be made in reliance on registration and prospectus exemptions contained in the Legislation as the DRIP involves the reinvestment of Distributable Income distributed by the REIT and not the reinvestment of distributions of dividends, interest, capital gains or earnings of surplus of the REIT.
17. The distribution of the Additional Units by the REIT pursuant to the DRIP cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as

the REIT is not a "mutual fund" as defined in the Legislation.

18. As of the date of closing, the REIT will be considered a "qualifying issuer" for purposes of Multilateral Instrument 45-102 - Resale of Securities.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the trades of Additional Units by the REIT to the Plan Agent for the account of the DRIP Participants pursuant to the DRIP shall not be subject to the Registration and Prospectus Requirements of the Legislation provided that:

- (a) at the time of the trade the REIT is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;
- (b) no sales charge is payable in respect of the trade;
- (c) the REIT has caused to be sent to the person or company to whom the Additional Units are traded, not more than 12 months before the trade, a statement describing:
 - (i) their rights to withdraw from the DRIP and to make an election to receive cash instead of Units on the making of a distribution of income by the REIT; and
 - (ii) instructions on how to exercise the right referred to in (i);
- (d) disclosure of the initial distribution of the Additional Units is made to the relevant Jurisdictions by providing the particulars of the date of the distribution of such Additional Units, the number of such Additional Units and the purchase price paid or to be paid for such Additional Units in:
 - (i) an information circular or take-over bid circular filed in accordance with the Legislation; or
 - (ii) a letter filed with the Decision Maker in the relevant

Jurisdiction by a person or company certifying that the person or company has knowledge of the facts contained in the letter,

January 13, 2003.

“Howard I. Wetston”

“Robert W. Korthals”

when the REIT distributes such Additional Units for the first time and thereafter, not less frequently than annually, unless the aggregate number of Additional Units so traded in any month exceeds 1% of the Units outstanding at the beginning of a month in which the Additional Units were traded, in which case a separate report shall be filed in each relevant Jurisdiction in respect of that month within ten days of the end of such month;

- (e) except in Québec, the first trade in Additional Units acquired pursuant to this Decision in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation of such Jurisdiction and shall not be subject to the Prospectus Requirements, provided that the conditions in paragraphs 2 through 5 of subsections 2.6(3) or (4) of Multilateral Instrument 45-102 - Resale of Securities are satisfied; and
- (f) in Québec, the first trade (alienation) in Additional Units acquired pursuant to this Decision shall be deemed a distribution or primary distribution to the public unless:
 - (i) at the time of the first trade, the REIT is and has been a reporting issuer in Québec for the four months immediately preceding the trade;
 - (ii) no unusual effort is made to prepare the market or to create a demand for the Units;
 - (iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
 - (iv) if the seller of the Additional Units is an insider of the REIT, the seller has reasonable grounds to believe that the REIT is not in default of any requirement of the Legislation of Québec.

**2.1.4 Phoenix Technology Services Ltd.
- MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer deemed to be no longer a reporting issuer under the Act.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, ONTARIO AND SASKATCHEWAN**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
PHOENIX TECHNOLOGY SERVICES LTD.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Alberta, Ontario and Saskatchewan (the "Jurisdictions") have received an application for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that Phoenix Technology Services Ltd. ("Phoenix") be deemed to have ceased to be a reporting issuer under the Legislation;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the Principal Regulator for this application;

AND WHEREAS it has been represented by Phoenix to the Decision Makers that:

1. Phoenix was formed pursuant to the *Business Corporations Act* (Alberta);
2. Phoenix's head office is located in the City of Calgary, in the Province of Alberta;
3. the authorized capital of Phoenix consists of an unlimited number of common shares ("Common Shares"), of which 14,144,960 Common Shares are currently issued and outstanding;
4. Phoenix is a reporting issuer in the Provinces of Alberta, British Columbia, Manitoba, Ontario and Saskatchewan, and is not in default of any of its obligations as a reporting issuer under the

securities legislation of such provinces, other than Saskatchewan

5. pursuant to an arrangement agreement dated September 3, 2002 among Phoenix, 100353 Alberta Ltd. ("100353") and Nevis Energy Services Ltd. ("Nevis") and Articles of Arrangement filed November 1, 2002 under section 193 of the *Business Corporations Act* (Alberta), 1003053 became the sole holder of the issued and outstanding Common Shares of Phoenix (the "Arrangement"), subsequent to which 1003053 and Nevis amalgamated and continued as one corporation under the name Phoenix Technology Services Inc. ("PTSI");
6. PTSI is the sole registered securityholder of Phoenix and there are no securities of Phoenix, including debt obligations, currently outstanding other than the Common Shares;
7. the Common Shares of Phoenix have never been and are not listed on any exchange or traded over the counter in Canada or elsewhere;
8. Phoenix does not intend to seek public financing by way of an offering of securities;

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decisions of each Decision Maker (collectively, the "Decisions");

AND WHEREAS each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decisions has been met;

AND WHEREAS the Commission is satisfied that to do so would not be prejudicial to the public interest;

THE DECISION of the Decision Makers under the Legislation is Phoenix Technology Services Ltd. is deemed to have ceased to be a reporting issuer under the securities legislation of Alberta, Ontario and Saskatchewan effective as of the date of this Decision.

December 31, 2002.

"Patricia M. Johnston"

**2.1.5 VERITAS Software Corporation
- MRRS Decision**

Headnote

MRRS - registration relief for trades by Participants, Former Participants and Permitted Transferees of securities acquired under employee incentive plans - issuer bid relief for foreign issuer in connection with acquisition of shares under employee incentive plans.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.

Applicable Ontario Rule

OSC Rule 45-503 - Trades to Employees, Executives and Consultants.

Applicable Instrument

Multilateral Instrument 45-102 - Resale of Securities.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, ALBERTA AND
NEW BRUNSWICK**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
VERITAS SOFTWARE CORPORATION**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta and New Brunswick (the "Jurisdictions") has received an application from VERITAS Software Corporation ("VERITAS" or the "Company") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that (i) the dealer registration requirement contained in the Legislation (the "Registration Requirement") and the prospectus requirement contained in the Legislation (the "Prospectus Requirement") (the Registration Requirement and the Prospectus Requirement are, collectively, the "Registration and Prospectus Requirements") will not apply to certain trades in securities of VERITAS made in connection with the VERITAS Software Corporation 1993 Equity Incentive Plan (the "EIP"), the VERITAS Software Corporation 1993 Employee Stock Purchase Plan (the "1993 ESPP") and the VERITAS Software Corporation 2002 International Employee Stock Purchase Plan (the "2002 International ESPP"; the 1993 ESPP and the 2002 International ESPP are, collectively, the "ESPPs" and the EIP and the ESPPs

are, collectively, the "Plans"); (ii) the Registration and Prospectus Requirements will not apply to first trades of Shares (as defined below) acquired under the Plans made through an exchange or market outside of Canada or to a person or company outside of Canada; and (iii) the requirements contained in the Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, financing, identical consideration, collateral benefits, together with the requirement to file a reporting form within ten (10) days of an exempt issuer bid and pay a related fee (the "Issuer Bid Requirements") will not apply to certain acquisitions by the Company of Shares pursuant to the Plans in each of the Jurisdictions;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS VERITAS has represented to the Decision Makers as follows:

1. VERITAS is presently a corporation in good standing incorporated under the laws of the State of Delaware.
2. VERITAS and affiliates of VERITAS (the "VERITAS Affiliates") (VERITAS and the VERITAS Affiliates are, collectively, the "VERITAS Companies") provide essential storage software solutions that enable customers to protect and access their business-critical data.
3. VERITAS is registered with the SEC in the U.S. under the U.S. Securities Exchange Act of 1934 (the "Exchange Act") and is not exempt from the reporting requirements of the Exchange Act pursuant to Rule 12g 3-2.
4. On or about June 1, 1999, VERITAS completed the acquisition of TeleBackup Systems Inc. ("TeleBackup") in exchange for approximately 1.6 million Shares. The acquisition of TeleBackup by VERITAS (the "TeleBackup Transaction") was structured as a plan of arrangement involving VERITAS, TeleBackup, VERITAS Holding Corporation and certain other of the VERITAS Affiliates (defined below). An application for discretionary relief was submitted by VERITAS and TeleBackup to certain regulatory authorities in Canada in connection with the TeleBackup Transaction and an MRRS Decision document dated June 1, 1999 was rendered by such regulators.
5. VERITAS became a reporting issuer in British Columbia on June 1, 1999 as a result of the TeleBackup Transaction and has remained a reporting issuer in British Columbia since that date. VERITAS is not a reporting issuer in any of

- the other Jurisdictions and has no present intention of becoming a reporting issuer in any of the other Jurisdictions.
6. The authorized share capital of VERITAS consists of: 2,000,000,000 shares of common stock ("Shares") and 10,000 shares of preferred stock ("Preferred Shares"). As of March 18, 2002, there were 408,555,769 Shares and no Preferred Shares issued and outstanding.
 7. The Shares are quoted on the NASDAQ (the "Nasdaq") under the ticker symbol "VRTS".
 8. VERITAS uses the services of agents/brokers in connection with the operation of the Plans (each an "Agent"). E*Trade Canada Securities Corporation ("E*Trade Canada") and E*Trade Securities, Inc. ("E*Trade US") has each been appointed as an Agent under the Plans. E*Trade Canada is registered to conduct retail trades in securities in both of the Jurisdictions, however, E*Trade US is not so registered. E*Trade US is registered to conduct retail trades under applicable U.S. securities or banking legislation. Any other Agent appointed in addition to, or in replacement of, E*Trade Canada or E*Trade US will be a registrant to conduct retail trades in the Jurisdictions or a corporation registered to conduct retail trades under applicable U.S. securities or banking legislation and will be authorized by VERITAS to provide services as an Agent under the Plans.
 9. The role of the Agent may include: (a) disseminating information and materials to Participants (as defined below) in connection with the Plans; (b) assisting with the administration of and general record keeping for the Plans; (c) holding Shares on behalf of Participants, Former Participants (as defined below) and Permitted Transferees (as defined below) in limited purpose brokerage accounts; (d) facilitating Option (as defined below) exercises (including cashless exercises) under the Plans; (e) facilitating the payment of withholding taxes, if any, by cash or the tendering or withholding of Shares; (f) facilitating the reacquisition of Awards (as defined below) under the terms of the Plans; and (g) facilitating the resale of Shares issued in connection with the Plans.
 10. The purpose of the EIP is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the VERITAS Companies, by offering them an opportunity to participate in the Company's future performance through grants of Awards.
 11. The purpose of the ESPPs is to provide Employees designated by the Board (as defined below) as eligible to participate in the ESPPs with a convenient means of acquiring an equity interest in the Company through payroll deductions, to enhance such Employees' sense of participation in the affairs of the VERITAS Companies, and to provide an incentive for continued employment.
 12. Subject to adjustment as described in the Plans and increases made in accordance with U.S. law, the maximum number of Shares that may be issued pursuant to the Plans is: under the 1993 ESPP, 1,000,000 Shares; and, in the aggregate, under the 2002 International ESPP, the 1993 ESPP and the VERITAS Software Corporation 2002 Employee Stock Purchase Plan (the "2002 ESPP") (which is not offered to employees in Canada), 21,893,518 Shares. Share issuances under the 1993 ESPP and the 2002 ESPP shall reduce on a Share-for-Share basis the number of Shares issued under the 2002 International ESPP, and annually, in January, the aggregate number of Shares available for purchase under the 2002 International ESPP and the 2002 ESPP shall automatically be increased by 1% of the Shares outstanding as of December 31 of the immediately preceding calendar year, but in no event shall such number exceed 600,000 Shares per year subject to periodic adjustments permitted under the 2002 International ESPP; and under the EIP, as of May 27, 1999, 20,000,000 Shares were reserved for issuance, plus an annual increase of 4.5% of the Shares outstanding as of December 31 of the immediately preceding calendar year, but in no event shall such number exceed 8,000,000 Shares per year, plus any additional Shares issuable under certain prior plans of VERITAS. Since May 27, 1999, there have been three stock splits that affected the number of Shares available: On July 8, 1999, there was a 2-for-1 stock split; on November 19, 1999, there was a 3-for-2 stock split; and on March 3, 2000, there was a 3-for-2 stock split.
 13. All necessary securities filings have been made in the U.S. in order to offer the Plans to Participants resident in the U.S.
 14. The EIP permits grants of: (a) options on Shares ("Options"); (b) restricted stock awards ("Restricted Stock Awards"); and (c) stock bonuses ("Stock Bonuses"); (Shares, Options, Restricted Stock Awards, Stock Bonuses are, collectively, "Awards") to employees ("Employees"), non-employee directors ("Directors") and consultants ("Consultants") (Employees, Directors and Consultants are, collectively, "Participants") of the VERITAS Companies.
 15. Under the ESPPs, Employees are offered an opportunity to purchase Shares by means of applying accumulated payroll deductions at a discounted price determined in accordance with the terms of the ESPPs.

16. As of May 31, 2002, there were 55 persons in Canada eligible to receive Awards under or participate in the Plans: 10 persons resident in British Columbia; 3 persons resident in Alberta; 2 persons resident in New Brunswick; 35 persons resident in Ontario, and; 5 persons resident in Quebec.
17. Employees eligible to participate in the Plans will not be induced to purchase Shares or to exercise Awards by expectation of employment or continued employment.
18. Officers of the VERITAS Companies who participate in the Plans will not be induced to purchase Shares or to exercise Awards by expectation of appointment or employment or continued appointment or employment as an officer.
19. Consultants who participate in the EIP will not be induced to exercise Options by expectation of the individual Consultant, the Consultant's company or the Consultant's partnership being engaged or continuing to be engaged as a Consultant.
20. The Plans are administered by a committee (the "Committee") appointed by the board of directors of VERITAS (the "Board").
21. It is anticipated that Consultants (as used herein, "consultant" includes a "consultant company" as defined in the OSC Rule 45-503) who will be granted Awards under the EIP, to the extent permitted, will: (a) provide technical, business, management or other services to the VERITAS Companies (other than services relating to the sale of securities or promotional/investor relations services); (b) provide consulting services to the VERITAS Companies under a written contract; (c) have a relationship with the VERITAS Companies that will permit them to be knowledgeable about the business affairs of the VERITAS Companies; and (d) will spend a significant amount of time and attention on the affairs and business of one or more of the VERITAS Companies.
22. Following the termination of a Participant's relationship with the VERITAS Companies for reasons of disability, retirement, termination, change of control or any other reason (such Participants are "Former Participants"), and where Awards have been transferred by will or pursuant to a beneficiary designation or the laws of intestacy or otherwise on the death of a Participant (beneficiaries of such Awards are "Permitted Transferees"), the Former Participants and Permitted Transferees will continue to have rights in respect of the Plans ("Post-Termination Rights").
23. Post-Termination Rights may include, among other things, (a) the right to exercise Awards for a period determined in accordance with the EIP; and (b) the right to sell Shares acquired under the Plans through the Agent.
24. Post-Termination Rights will only be available if the Awards or rights to which they relate were granted to the Participant while the Participant was a service provider and no new Awards or rights will be granted to Former Participants under the Plans.
25. Among other payment methods, the EIP provides that payment for Shares acquired pursuant to the EIP may be made: (a) in cash; (b) in the case of an Option exercise, by a cashless exercise method; (c) in the case of an Option exercise, by a margin commitment; (d) in the case of an Option exercise, by the retention of a number of Shares by the Company from the total number of Shares into which the Option is exercised; or (e) by a combination of the foregoing.
26. Options may be forfeited by EIP Participants to the extent such Options are not exercised within the time period prescribed under the EIP or where the EIP Participant's relationship with VERITAS is terminated or where Options are cancelled on a merger or sale of assets or on the dissolution or liquidation of VERITAS ("Option Cancellations").
27. Under the EIP, the Committee may (i) reserve to itself a right in the Award Agreement (as such term is defined in the EIP) to repurchase a portion of or all Shares which have not yet vested that are held by a Participant following such Participant's Termination (as such term is defined in the EIP) at any time within ninety (90) days after the later of Participant's Termination Date (as such term is defined in the EIP) and the date a Participant purchases Shares under the EIP, for cash and/or cancellation of purchase money indebtedness, at the Participant's Exercise Price or Purchase Price, as the case may be; (ii) at any time, with the consent of a Participant, authorize to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards; and (iii) may buy out for a payment in cash or Shares or other consideration, an Award previously granted on terms and conditions determined by the Committee (collectively, such transactions are "Award Buyouts").
28. VERITAS shall have the right to deduct applicable taxes from any payment under the Plans by withholding, at the time of delivery or vesting of cash or Shares under the Plans, an appropriate amount of cash or Shares ("Share Withholding Exercises"; collectively, Share Withholding Exercises, Stock Swap Exercises and Option Cancellations are "Award Acquisitions") or a combination thereof for a payment of taxes required by law or to take such other action as may be necessary in the opinion of VERITAS or

the Committee to satisfy all obligations for the withholding of such taxes

29. The annual reports, proxy materials and other materials VERITAS is required to file with the SEC will be provided to Canadian Participants at the same time and in the same manner as the documents are provided or made available to U.S. Participants.
30. Canadian shareholders do not own, directly or indirectly, more than 10% of the issued and outstanding Shares and do not represent in number more than 10% of the shareholders of VERITAS. If at any time during the currency of the Plans Canadian shareholders of VERITAS hold, in aggregate, greater than 10% of the total number of issued and outstanding Shares or if such shareholders constitute more than 10% of all shareholders of VERITAS, VERITAS will apply to the relevant Jurisdiction for an order with respect to further trades to any by Participants, Former Participants and Permitted Transferees in that Jurisdiction in respect of Shares acquired under the Plans.
31. Participants, Former Participants or Permitted Transferees may exercise Awards and sell Shares acquired under the Plans through an Agent.
32. Because there is no market for the Shares in Canada and none is expected to develop, any resale of the Shares acquired under the Plans will be effected through the facilities of, and in accordance with the rules and laws applicable to, a stock exchange or organized market outside of Canada on which the Shares may be listed or quoted for trading.
33. The Legislation of certain of the Jurisdictions does not contain exemptions from the Prospectus and Registration Requirements for Award exercises by Participants, Former Participants or Permitted Transferees through the Agent where the Agent is not a registrant.
34. Where the Agent sells Shares on behalf of Participants, Former Participants or Permitted Transferees, the Participants, Former Participants, Permitted Transferees or the Agent may not be able to rely on the exemptions from the Prospectus and Registration Requirements contained in the Legislation.
35. The acquisition by VERITAS of Awards pursuant to the Award Acquisitions may be an issuer bid as defined in the Legislation. The exemptions in the Legislation from the Issuer Bid Requirements may not be available for these acquisitions by the Company of its Shares from Participants, Former Participants or Permitted Transferees in accordance with the terms of the Plans, since these acquisitions may occur at a price that is not

calculated in accordance with the "market price", as that term is defined in the Legislation and may be made from persons other than Participants or former Participants.

AND WHEREAS pursuant to the System, this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that:

- (a) the Registration and Prospectus Requirements will not apply to any trade or distribution of Awards made in connection with the Plans, including trades and distributions involving the VERITAS Companies the Agents, Participants, Former Participants, and Permitted Transferees, provided that the first trade in Shares acquired through the Plans pursuant to this Decision will be deemed a distribution under the Legislation unless the conditions in Subsection 2.6(3) or (4) of Multilateral Instrument 45-102 are satisfied;
- (b) the first trade by Participants, Former Participants or Permitted Transferees in Shares acquired pursuant to this Decision, including first trades effected through the Agent, shall not be subject to the Registration and Prospectus Requirements, provided the conditions in Subsection 2.6(3) or (4) of Multilateral Instrument 45-102 are satisfied; and
- (c) the Issuer Bid Requirements shall not apply to the acquisition by VERITAS of Awards from Participants, Former Participants or Permitted Transferees in connection with the Plans provided such acquisitions are made in accordance with the provisions of the Plans.

January 10, 2003.

"Howard I. Wetston"

"Theresa McLeod"

2.1.6 B Split Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Reporting issuer deemed to have ceased to be a reporting issuer – only one security holder remaining.

Subsection 1(6) of the OBCA – Issuer deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 6(3) and 83.

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO,
QUEBEC, NOVA SCOTIA AND
NEWFOUNDLAND AND LABRADOR**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
B SPLIT CORP.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the Jurisdictions) has received an application from B Split Corp. (the Issuer) for:

- (i) a decision under the securities legislation of the Jurisdictions (the Legislation) that the Issuer be deemed to have ceased to be a reporting issuer under the Legislation; and
- (ii) in Ontario only, an order under the *Business Corporations Act* (Ontario) (the OBCA) that the Issuer be deemed to have ceased to be offering its securities to the public;

AND WHEREAS, unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101 – Definitions or in Quebec Commission Notice 14-101;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the

System) the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Issuer has represented to the Decision Makers that:

1. The Issuer is a corporation governed by the OBCA with its registered office located at 40 King Street West, 26th Floor, Scotia Plaza, Toronto, Ontario, M5W 2X6.
2. The Issuer has been a reporting issuer since the initial public offerings of its capital shares (the Capital Shares) and its preferred shares (the Preferred Shares) in November 1997.
3. The Capital Shares and the Preferred Shares of the Issuer were listed on the Toronto Stock Exchange (the TSX). However, such shares were de-listed from the TSX effective as of the close of business on November 29, 2002.
4. No securities of the issuer are listed or quoted on any market or exchange.
5. The Issuer is a reporting issuer in all of the provinces of Canada and is not on the list of reporting issuers that are noted in default.
6. The Issuer's authorized capital consists of an unlimited number of Capital Shares, an unlimited number of Preferred Shares and an unlimited number of class A shares (the Class A Shares).
7. All of the issued and outstanding Capital Shares and Preferred Shares were redeemed by the Issuer on November 29, 2002, in accordance with their terms.
8. There are currently only 100 Class A Shares issued and outstanding, all of which are owned by B Split Holdings Corp., the Issuer's only remaining shareholder. The Class A Shares are not publicly traded.
9. The Issuer has no other securities, including debt securities, outstanding.
10. The Issuer does not intend to seek public financing by way of an offering of its securities.
11. To the best of the Issuer's knowledge, the Issuer is not in default of any requirements of the Legislation.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION OF the Decision Makers under the Legislation is that the Issuer is deemed to have ceased to be a reporting issuer under the Legislation;

January 17, 2003.

“John Hughes”

AND IT IS HEREBY ORDERED by the Ontario Securities Commission under subsection 1(6) of the OBCA that the Issuer is deemed to have ceased to be offering its securities to the public for purposes of the OBCA.

January 17, 2003.

“Kerry D. Adams”

“Robert L. Shirriff”

2.1.7 CGI Group Inc. - MRRS Decision

Headnote

Clause 104(2)(c) – Take-over bid - Offeree not a reporting issuer and there is no published market in respect of its securities - each of the 64 shareholders of the offeree voluntarily agreed to sell their shares pursuant to negotiated share purchase agreement - all offeree shareholders insurance companies and therefore sophisticated investors - each offeree shareholder agreed that receipt of take-over bid materials would be of no assistance in assessing proposed transaction and waived their rights in writing to receive take-over bid materials – Offeror exempted from formal take-over bid requirements.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 93(1)(d), 95-100, 104(2)(c).

(Translation)

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, QUÉBEC AND
NEWFOUNDLAND AND LABRADOR**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
CGI GROUP INC.**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the “**Decision Maker**”) in each of Québec, Ontario and Newfoundland and Labrador (collectively, the “**Jurisdictions**”) has received an application from CGI Group Inc. (the “**Filer**”) for a decision pursuant to the securities legislation of the Jurisdictions (the “**Legislation**”) that the take-over bid requirements contained in the Legislation shall not apply in connection with the acquisition of all the issued and outstanding shares of Underwriters Adjustment Bureau Ltd (“**UAB**”) by the Filer or one of its affiliates located in Canada (the “**Transaction**”).

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the “**System**”), the Commission des valeurs mobilières du Québec is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. The Filer is a company incorporated under Part IA of the *Companies Act* (Québec) and is a reporting issuer in all provinces;
2. The head office of the Filer is located at 1130 Sherbrooke Street West, 5th Floor, Montréal, Québec, H3A 2M8;
3. UAB is a corporation incorporated under the *Canada Business Corporations Act* and is not a reporting issuer in any province of Canada;
4. The head office of UAB is 4300 Jean-Talon Street West, Montréal, Québec, H4P 1W3;
5. The shares issued by UAB (the “Shares”) are not traded on an organized market.
6. All of UAB’s shareholders are, directly or indirectly, insurance companies and none of the shareholders is an individual.
7. All 64 shareholders of UAB have voluntarily agreed to sell their shares in the share capital of UAB to the Filer or one of its affiliates located in Canada in consideration for cash pursuant to a negotiated share purchase agreement (the “Purchase Agreement”).
8. All of UAB’s shareholders have waived, pursuant to the Purchase Agreement, their right to receive take-over bid materials in accordance with the Legislation.
9. Each of UAB’s shareholders has agreed, pursuant to the Purchase Agreement, that the receipt of take-over materials from the Filer would be of no assistance to it in assessing the proposed transaction and, accordingly, would result in unnecessary expense to the Filer and that compliance with the other provisions of Title IV of the *Securities Act* (Quebec) and equivalent provisions of the Legislation of the Jurisdictions would similarly be of no benefit to it.
10. The granting of the decision sought would not detrimental to the protection of investors as the protections afforded by the Legislation for offeree shareholders are not necessary because of the sophistication of UAB’s shareholders.
11. The Filer is a reporting issuer in every province of Canada, files an annual information form and fulfills its other continuous disclosure obligations pursuant to the Legislation such that current information about the business and affairs of the Filer is in the public domain.
12. As each UAB shareholder is, directly or indirectly, an insurance company and a sophisticated investor, it is able to assess the merits of the transaction, the purchase price of which will be comprised entirely of cash.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

AND WHEREAS the Decision Makers are of the opinion that it would not be prejudicial to the public interest to grant the Decision;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Filer or one of its Affiliates located in Canada can be exempted from the take-over bid requirements.

December 20, 2002.

“Guy Lemoine”

“Jean Meloche”

2.1.8 Fidelity Investments Canada Limited - MRRS Decision

Headnote

MRRS Decision – Variation of terms and conditions on previous decisions that exempted mutual fund dealer from the requirement that it be a member of the Mutual Fund Dealers Association of Canada – Decision has the effect of extending the deadline for the transfer of certain group retirement business trading activity.

Applicable Ontario Statute

Securities Act, R.S.O 1990, c. S.5, as am.

Applicable Ontario Securities Commission Rule

Rule 31-506 SRO Membership – Mutual Fund Dealers, s. 5.1.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO and NOVA SCOTIA**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
FIDELITY INVESTMENTS CANADA LIMITED**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia (individually, a "Jurisdiction", and, collectively, the "Jurisdictions") has received an application from Fidelity Investments Canada Limited ("FICL") for decisions, pursuant to the securities legislation (the "Legislation") of each of the Jurisdictions, to vary terms and conditions (the "Terms and Conditions") attaching to and forming part of decisions (the "Previous Decisions") previously granted by the Decision Makers in each of the Jurisdictions that are identified in the attached in Schedule "A".

AND WHEREAS each of the Previous Decisions had the effect of permitting FICL to continue to be registered under the corresponding Legislation as a mutual fund dealer and carry on certain specified trading activities related to mutual funds, in some cases for a limited period, without having to obtain membership in the Mutual Fund Dealers Association (the "MFDA").

AND WHEREAS FICL has applied for the variations so that FICL may continue, without having to obtain membership in the MFDA, to carry on activities (the "Group Retirement Business") that consist of trades in securities of any mutual fund where the trade is made to a participant in an employer-sponsored Registered Plan (as referred to in the Previous Decisions) or other savings plan on the same terms and conditions permitted by the Previous Decisions (other than in respect of the date by which FICL must cease to conduct such trading activities) until the earlier of:

- (i) the assumption of such activities by Fidelity Intermediary Securities Company Limited ("FISCO"); and
- (ii) December 31, 2003.

AND WHEREAS pursuant to the Mutual Reliance Review System ("MRRS") for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application.

AND WHEREAS FICL has represented to the Decision Makers that:

1. FICL is registered under the Legislation of each of the Jurisdictions as a dealer, in the category of a "mutual fund dealer" (or the equivalent), and as an adviser, in the categories of "investment counsel" and "portfolio manager" (or the equivalent). FICL is also registered as a commodity trading manager under the *Commodity Futures Act (Ontario)*.

2. FISCO is registered as a dealer in the category of "investment dealer" under the Legislation of each Jurisdiction other than Quebec. FISCO has applied for registration as an investment dealer in Quebec.
3. FISCO is a member of the Investment Dealers Association of Canada (the "IDA") and it is proposed that all trading activities in connection with the Group Retirement Business be transferred from FICL to FISCO.
4. The Group Retirement Business can only be transferred to FISCO once it is ensured that the systems used in these business operations are IDA-compliant.
5. The Terms and Conditions of each Previous Decision currently permit FICL to carry on the Group Retirement Business until the earlier of:
 - (i) the assumption of such trading activity by FISCO, and
 - (ii) December 31, 2002.
6. FISCO has been engaged in setting up the requisite systems since the fall of 2001 and had, until recently, anticipated that it would be in a position to accept a transfer of the Group Retirement Business from FICL by December 31, 2002.
7. Due to unforeseen difficulties, the availability of the IDA-compliant systems necessary to permit the transfer of the Group Retirement Business to FISCO will be delayed until some time in 2003.
8. Except as modified by the foregoing, the representations made by FICL that are set out in the Previous Decisions continue to be accurate.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the Decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of each of the Decision Makers, pursuant to the Legislation, is that the Terms and Conditions in the Previous Decision made by the Decision Maker be varied by changing the deadline in respect of the Group Retirement Business, referred to in subparagraph 5(ii), above, from "December 31, 2002" to "December 31, 2003".

December 23, 2002.

"David M. Gilkes"

SCHEDULE "A"

DECISIONS TO BE VARIED

Jurisdiction	Date	Title	Legislation
British Columbia	May 2, 2002	Fidelity Investments Canada Limited and Fidelity Retirement Services Company of Canada Limited	Securities Act, R.S.B.C. 1996, c. 418, ss. 48 and 76
Alberta	March 26, 2002	Fidelity Investments Canada Limited	Securities Act R.S.A 2000, c. S-4 s. 213(a)
Saskatchewan	June 18, 2002 varied June 25, 2002	Fidelity Investments Canada Limited	Securities Act 1988, S.S. 1988, c. S-42.2, s. 158(3)
Ontario	March 14, 2002	Fidelity Investments Canada Limited	Ontario Securities Commission Rule 31-506, s. 5.1.
Nova Scotia	April 5, 2002	Fidelity Investments Canada Limited	R.S.N.S. 1989, C.418 as amended -Rule 31-501, s. 151A(1)

2.1.9 Fidelity Investments Canada Limited - MRRS Decision

Headnote

MRRS Decision – Variation of terms and conditions on previous decisions so as to extend the duration of registration exemptions in the previous decision for certain group retirement business trading activities by mutual fund dealer.

MRRS Decision – Variation of terms and condition on previous decisions so as to extend the duration of exemptions in the previous decision from requirements to make certain suitability enquiries in connection with certain group retirement business trading activities.

Applicable Ontario Statute

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25 and 74(1).

Applicable Ontario Securities Commission Rule

Rule 31-505 Conditions of Registration, (1999), 22 O.S.C.B. 731, ss. 1.5 and 4.1.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, NEW BRUNSWICK and NOVA SCOTIA**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
FIDELITY INVESTMENTS CANADA LIMITED**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Ontario, New Brunswick and Nova Scotia (individually, a "Jurisdiction", and, collectively, the "Jurisdictions") has received an application from Fidelity Investments Canada Limited ("FICL") for decisions, pursuant to the securities legislation (the "Legislation") of each of the Jurisdictions, to vary terms and conditions (the "Terms and Conditions") attaching to and forming part of decisions (the "Previous Decisions") previously granted by the Decision Makers in each of the Jurisdictions that are identified in the attached Schedule "A", which also refers to the provisions of the Legislation pursuant to which the Previous Decisions were granted;

AND WHEREAS the local securities regulatory authority or regulator (the "Suitability Decision Maker") in each of the Provinces of Alberta and Ontario (individually, a "Suitability Jurisdiction", and, collectively, the "Suitability Jurisdictions") has received an application from Fidelity Investments Canada Limited ("FICL") for decisions, pursuant to the Legislation of each of the Suitability Jurisdictions, to vary terms and conditions (the "Suitability Terms and Conditions") attaching to and forming part of decisions (the "Previous Suitability Decisions") previously granted by the Suitability Decision Makers that are identified in the attached in Schedule "B", which also refers to the provisions of the Legislation pursuant to which the Previous Suitability Decisions were granted;

AND WHEREAS the Previous Decisions provided for exemptions from the requirement (the "Dealer Registration Requirement") in the Legislation that prohibits a person or company from trading in a security unless the person or company is registered in an appropriate category of registration under the Legislation for certain trading activities (the "Group Retirement Business") in shares of common stock by FICL, in its capacity as the administrator for certain employer-sponsored registered plans or other savings plans (collectively, the "Programs" and individually, a "Program") to participants ("Participants") in the Program, where the issuer of the shares is the employer or an affiliate of the employer, subject to Terms and Conditions that provided for the termination of such exemptions upon the earlier of:

- (i) the assumption of such trading activity by Fidelity Intermediary Securities Company Limited ("FISCO"); and
- (ii) December 31, 2002 (the "Registration Exemption Deadline");

AND WHEREAS the Previous Suitability Decisions provided exemptions from requirements in the corresponding Legislation for FICL to make certain enquiries in connection with trade activities, with or on behalf of Participants, provided that these exemptions would terminate on the earlier of:

- (i) the assumption of such trading activity by FISCO; and
- (ii) December 31, 2002 (the "Suitability Exemption Deadline");

AND WHEREAS FICL has applied for variations to the Terms and Conditions and the Suitability Terms and Conditions so as to extend the corresponding Registration Exemption Deadline and Suitability Exemption Deadline from "December 31, 2002" to "December 31, 2003";

AND WHEREAS pursuant to the Mutual Reliance Review System ("MRRS") for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application.

AND UPON FICL having represented to the Decision Makers and the Suitability Decision Makers that:

1. FICL is registered under the Legislation of each of the Jurisdictions as a dealer, in the category of a "mutual fund dealer" (or the equivalent), and as an adviser, in the categories of "investment counsel" and "portfolio manager" (or the equivalent). FICL is also registered as a commodity trading manager under the *Commodity Futures Act (Ontario)*.
2. FISCO is registered as dealer in the category of "investment dealer" under the Legislation of each Jurisdiction other than Quebec. FISCO has applied for registration as an investment dealer in Quebec.
3. FISCO is a member of the Investment Dealers Association of Canada (the "IDA") and it is proposed that all trading activities in connection with the Group Retirement Business be transferred from FICL to FISCO.
4. The Group Retirement Business can only be transferred to FISCO once it is ensured that the systems used in these business operations are IDA-compliant.
5. FISCO has been engaged in setting up the requisite systems since the fall of 2001 and had, until recently, anticipated that it would be in a position to accept a transfer of the Group Retirement Business from FICL by December 31, 2002.
6. Due to unforeseen difficulties, the availability of the IDA-compliant systems necessary to permit the transfer of the Group Retirement Business to FISCO will be delayed until some time in 2003.
7. Except as modified by the foregoing, the representations made by FICL that are set out in the Previous Decisions and the Previous Suitability Decisions continue to be accurate.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of each of the Decision Makers, pursuant to the Legislation, is that the Terms and Conditions in the Previous Decisions made by the Decision Maker be varied by changing the Registration Exemption Deadline from "December 31, 2002" to "December 31, 2003".

December 20, 2002.

"Robert W. Korthals"

"Theresa McLeod"

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Suitability Decision Maker (collectively, the "Suitability Decision");

AND WHEREAS each of the Suitability Decision Makers is satisfied that the test contained in the Legislation that provides the Suitability Decision Maker with the jurisdiction to make the Suitability Decision has been met;

THE DECISION of each of the Suitability Decision Makers, pursuant to the Legislation, is that the Suitability Terms and Conditions in the Previous Suitability Decisions made by the Suitability Decision Maker be varied by changing the Suitability Exemption Deadline from "December 31, 2002" to "December 31, 2003".

December 20, 2002.

"David M. Gilkes"

SCHEDULE "A"

PREVIOUS DECISIONS TO BE VARIED

Jurisdiction	Date	Subject	Legislation*
Alberta, Saskatchewan, Manitoba, Ontario and Quebec	August 1, 2001 varied May 14, 2002	Fidelity Investments Canada Limited (in respect of Dow AgroSciences Canada Inc.)	Alta. – s. 116(1) Sask. – s. 83 Man. – S. 20(1) Ont. – s. 74 Que. S. 263
Ontario and Alberta	September 14, 2001 varied May 31, 2002	Fidelity Investments Canada Limited (in respect of Textron Canada Limited)	Ont. – s. 74(1) Alta. – s 116(1)
Ontario and Alberta	February 12, 2002	Fidelity Investments Canada Limited (in respect of Valspar Inc.)	Ont. – s. 74(1) Alta. – s. 116(1)
British Columbia, Alberta, Saskatchewan, Ontario, New Brunswick and Nova Scotia	March 13, 2002	Fidelity Investments Canada Limited (in respect of Ford Motor Company of Canada, Limited)	B.C. – s. 48 Alta. – s. 116(1) Sask. – s. 83 Ont. – s. 74 N.B. – s. 4(f) and s. 13 of the regulations N.S. – s. 79(1)

* Legislation refers to the securities act of the applicable province, unless otherwise stated.

SCHEDULE "B"

PREVIOUS SUITABILITY DECISIONS TO BE VARIED

Jurisdiction	Date	Subject	Legislation*
Alberta	July 31, 2001, varied May 14, 2002	Fidelity Investments Canada Limited (in respect of Dow AgroSciences Canada Inc.)	s. 185
Ontario	August 1, 2001 varied May 14, 2002	Fidelity Investments Canada Limited (in respect of Dow AgroSciences Canada Inc.)	s. 4.1 of Ontario Securities Commission Rule 31-505
Ontario and Alberta	September 14, 2001 varied May 31, 2002	Fidelity Investments Canada Limited (in respect of Textron Canada Limited)	Ont. – s. 4.1 of Ontario Securities Commission Rule 31-505 Alta. – s. 185
Ontario and Alberta	February 12, 2002	Fidelity Investments Canada Limited (in respect of Valspar Inc.)	Ont. – s. 4.1 of Ontario Securities Commission Rule 31-505 Alta. – s. 185
Ontario and Alberta	March 13, 2002	Fidelity Investments Canada Limited (in respect of Ford Motor Company of Canada, Limited)	Ont. – s. 4.1 of Ontario Securities Commission Rule 31-505 Alta. – s. 185

* Legislation refers to the securities act of the applicable province, unless otherwise stated.

2.1.10 Celestica Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice-presidents of a reporting issuer from the insider reporting requirements subject to certain conditions as outlined in CSA Staff Notice 55-306 - Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Part VIII.

Rules Cited

National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, MANITOBA, NEWFOUNDLAND AND
LABRADOR, NOVA SCOTIA, ONTARIO,
QUEBEC AND SASKATCHEWAN**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
CELESTICA INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan (collectively, the "Jurisdictions") has received an application from Celestica Inc. ("Celestica") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of Celestica, on the grounds that they are "nominal vice-presidents", as that term is defined in CSA Staff Notice 55-306 (the "Notice");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Celestica has represented to the Decision Makers that:

1. Celestica is a corporation incorporated under the *Business Corporations Act* (Ontario). Celestica is a leading provider of electronics manufacturing services to original equipment manufacturers worldwide. Celestica has facilities in over 40 locations throughout the Americas, Europe and Asia. Celestica provides a broad range of services to its customers in the information technology and communications industries;
2. The authorized capital of Celestica consists of an unlimited number of subordinate voting shares and an unlimited number of multiple voting shares, of which 190,294,986 subordinate voting shares and 39,065,950 multiple voting shares were outstanding as at November 25, 2002;
3. The subordinate voting shares of Celestica are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange;
4. Celestica is a reporting issuer or the equivalent under the Legislation in each of the Jurisdictions. Celestica is not in default of any requirement under the Legislation;
5. Currently, 91 individuals are insiders of Celestica by reason of being an officer or director of Celestica or its subsidiaries. Of those individuals, 28 are currently exempt from the insider reporting requirements of the Legislation by reason of the exemptions contained in National Instrument 55-101 ("NI 55-101"). Celestica has made this application to seek the requested relief in respect of 41 individuals;
6. Celestica maintains a trading policy (the "Policy") which it distributes to its insiders and persons in a "special relationship" (as that term is defined in Section 76(5) of the *Securities Act* (Ontario)) with Celestica. The Policy describes the trading restrictions and reporting requirements to which such persons are subject under applicable law and sets out guidelines with which all such individuals must comply when trading or contemplating a trade in securities of Celestica. These guidelines include a prohibition on trading in securities of Celestica during certain "blackout periods" prior to the release of Celestica's financial results and following the issuance of a press release disclosing material information about Celestica;
7. The Policy requires that persons to whom it applies advise Celestica's Chief Financial Officer or Chief Executive Officer prior to undertaking any trades in securities of Celestica;

8. Celestica has compiled a list of individuals who it has determined meet the criteria for exemption set out in the Notice (the "Nominal VPs"), by considering each such person's activities and responsibilities within Celestica and its major subsidiaries. Based on the nature of their job functions and after consulting with each Nominal VP, Celestica has determined that none of the Nominal VPs as a matter of course receives or has access to material undisclosed information relating to Celestica;
9. Each of the Nominal VPs meets the definition of "nominal vice-president", as defined in the Notice, for the following reasons:
- (a) each of the individuals is a vice-president;
 - (b) none of the individuals is in charge of a principal business unit, division or function of Celestica or a "major subsidiary" of Celestica, as such term is defined in NI 55-101;
 - (c) none of the individuals in the ordinary course receives or has access to information as to material facts or material changes concerning Celestica before the material facts or material changes are generally disclosed; and
 - (d) none of the individuals is an insider of Celestica in any other reporting capacity;
10. On an ongoing basis, Celestica intends to monitor the eligibility for the exemption available under the Notice of each of the Nominal VPs, and that of other employees of Celestica and its major subsidiaries whose title is Vice President and who may satisfy the criteria of "nominal vice-president" from time to time. This will be effected by monitoring such persons' respective job functions and responsibilities and assessing the extent to which in the ordinary course they receive notice of material facts or material changes with respect to Celestica prior to such facts or changes being generally disclosed; and
11. In connection with this application, Celestica has filed with the Decision Makers a copy of the Policy and the list of Nominal VPs;

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to the Nominal VPs or any other employee of Celestica or its major subsidiaries who hereafter is given the title Vice President, provided that:

- (a) each such person satisfies the definition of "nominal vice-president" contained in the Notice;
- (b) Celestica prepares and maintains a list of all individuals who propose to rely on the exemption granted, submits the list on an annual basis to the board of directors for approval and files the list with the Decision Makers;
- (c) Celestica files with the Decision Makers a copy of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other persons whose trading activities are restricted by Celestica; and
- (d) the relief granted will cease to be effective on the date when NI 55-101 is amended.

January 21, 2003.

"Robert W. Korthals"

"H. Lorne Morphy"

2.2 Orders

2.2.1 Fidelity Intermediary Services Company Limited - s. 233 of Reg. 1015

Headnote

Mutual fund dealer formed to provide integrated end-to-end transaction and record-keeping services to other mutual fund dealers – mutual fund dealer to enter into introducing-carrying dealer arrangements with other mutual fund dealers – mutual fund dealer exempted from the initial statement of policies filing requirement in subsection 223(1) of the Regulation, and the revised statement of policies filing requirement in subsection 223(3)(a) of the Regulation, provided mutual fund dealer does not act as an adviser and does not give advice and does not receive orders to buy or sell a security except orders received indirectly through an introducing broker – mutual fund dealer is, with respect to any customer or client that is not a direct client, exempted from the initial statement of policies delivery requirement in subsection 223(2) of the Regulation, the revised statement of policies delivery requirement in subsection 223(3)(b) of the Regulation, the trade confirmation disclosure requirement in subsection 226(1) of the Regulation, and the report disclosure requirement in subsection 226(2) of the Regulation.

Statute Cited

Securities Act, R.S.O. 1990, c. S.5, as am.

Regulation Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 223(1), 223(2), 223(3)(a), 223(3)(b), 226(1), 226(2), 233.

**IN THE MATTER OF
REGULATION 1015, R.R.O. 1990, AS AMENDED,
(the "Regulation")**

**MADE UNDER THE SECURITIES ACT
R.S.O. 1990, CHAPTER S.5, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
FIDELITY INTERMEDIARY SERVICES
COMPANY LIMITED**

**ORDER
(Section 233 of the Regulation)**

UPON the application (the "Application") of Fidelity Intermediary Services Company Limited (the "Registrant") to the Ontario Securities Commission (the "Commission") for an order, pursuant to section 233 of the Regulation, exempting the Registrant from the following:

- (i) the provisions (the "Initial Statement of Policies Filing Requirement") of subsection 223(1) of the Regulation,

which require that the Registrant prepare and file with the Commission a statement of policies containing the statements, lists and notes referred to in clauses (a), (b), (c) and (d) of subsection 223(1);

- (ii) the provisions (the "Initial Statement of Policies Delivery Requirement") of subsection 223(2) of the Regulation, which require that the Registrant provide to each of its customers and clients, free of charge, a copy of its statement of policies at the time at which the customer or client becomes a customer or client of the Registrant;

- (iii) the provisions (the "Revised Statement of Policies Filing Requirement") of clause 223(3)(a) of the Regulation, which require that the Registrant forthwith prepare and file with the Commission a revised version of, or an amendment to, the statement of policies, in the event of any significant change in the information required to be contained in the statement of policies of the Registrant;

- (iv) the provisions (the "Revised Statement of Policies Delivery Requirement") of clause 223(3)(b) of the Regulation, which require that the Registrant provide to each of its customers and clients a copy of the revised version or amendment to its statement of policies, referred to in clause of 223(1)(a) of the Regulation, within specified time limits;

- (v) the provisions (the "Trade Confirmation Disclosure Requirement") of subsection 226(1) of the Regulation, which requires that the written confirmation, required by subsection 36(1) of the Act to be sent by the Registrant in connection with a sale or purchase of securities, shall, in the circumstances specified, state that the securities are, depending upon the circumstance, securities of the Registrant, a related issuer of the Registrant or a connected issuer of the Registrant; and

- (vi) the provisions (the "Report Disclosure Requirements") of subsection 226(2) of the Regulation, requiring that, where the Registrant sends or delivers to a customer or client any report, other than the written confirmation referred to in subsection 226(1) of the Regulation, of any trades in securities that the Registrant has made with or on behalf of the customer or client, including any report of trades made by or at the direction of the Registrant acting as

portfolio manager, such report shall state, in the circumstances specified, that the securities are, depending upon the circumstance, securities of the Registrant, a related issuer of the Registrant or a connected issuer of the Registrant.

UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Registrant having represented to the Commission that:

1. The Registrant is a corporation incorporated under the laws of Ontario.
2. The Registrant is registered under the Act as a dealer in the category of mutual fund dealer and has applied for registration as a limited market dealer.
3. The Registrant has also applied for membership with the Mutual Fund Dealers Association of Canada (the "MFDA").
 - (a) The Registrant is a wholly-owned subsidiary of Fidelity Investments Canada Limited ("Fidelity Investments").
4. Fidelity Investments is registered under the Act as:
 - (i) an adviser, in the categories of "investment counsel" and "portfolio manager"; and
 - (ii) a dealer, in the category of "mutual fund dealer".
5. The Registrant is a "related issuer", and may, in the course of a distribution of securities of the reporting issuer, be a "connected issuer", of certain reporting issuers, as a result of the following:
 - (a) Fidelity Investments is the manager and trustee of a number of mutual funds that are offered by way of prospectus;
 - (b) Fidelity Investments is also the manager of pooled funds which are sold to investors pursuant to exemptions from the prospectus requirement in section 53 of the Act; and
 - (c) Fidelity Investments is the owner of 100 per cent of the common shares of Fidelity Capital Funding Canada Limited, which is the general partner to a number of exchange-traded limited partnerships.
6. The Registrant has been formed to provide integrated end-to-end transaction and record-

keeping services to other mutual fund dealers. In this connection, the Registrant expects to enter into introducing-carrying dealer arrangements (the "Arrangements") with other registered mutual fund dealers, that are members of the MFDA, in accordance with Rule 1.1.6 (the "MFDA Rule") of the MFDA, whereby the other mutual fund dealer will act as the "introducing dealer" and the Registrant will act as the carrying dealer for trades that are made to or on behalf of customers or clients of the introducing dealer.

7. Under the Arrangements and pursuant to subsection (xi) of the MFDA Rule, in its capacity as a "carrying dealer" for introducing dealers, the Registrant will not be responsible for discharging any "know-your-client" or "suitability" obligations in respect of any customer or client, that is for the purposes of the MFDA Rule, a client introduced to the Registrant by the introducing dealer.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 233 of the Regulation, that the Registrant is exempt from the Initial Statement of Policies Filing Requirement and Revised Statement of Policies Filing Requirement, but only if, and so long as:

- (A) the Registrant does not act as an adviser to any person or company;
- (B) there is no person or company (a "Direct Client") of the Registrant that is a customer or client of the Registrant:
 - (i) to whom the Registrant gives, or has given, any advice in respect of the purchase, sale or other acquisition or disposition of any securities; or
 - (ii) from whom, or on whose behalf, the Registrant receives, or has received, any order to buy or sell a security, except for orders that are, or have been, indirectly received through an introducing broker pursuant to an Arrangement;

AND, IT IS FURTHER ORDERED, pursuant to section 233 of the Regulation, that the Registrant is, with respect to any customer or client that is, at the relevant time, not a Direct Client of the Registrant, exempt from:

- (A) the Initial Statement of Policies Delivery Requirement;
- (B) the Revised Statement of Policies Delivery Requirement;

(C) the Trade Confirmation Disclosure Requirement; and

(D) the Report Disclosure Requirement.

June 4, 2002.

“Paul M. Moore”

“Robert W. Korthals”

**2.2.2 StrategicNova Venture Growth Fund Inc.
- cl. 80(b)(iii)**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – granted exemptive relief from the requirement to concurrently send its Annual Financial Statements to its shareholders at the time of filing the Annual Financial Statements.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 6(3), s. 77(1), 79, 80(b)(iii).

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. C. S.5, AS AMENDED (the “Act”)**

AND

**IN THE MATTER OF
STRATEGICNOVA VENTURE GROWTH FUND INC.**

**ORDER
(Clause 80(b)(iii))**

UPON the application (the “Application”) of StrategicNova Venture Growth Fund Inc. (the “Corporation”) for an order pursuant to clause 80(b)(iii) of the Act exempting the Corporation from the requirement of section 79 of the Act that it send its audited financial statements for the fiscal year ended August 31, 2002 (the “2002 Financial Statements”) to its shareholders concurrently with the filing of such statements pursuant to section 78 of the Act;

AND UPON the Corporation having represented to the Ontario Securities Commission (the “Commission”) that:

1. The Corporation is a corporation incorporated under the *Canada Business Corporations Act* (the “CBCA”) and is registered as a labour sponsored investment fund under the *Community Small Business Investment Funds Act* (Ontario). The Corporation is a reporting issuer under the Act and is not in default of any applicable requirement of the Act or of the regulations made thereunder.
2. The authorized share capital of the Corporation consists of an unlimited number of Class A shares, an unlimited number of Class B shares and an unlimited number of Class C shares. As at December 31, 2002, approximately 1.2 million Class A shares and 100 Class B shares of the Corporation were issued and outstanding.
3. The Class A Shares are currently qualified by a prospectus dated January 30, 2002.

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4. All of the issued and outstanding Class B Shares are held by the sponsor of the Corporation, the Ontario Council of the International Union of Painters and Allied Trades.
5. The financial year end of the Corporation is August 31st.
6. The 2002 Financial Statements have been approved by the board of directors of the Corporation (the "Board") and will be filed with the Commission via SEDAR on or before January 20, 2003 (the "Filing Deadline") in accordance with the requirements of section 78 of the Act.
7. Pursuant to the requirements of the CBCA, the Corporation must hold its next annual meeting of shareholders (the "2003 Annual Meeting") by no later than February 28, 2003. The Board proposes to hold the 2003 Annual Meeting on or immediately prior to such date.
8. The meeting materials for the 2003 Annual Meeting are in the process of being prepared and could be mailed to the shareholders of the Corporation, with the 2002 Financial Statements, on or prior to the Filing Deadline to consider normal matters (e.g., the receipt of the 2002 Financial Statements and the appointment of the directors and auditors of the Corporation).
9. The Board is considering several options to improve the future viability of the Corporation and has determined that it would be advantageous to postpone the mailing of the meeting materials for the 2003 Annual Meeting, including the 2002 Financial Statements, to February 7, 2003 (the "Mailing Date") to give it more time to determine what option it wants to recommend to the shareholders of the Corporation for their approval.

via SEDAR advising the shareholders of the Corporation that the 2002 Financial Statements will be mailed to them on or prior to the Mailing Date and that in the interim the shareholders of the Corporation may review the 2002 Financial Statements on SEDAR or request a copy of the 2002 Financial Statements from the Corporation; and

- (iii) The 2002 Financial Statements are mailed to the shareholders of the Corporation on or prior to the Mailing Date.

January 17, 2003.

"Howard I. Wetston"

"Robert L. Shirriff"

AND UPON considering the Application and the recommendations of staff of the Commission;

AND UPON the Commission being otherwise satisfied in the circumstances that there is adequate justification for so doing;

IT IS ORDERED pursuant to clause 80(b)(iii) of the Act that the Corporation is exempt from the requirement of Section 79 of the Act to send the 2002 Financial Statements to its shareholders by the Filing Deadline provided that:

- (i) The 2002 Financial Statements are filed with the Commission via SEDAR on or prior to the Filing Deadline;
- (ii) The Corporation issues a press release at the same time as the 2002 Financial Statements are filed with the Commission

2.2.3 Fidelity Intermediary Securities Company Limited - s. 233 of Reg. 1015

Headnote

Investment dealer and member of the Investment Dealers Association of Canada ("IDA") formed to provide integrated end-to-end transaction and record-keeping services to other registered dealers that are IDA members – Investment dealer to enter into introducing-carrying dealer arrangements with other registered dealers – investment dealer exempted from the revised statement of policies filing requirement in subsection 223(3)(a) of the Regulation, provided investment dealer does not act as an adviser and investment dealer does not give advice and does not receive orders to buy or sell a security except orders received indirectly through an introducing broker – investment dealer is, with respect to any customer or client that is not a direct client, exempted from the initial statement of policies delivery requirement in subsection 223(2) of the Regulation, the revised statement of policies delivery requirement in subsection 223(3)(b) of the Regulation, the trade confirmation disclosure requirement in subsection 226(1) of the Regulation, and the report disclosure requirement in subsection 226(2) of the Regulation.

Statute Cited

Securities Act, R.S.O. 1990, c. S.5, as am.

Regulation Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 223(2), 223(3)(a), 223(3)(b), 226(1), 226(2), 233.

**IN THE MATTER OF
REGULATION 1015, R.R.O. 1990, AS AMENDED,
(the "Regulation")**

**MADE UNDER THE SECURITIES ACT
R.S.O. 1990, CHAPTER S.5, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
FIDELITY INTERMEDIARY SECURITIES
COMPANY LIMITED**

**ORDER
(Section 233 of the Regulation)**

UPON the application (the "Application") of Fidelity Intermediary Securities Company Limited (the "Registrant") to the Ontario Securities Commission (the "Commission") for an order, pursuant to section 233 of the Regulation, exempting the Registrant from the following:

- (i) the provisions (the "Initial Statement of Policies Delivery Requirement") of subsection 223(2) of the Regulation, which require that the Registrant provide

to each of its customers and clients, free of charge, a copy of its statement of policies at the time at which the customer or client becomes a customer or client of the Registrant;

- (ii) the provisions (the "Revised Statement of Policies Filing Requirement") of clause 223(3)(a) of the Regulation, which require that the Registrant forthwith prepare and file with the Commission a revised version of, or an amendment to, the statement of policies, in the event of any significant change in the information required to be contained in the statement of policies of the Registrant;

- (iii) the provisions (the "Revised Statement of Policies Delivery Requirement") of clause 223(3)(b) of the Regulation, which require that the Registrant provide to each of its customers and clients a copy of the revised version or amendment to its statement of policies, referred to in clause 223(1)(a) of the Regulation, within specified time limits;

- (iv) the provisions (the "Trade Confirmation Disclosure Requirement") of subsection 226(1) of the Regulation, which requires that the written confirmation, required by subsection 36(1) of the Act to be sent by the Registrant in connection with a sale or purchase of securities, shall, in the circumstances specified, state that the securities are, depending upon the circumstance, securities of the Registrant, a related issuer of the Registrant or a connected issuer of the Registrant; and

- (v) the provisions (the "Report Disclosure Requirements") of subsection 226(2) of the Regulation, requiring that, where the Registrant sends or delivers to a customer or client any report, other than the written confirmation referred to in subsection 226(1) of the Regulation, of any trades in securities that the Registrant has made with or on behalf of the customer or client, including any report of trades made by or at the direction of the Registrant acting as portfolio manager, such report shall state, in the circumstances specified, that the securities are, depending upon the circumstance, securities of the Registrant, a related issuer of the Registrant or a connected issuer of the Registrant.

UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Registrant having represented to the Commission that:

1. The Registrant is a corporation incorporated under the laws of Ontario.
2. The Registrant is registered under the Act as a dealer in the category of investment dealer, being a member of the Ontario District of the Investment Dealers Association of Canada (the "IDA").
3. The Registrant is a wholly-owned subsidiary of Fidelity Investments Canada Limited ("Fidelity Investments").
4. Fidelity Investments is registered under the Act as:
 - (i) an adviser, in the categories of "investment counsel" and "portfolio manager"; and
 - (ii) a dealer, in the category of "mutual fund dealer".
5. The Registrant is a "related issuer", and may, in the course of a distribution of securities of the reporting issuer, be a "connected issuer", of certain reporting issuers, as a result of the following:
 - (a) Fidelity Investments is the manager and trustee of a number of mutual funds that are offered by way of prospectus;
 - (b) Fidelity Investments is also the manager of pooled funds which are sold to investors pursuant to exemptions from the prospectus requirement in section 53 of the Act; and
 - (c) Fidelity Investments is the owner of 100 per cent of the common shares of Fidelity Capital Funding Canada Limited, which is the general partner to a number of exchange-traded limited partnerships.
6. The Registrant has been formed to provide integrated end-to-end transaction and record-keeping services to other dealers. In this connection, the Registrant expects to enter into introducing-carrying broker arrangements (the "Arrangements") with other registered dealers, that are members of the IDA, in accordance with By-Law No. 35 (the "IDA By-Law") of the IDA, whereby the other dealer will act as the "introducing broker" and the Registrant will act as the carrying broker for trades that are made to or on behalf of customers or clients of the introducing broker.
7. Under the Arrangements, the introducing brokers will be responsible for discharging any "know-your-client" or "suitability" obligations in respect of

any customer or client, that is for the purposes of the IDA By-Law, a client introduced to the Registrant by the introducing broker.

8. Pursuant to the provisions of subsection 233(1) of the Regulation, the Registrant has prepared and filed with the Commission a statement of policies containing the statements, lists and notes referred to in clauses (a), (b), (c) and (d) of subsection 223(1).

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 233 of the Regulation, that the Registrant is exempt from the Revised Statement of Policies Filing Requirement, but only if, and so long as:

- (A) the Registrant does not act as an adviser to any person or company;
- (B) there is no person or company (a "Direct Client") of the Registrant that is a customer or client of the Registrant:
 - (i) to whom the Registrant gives, or has given, any advice in respect of the purchase, sale or other acquisition or disposition of any securities; or
 - (ii) from whom, or on whose behalf, the Registrant receives, or has received, any order to buy or sell a security, except for orders that are, or have been, indirectly received through an introducing broker pursuant to an Arrangement;

AND, IT IS FURTHER ORDERED, pursuant to section 233 of the Regulation, that the Registrant is, with respect to any customer or client that is, at the relevant time, not a Direct Client of the Registrant, exempt from:

- (A) the Initial Statement of Policies Delivery Requirement;
- (B) the Revised Statement of Policies Delivery Requirement;
- (C) the Trade Confirmation Disclosure Requirement; and
- (D) the Report Disclosure Requirement.

June 4, 2002.

"Paul M. Moore"

"Robert W. Korthals"

**2.2.4 Working Ventures II Technology Fund Inc.
- s. 144**

Headnote

Variation order granted to labour sponsored investment fund corporation to permit it to pay certain revised specified distribution costs out of fund assets contrary to section 2.1 of National Instrument 81-105 Mutual Fund Sales Practices.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am. s. 144.

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices.

**IN THE MATTER OF
THE SECURITIES ACT R.S.O.
1990, C.S-5, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
NATIONAL INSTRUMENT 81-105
MUTUAL FUND SALES PRACTICES (the "NI 81-105")**

AND

**IN THE MATTER OF
WORKING VENTURES II TECHNOLOGY FUND INC.**

**VARIATION ORDER
(Section 144 of the Act)**

WHEREAS the Ontario Securities Commission (the "Commission") issued an order dated December 22, 2000 (the "Prior Order") pursuant to section 9.1 of the NI 81-105 upon the application of Working Ventures II Technology Fund Inc. (the "Fund"). The Prior Order granted relief from section 2.1 of the NI 81-105 in respect of the Fund paying certain payments to participating dealers or their representatives;

AND WHEREAS the Fund has applied to the Commission for an order, pursuant to section 144 of the Act, varying the Prior Order to incorporate proposed revisions to the Current Commission Structure (defined herein);

AND WHEREAS the Fund has represented to the Commission that:

1. The Fund is a labour-sponsored venture capital corporation and a mutual fund under the Act.
2. The outstanding capital of the Fund consists of Class A Shares, which are widely held, 1,000 Class B Shares held by the Canadian Federation of Labour and 1,500,000 Class C Shares, Series I,

which are held by Working Ventures Canadian Fund Inc.

3. Class A Shares of the Fund are qualified for distribution in all provinces and territories of Canada, under a prospectus dated January 10, 2002 and a prospectus amendment dated October 17, 2002. A *pro forma* prospectus dated December 11, 2002 was filed with the securities regulatory authorities in all provinces and territories of Canada except British Columbia (the "Pro Forma Prospectus").
4. All of the representations of the Fund contained in the Prior Order continue to be true and correct in all material respects as of the date hereof, except as otherwise provided herein.
5. The Fund received shareholder approval, on January 6, 2003, to change its investment objective to focus on making investments in small and medium-sized Canadian businesses with the objective of achieving long-term capital appreciation. The Fund also received shareholder approval for a change of name to "Working Ventures Opportunity Fund Inc." on January 6, 2003.
6. The Fund proposes to change the sales commission structure of the Fund. Currently, the Fund pays registered dealers selling Class A Shares of the Fund a sales commission of 6% of the subscription price, and a service fee of 0.5% per annum of the average net asset value of Class A Shares held by the clients of the dealers (the "Current Commission Structure").
7. The Fund proposes to pay registered dealers selling Class A Shares of the Fund the following revised commission structure:
 - a) a sales commission of 6% of the subscription price of the Class A Shares (the "Existing Commission"),
 - b) an additional commission of up to 4% (the "Additional Commission") on the subscription price of Class A Shares in lieu of any service fees being payable before the eighth anniversary of the issue of the Class A Shares, and
 - c) after the eighth anniversary of the issue of the Class A Shares, the Fund would pay a service fee to dealers equal to 0.5% per annum of the average net asset value of Class A Shares held by clients of the registered dealers (the "Service Fee").

The Existing Commission, Additional Commission and the Service Fees are referred to collectively as the "Distribution Costs".

- 8. The management of the Fund is currently in a transition period from Working Ventures Investment Services Inc. (the "Manager") to GrowthWorks WV Management Ltd. The changes to the management of the Fund have been previously approved by the shareholders of the Fund on November 25, 2002 and the Commission on November 28, 2002.
- 9. The *Pro Forma* Prospectus contains full, true and plain disclosure in the summary section of the *Pro Forma* Prospectus relating to the proposed new commission structure.
- 10. For accounting purposes, the Fund will:
 - (a) defer and amortize the amount paid or payable in respect of the Additional Commission to income on a straight line basis over eight years; and
 - (b) expense the Service Fee in the fiscal period when incurred.
- 11. Unless the Prior Order is amended, the relief granted under the Prior Order would not allow the Fund to directly pay sales commissions based on the proposed new structure as described in paragraph 7.

AND WHEREAS the Commission is satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 144 of the Act, the Commission hereby varies the Prior Order by replacing paragraphs 8 and 9 of the Prior Order with the following:

- "8. It is proposed that the Fund pay a sales commission in an amount of up to 6% of the subscription price of Class A Shares sold by the dealer, plus up to 4% of the subscription price of the Class A Shares in lieu of any service fees payable before the eighth anniversary of the date of issue of the Class A Shares. After the eighth anniversary of the date of issue of the Class A Shares, the Fund would pay a service fee to registered dealers equal to 0.5% per annum of the average daily net asset value of the Class A Shares held by registered dealers. Currently, one percent of the net asset value of the Fund is paid by the Fund to AGF Management Limited for sales, distribution and certain administrative services, including sub-distribution of the Class A Shares. The Fund may enter into co-operative advertising programs with participating dealers distributing Class A Shares in compliance with the National Instrument."

THIS VARIATION ORDER is subject to the following conditions:

- a) the Distribution Costs are otherwise permitted by, and paid in accordance with NI 81-105;
- b) the Distribution Costs are accounted for in the Fund's financial statements in the manner described in paragraph 10 above;
- c) the summary section (the "Summary Section") of the (final) prospectus of the Fund has full, true and plain disclosure describing the commission of Class A Shares, as an initial sales commission of up to 10%, plus service fees after eight years. The Summary Section must be placed within the first 10 pages of the (final) prospectus;
- d) the (final) prospectus has full, true and plain disclosure explaining the services and value that the registered dealers would provide to investors in return for the Service Fee payable to them;
- e) the Summary Section of the (final) prospectus has full, true and plain disclosure explaining to investors that:
 - i) they pay the Existing Commission and the Additional Commission indirectly, as the Fund pays these commissions using investors' subscription proceeds, and
 - ii) a portion of the net asset value of the Fund is comprised of a deferred commission, rather than an investment asset; and
- f) this VARIATION ORDER shall cease to be operative on the date that a rule replacing or amending section 2.1 of NI 81-105 comes into force.

January 13, 2003.

"Kerry D. Adams"

"Robert L. Shirriff"

2.2.5 Thomas Weisel Partners LLC - s. 147

Headnote

Section 147 of the Act – Registrant registered in the categories of international advisor and international dealer under the Act – section 4.1 of Rule 35-502 – Registrant exempt from requirement in subsection 21.10(3) of the Act that it file annual audited financial statements prepared in accordance with Canadian GAAP with the Commission and the requirement in subsection 33(2)(b) of the Act that it notify the Director of changes in information relating to information about directors and officers that was not required to be furnished to the Director upon initial registration.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.10(3), 33(2)(b), 147.

Rules Cited

Ontario Securities Commission Rule 35-502 – Non Resident Registrants, s. 4.1.

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S. 5, AS AMENDED (THE “ACT”)**

AND

RULE 35-502 MADE UNDER THE SECURITIES ACT,

AND

**IN THE MATTER OF
THOMAS WEISEL PARTNERS LLC**

**ORDER
(Section 147 of the Act)**

UPON the application of Thomas Weisel Partners LLC (“the Registrant”) to the Ontario Securities Commission (the “Commission”) for an order pursuant to section 147 of the Act that the Registrant be exempt from (i) the requirement under subsection 21.10(3) of the Act relating to the filing of financial statements prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”); and (ii) the requirement under subsection 33(2) of the Act to notify the Director of certain changes in information;

AND UPON considering the application and the recommendation of staff of the Commission;

AND UPON the Registrant having represented to the Commission that:

1. The Registrant is registered with the Commission as an adviser in the category of international adviser (investment counsel and portfolio

manager) and as a dealer in the category of international dealer.

2. The Registrant is a limited liability company formed under the laws of the State of Delaware and has its principal place of business at One Montgomery Street, San Francisco, California 94104. The Registrant is a merchant bank providing investment banking, institutional brokerage, private client services, private equity and asset management. The Registrant is registered with the United States Securities and Exchange Commission (the “SEC”) as a fully registered broker-dealer and is also a member organization of the New York Stock Exchange and a member of the National Association of Securities Dealers, Inc.

3. Pursuant to Section 4.1 of the Rule an international adviser may apply in an abbreviated manner for an exemption from the requirement to file annual audited financial statements prepared in accordance with Canadian GAAP as required under subsection 21.10(3) of the Act only if it is not registered in any category of registration in addition to international adviser. Since the Registrant is registered with the Commission under both the categories of international adviser (investment counsel and portfolio manager) and international dealer, it does not qualify to file for the exemption from the requirement to file annual audited financial statements provided for in section 4.1 of the Rule.

4. In the absence of the requested ruling, subsection 21.10(3) of the Act would require the Registrant to file with the Commission, annual audited financial statements prepared in accordance with Canadian GAAP. The Registrant is not otherwise required to prepare its financial statements in accordance with Canadian GAAP and is not otherwise required to file annual audited financial statements with the Commission because it is staff practice to not require a registrant who is registered in Ontario solely in the category of international dealer to provide annual financial statements.

5. The requirement to prepare annual audited financial statements in accordance with Canadian GAAP will be expensive and time-consuming for the Registrant and will place unnecessary compliance burdens on the Registrant.

6. Subsection 33(2)(b) of the Act requires a registrant to notify the Director of a change in the directors or officers of the registrant. It has been staff practice to require an applicant for registration as an international adviser to provide, at the time of the application, information about only those directors and officers who will be providing advice to Ontario residents.

7. The requirement that the Registrant notify the Director of changes in information required to be reported under subsection 33(2)(b) of the Act to the extent that the change required to be reported relates to information about directors and officers that was not required to be furnished to the Director upon the filing of the Registrant's initial registration application will be expensive and time-consuming for the Registrant and will place unnecessary compliance burdens on the Registrant.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 147 of the Act, that, for so long as the Registrant is registered only in the categories of international adviser and international dealer under the Act, the Registrant is exempt from:

- (i) the requirement under subsection 21.10(3) of the Act that it file annual audited financial statements prepared in accordance with Canadian GAAP with the Commission in connection with its registration as an adviser in the category of international adviser in Ontario; and
- (ii) the requirement under subsection 33(2)(b) of the Act that it notify the Director of changes in information relating to information about directors and officers of the Registrant that was not required to be furnished to the Director upon the Registrant's initial registration as an international adviser under the Act.

January 3, 2003.

"Howard I. Wetston"

"Robert W. Korthals"

2.2.6 Salomon Smith Barney Inc. - s. 147

Headnote

Section 147 of the Act – Registrant registered in the categories of international advisor and international dealer under the Act – section 4.1 of Rule 35-502 – Registrant exempt from requirement in subsection 21.10(3) of the Act that it file annual audited financial statements prepared in accordance with Canadian GAAP with the Commission and the requirement in subsection 33(2)(b) of the Act that it notify the Director of changes in information relating to information about directors and officers that was not required to be furnished to the Director upon initial registration.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.10(3), 33(2)(b), 147.

Rules Cited

Ontario Securities Commission Rule 35-502 – Non Resident Registrants, s. 4.1.

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S. 5, AS AMENDED (THE "ACT")**

AND

RULE 35-502 MADE UNDER THE SECURITIES ACT,

AND

**IN THE MATTER OF
SALOMON SMITH BARNEY INC.**

**ORDER
(Section 147 of the Act)**

UPON the application of Salomon Smith Barney Inc. ("the Registrant") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 147 of the Act that the Registrant be exempt from (i) the requirement under subsection 21.10(3) of the Act relating to the filing of financial statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"); and (ii) the requirement under subsection 33(2) of the Act to notify the Director of certain changes in information;

AND UPON considering the application and the recommendation of staff of the Commission;

AND UPON the Registrant having represented to the Commission that:

1. The Registrant is registered with the Commission as an adviser in the category of international adviser (investment counsel and portfolio

manager) and as a dealer in the category of international dealer.

2. The Registrant is a corporation formed under the laws of the State of New York and having its principal place of business at 388 Greenwich Street, New York, New York 10013. The Registrant is registered with the United States Securities and Exchange Commission (the "SEC") as a fully registered broker-dealer and as an investment adviser. The Registrant is also a member organization of the New York Stock Exchange and a member of the National Association of Securities Dealers, Inc.
3. Pursuant to Section 4.1 of the Rule an international adviser may apply for an exemption from the requirement to file annual audited financial statements prepared in accordance with Canadian GAAP as required under subsection 21.10(3) of the Act only if it is not registered in any category of registration in addition to registration as an international adviser. As the Registrant is registered with the Commission under both the categories of international adviser (investment counsel and portfolio manager) and international dealer, it does not qualify to file for the exemption from the requirement to file annual audited financial statements provided for in section 4.1 of the Rule.
4. In the absence of the requested ruling, subsection 21.10(3) of the Act would require the Registrant to file with the Commission, annual audited financial statements prepared in accordance with Canadian GAAP. The Registrant is not otherwise required to prepare its financial statements in accordance with Canadian GAAP and is not otherwise required to file annual audited financial statements with the Commission because it is staff practice to not require a registrant who is registered in Ontario solely in the category of international dealer to provide annual financial statements.
5. The requirement to prepare annual audited financial statement in accordance with Canadian GAAP will be expensive and time-consuming for the Registrant and will place unnecessary compliance burdens on the Registrant.
6. Subsection 33(2)(b) of the Act requires a registrant to notify the Director of a change in the directors or officers of the registrant. It has been staff practice to require an applicant for registration as an international adviser to provide, at the time of the application, information about only those directors and officers who will be providing advice to Ontario residents.
7. The requirement that the Registrant notify the Director of changes in information required to be reported under subsection 33(2)(b) of the Act to the extent that the change required to be reported

relates to information about directors and officers that was not required to be furnished to the Director upon the filing of the Registrant's initial registration application will be expensive and time-consuming for the Registrant and will place unnecessary compliance burdens on the Registrant.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 147 of the Act, that, for so long as the Registrant is registered only in the categories of international adviser and international dealer under the Act, the Registrant is exempt from:

- (i) the requirement under subsection 21.10(3) of the Act that it file annual audited financial statements prepared in accordance with Canadian GAAP with the Commission in connection with its registration as an adviser in the category of international adviser in Ontario; and
- (ii) the requirement under subsection 33(2)(b) of the Act that it notify the Director of changes in information relating to information about directors and officers of the Registrant that was not required to be furnished to the Director upon the Registrant's initial registration as an international adviser under the Act.

January 3, 2003.

"Howard I. Wetston"

"Robert W. Korthals"

2.2.7 Brown Brothers Harriman & Co. - s. 147

Headnote

Section 147 of the Act – Registrant registered in the categories of international advisor and international dealer under the Act – section 4.1 of Rule 35-502 – Registrant exempt from requirement in subsection 21.10(3) of the Act that it file annual audited financial statements prepared in accordance with Canadian GAAP with the Commission and the requirement in subsection 33(2)(b) of the Act that it notify the Director of changes in information relating to information about directors and officers that was not required to be furnished to the Director upon initial registration.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.10(3), 33(2)(b), 147.

Rules Cited

Ontario Securities Commission Rule 35-502 – Non Resident Registrants, s. 4.1.

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S. 5, AS AMENDED (THE “ACT”)**

AND

RULE 35-502 MADE UNDER THE ACT,

AND

**IN THE MATTER OF
BROWN BROTHERS HARRIMAN & CO.**

**ORDER
(Section 147 of the Act)**

UPON the application of Brown Brothers Harriman & Co. (“the Registrant”) to the Ontario Securities Commission (the “Commission”) for an order pursuant to section 147 of the Act that the Registrant be exempt from (i) the requirement under subsection 21.10(3) of the Act relating to the filing of financial statements prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”); and (ii) the requirement under subsection 33(2) of the Act to notify the Director of certain changes in information;

AND UPON considering the application and the recommendation of staff of the Commission;

AND UPON the Registrant having represented to the Commission that:

1. The Registrant is registered with the Commission as an adviser in the category of international adviser (investment counsel and portfolio

manager) and as a dealer in the category of international dealer.

2. The Registrant is a limited partnership formed under the laws of the State of New York and having its principal place of business at 59 Wall Street, New York, New York 10005. The Registrant is licenced to conduct a private banking business by the State of New York and the Commonwealths of Pennsylvania and Massachusetts. The Registrant is also a member of the New York Stock Exchange, the American Stock Exchange, the Boston Stock Exchange, and the Chicago Stock Exchange.

3. Pursuant to Section 4.1 of the Rule an international adviser may apply for an exemption from the requirement to file annual audited financial statements prepared in accordance with Canadian GAAP as required under subsection 21.10(3) of the Act only if it is not registered in any category of registration in addition to registration as an international adviser. As the Registrant is registered with the Commission under both the categories of international adviser (investment counsel and portfolio manager) and international dealer, it does not qualify to file for the exemption from the requirement to file annual audited financial statements provided for in section 4.1 of the Rule.

4. In the absence of the requested ruling, subsection 21.10(3) of the Act would require the Registrant to file with the Commission, annual audited financial statements prepared in accordance with Canadian GAAP. The Registrant is not otherwise required to prepare its financial statements in accordance with the Commission because it is staff practice to not require a registrant who is registered in Ontario solely in the category of international dealer to provide annual financial statements.

5. The requirement to prepare annual audited financial statement in accordance with Canadian GAAP will be expensive and time-consuming for the Registrant and will place unnecessary compliance burdens on the Registrant.

6. Subsection 33(2)(b) of the Act requires a registrant to notify the Director of a change in the directors or officers of the registrant. It has been staff practice to require an applicant for registration as an international adviser to provide, at the time of the application, information about only those directors and officers who will be providing advice to Ontario residents.

7. The requirement that the Registrant notify the Director of changes in information required to be reported under subsection 33(2)(b) of the Act to the extent that the change required to be reported

relates to information about directors and officers that was not required to be furnished to the Director upon the filing of the Registrant's initial registration application will be expensive and time-consuming for the Registrant and will place unnecessary compliance burdens on the Registrant.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 147 of the Act, that, for so long as the Registrant is registered only in the categories of international adviser and international dealer under the Act, the Registrant is exempt from:

- (i) the requirement under subsection 21.10(3) of the Act that it file annual audited financial statements prepared in accordance with Canadian GAAP with the Commission in connection with its registration as an adviser in the category of international adviser in Ontario; and
- (ii) the requirement under subsection 33(2)(b) of the Act that it notify the Director of changes in information relating to information about directors and officers of the Registrant that was not required to be furnished to the Director upon the Registrant's initial registration as an international adviser under the Act.

January 3, 2003.

"Howard I. Wetston"

"Robert W. Korthals"

2.2.8 AIC Limited - s. 147

Headnote

Exemption from the fees otherwise due under Part 7 of Rule 45-501 Exempt Distributions on the distribution of units of "underlying" funds to counterparties pursuant to a hedging program in the context of a fund-of fund structure to avoid duplication of fees.

Statutes/ Rules Cited

Securities Act (Ontario), R.S.O. 1990 c. S.5., as am., s. 147.

Rule 45-501 Exempt Distributions, ss. 7.3 and 7.5.

**IN THE MATTER OF
THE SECURITIES ACT R.S.O. 1990, CHAPTER S.5
AS AMENDED (THE "ACT")**

AND

**IN THE MATTER OF
AIC LIMITED,
AIC TOTAL YIELD CORPORATE CLASS
(THE "YIELD FUND")
OF AIC CORPORATE FUND INC.
(THE "COMPANY") AND
AIC BOND FUND
(THE "BOND FUND")**

**ORDER
(Section 147 of the Act)**

UPON the application of AIC Limited ("AIC"), manager and promoter of the Yield Fund and the Bond Fund to the Ontario Securities Commission (the "Commission") for an Order pursuant to section 147 of the Act exempting the Bond Fund from paying duplicate proceeds of distribution fees on an annual basis in respect of the distribution of Class O Units of the Bond Fund to Counterparties with whom the Yield Fund has entered into forward contracts or other specified derivatives and on the reinvestment of distributions on such units;

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON AIC having represented to the Commission that:

1. The Yield Fund is a class of shares of the Company, a mutual fund corporation incorporated under the laws of Ontario on November 16, 2000.
2. The Bond Fund is a mutual fund trust, established under the laws of Ontario on June 30, 1999.
3. Both the Yield Fund and the Bond Fund are reporting issuers in each of the provinces and territories of Canada and are not in default of any requirement of the securities acts, rules or

regulations applicable in each of the provinces and territories of Canada.

4. Mutual Fund Shares and Series F Shares of the Yield Fund are distributed in all provinces and territories of Canada with an amended and restated simplified prospectus and annual information form dated May 3, 2002, as amended.
5. Mutual Fund Units and Class F Units of the Bond Fund are distributed in all provinces and territories of Canada with an amended and restated simplified prospectus and annual information form dated September 18, 2002, as amended.
6. Class O Units of the Bond Fund are distributed without a prospectus pursuant to exemptions from the prospectus requirements of the Act and applicable securities legislation in other Canadian jurisdictions.
7. AIC, a corporation established under the laws of Ontario, is the manager and promoter of the Yield Fund and the Bond Fund.
8. In furtherance of its investment objective, the Yield Fund may enter into forward contracts or other specified derivatives with one or more financial institutions to hedge the price movements of the equities in the portfolio of the Yield Fund such that the returns of the Yield Fund will be similar to that of the Bond Fund.
9. AIC may in the future wish to establish new mutual funds ("Future Top Funds") with investment objectives and strategies that result in the Future Top Fund entering into forward contracts or other specified derivatives with financial institutions in respect of the returns of a specific mutual fund (the "Future Bottom Fund").
10. The financial institutions referred to above, either directly or through affiliates (the "Counterparties") may hedge their obligations under these forward contracts by investing in Class O Units of the Bond Fund or similar securities of a Future Bottom Fund (the "Hedge Units"). Trades of the Hedge Units to the Counterparties are made in reliance on the exemption for trades to an accredited investor pursuant to section 2.3 of Commission Rule 45-501 (the "Rule").
11. Annually, the Yield Fund and any Future Top Fund (each a "Top Fund") will be required to pay filing fees to the Commission in respect of the distribution of their securities in Ontario pursuant to section 14 of Schedule I of the Regulations pursuant to the Act (the "Regulations").
12. Within 30 days of their respective year ends, the Bond Fund and any Future Bottom Fund (each an "Underlying Fund") will be required to pay filing fees in respect of distributions of their securities in

Ontario, including the Hedge Units, pursuant to subsection 7.5(1) and 7.5(8) of the Rule and will similarly be required to pay fees in respect of the distribution of their securities in other Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.

13. A duplication of proceeds of distribution fees occurs whenever:
 - (a) an investment by an investor in the Top Fund triggers a corresponding purchase of Hedge Units by Counterparties; and
 - (b) a distribution from an Underlying Fund in respect of the Hedge Units is reinvested in additional securities of the Underlying Fund by the Counterparties (the "Reinvested Units").

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS ORDERED that, pursuant to section 147 of the Act, the payment of the fees required under section 7.3 of the Rule that would otherwise be applicable to the distribution of Hedge Units and Reinvested Units shall not be applicable provided that:

- (i) such distribution of Hedge Units and Reinvested Units is made to Counterparties to forward contracts or other specified derivative contracts entered into by a Top Fund which pays fees in respect of the issue of its securities; and
- (ii) provided that each Underlying Fund shall include in its form filed pursuant subsections 7.5(1) and 7.5(8) of the Rule, a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by such Underlying Funds of Hedge Units and Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this Order.

January 14, 2003.

"Robert Korthals"

"H. Lorne Morphy"

2.2.9 CCM Market Neutral Fund - s. 144

Headnote

A variation order granted to exempt an issuer from ss. 77(2) and s. 78 of the Securities Act (Ontario) to file with the Ontario Securities Commission the interim financial statements and audited annual financial statements.

Statutes Cited

Securities Act, R.S.O. 1990, c .S.5, as am. s. 144, ss. 77(2), s. 78 and s. 80.

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
CCM MARKET NEUTRAL FUND (the "Fund")**

**ORDER
(Section 144 of the Act)**

WHEREAS, on March 22, 2002, the Ontario Securities Commission (the "Commission") made a decision pursuant to Section 80b(iii) of the Act to exempt the Fund from Section 77(2) and Section 78 of the Act to file interim and annual financial statements for the fiscal year ended December 31, 2001 and all subsequent periods (the "Prior Decision");

AND WHEREAS the Prior Decision shall cease to be operative when Gerald R. Connor is not the sole investor of the Fund, or when Gerald R. Connor requests to receive interim and audited financial statements;

AND WHEREAS the Commission has received an application from the Fund for an order pursuant to Section 144 of the Act to vary the Prior Decision to allow additional investors;

AND WHEREAS the Fund has represented to the Commission that:

1. The Fund was organized under the laws of Ontario in 1998 as a mutual fund trust. Units of the Fund were sold on a private placement basis. The Fund is a mutual fund in Ontario as defined in Section 1(1) of the Act, but not a reporting issuer as defined in the Act.
2. During the 2000 fiscal year, all units of the Fund were redeemed, save and except for those units held by one unitholder, Gerald R. Connor. On August 1, 2000, three individuals, Gerald R. Connor, John Poulter and St. Clair McEvenue became the Fund's Trustees, replacing The Royal Trust Company.

3. Cumberland Asset Management Corp. ("Cumberland") is the manager of the investments of the Fund. Gerald R. Connor is the CEO and Chairman of Cumberland.
4. As a Trustee and as the CEO of Cumberland, the sole investor, Gerald R. Connor, of the Fund has intimate knowledge of the activities of the Fund.
5. Gerald R. Connor is the sole owner of The Connor Corporation, a Canadian controlled private corporation, incorporated under the laws of Ontario.
6. Gerald R. Connor is one of the two Trustees of The Gerald and Carla Connor Family Trust (the "Family Trust"), a Canadian trust whose beneficiaries are Mr. Connor's adult children, Gregory Connor, Trevor Connor, and Grant Connor. The second Trustee of the Family Trust is Gerald R. Connor's spouse, Carla Connor.
7. Gerald R. Connor is the President, sole Director, and controlling shareholder of Riverview Holdings Corp. ("Riverview Holdings"), a Canadian controlled private corporation, incorporated as an unlimited liability corporation under the laws of Nova Scotia. Gerald R. Connor's adult children are significant shareholders of the corporation.
8. For each of The Connor Corporation, the Family Trust and Riverview Holdings, Gerald R. Connor has discretionary investment management authorization and may cause each entity to purchase units of the Fund. Gerald R. Connor is responsible for the ultimate benefit of himself, in the case of The Connor Corporation, and of members of Gerald R. Connor's immediate family in the case of the Family Trust and Riverview Holdings.

IT IS HEREBY ORDERED by the Commission pursuant to Section 144 of the Act that the sunset clause of the Prior Decision:

"THIS ORDER shall cease to be operative when

- (i) Gerald R. Connor is not the sole investor of the Fund, or
- (ii) Gerald R. Connor requests to receive interim and audited annual financial statements",

be replaced with the following:

"THIS ORDER is subject to the following conditions:

- (i) each of The Connor Corporation, the Family Trust, Riverview Holdings and Gerald R. Connor himself consents not to

require the interim and annual financial statements of the Fund, and

- (ii) the investors of the Fund are limited to The Connor Corporation, the Family Trust, Riverview Holdings and Gerald R. Connor.”

January 21, 2003.

“Howard I. Wetston”

“Robert W. Davis”

2.2.10 IIU Asset Strategies Ltd. - ss. 38(1) of the CFA

Headnote

Subsection 38(1) of the Commodity Futures Act (Ontario) - relief from the requirements of subsection 22(1)(b) of the CFA, for a period of three years, in respect of acting as a sub-adviser to an adviser to a mutual fund in respect of investments in commodity futures contracts and options traded on commodity futures exchanges outside Canada subject to certain terms and conditions.

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER S.20, AS AMENDED (the “CFA”)**

AND

**IN THE MATTER OF
IIU ASSET STRATEGIES LTD.**

**ORDER
(Subsection 38(1) of the CFA)**

UPON the application of IIU Asset Strategies Ltd. (the “Applicant”) to the Ontario Securities Commission (the “Commission”) for a ruling under subsection 38(1) of the CFA that the Applicant, its officers, partners, directors and representatives are not subject to the requirements of subsection 22(1)(b) of the CFA;

AND UPON considering the application and the recommendation of staff of the Commission;

AND UPON the Applicant having represented to the Commission as follows.

1. The Applicant is a private limited company organized under the laws of Ireland and regulated by the Central Bank of Ireland as an investment business under the *Investment Intermediaries Act* (1995). The Applicant is registered as a commodity trading advisor and commodity pool operator with the United States Commodity Futures Trading Commission (the “CFTC”) and is a member of the United States National Futures Association (the “NFA”).
2. The Applicant is proposing to enter into a sub-advisory agreement with Toron Capital Markets Inc. (“Toron”) and the Horizons Tactical Hedge Fund (the “Fund”) whereby Toron would act as the portfolio adviser to the Fund in respect of purchases and sales of commodity futures contracts or related products traded on commodity futures exchanges and cleared through acceptable clearing corporations outside of Canada, such as standard futures contracts based on currency, bonds and short-term fixed income securities, and the Applicant would act as sub-adviser to Toron (the “Proposed Advisory Services”).

3. The Fund is an open-end mutual fund trust established under the laws of British Columbia.
4. The Fund is a "mutual fund" as such term is defined in subsection 1(1) of the *Securities Act* (Ontario) and a "commodity pool" as such term is defined in section 1.1 of Multilateral Instrument 81-104 Commodity Pools, in that the Fund will invest in derivatives other than as permitted under National Instrument 81-102 Mutual Funds.
5. Toron is a corporation organized under the laws of Ontario and is resident in Ontario. Toron is currently registered with the Commission as an adviser (Investment Counsel and Portfolio Manager) and Limited Market Dealer. Toron is also currently registered with the Commission as an adviser in the category of Commodity Trading Manager under the CFA. Toron is responsible for the investment advice provided by the Applicant. As portfolio adviser to the Fund, Toron manages the assets of the Fund by selecting, retaining, removing, replacing and adding sub-advisers to manage the assets of the Fund and re-allocating the assets of the Fund among such sub-advisers in accordance with the investment objectives of the Fund.
6. In connection with the Proposed Advisory Services, the Applicant will enter into a written agreement with Toron and the Fund setting out the obligations and duties of the Applicant.
7. Toron will assume responsibility to the Fund for all advice provided by the Applicant.
8. The Applicant will only provide advice to Toron where Toron has contractually agreed with the Fund to be responsible for any loss that arises out of the failure of the Applicant to
 - (a) exercise its powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund; or
 - (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;(the "Standard of Care"), and that this responsibility cannot be waived.
9. The Applicant will only provide advice to Toron in connection with the Fund. The offering documents for the Fund will disclose that
 - (a) Toron has responsibility for the investment advice or portfolio management services provided by the Applicant; and
 - (b) to the extent applicable, there may be difficulty in enforcing any legal rights against the Applicant because it is resident outside of Canada and all or a substantial portion of its assets are situated outside of Canada.
10. The Applicant will only provide advice to Toron so long as Toron remains a registrant under the CFA while the Proposed Advisory Services are provided by the Applicant.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemptions requested.

IT IS ORDERED pursuant to subsection 38(1) of the CFA that the Applicant, its officers, partners, directors and representatives are not subject to the requirements of subsection 22(1)(b) of the CFA in respect of the Proposed Advisory Services **provided that:**

 - (a) the obligations and duties of the Applicant are set out in a written agreement with Toron;
 - (b) the Applicant will only provide advice to Toron where Toron has contractually agreed with the Fund to be responsible for any loss that arises out of the failure of the Applicant to meet the Standard of Care and such responsibility cannot be waived;
 - (c) the Applicant will only provide advice to Toron where the offering documents for the Fund disclose that Toron is responsible for any loss that arises out of the failure of the Applicant to meet the Standard of Care, and that
 - (i) Toron has responsibility for the investment advice or portfolio management services provided by the Applicant, and
 - (ii) there may be difficulty in enforcing any legal rights against the Applicant because it is resident outside of Canada and all or a substantial portion of its assets are situated outside of Canada;
 - (d) the Applicant remains regulated by the Central Bank of Ireland as an investment business, registered as a commodity trading advisor and commodity pool operator with the CFTC, and a member of the NFA;
 - (e) the Applicant will only provide advice to Toron so long as Toron remains a

registrant under the CFA while the Proposed Advisory Services are provided by the Applicant; and

- (f) this order shall terminate three years from December 20, 2002.

December 20, 2002.

"R.W. Korthals"

"M.T. McLeod"

**2.2.11 Deutsche Bank Trust Company Americas et al.
- ss. 46(4) of the OBCA**

Headnote

Order pursuant to subsection 46(4) of the Business Corporations Act (Ontario)(the "OBCA") – trust indentures governed by the United States Trust Indenture Act of 1939, as amended, exempted from the requirements of Part V of the OBCA with respect to cross-border offerings. No relief from Part V for offerings made only in Canada.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B-16, as amended, ss. 46(2), 46(4), Part V.

Securities Act, R.S.O. 1990, c. S.5, as amended.

Securities Act of 1933, Act of May 27, 1933, 48 Stat, 74, 15 U.S. Code, Secs. 77a-77aa, as amended.

Trust Indenture Act of 1939, Act of August 3, 1939, 53 Stat, 1149, 15 U.S. Code, Secs. 77aaa-77bbb, as amended.

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT, R.S.O. 1990,
CHAPTER B. 16, AS AMENDED (THE "OBCA")**

AND

**IN THE MATTER OF
DEUTSCHE BANK TRUST COMPANY AMERICAS**

AND

HSBC BANK USA

AND

**NORTEL NETWORKS CORPORATION AND
NORTEL NETWORKS LIMITED**

**ORDER
(Subsection 46(4) OBCA)**

UPON the application by Deutsche Bank Trust Company Americas ("Deutsche Bank") and HSBC Bank USA ("HSBC" and, together with Deutsche Bank, the "Applicants") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 46(4) of the OBCA, exempting certain trust indentures of Nortel Networks Corporation and Nortel Networks Limited (collectively, the "Issuers") from the requirements of Part V of the OBCA;

AND UPON considering the application and the recommendations of staff of the Commission;

AND UPON the Applicants and the Issuers having represented to the Commission as follows:

1. Deutsche Bank is a banking corporation organized under the laws of New York and is neither resident nor authorized to do business in Ontario.

2. HSBC is a New York banking corporation and trust company and is neither resident nor authorized to do business in Ontario.
3. Nortel Networks Corporation ("Nortel") has advised the Applicants that it is a corporation incorporated under the *Canada Business Corporations Act* (the "CBCA") and is a reporting issuer under the *Securities Act* (Ontario) (the "Securities Act").
4. Nortel Networks Limited ("NNL") has advised the Applicants that it is a corporation incorporated under the CBCA, is a subsidiary of Nortel and is a reporting issuer under the Securities Act.
5. The Issuers filed a shelf registration statement on Form S-3 in respect of a prospectus dated May 30, 2002 (the "Registration Statement") with the U.S. Securities and Exchange Commission (the "SEC") pursuant to the United States *Securities Act of 1933* and an unallocated base shelf prospectus dated May 29, 2002 (the "Canadian Base Shelf Prospectus") with the Canadian securities regulatory authorities (the "Canadian Securities Authorities") in accordance with the shelf procedures set forth in National Instrument 44-102 – Shelf Distributions, both of which are currently effective.
6. Securities of up to an aggregate offering price of U.S.\$2.5 billion (including securities issued under a prospectus supplement dated June 12, 2002) may be offered for sale by Nortel and NNL to the public (i) in Canada, from time to time, under the Canadian Base Shelf Prospectus and one or more shelf prospectus supplements (the "Canadian Prospectus Supplements" and, together with the Canadian Base Shelf Prospectus, the "Canadian Shelf Prospectus") and (ii) in the United States of America (the "U.S."), from time to time, under the Registration Statement and one or more related prospectus supplements (the "U.S. Prospectus Supplements" and, together with the Registration Statement and the Canadian Shelf Prospectus, the "Shelf Prospectuses").
7. Under the Shelf Prospectus, Nortel may offer senior and subordinated debt securities, which may be bonds, debentures, notes or other evidences of indebtedness or guarantees of Nortel.
8. Under the Shelf Prospectus, NNL may offer senior and subordinated debt securities (guaranteed by Nortel), which may be bonds, debentures, notes or other evidences of indebtedness of NNL.
9. Senior debt securities may be offered under the Shelf Prospectuses by Nortel in the U.S. and Canada pursuant to a trust indenture, and one or more trust indentures supplemental thereto, to be entered into between Nortel and Deutsche Bank, as trustee. Senior guaranteed debt securities may be offered under the Shelf Prospectuses by NNL in the U.S. and Canada pursuant to a trust indenture, and one or more trust indentures supplemental thereto, to be entered into between NNL, Nortel, as guarantor, and Deutsche Bank, as trustee. All such senior debt securities are collectively referred to herein as the "Senior Debt Securities" and all such trust indentures in respect of the Senior Debt Securities are collectively referred to herein as the "Senior Trust Indentures".
10. Subordinated debt securities may be offered under the Shelf Prospectuses by Nortel in the U.S. and Canada pursuant to a trust indenture, and one or more trust indentures supplemental thereto, to be entered into between Nortel and HSBC, as trustee. Subordinated guaranteed debt securities may be offered under the Shelf Prospectuses by NNL in the U.S. and Canada pursuant to a trust indenture, and one or more trust indentures supplemental thereto, to be entered into between NNL, Nortel, as guarantor, and HSBC, as trustee. All such subordinated debt securities are collectively referred to herein as the "Subordinated Debt Securities" and, together with the Senior Debt Securities, are referred to herein as the "Debt Securities". All such trust indentures in respect of the Subordinated Debt Securities are collectively referred to herein as the "Subordinated Trust Indentures" and, together with the Senior Trust Indentures, as the "Trust Indentures". Forms of the Trust Indentures were filed with the SEC (as exhibits to the Registration Statement) and the Canadian Securities Authorities.
11. Each Trust Indenture will be governed by the laws of the State of New York, will provide that there shall always be a trustee thereunder that satisfies the requirements of sections 310(a)(1), 310(a)(2) and 310(b) of the United States Trust Indenture Act of 1939 (the "TIA") and will contain provisions in conformity with the requirements of the TIA.
12. As a result of the filing of a U.S. Prospectus Supplement with the SEC pursuant to which Debt Securities are offered in the U.S., each Trust Indenture related thereto will be subject to and governed by the TIA. As a result of the filing with the Commission of a Canadian Prospectus Supplement pursuant to which Debt Securities are offered in Ontario, each Trust Indenture in respect of such securities will be subject to Part V of the OBCA.
13. Because the TIA regulates the issue of debt securities under trust indentures in the U.S. in a manner that is consistent with Part V of the OBCA, holders of Debt Securities in Ontario will not, subject to paragraph 14, derive any additional material benefit from having the Trust Indentures be subject to Part V of the OBCA.

14. Each of the Applicants has undertaken to file with the Commission a submission to the non-exclusive jurisdiction of the courts and administrative tribunals of Ontario and appointment of an agent for service of process in Ontario (a "Submission to Jurisdiction and Appointment of Agent for Service of Process").
15. Nortel and NNL have advised the Applicants that any Canadian Prospectus Supplement under which Debt Securities will be offered will disclose the existence of this Order and any material risks associated with the purchase of Debt Securities under a Trust Indenture by a holder in Ontario, as a result of the absence of a local trustee appointed under the Trust Indenture.
16. The Deputy Director under the *Business Corporations Act* (Canada) (CBCA) issued four orders dated December 6, 2002 exempting each of the Trust Indentures from the trust indenture provisions of Part VIII of the CBCA.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to subsection 46(4) of the OBCA that, other than any supplemental trust indentures under which Debt Securities are offered solely in Canada pursuant to a Canadian Prospectus Supplement and not concurrently in the U.S. pursuant to a U.S. Prospectus Supplement, each Trust Indenture is exempted from Part V of the OBCA, provided that (i) the Trust Indenture is subject to and governed by the TIA, and (ii) prior to the issuance of securities under the Trust Indenture, Deutsche Bank or HSBC, as trustee thereunder, as the case may be, has filed with the Commission a duly executed Submission to Jurisdiction and Appointment of Agent for Service of Process.

January 21, 2003.

"Howard I. Wetston"

"H. Lorne Morphy"

2.2.12 Microtec Enterprises Inc. - cl. 104(2)(c)

Headnote

Clause 104(2)(c) – Issuer bid for warrants and possible indirect issuer bid for underlying securities after amendment to outstanding share purchase warrants permitting lender to require repurchase of warrants at pre-determined price - Warrants originally issued as part of a financing agreement but lender required repurchase rights as a condition for advancing further funds - granting of the put right and call right is a financing scheme and not in substance an issuer bid - issuer bid for warrants exempt from issuer bid requirements of Part XX.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended ss. 89(1), 95, 96, 97, 98, 100 and 104(2)(c).

**IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990, CHAPTER
S.5, AS AMENDED (THE "ACT")**

AND

**IN THE MATTER OF
MICROTEC ENTERPRISES INC.**

**ORDER
(Clause 104(2)(c))**

UPON the application (the "Application") of Microtec Enterprises Inc. ("Microtec") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 104(2)(c) of the Act exempting Microtec from the requirements of sections 95-98 and section 100 of the Act (the "Issuer Bid Requirements") in connection with the proposed amendment to certain outstanding share purchase warrants of Microtec (the "Warrants") previously issued to GE Capital Canada Equipment Financing Inc. ("GE") as more fully described below;

AND UPON considering the Application and the recommendation of the staff of the Commission;

AND UPON Microtec having represented to the Commission as follows:

1. Microtec was formed by Certificate of Amalgamation under the *Companies Act* (Quebec) on June 30, 1996.
2. Microtec is a reporting issuer in the Province of Ontario and is not on the list of defaulting issuers maintained pursuant to Section 72(9) of the Act.
3. The authorized share capital of Microtec consists of an unlimited number of subordinate voting shares without par value (the "Subordinate Voting Shares"), an unlimited number of multiple voting shares without par value (the "Multiple Voting Shares"), an unlimited number of first-ranking

- preferred shares without par value, issuable in series and an unlimited number of second-ranking preferred shares without par value, issuable in series, of which 4,898,252 Subordinate Voting Shares, 5,529,052 Multiple Voting Shares and no preferred shares are issued and outstanding as at December 31, 2002. The Subordinate Voting Shares are listed on the Toronto Stock Exchange (the "TSX").
4. In December 1999, Microtec and each of its subsidiaries (the "Microtec Group") entered into a credit agreement with GE, as agent and lender, (as amended, modified, supplemented or restated from time to time) (the "Term B Agreement") in the amount of \$15,000,000.
5. In connection with the Term B Agreement, GE received Warrants, which provide GE with the right to purchase a maximum of 904,177 Subordinate Voting Shares (to a maximum of 7.5% of the participating equity of Microtec on a fully-diluted basis) at a price of \$1.43 per Subordinate Voting Share. On August 21, 2002, the TSX conditionally approved amendments to the Warrants to allow for the immediate exercise of the Warrants. This amendment became effective on September 30, 2002. Effective as of January 2, 2003, as the result of a corporate reorganization, GE conveyed the Warrants to a new wholly-owned GE general partnership called "GE Canada Equipment Financing G.P.". No other Warrants are issued and outstanding.
6. The Subordinate Voting Shares issuable upon exercise of the Warrants have been reserved for issuance and approved for listing on the TSX. The Warrants are not listed on the TSX.
7. The Warrants were issued to GE with the expectation that the value of the Warrants would eventually supplement the financial return to GE under the Term B Agreement. However, as a result of market conditions and other factors, the exercise price of the Warrants has remained substantially above the 30 day moving average price of the Subordinate Voting Shares on the TSX, which as of January 8, 2002 was \$1.05.
8. Microtec entered into a senior amended and restated credit agreement dated as of January 22, 2002 (the "Term A Agreement") (as amended, modified, supplemented or restated from time to time) in the amount of \$65,000,000. The Term A Agreement includes GE as lender and as Syndication Agent and Documentation Agent.
9. In connection with the renewal of the Term A Agreement, Microtec was advised that certain participants in the syndicate of lenders would not be renewing their commitments. As a result, Microtec requested that GE increase its commitment under the Term A Agreement from \$20,500,000 to \$25,000,000.
10. In consideration of increasing its commitment under the Term A Agreement, GE requested certain assurances with respect to its anticipated return under the Term B Agreement from the Warrants.
11. On November 15, 2002, the Microtec Group and GE entered into an Accommodation Fee Letter (the "Accommodation Fee Letter") that provides, upon the occurrence of certain events, for the payment by Microtec of an accommodation fee (the "Accommodation Fee") in connection with the loan provided by GE under the Term B Agreement.
12. The Accommodation Fee Letter further provides that upon the fulfillment of certain conditions, including the approval of applicable regulatory authorities, GE and Microtec shall enter into an amending agreement (the "Amending Agreement") at which time the Accommodation Fee Letter will terminate and the Warrants will be amended to provide for a payment (the "Put Price") equivalent to the Accommodation Fee in the same circumstances as were applicable under the Accommodation Fee Letter. Further, GE agreed to refrain from exercising its rights under the Warrants until the termination of the Accommodation Fee Letter, provided Microtec is not in default under the Accommodation Fee Letter.
13. Pursuant to the Amending Agreement GE shall be provided a right (the "Put Right") to require Microtec to repurchase from GE the Warrants for an amount equal to the Put Price upon the earlier of the expiry date of the Warrants and the occurrence of certain events based upon the payment, termination or maturity of the loans under the Term B Agreement, a recapitalization of Microtec, or the occurrence of an event of default under the Term A Agreement or Term B Agreement (each, a "Put Event"). The Amending Agreement also provides Microtec a right (the "Call Right") to require GE to sell to Microtec the Warrants for an amount equal to the Put Price exercisable at any time.
14. The Put Price to be paid by Microtec in respect of the exercise of the Put Right or the Call Right under the Warrant shall be equal to \$2,100,000, provided that the Put Price shall be increased to \$3,000,000 if any Put Event occurs after December 31, 2003 and certain financial conditions have not been achieved by Microtec.
15. The Amending Agreement was conditionally approved by the TSX on December 27, 2002.
16. Pursuant to a side letter (the "Side Letter"), Microtec and GE agreed to amend the Amending Agreement to allow for the partial exercise of the

- Call Right by Microtec at any time. The Side Letter remains subject to the approval of the TSX.
17. On December 12, 2002, Microtec renewed the Term A Agreement pursuant to which GE increased its participation from \$20,500,000 to \$25,000,000.
18. The Accomodation Fee was negotiated between Microtec and GE to include a portion of the expected return by GE under the Term B Agreement and was part of the consideration required by GE for increasing its participation under the Term A Agreement. GE was no longer prepared to rely on the Warrants to eventually supplement the financial return to GE under the Term B Agreement.
19. The issuance of the Warrants and entering into the Amending Agreement as part of the consideration for the credit facility provide GE with a form of delayed payment.
20. GE, whose affiliate is the only holder of Warrants, has advised Microtec that it is knowledgeable of the affairs of Microtec, considers itself able to evaluate the amendment to the Warrants without the assistance of an issuer bid circular or a valuation of the Warrants and does not object to the granting of the relief requested herein.
21. The board of directors of Microtec has determined that the Amending Agreement is in the best interests of Microtec and all its securityholders, including the public holders of the Subordinate Voting Shares. The board of directors of Microtec unanimously approved the Amending Agreement in a meeting on November 14, 2002.
22. As a result of its involvement with Microtec, GE appointed an observer with no voting rights to the board of directors of Microtec in December 1999. This observer did not assist the discussions of the board of directors in the consideration of the renewal of the Term A Agreement or in the entering into of the Amending Agreement.
23. The Amending Agreement will improve the financial position of Microtec, will not adversely affect Microtec or the rights of any of Microtec's security holders and will not materially affect control of Microtec.
24. GE represented the most convenient and cost effective means of obtaining increased financing necessary following the withdrawal of two lenders from the Term A lending syndication. GE would not have increased its participation under the Term A Agreement if Microtec was not willing to enter into the Amending Agreement.
25. The transaction is supported by the two principal shareholders of Microtec Raymond Gilbert, the Chairman of the Board of Directors and Chief Executive Officer of Microtec, and Telesystem Ltd. (the "Principal Shareholders"). The Principal Shareholders represent approximately 90% of voting shares and 69% its equity shares. The Principal Shareholders are acting at arm's length from GE.
26. The negotiation of the terms of the Amending Agreement between GE and the Microtec Group were conducted at arm's length.
27. The Amending Agreement, and the Put Right and Call Right thereunder, constitutes an "issuer bid" for the Warrants and may constitute an issuer bid for the Subordinate Voting Shares under s. 89(1) of the Act. However, the purpose of the transaction contemplated by the Amending Agreement is not to acquire, directly or indirectly, Subordinate Voting Shares, but to provide financing for the Microtec Group.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that Microtec be exempt from the Issuer Bid Requirements in connection with the proposed amendment to the Warrants as set out in the Amending Agreement (as amended by the Side Letter).

January 21, 2003.

"Howard I. Wetston"

"H. Lorne Morphy"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.2 Reasons for Order

3.2.1 Diane A. Urquhart - ss. 122(7)

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c.S.5, as am. (the "Act")**

AND

**AN APPLICATION BROUGHT BY DIANE A. URQUHART
PURSUANT TO s.-s.122(7) OF THE ACT**

**REASONS OF THE ONTARIO
SECURITIES COMMISSION**

1. The applicant Diane A. Urquhart (appearing in person) has brought an application requesting the Ontario Securities Commission (the "Commission") to grant her consent pursuant to section 122(7) of the *Ontario Securities Act* (the "Act"). The circumstances leading to this application are unusual.

2. Ms. Urquhart has commenced an action in the Ontario Superior Court of Justice in which she claims damages and other relief arising out of what she asserts are illegal issuer bids and prohibited collateral agreements as defined in Part XX of the *Act*. In support of her claim she relies on section 105(1) of the *Act*. The particular relief in her Amended Statement of Claim that is relevant to this application is her claim for this declaration:

"A declaration that the defendants who are current or former Directors and officers of Technovision, or its affiliate iTCANADA, committed issuer bid and collateral agreement offences, notwithstanding that they were not the offeror of the issuer bid they accepted. This is due to them either acting jointly or in concert with the offeror in the issuer bid and collateral agreement offences, or they permitted and acquiesced to the illegal issuer bid and are therefore guilty of the same offence under Section 122(3) of the Ontario Securities Act."

3. Ms. Urquhart advised that there was a motion pending by the defendants to strike her claim for this declaration from the Amended Statement of Claim on the basis that she had not received the consent of the Commission under section 122(7) to seek relief in relation to section 122(3) of the *Act*. Accordingly, Ms. Urquhart makes this application to the Commission in order to meet the defendants' assertion on the return of the pending motion.

4. In considering this application and the purpose for which it is brought, we are of the view that the consent sought is not required. Any suggestion that consent under section 122(7) is required for whatever use may be made of section 122 in a civil action is misconceived. Section 122(7) provides:

"No proceeding under this section shall be commenced except with the consent of the Commission."

5. The proceeding referred to in section 122(7) for which consent is required, is a quasi criminal prosecution which would be commenced in the Ontario Court of Justice by way of information under the *Provincial Offences Act*. Section 122(7) makes no requirement for consent by the Commission in relation to a civil action such as Ms. Urquhart has commenced in the Ontario Court of Justice.

6. Apart from the fact that the consent required under section 122(7) is not in relation to a civil proceeding, it would be inappropriate in law for this Commission to grant a consent under section 122(7) so as to use a quasi criminal proceeding in aid of a civil action. Ms. Urquhart clearly stated on the return of her application that she would not be seeking the consent of the Commission under section 122(7), but for the fact that the defendants were taking the position in her civil action that she requires this consent to maintain the claim for the declaration.

7. Accordingly, this application is dismissed.

January 16, 2003.

"H. Lorne Morphy"

"Robert W. Davis"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Expire
Consumers Packaging Inc.	20 Jan 03	31 Jan 03		
Digital Duplication Inc.	09 Jan 03	21 Jan 03	21 Jan 03	
Firstlane Inc.	21 Jan 03	31 Jan 03		
Genoray Advanced Technologies Ltd. (formerly Soundcache.com Inc.)	14 Jan 03	24 Jan 03		
Q/Media Services Corporation	13 Jan 03	24 Jan 03		
SmartSales Inc.	14 Jan 03	24 Jan 03		
Spyn Corporation	15 Jan 03	27 Jan 03		
*North American Detectors Inc.	07 Jan 03	17 Jan 03	17 Jan 03	
*Veris Biotechnology Corporation	07 Jan 03	17 Jan 03	17 Jan 03	

* Correction of date

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Expire	Date of Issuer Temporary Order
*Richtree Inc.	20 Dec 02	03 Jan 03	03 Jan 03		

*Correction of date

4.3.1 Issuer CTO's Revoked

Company Name	Date of Revocation
BridgePoint International Inc.	17 Jan 03

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Chapter 6

Request for Comments

6.1.1 CSA Notice - Proposed National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities and Proposed Repeal of National Policy Statement No. 2-B and Proposed Consequential Amendments

CANADIAN SECURITIES ADMINISTRATORS NOTICE

PROPOSED NATIONAL INSTRUMENT 51-101 *STANDARDS OF DISCLOSURE FOR OIL AND GAS ACTIVITIES*

PROPOSED REPEAL OF NATIONAL POLICY STATEMENT NO. 2-B AND PROPOSED CONSEQUENTIAL AMENDMENTS

January 24, 2003

REVISED PROPOSAL

The Canadian Securities Administrators (the "CSA") invite public comment on a revised proposal for new standards for public disclosure by reporting issuers in the oil and gas sector. **We request comments by March 31, 2003.**

The proposed standards are set out in the following documents (together referred to in this Notice as the "Instrument"):

- National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101")
- Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*
- Form 51-101F2 *Report on Reserves Data by Independent Qualified Evaluator and Auditor*
- Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure*
- Companion Policy 51-101CP (the "Policy")

The Instrument and proposed consequential amendments to other instruments are being published concurrently with this Notice. These documents can be obtained on websites of CSA members, including the following:

- www.albertasecurities.com
- www.osc.gov.on.ca
- www.bcsc.bc.ca
- www.ssc.gov.sk.ca
- www.msc.gov.mb.ca

Substance and Purpose of the Instrument

The Instrument will establish a regime of continuous disclosure for reporting issuers engaged in exploring for, developing or producing oil or gas. It will supplement disclosure requirements that apply to reporting issuers generally, and will replace National Policy Statement No. 2-B *Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators* ("NP 2B").

The purpose of the Instrument is to enhance the quality, consistency, timeliness and comparability (among reporting issuers, and over time) of public disclosure by reporting issuers concerning their upstream oil and gas activities. The Instrument should enhance the ability of investors to make informed investment decisions, and in so doing enhance confidence in Canadian capital markets and facilitate the raising of new capital by oil and gas reporting issuers.

Background

(a) Current Oil and Gas Disclosure Requirements

Current requirements for disclosure concerning upstream oil and gas activities apply principally in connection with prospectus filings.

- NP 2B deals with the preparation and content of engineering reports submitted in connection with a prospectus filing, and sets out information relating to oil and gas reserves that is to be included in a prospectus.
- Current prospectus forms require disclosure of specified information about an issuer's oil and gas properties, wells, production, estimated reserves and related cash flow and plans for exploration and development.

Current oil and gas continuous disclosure requirements are largely limited to annual information forms ("AIFs"), which are not filed by all reporting issuers. AIF oil and gas disclosure requirements are drawn from the prospectus requirements.

(b) Shortcomings of the Current Oil and Gas Disclosure Regime

The CSA no longer consider the reserves definitions and the specific disclosure requirements set out in NP 2B to be sufficiently clear or comprehensive to meet the needs of market participants.

We do not believe that the prospectus focus of the current requirements adequately serves the secondary capital markets in which the vast majority of securities trading activity takes place.

The CSA share the concern expressed by some market participants that the shortcomings of current oil and gas disclosure standards could impair public confidence in our capital markets, to the detriment of all oil and gas issuers and investors.

(c) Consultative Process

The Instrument is the product of extensive industry and public consultation and advice.

The Instrument responds to the recommendations of the Oil and Gas Taskforce (the "Taskforce") established by the Alberta Securities Commission (the "ASC") in 1998. The Taskforce was comprised of representatives from a wide variety of professions and sectors of the oil and gas industry and capital markets. The Taskforce was asked to assist the CSA in reformulating NP 2B (part of the CSA's broader program of policy reformulation) by developing recommendations for updated oil and gas disclosure requirements for public oil and gas issuers, taking into account the interests of investors, issuers, analysts, advisers, regulators and exchanges.

The work of the Taskforce coincided with the development of new oil and gas reserves definitions by the Petroleum Society of the Canadian Institute of Mining, Metallurgy & Petroleum (the "CIM"). The Taskforce recommended mandatory adherence to the new CIM reserves definitions, which were finalized in 2002 following the CIM's own consultative process.

The Taskforce also recommended mandatory adherence to reserves evaluation standards developed by the Calgary Chapter of the Society of Petroleum Evaluation Engineers ("SPEE"). Those standards, and the CIM reserves definitions, are set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared by SPEE and the CIM, Volume 1 of which was released in June 2002. (The COGE Handbook can be obtained from the CIM at www.petsoc.org.)

The CSA welcomed the Taskforce recommendations, and the work of the CIM and SPEE. In formulating our response to the recommendations, we also considered industry and public comment on those recommendations and on the then-draft CIM definitions. These considerations were reflected in the original proposed Instrument (the "January Proposal"), which the CSA published for comment on January 25, 2002. (The January Proposal can be obtained from the CSA websites noted above.)

The CSA received 27 written comments on the January Proposal. The comments were thorough and extensive, and of great assistance to us. Most commenters supported the CSA's objectives. At the same time, almost all commenters offered some criticism. Appendix A to this Notice summarizes the public comments and our responses.

We believe that the revised Instrument addresses the majority of the concerns raised by commenters, while remaining consistent in substance with both the January Proposal and the Taskforce recommendations.

Summary of the Revised Instrument

(a) General Approach

The Instrument¹ reflects the view of the CSA that information about oil and gas reserves and activities may be as important as financial statement disclosure for investors making an investment decision concerning securities of an upstream oil and gas issuer. The Instrument would establish disclosure standards somewhat akin to those that apply to financial disclosure:

- annual reporting of independently-verified estimates of reserves volumes and related cash flow (“future net revenue”) and other information about a reporting issuer’s oil and gas activities; and
- adherence to professional- and industry-developed evaluation standards and terminology.

(b) Overview of the Instrument

An outline of key aspects of the Instrument follows:

Annual disclosure

- a statement by the reporting issuer of its estimated reserves and future net revenue (“reserves data”) and other oil and gas information (Form 51-101F1)
- a report of an independent qualified reserves evaluator or auditor on the reserves data (Form 51-101F2)
- a report of the reporting issuer’s management and directors on the issuer’s oil and gas disclosure (Form 51-101F3)

Role of directors

- oil and gas disclosure to be considered at board level
- reserves evaluators and auditors to report to and meet with directors
- directors to review and approve annual oil and gas filings
- majority-independent “reserves committees” encouraged

Standards apply to all disclosure

- to ensure quality and consistency for all public disclosure:
 - consistency with current annual oil and gas filings
 - adherence to CIM reserves definitions and COGE Handbook
 - more information to accompany any disclosure about the value of “prospects”

Material change disclosure

- material change reports to include discussion of the effect on filed reserves data

Prospectuses

- current disclosure requirements and NP 2B technical reports replaced by NI 51-101 disclosure

Materiality standard

- prescribed disclosure not required if unlikely to influence a reasonable investor’s investment decision

¹ In Ontario, paragraphs 143(1) 22, 24 and 39 of the *Securities Act* provide the Ontario Securities Commission with authority to make proposed NI 51-101.

Possible discretionary exemptions

- SEC-registered issuers could be permitted to provide information in annual NI 51-101 filings consistent with US practice, provided that it is clearly explained
- senior producing issuers could be permitted to rely on in-house evaluations
- issuers could be permitted to rely on certain foreign reserves evaluators or auditors

Changes from the January Proposal

The discussion that follows provides an overview of the changes from the January Proposal that are reflected in the revised Instrument. More detail about the changes can be found in Appendix B to this Notice.

(a) Scope of Changes

Although the Instrument incorporates a considerable number of changes from the January Proposal, we do not consider that the changes represent a material departure from the objectives, principles or substantive effect of the January Proposal. However, the CSA believe that market participants may welcome the opportunity presented by this second comment period to consider the revised Instrument in light of the changes and the COGE Handbook that is now publicly available.

The Instrument maintains the key principles and elements of the January Proposal:

- annual disclosure
- role of directors
- involvement of independent qualified evaluators or auditors
- consistency in certain voluntary public disclosure
- expanded material change disclosure
- materiality standard

The principal changes to the Instrument are:

- eliminating mandatory use of US disclosure standards
- revisions of text to improve clarity and user-friendliness of the documents
- a more flexible approach, through discretionary exemptions, for cross-border issuers

(b) Purpose and Reason for Changes

(i) NI 51-101 and Forms

We have made a number of changes in terminology, largely to reflect the terminology used in the COGE Handbook.

The January Proposal mandated certain US standards that we considered very similar in substance to the alternative recommended by the Taskforce. (These US standards related principally to “proved reserves” estimated using “constant” or unescalated prices.) In response to public comments from Canadian domestic issuers critical of this approach, we have withdrawn those US standards from the Instrument and substituted explicit and generally comparable standards applying the CIM reserves definitions.

We responded to criticism of certain specific provisions by adding a degree of flexibility (for example, the option of providing supplementary alternative disclosure accompanied by explanations and cautions when disclosing “finding and development” costs or when using BOEs or other conversion ratios, and permitting disclosure by “foreign geographic area” rather than country-by-country for areas such as the North Sea).

With a view to making the Instrument easier to use, we have reordered certain provisions and have extensively rewritten the primary reporting form, Form 51-101F1.

(ii) The Policy

The most extensive changes in the Policy pertain to possible discretionary relief from the Instrument.

To address concerns about the disclosure burden for cross-border issuers (potential duplication, overlap, and confusion arising from two sets of constant-case proved reserves estimates), new section 8.3 of the Policy indicates that discretionary relief would likely be available to allow applicants that have securities registered with the SEC to satisfy their disclosure obligations by using the US standards that had been incorporated in the January Proposal. This would put a cross-border issuer in the same position as it would have been under the January Proposal.

Section 8.4 of the Policy contains an expanded discussion of broader discretionary relief that addresses concerns raised in public comments by larger cross-border issuers. The public consultation process has helped the CSA to understand better the concerns of those issuers, and in particular the importance to them of being able to provide disclosure of a type to which US capital markets are accustomed (such as estimates of probable reserves that are not included in SEC filings but are disclosed in other ways in the US).

While the grounds and main principles of the discretionary relief that staff would be prepared to consider and recommend are little changed from those discussed in the January Proposal, we are now proposing fewer restrictions on “voluntary” disclosure of information of a type typically released in the US outside SEC filings (such as estimated probable reserves volumes), provided that the disclosure is reflected in the annual NI 51-101 filings and departures from NI 51-101 standards are clearly explained.

Timing and Transition

The CSA propose to implement NI 51-101 effective on September 30, 2003. However, that date would have little immediate consequence for most reporting issuers. Transitional provisions built into the revised Instrument, and in consequential amendments to other instruments, would phase in mandatory application issuer by issuer. This will give reporting issuers, their reserves evaluators and auditors and other market participants time to become familiar with the changes and with the COGE Handbook.

The first mandatory filings under the Instrument would apply in respect of the financial year that ends on, or includes, December 31, 2003. The filing deadline would be the same as the deadline for filing audited annual financial statements for that financial year – in May 2004 for most reporting issuers under current financial statement requirements. Somewhat earlier compliance (not before April 2004 except in rare cases) would be required by reporting issuers that file a prospectus early in 2004.

Voluntary early compliance with the Instrument would be accepted.

NP 2B will be fully phased out in June 2005, by which time all reporting issuers should have converted to NI 51-101.

Consequential Amendments to Other Instruments

In conjunction with implementation of the Instrument, the CSA propose to repeal NP 2B.

We also propose to amend other securities legislation and securities direction including national and local prospectus requirements and the SEDAR rule. These amendments would eliminate references to NP 2B. In some cases those references would be replaced by references to the Instrument. In other cases, the conversion to a continuous disclosure regime under NI 51-101 would eliminate the need to make specific reference to oil and gas disclosure.

The consequential amendments to other instruments will be phased in as discussed above under “Timing and Transition”.

(a) National and Multilateral Instruments

The texts of proposed consequential amendments to the following national and multilateral instruments are set out in Appendix C to this Notice:

- NP 2B (to be repealed)
- National Instrument 13-101 *SEDAR*
- National Instrument 44-101 *Short Form Prospectus Distributions*
 - Form 44-101F1 *AIF*

Request for Comments

– Form 44-101F3 *Short Form Prospectus*

- National Instrument 45-101 *Rights Offerings*
- Multilateral Instrument 45-102 *Resale of Securities*

(b) Local Instruments

Securities regulatory authorities may also publish consequential amendments to local instruments including those governing prospectus requirements.

Interim Use of CIM Reserves Definitions

Pending the application of NI 51-101 to a particular reporting issuer, NP 2B will continue to apply to that issuer.

During this period, CSA staff will accept the use of the CIM reserves definitions set out in the COGE Handbook for purposes of NP 2B, rather than the reserves definitions set out in NP 2B. An issuer that wishes to exercise this option should advise the regulator in a covering letter accompanying the preliminary prospectus or other document being filed. Each document in which the CIM definitions are used should identify and describe the relevant reserves classifications.

Because the CIM definitions incorporate target certainty levels, CSA staff would not require an issuer using the CIM definitions to reduce reasonably estimated “probable reserves” by applying an allowance for risk as currently required under NP 2B. When estimating reserves and related future net revenue using constant prices and costs, an issuer that uses the CIM definitions should use prices as at the end of the issuer’s financial year.

Costs and Benefits

The CSA developed the Instrument in part in response to concerns expressed by market participants about the quality and consistency of public oil and gas disclosure, and the resulting potential for harm to investors and Canadian oil and gas issuers generally.

The CSA expect that any incremental costs of compliance with NI 51-101 would likely (i) be one-time costs attributable to developing satisfactory internal information systems, or (ii) for reporting issuers that do not already do so, costs of retaining independent reserves evaluators or auditors to report on reserves data. The CSA view the COGE Handbook as largely a codification of current best practice standards, and understand that most oil and gas reporting issuers already retain independent qualified evaluators to satisfy regulatory requirements or demands from their lenders, investors or auditors. We expect that most reporting issuers will find that they do not need to generate new types of information to satisfy the requirements of the Instrument. Accordingly, the CSA do not anticipate that implementation of NI 51-101 would impose a significant financial burden on reporting issuers.

Some reporting issuers could see a reduction in effort and costs, because NI 51-101 would give formal recognition to the concept of reserves “audits” as a satisfactory alternative to a full “evaluation”.

For senior producing issuers with a demonstrated capability to generate their own satisfactory reserves evaluations, the revised Instrument (like the January Proposal) indicates our willingness to consider granting a discretionary exemption to permit them to rely on in-house rather than independent evaluations.

The revised Policy also contains an expanded description of discretionary relief from disclosure requirements for cross-border issuers to address concerns expressed in public comment about the potential costs of duplicative or differing disclosure standards in Canada and the US.

The CSA expect NI 51-101 to result in improved disclosure and to bolster market confidence and that the resulting benefits to all market participants will outweigh the compliance burden for issuers.

Request for Comment

Publication of the January Proposal elicited thorough comments on broad principles of the Instrument. The CSA now invite comment on the following specific issues:

1. Conversion to CIM Reserves Definitions - The CIM reserves definitions, which are set out in the COGE Handbook and mandated under the Instrument, specify a level of certainty to be reflected in reported estimates of “proved reserves” (“P90”, a 90 percent probability of recovering at least the estimated volume) and “proved plus probable reserves”

("P50", a 50 percent probability of recovering at least the estimated proved plus probable volumes). The terms "proved reserves" and "probable reserves" were less clearly defined in NP 2B.

The CSA expect an estimate of proved plus probable reserves using the CIM definitions to be comparable to the similar estimate using NP 2B definitions (after applying a 50 percent "risk" discount to the NP 2B-defined probable reserves). The "risking" of probable reserves customary under the NP 2B regime should not be necessary when the CIM reserves definitions are used because they already incorporate target certainty levels.

- (a) Might there be a widespread and substantive difference between proved reserves estimated using the CIM definitions as compared to estimates made reasonably applying the NP 2B definitions?
- (b) Market participants (reporting issuers, analysts, investors, creditors) will need to become aware of and understand the new CIM definitions and the extent to which reported estimates can be expected to differ from those under NP 2B. How can the CSA help foster market awareness and understanding of the new CIM reserves definitions?

2. Mandatory disclosure of "constant case" reserves data

The CICA Handbook provides guidance, for users of the full cost method of accounting, concerning the maximum amount at which certain oil and gas assets can be recorded in financial statements. Accounting Guideline AcG-5 "Full Cost Accounting in the Oil and Gas Industry" applies a "ceiling test" under which the net book value of oil and gas properties is compared to an estimate, based on constant prices and costs, of undiscounted future net revenue attributable to proved reserves.

The Accounting Standards Board of The Canadian Institute of Chartered Accountants is considering a proposal to modify the AcG-5 ceiling test. The modified ceiling test would, among other things, no longer use an estimate of future net revenue using constant prices and costs.

Should the CSA reconsider the requirement in the Instrument for disclosure of constant case estimates of proved reserves and related future net revenue? In particular:

- (a) Are such estimates sufficiently important to investors to warrant mandatory disclosure?
- (b) Would the response to question (a) differ if the AcG-5 is modified as discussed above?

3. Disclosure by Product - Form 51-101F1 requires disclosure of certain reserves data and other information by "product type". Such disclosure may require allocation among multiple product types attributable to a single well, reservoir or other reserves entity. Would it be preferable instead to prescribe such disclosure only for "production groups" such as:

- light and medium crude oil and its by-products, including solution gas, natural gas liquids and sulphur
- heavy oil and its by-products
- natural gas (associated and non-associated gas) and its by-products including natural gas liquids and sulphur
- non-conventional reserves entities.

4. Professional Organizations - The terms "qualified reserves evaluator" and "qualified reserves auditor" as defined in the Instrument have several elements: a qualified reserves evaluator or auditor must (i) possess professional qualifications and experience appropriate for their tasks contemplated in the Instrument, and (ii) be a member in good standing of a "professional organization".

Are there particular Canadian or foreign professional associations for engineers and other geoscientists (in addition to the Canadian professional organizations identified in section 1.5 (a) of the Companion Policy) in which market participants have sufficient confidence that such associations should be accepted as "professional organizations" for the purposes of the Instrument?

In each case:

- (a) Does the association satisfy the criteria (other than acceptance, or Canadian statutory authority or recognition) set out in the definition of "professional organization" in the Instrument?

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- (b) If it does not satisfy one or more such criteria, why is the unsatisfied criterion unnecessary or inappropriate for the particular association?

How to Provide Your Comments

We invite your comments **by March 31, 2003**. We encourage commenters to identify the particular provisions of the Instrument to which your comments relate. Your comments cannot be held confidential.

Please address your comments to all of the CSA member commissions, as follows:

Alberta Securities Commission
British Columbia Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Commission des valeurs mobilières du Québec
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Government of the Northwest Territories
Registrar of Securities, Government of the Yukon Territory
Registrar of Securities, Nunavut

You need not deliver your comments to all of the CSA member commissions, but please deliver your comments to the Alberta Securities Commission and to the Commission des valeurs mobilières du Québec, at the addresses below.

If you send your comments by e-mail, please follow with a signed hard copy of your comments, to demonstrate that you are the sender (this is not always apparent in an e-mail). If you do send your comments by e-mail, please include, with the hard copy of your comments, a copy of your comments on a diskette, preferably in Word format.

- (i) Send one copy to:

Jo-Anne Bund
Legal Counsel
Alberta Securities Commission
Suite 400, 300 - 5th Avenue SW
Calgary, Alberta T2P 3C4

e-mail: jo-anne.bund@seccom.ab.ca

and:

- (ii) Send one copy to:

Denise Brosseau, Secretary
Commission des valeurs mobilières du Québec
Stock Exchange Tower
800 Victoria Square
P.O. Box 246, 22nd Floor
Montréal, Québec H4Z 1G3

e-mail: consultation-en-cours@cvmq.com

Further Information

You can obtain further information from any of the following:

Request for Comments

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Appendices

- (i) Appendix A - Summary of Public Comments on the January Proposal and CSA Responses
- (ii) Appendix B - Summary of Changes from January Proposal
- (iii) Appendix C - Proposed Consequential Amendments to National and Multilateral Instruments

**APPENDIX A
to
CSA NOTICE**

**Proposed National Instrument 51-101
Standards of Disclosure for Oil and Gas Activities**

**Summary of
Public Comments on the January Proposal
and CSA Responses**

The CSA received written comments on proposed NI 51-101 and its three ancillary forms and Companion Policy (together, the "Instrument") published in January 2002 (the "January Proposal") from the following 27 commenters:

1. Adams Pearson Associates Inc. - April 29, 2002
2. Arthur Milne - April 19, 2002
3. BMO Nesbitt Burns Research - April 26, 2002
4. Bow Valley Energy Ltd. - April 29, 2002
5. Chase Management - June 6, 2002
6. Donahue LLP - April 30, 2002
7. Dr. David C. Elliott, P. Geol. [Geosgil Consulting Ltd.] - April 30, 2002
8. EnCana Corporation - April 30, 2002
9. Financial Executives International Canada (Calgary Chapter) - April 26, 2002
10. Fraser Milner Casgrain LLP - April 29, 2002
11. Gilbert Laustsen Jung Associates Ltd. - April 30, 2002
12. Imperial Oil Limited - April 29, 2002
13. John T. Postle, P. Eng. - May 6, 2002
14. John W. Essex, P.Eng. - April 20, 2002
15. Martin & Brusset Associates - April 30, 2002
16. Nexen Inc. - April 30, 2002
17. Osler, Hoskin & Harcourt LLP (Calgary) - May 3, 2002
18. Osler, Hoskin & Harcourt LLP (Toronto) - May 7, 2002
19. Petro-Canada - April 29, 2002
20. Petroleum Society of the Canadian Institute of Mining, Metallurgy & Petroleum, South Saskatchewan Section - April 30, 2002
21. Petroleum Society of the Canadian Institute of Mining, Metallurgy & Petroleum, Standing Committee on Reserves Definitions - April 30, 2002
22. Shell Canada Limited - May 3, 2002
23. SIGA Resources Limited - May 7, 2002
24. Society of Petroleum Evaluation Engineers (Calgary Chapter) - April 26, 2002

25. Sproule Associates Limited - April 30, 2002
26. Toronto Stock Exchange - May 13, 2002
27. TSX Venture Exchange Inc. - April 30, 2002

The CSA thank the commenters. The comments were thoughtful and thorough and they have been of great assistance to us.

A summary of the comments and our responses follows. The summary begins with comments of general application or concerning broad principles and then deals with more specific matters, grouped by topic.

1. General Comments on the Instrument

Public Comment

Many of the commenters endorsed the intent and general approach of the Instrument.

One commenter urged "swift adoption" of the Instrument. Another commenter characterized it as "an improvement over current disclosure standards". Several commenters expressed support for the move to a continuous disclosure regime for reserves reporting, and for placing reserves reporting standards on a more equal footing with that of financial statement disclosure. Among the elements of the January Proposal singled out for praise were the clearer assignment of responsibility to directors, provisions requiring consistency in presentation, and provisions relating to voluntary disclosure of "fair value".

Most commenters provided constructive criticism of specific elements, or in some cases broad aspects, of the January Proposal. The grounds of criticisms were not consistent, reflecting striking differences of view among different capital market sectors. Broad or recurring criticisms included the following:

- The Instrument tilts too far in the direction of investor protection at the expense of capital market efficiency.
- It would impose stricter standards on the oil and gas industry than on other sectors.
- The burden of compliance would outweigh the benefits, particularly (depending on the commenter) for larger, or conversely for smaller, issuers.
- It does not adequately harmonize with United States regulatory standards and thereby imposes an excessive burden on issuers. Conversely, its incorporation of US standards makes for an unduly complicated and burdensome instrument.
- The exemptive relief contemplated in the Companion Policy of the January Proposal would go too far, undermining the Instrument. Conversely, it would not go far enough, failing adequately to address the needs of issuers.
- It would expose directors, management or evaluators to excessive liability.
- Because the Instrument applies only to "reporting issuers", they would be at a disadvantage in take-over contests and other transactions as compared to private companies or foreign non-reporting issuers.

CSA Response

The CSA weighed the divergent views expressed by the commenters against our regulatory objectives of protecting investors, fostering market confidence and facilitating capital-raising. We did so in light of the concerns expressed to us, and the concerns reflected in the deliberations of the Oil and Gas Task Force (the "Taskforce"), about market discomfort with the quality and reliability of oil and gas disclosure and the risk that poses to market confidence and issuers' access to capital.

Throughout the process we have endeavoured to arrive at an appropriate balance of interests, benefits and burdens. The CSA remain of the view that continuous disclosure and a predictable cycle of annual reporting, adherence to identifiable standards, and a visible role for corporate management, directors and independent professionals, are reasonable and necessary foundations for market confidence and efficiency.

We believe that the revised Instrument addresses many of the concerns expressed to us while remaining consistent with our regulatory objectives, the substance of the January Proposal, and the recommendations of the Taskforce that had been incorporated into the January Proposal.

Disclosure requirements particular to the oil and gas industry are not new. The industry-specific disclosure standards recognize, among other things, the particular importance ascribed by investors and capital markets to oil and gas reserves data.

The nature of the information required under the Instrument is not necessarily new or materially different from what is routinely prepared by many public issuers. To some extent, the effect of the Instrument would be to give shareholders information that is already provided to other stakeholders such as creditors and directors. More importantly, the Instrument is designed to promote greater reliability and consistency for oil and gas disclosure, through the use of clearer industry-developed terminology and evaluation standards and a predictable annual reporting cycle paralleling that for financial disclosure.

The diametrically opposed comments on the use of the US disclosure standards illustrate the difficulty of developing a single regulatory approach suitable for the range of issuers active in the oil and gas industry. One size does not necessarily fit all. It is in recognition of this diversity that the Instrument contemplates discretionary relief for certain categories of issuers.

The application of the Instrument only to reporting issuers was deliberate. We consider higher disclosure standards a reasonable accompaniment to a reporting issuer's access to public capital markets. We do not necessarily consider it appropriate to impose similar standards on private companies that do not have the same market access. Concerning foreign non-reporting issuers, their sometimes-anomalous position is not unique to this Instrument.

2. The Documents

Public Comment

Some commenters urged that the multiple documents comprising the Instrument be consolidated, and one commenter specifically urged that the Instrument be edited and written more clearly.

CSA Response

The CSA sets out mandatory requirements in rules and forms and policy and guidance in companion policies. For ease of use, each of the three forms included in the Instrument sets out the detailed requirements applicable to a particular user group: the issuer; reserves evaluators and auditors; and management and directors.

While we are retaining these documents, we have revised and reordered provisions so that the Instrument reads more clearly. Reporting issuers will have considerable latitude in their presentation of the information required in their annual filings.

3. Compatibility with US Disclosure Standards

Public Comment

Many commenters expressed views on the use of US disclosure standards, generally taking one of two positions: either the January Proposal went too far in applying US standards, or it did not go far enough. The position taken seemed to depend on whether the commenter represented junior issuers or senior issuers.

Commenters in the first camp expressed concern that US standards – particularly the disclosure of proved reserves and related cash flow estimated using constant prices only, without accompanying disclosure of probable reserves or any estimates using forecast prices – can provide incomplete, even misleading information. A number of commenters specifically criticized the incorporation in the January Proposal of US (SEC and FASB) standards at it added complexity and unfamiliar terminology to the documents.

Commenters in the second camp argued that made-in-Canada standards that differ from US standards would impair the ability of Canadian issuers to compete with foreign issuers in the US and global capital markets. Some were critical of specific provisions in the January Proposal, or of the new reserves definitions developed by the Petroleum Society of the Canadian Institute of Mining, Metallurgy & Petroleum ("CIM"). A few commenters suggested that it was inappropriate to have made-in-Canada standards or definitions at all, given broader trends of capital market globalization and cross-border harmonization.

A number of critics suggested that larger issuers, or cross-border issuers, should at least be given the option of applying US oil and gas disclosure standards in full satisfaction of the Instrument's requirements. Some of these commenters criticized and made suggestions for the conditions of the discretionary exemptions contemplated in the Companion Policy; some stated that the exemption should be automatic. A number of commenters seemed (expressly or by implication) open to a formal "two-tier" regime with fully made-in-Canada standards for all but senior cross-border issuers, and US standards for that group.

Some proponents of the US standards argued that the January Proposal did not correctly apply those standards. Particularly criticized was paragraph 2.2(1)(g) of NI 51-101, which attempted to achieve consistency between FASB and CIM definitions by

adding a "P90" target confidence level to the FASB standard of "reasonable certainty" for constant case proved reserves estimates.

CSA Response

In all of our policy development work, the CSA take into account US or other foreign standards, as a source of ideas, as a benchmark against which to measure our proposals, and in order to understand how the combination of foreign and Canadian policies could affect participants in both capital markets. We did the same in developing the January Proposal, and specifically considered SEC and FASB oil and gas disclosure standards. We understand that CIM and the Taskforce also considered US and other foreign standards.

We remain of the view that the substance of the January Proposal, using CIM reserves definitions and disclosure standards generally consistent with those recommended by the Taskforce, is appropriate for Canadian capital markets and the majority of Canadian public issuers. We agree that the incorporation of the FASB standards likely added complexity for domestic users disproportionate to the benefit it provided to cross-border issuers. We also agree that some of the proposed requirements could impose on some cross-border issuers a burden that outweighs the public benefit, and that it is appropriate to address those concerns through discretionary relief appropriate to the circumstances.

For these reasons:

- The revised Instrument no longer mandates FASB standards and instead applies CIM definitions for all reserves data. The removal of the FASB standards also eliminates the contentious paragraph 2.2(1)(g) of NI 51-101.

To address concerns about overlapping reporting requirements for cross-border issuers, the revised Companion Policy indicates that the CSA would consider granting discretionary relief to permit use of the FASB standard in their constant-case proved reserve and cash flow estimates (CIM definitions would apply to the other reserves data required under the Instrument). This would place cross-border issuers in the same position as they would have been under the January Proposal.

- We have expanded the discussion in the Companion Policy concerning broader possible discretionary relief that would permit a cross-border issuer to provide disclosure very similar to what their US peer issuers disseminate in the US, on conditions designed to ensure a reasonable degree of clarity, reliability and predictability.

As in the January Proposal, that discussion indicates that disclosure limited to what is required by the SEC could be accepted under NI 51-101. It also indicates that "extra" disclosure such as estimates of probable reserves (not mandated by the SEC but routinely disseminated by US issuers) need not jeopardize a discretionary exemption, provided that:

- clear explanations and cautions accompany the extra disclosure;
- information of the same type is included in annual filings under NI 51-101; and
- (in the absence of applicable SEC standards) the requirements of Part 5 of NI 51-101 concerning voluntary disclosure are complied with.

4. CIM Reserves Definitions

Public Comment

Some commenters were critical of the CIM reserves definitions.

A recurring theme was the problem of "aggregation". The CIM reserves definitions incorporate confidence levels (P90 for proved reserves, P50 for proved plus probable reserves) for an aggregate of properties rather than for individual properties. An evaluation of multiple properties may lead to an estimate of reserves that differs from the result obtained by evaluating each of the properties in isolation and then adding the reserves estimated for the individual properties. In other words, reserves estimates using the CIM definitions cannot be readily aggregated or disaggregated, and it is conceivable that the reserves attributed to a particular property could differ as among the co-owners of the property. Some critics suggested that this would force issuers to do different evaluations for reporting and commercial purposes.

CSA Response

We do not believe that the CSA should substitute our judgement for that of the CIM (and the expert deliberation that led to the new definitions) in such a complex area of scientific estimation that is not, by its nature, amenable to absolute precision. While

acknowledging the arguments about the difficulties of aggregation, the CSA consider the issuer-level focus of the CIM definitions compatible with our objective of enabling investors to make better informed investment decisions about an issuer as a whole.

5. Industry-Wide Reduction in Reported Reserves

Public Comment

Three commenters suggested that the move to the new CIM definitions would lead to significant reductions in reported proved reserves for much of the oil and gas sector. One commenter stressed the importance of public education on this point.

CSA Response

The CSA consider that a reduction from previously estimated proved reserves would more likely be attributable to differing interpretations of the former NP 2B definition than to a clear difference between the NP 2B definition and the CIM definition.

We do agree that capital markets should be aware of the fact that estimates of "proved plus probable" reserves using the CIM definitions apply a P50 confidence level which in effect takes the place of the "risking" customarily applied to probable reserves estimated under NP 2B. This means that proved-plus-probable reserves estimated using the CIM definitions will likely be less than proved-plus-"unrisked"-probable reserves estimated using the former NP 2B definitions but comparable to proved-plus-"risky"-probable reserves estimated using the NP 2B definitions.

6. The SPEE Standards

Public Comment

The SPEE Standards mandated by the Instrument had not been finalized or issued during the public comment period. This led to a number of expressions of concern and uncertainty.

CSA Response

The COGE Handbook (referred to in the January Proposal as the "SPEE Handbook" or "SPEE Standards") was released in June 2002. In recognition of industry participants' need to become familiar with the COGE Handbook, compliance with NI 51-101 becomes mandatory only in 2004.

7. Junior Issuers

Public Comment

A number of commenters made specific reference to junior or emerging issuers. The comments reflected widely differing perspectives:

- Some urged less onerous standards for junior issuers (for example, reporting every second year rather than annually).
- One writer commented that "some small Canadian companies do not have acceptable reserves reporting capabilities and practices", implying that more onerous standards might be appropriate for them.
- Others perceived bias against junior issuers (discretionary relief for senior or cross-border issuers) and called for uniform treatment.

CSA Response

The CSA recognize the importance of junior capital markets and the need to ensure that disclosure burdens are not disproportionate to the benefits.

The Instrument reflects the key recommendations of the Taskforce which itself considered the perspective of junior issuers. The Taskforce made no distinction between junior and senior issuers in its key recommendations for annual public disclosure of reserves data reflecting consistent industry-developed standards (the COGE Handbook), independent evaluations, and management and board responsibility.

Disclosure using consistent reserves evaluation standards, terminology and content on a predictable reporting cycle should make disclosure more understandable, provide a more level playing field among issuers and put investors in a better position to compare competing issuers of all sizes and to follow the progress of individual issuers, thereby assisting them in making investment decisions. We believe that this will enhance market confidence in the industry, which in turn should benefit all

issuers that seek public capital, a benefit that might be of particular value to junior issuers. We acknowledge that the Instrument may impose costs and other compliance burdens that may be proportionately greater for junior issuers, but we believe those burdens to be justified by the resulting benefit to the public, to market confidence, and thus to junior public issuers.

8. Independent Evaluations – Requirement and Exemption

Public Comment

The January Proposal suggested a possible discretionary exemption from the requirement for independent evaluations for "senior producing issuers". This attracted considerable comment.

Proponents were largely from among issuers that expect to qualify as a "senior producing issuer". Some argued for automatic exemption or questioned the conditions to the exemption.

Opponents criticized the exemption as implying an unwarranted distinction between large and small issuers and for potentially undermining the new standards.

CSA Response

The CSA consider independent professional involvement to be a valuable component of public company disclosure. We are not proposing to depart from this principle.

We remain satisfied, though, that in appropriate circumstances as discussed in the Companion Policy (to be ascertained in considering an application for discretionary relief) an exemption from the independent report requirement for a senior producing issuer would be reasonable.

9. Responsibilities and Liabilities

Public Comment

Many commenters expressed uncertainty or concern about the manner and extent to which the January Proposal assigned responsibility to reporting issuers and their management, directors and reserves evaluators, and about consequential liability and related defences. Other commenters, by contrast, expressed satisfaction with the assignment of responsibilities under NI 51-101, one commenter describing the proposed role of directors as "uncontroversial".

CSA Response

The January Proposal reflected the CSA's belief that directors and management have a crucial role in connection with public company disclosure and that this role should be clearly understood by them and by the investing public.

We do not believe that the Instrument, or the filing of annual reports under the Instrument, necessarily change the roles of or create new liability for management, directors or evaluators. We do believe that the Instrument will encourage them to give appropriate attention to public oil and gas disclosure. Because we do not believe that the Instrument creates new liability, we are not incorporating specific defences to liability.

10. Qualification of Evaluators

Public Comment

A number of commenters urged that foreign evaluators be accepted for the purposes of NI 51-101, or urged that the Instrument set out the criteria for acceptance or include a list of approved foreign professional organizations. By contrast, other commenters questioned whether evaluations conducted by foreign or even out-of-province evaluators should be accepted, or could be accepted under laws governing the relevant profession.

CSA Response

The CSA anticipate that there will be foreign professionals, and foreign professional organizations, that are acceptable for the purposes of the Instrument. The Companion Policy makes clearer our willingness to consider applications for this purpose, and offers more guidance as to the type of information that might be considered in connection with such an application.

In all cases, reserves evaluators and auditors remain responsible for complying with applicable local laws governing their professions.

11. Non-Conventional Oil and Gas Activities

Public Comments

A number of commenters suggested that NI 51-101 was not sufficiently clear in its application to non-conventional oil and gas activities (such as oil sands and coal bed methane projects). One commenter suggested that SEC Industry Guide 7 (the source of certain standards set out in the January Proposal) uses out-of-date reserves definitions. We also understand there to be uncertainty as to the relevance of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* to oil sands projects.

CSA Response

The Instrument applies to non-conventional oil and gas activities. We have made clarifying changes and additions to certain definitions (including relevant product types such as bitumen, heavy oil and synthetic oil). The Companion Policy now also makes reference to NI 43-101, suggesting that issuers whose non-conventional activities involve mining consult NI 43-101 and the CICA Handbook concerning disclosure that might usefully be provided to supplement the disclosure mandated by NI 51-101.

Technical and reporting aspects of non-conventional oil and gas activities are likely to evolve. The CSA, and CIM and SPEE, can be expected to respond to developments in that sector.

SEC Industry Guide 7 represents part of the US disclosure standards that may be relevant to discretionary relief for certain cross-border issuers, and is now referred to only in that context.

12. Specific Disclosure Requirements

Public Comment

We received a number of comments critical of specific disclosure requirements in NI 51-101 or Form 51-101F1, including the prescribed ratio for BOEs (6 Mcf: 1 bbl) and the prescribed formulae for "finding and development" costs. Some commenters argued for more flexibility while others argued that disclosure of BOEs and finding and developments cost disclosure should be discouraged.

CSA Response

The CSA share some of the commenters' concerns about the usefulness of BOEs and finding and development cost disclosure. However, our primary objective is to ensure that the information provided to investors is clearly explained, and sufficiently consistent, to enable them to make their own assessment of its utility.

The revised Instrument therefore retains the standardized formulae, but offers flexibility for supplementary disclosure of alternative measures with appropriate explanation and cautions.

13. Comments on Other Provisions of the January Proposal

Additional comments on specific provisions of the January Proposal, and the CSA's responses, follow:

- Technical comments - We received a number of constructive suggestions concerning terminology used in the January Proposal.

CSA Response: We have made changes to definitions and provided guidance to address technical comments and resolve uncertainties identified by commenters. In addition, as a consequence of removing the FASB standards from the instrument we have defined terms that were previously defined only in the incorporated FASB standards.

- Materiality Standards - Some commenters questioned the materiality standard applied under the Instrument.

CSA Response: The materiality standard in Part 1 of NI 51-101 is used to help issuers determine what information prescribed in a form can be omitted. It does not add a disclosure burden.

Only information that is material in respect of a reporting issuer need be disclosed. Information is material if it would be likely to influence a decision by a reasonable investor to buy, hold or sell a security of the reporting issuer. This materiality standard was chosen in the belief that, for non-experts, it would be more understandable than some alternatives, and because it parallels (and was derived from) the CICA Handbook test that is already applied to some of the same information for financial disclosure purposes. It is also similar to the materiality standard used in connection with prospectus requirements.

- Multiple Evaluators - One commenter suggested that the January Proposal was unclear as to whether, and how, a reporting issuer could rely on multiple reserves evaluators or auditors.

CSA Response: A reporting issuer can satisfy its obligations by dividing its reserves evaluations and audits among multiple qualified reserves evaluators or auditors. We have made clarifying changes to the Instrument, including to Form 51-101F2.

- Change of Evaluator - One commenter recommended mandatory disclosure similar to that required by National Policy Statement No. 31 *Change of Auditor of a Reporting Issuer* for a change of a reserves evaluator or auditor.

CSA Response: We have not adopted this suggestion. We place considerable importance on the role of directors in satisfying themselves as to the reasons for any change of a qualified reserves evaluator or auditor (Part 3 of NI 51-101).

- Reservations in Reports - A number of commenters disagreed with the Instrument's emphasis on "unreserved" reports. Some suggested that compliance would be difficult or impractical, or at least impose a cost burden disproportionate to any benefit (particularly for junior issuers). In some cases the concerns related to the role of the evaluator and the extent to which an evaluator can rely on information from another source.

CSA Response: The CSA remain of the view that the value to public markets of "unreserved" opinions outweigh the potential costs. We share the concern (reflected in the Taskforce's similar recommendation) that an expert opinion that includes a reservation can be misunderstood or convey a higher degree of assurance than is warranted.

The revised Instrument and the COGE Handbook make clearer the respective roles and responsibility of the reserves evaluators and auditors and others. The degree to which a reserves evaluator or auditor relies on third party information will remain a matter of professional judgment.

- Independent Director - A commenter suggested that a 10 percent shareholding should not render a director "non-independent" for purposes of membership on a reserves committee.

CSA Response: The 10 percent threshold has been retained. It is widely used in securities legislation as an indicator of connection to, or practical influence over, a widely-held corporation.

- Income Taxes and A&R Costs - Concern was expressed about the estimation of future net revenue, particularly with respect to income taxes and abandonment and reclamation ("A&R") costs.

CSA Response: We have clarified the requirements. These costs are included in reserves data and also disclosed, as aggregates, separately. The separate disclosure of aggregate A&R costs must indicate the portion of the aggregate that is also reflected in the reserves data. Differences can arise depending on the extent to which an issuer includes in its reserves data A&R costs attributable not only to producing wells but also to non-producing wells and facilities.

- Funding of Development - One commenter criticized the requirement to disclose the estimated costs of obtaining funds required to develop reserves as potentially difficult to satisfy or prejudicial to commercial negotiations.

CSA Response: We have maintained the requirement for this disclosure by the issuer. (Item 5.3 of Form 51-101F1). Because the availability of funding is assumed by the evaluators in their estimation of reserves data, we consider information from the issuer about the cost and availability (or unavailability) of funding to be essential to ensure that the disclosure as a whole is complete and not misleading.

- Valuator/Evaluator - One commenter questioned the reference to "professional valuator" and queried whether a distinction from "qualified evaluator" was intended.

CSA Response: The term "professional valuator" (used in connection with provisions concerning disclosure of fair value) was chosen deliberately. A professional valuator may or may not also be a qualified reserves evaluator or auditor.

- Supporting Information - Part 7 of NI 51-101 should be more specific as to the scope of supporting information that might be requested by the regulator.

CSA Response: The principal purpose of Part 7 is to ensure that regulators are able to conduct an informed review of disclosure. The need for or scope of any request for supporting information will necessarily vary with the circumstances.

**APPENDIX B
to
CSA NOTICE**

**Proposed National Instrument 51-101
Standards of Disclosure for Oil and Gas Activities**

Summary of Changes from January Proposal

The following discussion summarizes differences between the revised Instrument and the January Proposal. The summary first addresses changes of general application -- primarily, changes in terminology -- and then discusses changes in the individual documents that together comprise the Instrument. It concludes with a discussion of consequential amendments to other instruments.

1. Changes of General Application

(a) Removal of FASB Standard

The "reserves data" to be estimated and disclosed by a reporting issuer each year under the Instrument include estimates of proved reserves and related future net revenue, estimated using constant (unescalated year-end) prices and costs. Similar estimates are also called for by SEC disclosure requirements, which apply certain FASB requirements (the "FASB Standard"). The January Proposal prescribed the FASB Standard for these estimates.

In response to public criticism of the mandatory use of the FASB Standard (largely from domestic issuers unfamiliar with the FASB Standard), the FASB Standard has been removed from the Instrument (except for limited purposes in the Companion Policy).

(b) "Proved plus Probable" Reserves

Many of the references in the January Proposal to "probable reserves" have been changed to "proved plus probable reserves", a term which ties more directly to the "P50" target level of certainty ascribed to the category in the reserves definitions that are included in the COGE Handbook. In many of these provisions, reference is also made to the "probable reserves" category. In all cases, supplementary disclosure of probable reserves would also be permitted.

(c) Units of Measurement

Although imperial units of measurement are widely used in the oil and gas industry and therefore also in the Instrument, the Instrument now makes clear that use of imperial units is not mandatory. New section 5.5 of the Companion Policy does, however, urge reporting issuers to be consistent in their use of whatever units of measurement they choose.

(d) Terminology

The Instrument incorporates a number of changes in terminology that are intended to ensure consistency with terminology used in the COGE Handbook, to respond to specific public comments, or simply to enhance clarity. Among the more important changes in terminology are the following:

- The January Proposal made frequent reference to the reserves evaluation standards then in development by "SPEE", the Society of Petroleum Evaluation Engineers (Calgary Chapter), and the "SPEE Handbook" in which the reserves evaluation standards were expected to be set out.

Those standards, and the new reserves definitions developed by The Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society), can now be found in the Canadian Oil and Gas Evaluation Handbook, which was released in June 2002. The Instrument now substitutes reference to this "COGE Handbook" for the January Proposal's references to the SPEE Handbook.

Unlike the January Proposal's definition of "SPEE Handbook", the new definition of "COGE Handbook" includes amendments and supplements to the current Volume 1 (First Edition). SPEE have already begun work on a second volume of guidance on applying the new reserves definitions. SPEE can also be expected, from time to time, to issue additions to or corrections of the current Volume 1. Including all such material in the term "COGE Handbook" should remove a potential source of uncertainty within the reserves evaluation profession or among reporting issuers.

This change should facilitate consistency between the COGE standards and the Instrument without depriving the CSA of the ability to respond differently if and when the public interest demands. The CSA will actively monitor any changes

to the COGE Handbook. In the unlikely event that the CSA do not agree with a change made or proposed by SPEE, the CSA would likely urge SPEE to reconsider the change or proposal or publish a CSA notice to the effect that the change would not apply for purposes of the Instrument.

- As noted above under “Removal of FASB Standard”, the Instrument no longer prescribes adherence to the FASB standard. In consequence, most FASB-derived terminology has been removed from the Instrument, including the terms “proved oil and gas reserves quantities” and “standardized measure” (the equivalents of the “Canadian” terms “proved reserves” and “future net revenue” estimated using constant prices and costs).

Some FASB terminology remains in the Glossary appended to the Companion Policy, for use in connection with Part 8 of the Companion Policy.

- The new term “foreign geographic area”, which refers to geographic areas outside North America (such as the “North Sea”), is used in the Instrument in connection with disclosure requirements as an acceptable alternative (if and when appropriate) to disclosure that would otherwise be required “by country”.
- The terms “effective date” and “preparation date” have been modified slightly to make clearer the different meanings of the terms in respect of disclosure required under the Instrument.
- The term “oil and gas activities” has been expanded, beyond the conventional activities included in the definition in the January Proposal, to include non-conventional activities such as oil sands and coal bed methane projects. With this change, a number of cumbersome references to non-conventional activities have been removed from the Instrument.
- The definition of “product type” now distinguishes between products derived from conventional oil and gas activities and products relevant to non-conventional oil and gas activities.
- The COGE Handbook makes a distinction between the attributes of a reserves evaluator and the somewhat more extensive attributes appropriate to the audit function. To reflect that distinction, the Instrument replaces the single term “qualified evaluator” (used in the January Proposal) with the following:
 - the new terms “qualified reserves evaluator” and “qualified reserves auditor” apply to the distinct professions;
 - the term “qualified reserves evaluator or auditor” is used where the reference does not distinguish between the professions; and
 - the term “professional organization”, relevant to all three definitions, is now defined separately.
- The Glossary in Appendix 1 to the Companion Policy has been expanded to explain a number of terms that had been defined in the January Proposal only indirectly via reference to the FASB Standard, if at all. These include:
 - development costs
 - development well
 - exploration costs
 - exploratory well
 - field
 - operating or production costs
 - production
 - property
 - property acquisition costs
 - proved property
 - reservoir

- service well
- support equipment and facilities
- unproved property
- Revised definitions of “bitumen”, heavy oil” and “synthetic oil” should reduce uncertainty and overlap, and enhance consistency with the COGE Handbook. The new definition of “heavy oil” applies the definition (if any) already used by reporting issuers for royalty purposes where their reserves are located.
- The terms “constant prices and costs”, “forecast prices and costs” and “future income tax expense” now appear in the Glossary, unchanged in substance from the meanings given to them in the January Proposal's versions of NI 51-101 and Form 51-101.
- The terms “gross” and “net” have been redefined to clarify their meanings, which differ depending on the context.
 - In respect of gross and net “reserves”, the terms are consistent with the COGE Handbook. Among other things, this now makes clear that “gross reserves” exclude royalty interests and obligations (i.e., they generally refer to working interests only) whereas “net reserves” are calculated by including the reporting issuer's royalty interests and deducting its royalty obligations.

2. Changes to Particular Documents

(a) NI 51-101

Parts Reordered

NI 51-101 has been reorganized to reflect the order of presentation more typical of CSA rules, to minimize cross-referencing, and to present matters likely of greatest interest to readers earlier in the document. More specifically:

- Definitions have been moved from an Appendix to the beginning of NI 51-101.
- The annual filing requirements have been moved from Part 5 to Part 2.
- Requirements and restrictions concerning “measurement” have been moved from Part 2 to Part 4, and former Part 4 (requirements and restrictions concerning certain types of voluntary disclosure) has been renumbered as Part 5.

Changes by Part

The annual filing requirements, now in Part 2, are unchanged in substance. Form 51-101F3 is now more clearly identified as a report of both management and directors.

Part 3, concerning corporate and director responsibilities, is unchanged in substance.

Part 4, dealing with technical aspects of measurement and estimation, has been simplified by the removal of references to the FASB Standard and FASB terminology.

Part 5, which deals with requirements applicable to all public disclosure by a reporting issuer, incorporates non substantive changes in wording, most of which are intended to clarify the provisions. Certain provisions are reorganized, expanded or new:

- New section 5.3 provides that public disclosure of reserves or resources, whether or not included or required under Form 51-101F1, must apply the definitions in the COGE Handbook. A similar requirement had been implicit in subsection 5.2(a) (formerly subsection 4.2(b)) but it did not clearly apply to non-mandatory disclosure such as “possible reserves” or “resources”. The new section mandates the COGE Handbook definitions for such disclosure.
- The text of section 5.9 (formerly section 4.8) has been reordered to correspond to section 10.4 of the COGE Handbook.
- Sections 5.14 and 5.15 (formerly sections 4.13 and 4.14) have been expanded to permit reporting issuers to provide supplementary disclosure, using alternative methods of calculation of their choosing (with cautionary statements), in addition to disclosure applying:
 - the prescribed equivalency ratios (for example, BOEs in the ratio of 6 Mcf:1bbl) under section 5.14; or

- the two prescribed formulae for calculating “finding and development” costs under section 5.15.
- Part 6, which requires expanded discussion in certain material change disclosure, has been simplified by eliminating former subsection 6.1(2), and replacing that provision with a clearer statement of the CSA’s interpretation in new subsection 6.2 of the Companion Policy.
- Part 9 of the Instrument now specifies a coming-into-force date of September 30, 2003. It also provides for transitional application of the Instrument to reporting issuers tied to their financial year-ends. The first annual filings under Part 2, and compliance with other provisions of the Instrument, would be required by the deadline for the filing of annual financial statements for the financial year ended on (or including) December 31, 2003. Earlier voluntary compliance would be permitted.

Consequential amendments to other instruments (notably, prospectus requirements), discussed in more detail below in this Summary, may require somewhat earlier compliance with the Instrument.

(b) Form 51-101F1 (Statement of Reserves Data and Other Oil and Gas Information)

This form has undergone extensive revision, but the information required is not materially different. Most of the revisions are intended either:

- to set out a requirement that, in the January Proposal, had applied indirectly via the incorporation of the FASB Standard; or
- to present the requirements in a more logical and user-friendly sequence, minimizing duplication and cross-references.

New General Instruction 6 provides that disclosure required “by country” may instead be provided by “foreign geographic area” (for regions outside North America) as appropriate in the circumstances.

The Instructions to Part 1 discuss “effective date” and “preparation date”. The modified, discussion is meant to make clearer the substance of the terms as used in the Instrument, and in public disclosure made pursuant to the Instrument, without prescribing particulars of professional practice and judgement.

Part 2 of the January Proposal, a summary of aggregate reserves and related estimates, has been removed. Some of the information called for in former Part 2 was duplicated elsewhere in the form, and the requirement for a separate summary was inconsistent with the general flexibility in presentation intended by the CSA.

Form 51-101F1 prescribes the minimum information that must be presented without constraining reporting issuers in developing a presentation format of most use to their investors, subject to general securities law prohibitions of misleading disclosure. Issuers remain free, pursuant to the General Instructions, to provide summary information and to repeat information in different parts of their disclosure, but a summary is no longer required; nor is minimum or maximum content prescribed for any summary that is provided.

New Part 2 brings together elements of former Parts 2, 3 and 4, and sets out material derived from the FASB Standard that was incorporated indirectly in former Part 4. Part 2 now prescribes more clearly and logically the minimum reserves data required in a reporting issuer's annual filing.

- The required reserves data continues to include both “constant-case” estimates (proved reserves and related future net revenue) and “forecast-case” estimates (proved, and proved plus probable, reserves and related future net revenue), including breakdowns by country (or foreign geographic area), gross and net, by product type and by specified reserves subcategories.
- Constant-case estimates of future net revenue are required to be calculated without discount and using a discount rate of 10 percent. Forecast-case estimates are to be calculated without discount and using discount rates of 5 (new), 10, 15 and 20 percent. (NP 2B currently requires estimates calculated without discount and using discount rates of 10, 15 and 20 percent.)
- Section 3 of Item 2.1 and section 3 of Item 2.2 require disclosure of components of future net revenue (e.g., future revenue, royalties, operating costs, development costs, abandonment and reclamation costs, future income tax expenses) by year for ten years and grouped thereafter. These sections also require disclosure of the net present value of the aggregate of each of development costs, abandonment and reclamation costs, future net revenue before income taxes and future net revenue after income taxes.

- Items 2.3 and 2.4 (formerly Part 3), pursuant to which certain aspects of reserves estimation and future net revenue disclosure vary according to accounting methods followed by the reporting issuer, are unchanged.

Part 3, which calls for disclosure of both constant and forecast prices used in estimating the reserves data, has been revised (the corresponding former provisions were items 4.4 and 4.5) to make clear that the disclosure of benchmark reference prices (and, in the case of forecast-case estimates, the inflation rates assumed for each of the first ten years of the estimate) will generally satisfy this requirement. (A new Instruction reminds users of the principle, reflected in the definitions of “constant prices and costs” and “forecast prices and costs”, that contractually committed prices, if any, override benchmark prices for purposes of the Instrument.)

Part 4 deals with “reconciliation” of year-over-year changes in estimated reserves and future net revenue. Reconciliations had been required under the January Proposal, but they had been incorporated indirectly from the FASB Standard. It was not entirely clear how the reconciliations corresponded to the reserves data (constant-case and forecast-case, proved and probable reserves) required under Form 51-101F1 or to the recommendations of the Oil and Gas Taskforce in respect of reconciliations.

- New section 4.1 provides that reserves reconciliations are required for both proved reserves and proved plus probable reserves, but that either constant-case or forecast-case estimates may be used, with the case identified. An Instruction addresses the difficulty of allocating amounts among multiple product types derived from a single well, reservoir, or other reserves entity by permitting the disclosure to be made in respect of the principal product type attributable to the well, reservoir or other reserves entity.
- Because of the complexity of computing and presenting changes in forecast-case estimates of future net revenue, and because constant-case estimates of probable reserves are not mandated, new section 4.2 limits the mandatory reconciliation of future net revenue estimates to the constant case for proved reserves.

New Part 5 sets out requirements drawn from former Part 4, including requirements incorporated indirectly from the FASB Standard. Section 5.1 expands on former subsection 4.2(3) by requiring disclosure concerning undeveloped reserves in both the “proved undeveloped” and “probable undeveloped” categories.

Section 5.3 requires a discussion by the reporting issuer of its expectations concerning the costs of funding future development. The availability of financing costs is to be assumed in the estimation of reserves and future net revenue. The disclosure in section 5.3 is meant to assist readers in assessing the reporting issuer’s capability, and expectations, concerning the funding of future development. The disclosure has been broadened from former subsection 4.6(2) to apply not only to cases in which external financing would be needed, but also if the reporting issuer expects to fund such costs from internally-generated cash flow. Because the cost of capital is not necessarily reflected in the estimation of reserves, the reference in the January Proposal to possible reclassification of reserves in light of financing costs has been removed.

Part 6 (formerly Part 5) prescribes disclosure concerning oil and gas activities that is not directly related to or reflected in the reserves data. Changes are limited:

- Paragraph 6.4(d) (formerly 5.4(d)) has been revised for clarity and a new Instruction explains its purpose, which the CSA believe will facilitate compliance.
- New Item 6.6 sets out a requirement that had formerly been incorporated indirectly via the FASB Standard. This Item requires disclosure of certain costs incurred during the most recent financial year, and corresponds to a specific recommendation of the Oil and Gas Taskforce.
- The new Instruction to Item 6.9 addresses the complexity of allocating amounts among multiple product types derived from a single well, reservoir, or other reserves entity by permitting the disclosure to be made in respect of the principal product type attributable to the well, reservoir or other reserves entity.

(c) Form 51-101F2 (Report of Independent Reserves Evaluator or Auditor)

No substantive changes have been made to this Form.

Some wording has been revised for clarity. In particular, in the case of multiple reserves evaluators and auditors, revised wording makes clear that they may provide a consolidated report in which each expresses an opinion only in respect of his or her individual evaluation or audit identified in paragraph 4. Changes in terminology are consistent with those made throughout the Instrument.

(d) Form 51-101F3 (Report of Management and Directors)

This form is little changed except for changes in terminology consistent with those made throughout the Instrument. We have added “directors” to the title to better identify the persons providing the report.

In response to public comment to the effect that reporting issuers do not in all cases have a “senior officer” with specific responsibility for reserves, Form 51-101F3 is now to be executed by the chief executive officer and one other senior officer whose responsibilities are no longer specified, as well as by two directors (who need not be members of the reserves committee, if any).

(e) Companion Policy

The Companion Policy has been reorganized so that each of Parts 1 to 6 corresponds to the same Parts of NI 51-101.

Section 1.3 has been modified to explain the coming-into-force and transitional application of the Instrument.

Section 1.4 has been simplified to identify the COGE Handbook which, as now defined, automatically includes amendments and supplements.

Former section 1.5 dealing with the FASB Standard has been deleted because that standard no longer applies to the Instrument (except as discussed in Part 8).

Section 1.5 has been expanded, primarily to respond to public comment concerning the use of foreign reserves evaluators.

- The list of current professional organizations has been revised to include a newly formed organization in Ontario.
- The section also confirms that, although the definition of “qualified reserves evaluator or auditor” requires membership in a “professional organization” and no acceptable foreign organization is identified, the CSA do expect that there will be foreign professionals, and foreign professional organizations, that are acceptable for the purposes of the Instrument. Section 1.5 makes clearer the CSA's willingness to consider applications for acceptance or exemption for this purpose, and offers more guidance on the type of information that might be considered in connection with such an application.

Section 1.6 is new. Designed in part to respond to public comments and questions, it makes clear that oil and gas reserves reporting and evaluation standards under the Instrument apply to both conventional and non-conventional activities (the latter including oil sands and coal-bed methane projects).

- With a view to oil sands mining projects, which by their nature have similarities to hard-rock mining activities, the section encourages reporting issuers, in preparing public disclosure, to consider mining standards under the CICA Handbook and NI 43-101 as well as the oil and gas standards set out in the Instrument.

Section 2.3 (formerly section 5.3), concerning the flexibility given to reporting issuers in presenting their annual disclosure, has been modified slightly, notably to remove reference to the mandatory summary of reserves data that has been removed from Form 51-101F1.

Section 2.4 (formerly section 5.4), dealing with the use of annual information forms to satisfy filing requirements under NI 51-101, has been revised for clarity only.

Section 2.5 (formerly section 5.5), dealing with “reservations” in evaluation and audit reports, has been expanded to address some of the difficulties inherent in reserves evaluators’ and auditors’ use of information obtained from financial auditors or reflecting the financial auditor’s report. The section urges parties to follow specified procedures and guidance in the COGE Handbook and, in that fashion, to avoid a potential cause of reservation.

Section 2.6 (formerly section 5.6), setting out the CSA view on “negative assurance”, has been expanded to better illustrate what is meant by the term, and to note that the CSA view could change as the COGE Handbook is expanded to deal with reserves “reviews”.

New sections 2.7 and 2.8 deal with particular compliance problems -- restrictions on access to information or freedom to disclose -- in a manner consistent with US practice under the FASB Standard.

New section 2.9 makes clear that Form 51-101F1 sets out only minimum disclosure requirements, and that reporting issuers are free to provide (and, in some cases in order to prevent a misrepresentation by omission, they must provide) additional information.

New section 2.10 refers to Appendix 2, also new, which contains sample tables illustrating how some of the reserves data could be presented.

Section 3.2 has been modified in response to concerns expressed by public commenters (notably, senior reporting issuers) concerning liability. The section omits the comment that was included in the January Proposal to the effect that the engagement of an independent qualified reserves evaluator would not by itself constitute or demonstrate “reasonable investigation”. Such a conclusion, which could be relevant to a defence against liability, would be a matter to be determined by a court in light of the facts of a particular case before it.

Part 4 (formerly Part 2) omits former sections 2.1 and 2.4, which dealt with use of the FASB Standard.

New section 4.3 comments (with reference to the COGE Handbook) on how an estimate of reserves, consistent with the levels of certainty incorporated in the reserves definitions, can be arrived at using “deterministic” methods.

Section 4.4 (formerly section 2.5) deals with the requirement, under subsection 4.2(2) (formerly subsection 2.2(2)) of NI 51-101, that events or transactions be reflected for the same period in both reserves data and financial statement disclosure. The expanded commentary in section 4.4 of the Companion Policy substitutes, for the fact-specific examples previously provided, a broader emphasis on communication and cooperation among reserves evaluators and auditors, financial auditors and company directors.

Section 5.3, which deals with similar subject matter to section 2.6 (negative assurance), has undergone some of the same revisions.

New section 5.5 makes clear that the Instrument does not mandate the use of imperial, or any other, units of measurement, but urges consistent application of whatever choice a reporting issuer makes.

New sections 5.6 and 5.7 provide additional guidance concerning the requirements of sections 5.14 and 5.15 of NI 51-101. Those provisions set out requirements that apply if a reporting issuer makes public disclosure using units of equivalency (e.g., BOEs) or public disclosure of “finding and development” costs.

Part 6, dealing with material change disclosure and the requirements of Part 6 of NI 51-101, has been modified to clarify the CSA view previously reflected in subsection 6.1(2) of NI 51-101. That view (which is unchanged but which is now more properly and more clearly set out in the Companion Policy) is that the requirement, under section 6.1 of NI 51-101, for expanded disclosure in a material change report concerning the effect of the material change on reported reserves data, would not apply to reserves data based on constant case estimates, insofar as the material change relates only to a change in future prices and costs.

Section 7.1, which discusses the “independence” of a qualified reserves evaluator or auditor, has been abbreviated because the subject is dealt with at some length in the COGE Handbook.

Part 8 has undergone the most extensive and substantive revisions, largely in response to public comment, particularly on the part of cross-border issuers.

Part 8 deals exclusively with discretionary exemptions, and sets out CSA expectations as to what staff would likely recommend in response to an application. It does not commit the CSA to respond in a particular way to any particular application; nor does it constrain reporting issuers or others as to their ability to apply for these or other types of relief. Instead, Part 8 sets out how CSA staff would likely respond, in the absence of unusual circumstances, to specified types of application, and what they would likely recommend to the regulatory decision-maker. As such, the changes to Part 8 do not alter the Instrument as a whole, and do not at all affect the mandatory elements of the Instrument.

The nature of the discretionary relief contemplated in Part 8, and most of the conditions that would likely attach to such relief, remain consistent with the January Proposal.

- Section 8.2 discusses possible discretionary relief for “senior producing issuers” from the requirement to engage “independent” qualified reserves evaluators and auditors. The CSA’s views on such relief, and the substance of section 8.2, are unchanged from the January Proposal. Non-substantive changes have been made:
 - The suggested alternative forms of report have been revised to parallel changes to Forms 51-101F2 and 51-101F3.
 - The reference to an annual “in-compliance” certificate has been removed, on the principle that compliance, whether certified or not, would be required.

The January Proposal's suggestion that any independent reserves report obtained by an exempted issuer might have to be disclosed has been replaced by a suggestion that, if any independent report indicates that disclosed reserves data are misleading, a correction must be published. The CSA's objective is not to deter the involvement of independent reserves evaluators and auditors, merely to ensure that public disclosure is not misleading.

- Section 8.3 is new. The relief described in this section would leave cross-border issuers in the same position as they were under the January Proposal.

The January Proposal required that all reporting issuers disclose constant case estimates of proved reserves and related future net revenue using the FASB Standard. That approach was largely intended to relieve cross-border issuers of the burden of preparing two sets of very similar information using different standards.

The removal of the FASB Standard from NI 51-101 and Form 51-101F1 raises, again, that potential burden, and the potential for confusion among recipients of such overlapping disclosure. To address these problems, new section 8.3 indicates that relief would likely be available for a cross-border reporting issuer that wishes to substitute constant-case estimates using the FASB Standard for the constant-case estimates mandated under Form 51-101F1. This exemption by itself would not affect the reporting issuer's other obligations under the Instrument.

- Section 8.4 (formerly section 8.3) discusses a broader type of discretionary relief that might be granted to cross-border issuers that wish to match disclosure standards applied in the United States. The potential relief discussed in section 8.4 would likely be of interest to only a limited group of reporting issuers. Most of the public comment on the subject originated with large, interlisted cross-border issuers.

Section 8.4 suggests that the CSA would consider permitting a cross-border issuer, of any size, to satisfy its NI 51-101 obligations by filing only the information required by the SEC. This would eliminate a potential disclosure burden, and disclosure confusion, for issuers that focus on and compete largely with other issuers in US capital markets. This aspect of section 8.4 is not substantively different from the January Proposal.

Changes to section 8.4 largely involve greater flexibility concerning disclosure that is not filed with the SEC but that is routinely provided by US issuers in unfiled disclosure. Section 8.4 indicates that the CSA would likely be willing to allow exempted issuers to provide similar "extra disclosure" (for example, estimates of probable reserves) without jeopardizing their exemption, provided that clear explanations and cautions accompany the extra disclosure; information of the same type as the extra disclosure is included in annual filings under NI 51-101; and Parts 4 and 5 of NI 51-101 apply to the extra disclosure in the absence of applicable SEC standards.

Such conditions are set out in the more detailed discussion of possible undertakings that would likely be expected of an applicant reporting issuer. Omitted from the discussion is the former reference to an annual "in-compliance" certificate, again on the principle that compliance is required whether or not a certificate is also provided.

New section 8.5 makes a rather obvious, but in our view, important point: discretionary relief permitting the application of foreign disclosure standards is not tantamount to an exemption from regulatory oversight. Reporting issuers must comply with whatever disclosure standards they are subject to, and reporting issuers that are permitted to apply US standards will still be subject to CSA review and enforcement to the same extent as their competitors that are required to adhere strictly to NI 51-101.

Appendix 1 to the Companion Policy retains an extensive glossary of terms, including many terms that had applied for purposes of the Instrument via the incorporation of the FASB Standard but which had not been explicitly set out in the Glossary. As a convenience to readers, Part 2 of the Appendix reproduces the oil and gas reserves evaluation definitions (the reserves categories) as they appear in the COGE Handbook.

Appendix 1 no longer includes the January Proposal's "Schedules" that reproduced the FASB Standard and other US standards.

Appendix 2 is new. It contains sample tables illustrating how some of the reserves data required by NI 51-101 and Form 51-101F1 might be presented. As emphasized in the Appendix, and in section 2.10 of the Companion Policy, adherence to the format of these sample tables is not mandatory. The sample tables may, however, be helpful to those who are unfamiliar with reserves reporting for public companies and may help alleviate concerns about the extent of changes in presentation required by the new Instrument.

3. Consequential Amendments to Other Instruments

In conjunction with the implementation of NI 51-101, consequential changes will be made to other instruments. In most cases, the purpose of these changes is to substitute disclosure consistent with NI 51-101 for the disclosure and technical reports previously required under NP 2B. Once an issuer has become subject to NI 51-101, it is no longer subject to NP 2B.

(a) Conversion Triggered by Financial Statement Filing

Consistent with the transitional application of NI 51-101, the conversion from NP 2B reporting to NI 51-101 disclosure will generally apply to a reporting issuer when it files, or is required to file, its audited financial statements for its first financial year that ends on or after December 31, 2003.

Applying the 140-day filing deadline for audited annual financial statements, which currently applies to most reporting issuers, this means that the conversion from NP 2B to NI 51-101 would generally apply in or before May 2004 for a reporting issuer with a calendar financial year. For reporting issuers with financial years that do not coincide with the calendar year, the conversion could occur later in 2004 or early in 2005. NP 2B will be fully repealed on June 30, 2005.

(b) Voluntary Early Conversion

Voluntary earlier conversion to NI 51-101 is also permitted. Once a reporting issuer has filed a statement and reports under Part 2 of NI 51-101, it is fully subject to NI 51-101 and no longer subject to NP 2B.

(c) Conversion Triggered by Prospectus

Prospectus rules and forms are being amended to require disclosure in a prospectus of the same information as is required in the annual NI 51-101 filings. In some cases, the filing of a prospectus will trigger earlier conversion to NI 51-101 disclosure than would be the case for an issuer that does not file a prospectus.

- A prospectus must generally include audited financial statements for a financial year completed more than 90 days (not 140 days) before the prospectus date. In other words, filing a prospectus can accelerate the financial statement deadline. The consequential amendments will provide that, if a prospectus includes audited financial statements for a year ended on or after December 31, 2003, then it will also have to include NI 51-101 information for the same year. Thus, the accelerated financial statement deadline for a prospectus can also trigger accelerated NI 51-101 disclosure.

Using the example of a reporting issuer with a calendar financial year and a 140-day annual financial statement filing deadline, it would ordinarily have to make its first annual NI 51-101 filing for the year ended December 31, 2003, by May 19, 2004. However, a prospectus filed by the reporting issuer more than 90 days after the year-end -- after March 30, 2004 -- would require both annual financial statements and NI 51-101 disclosure for 2003, even if the prospectus is filed before May 19, 2004.

- A prospectus filed by a new issuer after December 31, 2003 -- as an initial public offering, or during the issuer's first financial year -- could also require NI 51-101 disclosure even before the annual financial statement filing deadline. In these cases, the trigger for NI 51-101 disclosure would generally be the inclusion in the prospectus of financial statements -- annual or interim -- for a period ending on or after December 31, 2003.

(d) Prospectus and Other Instruments Amended

The transition provisions described above are included in consequential amendments to national and local prospectus rules and forms.

Consequential amendments to other disclosure and distribution rules and forms (such as those pertaining to annual information forms, rights offerings and the resale of securities distributed under a prospectus exemption) will phase out existing references to NP 2B as and when reporting issuers become subject to NI 51-101 disclosure requirements.

(e) NI 13-101 SEDAR

A consequential amendment to National Instrument 13-101 *SEDAR* makes clear that, unlike NP 2B engineering reports, NI 51-101 disclosure is to be filed electronically, not in paper form. Full engineering reports will no longer be provided to securities regulatory authorities unless they request.

**APPENDIX C
to
CSA NOTICE**

**Proposed National Instrument 51-101
*Standards of Disclosure for Oil and Gas Activities***

**Proposed Consequential Amendments
to National and Multilateral Instruments**

In conjunction with NI 51-101, the CSA or individual member jurisdictions of the CSA intend to make amendments to a number of existing national, multilateral and local instruments and forms.

The purpose of these consequential amendments is, generally, to phase out the application of NP 2B and to substitute the application of the Instrument.

In each case, this transition from an NP 2B disclosure regime to an NI 51-101 disclosure regime will apply to an issuer, at the latest, when it files (or is required to file) audited financial statements for a year that ends on or includes December 31, 2003.

The transition to NI 51-101 will apply earlier to a reporting issuer that makes a voluntary filing under Part 2 of NI 51-101 earlier than required. It may also apply somewhat earlier to an issuer that files a prospectus after December 31, 2003, to ensure that NI 51-101 disclosure is provided together with audited financial statements for the financial year (prospectuses currently require financial statements 90 days after the year-end, whereas the current annual filing period is generally 140 days). In the case of an initial public offering of securities by prospectus, disclosure consistent with NI 51-101 would generally be required if the preliminary or final prospectus is filed after March 30, 2004.

The texts of the proposed consequential amendments to the following national and multilateral policy statements, instruments, forms and companion policies follow:

- NP 2B (repeal on June 30, 2005)
- National Instrument 13-101 *SEDAR*
- National Instrument 44-101 *Short Form Prospectus Distributions*
 - Form 44-101F1 *AIF*
 - Form 44-101F3 *Short Form Prospectus*
- National Instrument 45-101 *Rights Offerings*
- Multilateral Instrument 45-102 *Resale of Securities*

**PROPOSED RESCISSION
OF
NATIONAL POLICY STATEMENT NO. 2-B
GUIDE FOR ENGINEERS AND GEOLOGISTS SUBMITTING OIL AND GAS REPORTS TO CANADIAN PROVINCIAL
SECURITIES ADMINISTRATORS**

PART 1 DEFINITION

- 1.1 **Definition** - In this document, "NP 2-B" means National Policy Statement No. 2-B Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators.

PART 2 NP 2-B CEASES TO APPLY

- 2.1 **Does Not Apply to Issuer** - NP 2-B does not apply to an issuer on or after the earliest date on which the issuer files, or is required to file or to disclose in a filed document, the statement referred to in Item 1 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.
- 2.2 **Effective Date** – Section 2.1 takes effect on September 30, 2003.

PART 3 RESCISSION

- 3.1 **Rescission** – NP 2-B is rescinded.
- 3.2 **Effective Date** – This rescission takes effect on June 30, 2005.

**PROPOSED AMENDMENT
TO
NATIONAL INSTRUMENT 13-101
SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR)**

PART 1 AMENDMENT

1.1 Amendment – National Instrument 13-101 *SEDAR* is amended by:

- (a) adding to Item 2.3(1)3 the words ", provided that this paragraph 3 does not apply to a statement or report referred to in section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*"
- (b) adding the following to Appendix A, under the heading "II. Other Issuers (Reporting/Non-Reporting)" "B. Continuous Disclosure" "(a) General Filings":

Oil and Gas Annual Disclosure (NI 51-101)

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

**PROPOSED AMENDMENT
TO
NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS**

PART 1 AMENDMENT

1.1 Amendment – National Instrument 44-101 *Short Form Prospectus Distributions* is amended by:

- (a) deleting Item 5 of paragraph 10.2(a) and substituting the following:
 - 5. **Oil and Gas Reports** - Any technical report or certificate relating to oil and gas properties prepared in accordance with National Policy Statement No. 2-B *Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators* that the regulator requests be filed and that was not previously filed, if the preliminary short form prospectus is filed on or before June 30, 2005, the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:
 - (i) the issuer has not filed and is not required to have filed (alone or in the preliminary short form prospectus or as part of another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;
 - (ii) the preliminary short form prospectus does not include and is not required to include audited financial statements for a financial year ended on or after December 31, 2003;
 - (iii) if the preliminary short form prospectus is filed on or before March 30, 2004 for an initial public offering of securities, it does not include financial statements for a financial year or interim period that ends on or after December 31, 2003; and
 - (iv) if the preliminary short form prospectus is filed after December 31, 2003 and during the issuer's first financial year, it does not include financial statements for an interim period that ends on or after December 31, 2003.
- (b) deleting Item 9 of paragraph 10.3(a) and substituting the following:
 - 9. **Other Oil and Gas Reports** - Any technical report or certificate relating to oil and gas properties prepared in accordance with National Policy Statement No. 2-B that the regulator requests be filed and that was not previously filed, if the short form prospectus is filed on or before June 30, 2005, the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:
 - (i) the issuer has not filed and is not required to have filed (alone or in the short form prospectus or as part of another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;
 - (ii) the short form prospectus does not include and is not required to include audited financial statements for a financial year ended on or after December 31, 2003;
 - (iii) if the short form prospectus is filed on or before March 30, 2004 for an initial public offering of securities, it does not include financial statements for a financial year or interim period that ends on or after December 31, 2003; and
 - (iv) if the short form prospectus is filed after December 31, 2003 and during the issuer's first financial year, it does not include financial statements for an interim period that ends on or after December 31, 2003.
- (c) deleting Item 10(i) of paragraph 10.3(a) and substituting the following:
 - (i) deals with a mineral project or oil and gas activities of the issuer; and

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

**PROPOSED AMENDMENT
TO
FORM 44-101F1 AIF**

PART 1 AMENDMENT

1.1 Amendment – Item 4 of Form 44-101F1 is amended by:

- (a) adding the following after "operations," in the preamble to section 4.4:

unless section 4.5 applies,
- (b) adding the following after section 4.4:

4.5 Issuers with Oil and Gas Activities

This Item 4.5 applies if the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:

- (a) has filed or is required to have filed (or has included or is required to have included in another filed document) audited annual financial statements for a financial year that ends on or after December 31, 2003;
- (b) has, prior to the date on which it is required to file audited financial statements for a financial year that ends on or after December 31, 2003, filed under Part 2 of National Instrument 51-101 (or included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101; or
- (c) is including in this Form the statement referred to in Item 1 of section 2.1 of National Instrument 51-101, whether or not for the purpose of satisfying its filing obligations under National Instrument 51-101.

Disclose the following:

1. Reserves Data and Other Information

- (a) In the case of information that, for purposes of Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*, is to be prepared as at the end of a financial year, disclose that information as at the issuer's most recent financial year-end.
- (b) In the case of information that, for purposes of Form 51-101F1, is to be prepared for a financial year, disclose that information for the issuer's most recent financial year.
- (c) To the extent not reflected in the information disclosed in response to paragraphs (a) and (b), disclose the information contemplated by Part 6 of National Instrument 51-101, in respect of material changes that occurred after the issuer's most recent financial year-end.

2. Report of Qualified Reserves Evaluator or Auditor

Include with the information disclosed under section 1 the report of one or more qualified reserves evaluators or qualified reserves auditors, referred to in Item 2 of section 2.1 of National Instrument 51-101, on the reserves data included in the disclosure provided under paragraph 1(a) of this Item.

3. Report of Management and Directors

Include with the information disclosed under section 1 the report of management and directors, referred to in Item 3 of section 2.1 of National Instrument 51-101, relating to that information.

INSTRUCTIONS

- (1) *Disclosure in this Form must be consistent with National Instrument 51-101.*
- (2) *Unless the information presented under paragraph 2 is included in the Form in satisfaction of the issuer's filing obligations under Part 2 of National Instrument 51-101, the issuer may require the written consent of a qualified reserves evaluator or qualified reserves auditor to disclose information in this Form, pursuant to section 5.7 of National Instrument 51-101.*

PART 2 EFFECTIVE DATE

- 2.1 Effective Date – This amendment comes into force on September 30, 2003.

**PROPOSED AMENDMENT
TO
FORM 44-101F3 SHORT FORM PROSPECTUS**

PART 1 AMENDMENT

1.1 Amendment – Form 44-101F3 Short Form Prospectus is amended by:

- (a) adding to the initial instructions the following:
 - (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 if the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101) and:*
 - (a) *has filed or is required to have filed (or has included or is required to have included in another filed document) audited annual financial statements for a financial year that ends on or after December 31, 2003;*
 - (b) *has, prior to the date on which it is required to have filed audited financial statements for a financial year that ends on or after December 31, 2003, filed or is required to have filed (or has included or is required to have included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;*
 - (c) *is filing a preliminary short form prospectus or short form prospectus:*
 - (i) *that includes or is required to include audited financial statements for a financial year ended on or after December 31, 2003;*
 - (ii) *after March 30, 2004 for an initial public offering of securities, and the prospectus includes financial statements for a financial year or interim period that ends on or after December 31, 2003; or*
 - (iii) *after December 31, 2003 and during the issuer's first financial year, and the prospectus includes financial statements for an interim period that ends on or after December 31, 2003; or*
 - (d) *indicates in the preliminary short form prospectus or short form prospectus that information disclosed therein is presented in accordance with National Instrument 51-101.*

(b) amending Item 10 by:

- (a) deleting the heading and substituting the following:

Item 10: - Resource Issuers

- (b) deleting the heading of section 10.1 and substituting the following:

10.1 - Issuers with Mineral Projects

- (c) deleting from section 10.1, each time it occurs, the phrase "or 4.4, as appropriate";

(c) adding the following after Item 10.1:

10.2 - Oil and Gas Activities

- (1) Unless paragraph (2) applies, if a material part of the proceeds of a distribution is to be expended on a particular oil and gas property and if the current AIF does not contain the disclosure required under Item 4.4 of Form 44-101F1 for that property or the disclosure is inadequate or incorrect due to changes, disclose the information required under that Item 4.4.
- (2) (a) This paragraph applies to an issuer that is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and that:

- (i) has filed or is required to have filed (or has included or is required to have included in another filed document) audited annual financial statements for a financial year that ends on or after December 31, 2003;
 - (ii) has, prior to the date on which it is required to file audited financial statements for a financial year that ends on or after December 31, 2003, filed (or included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;
 - (iii) is filing the short form prospectus:
 - (A) including audited financial statements for a financial year ended on or after December 31, 2003;
 - (B) after March 30, 2004 in respect of an initial public offering of securities, and the prospectus includes financial statements for a financial year or interim period that ends on or after December 31, 2003; or
 - (C) after December 31, 2003 and during the issuer's first financial year, and the prospectus includes financial statements for an interim period that ends on or after December 31, 2003; or
 - (iv) indicates in the preliminary short form prospectus or short form prospectus that information disclosed therein is presented in accordance with National Instrument 51-101.
- (b) To the extent not included in the current AIF or in a material change report filed subsequent to the filing of the current AIF, provide:
- (i) the information that would be required under Item 4.5 of Form 44-101F1 if the AIF were being filed on the date of the preliminary short form prospectus or short form prospectus; and
 - (ii) any other information required in the statement referred to in Item 1 of section 2.1 of National Instrument 51-101:
 - (A) as at the end of, or for, the most recent financial year for which the short form prospectus includes an audited balance sheet of the issuer; or
 - (B) in the absence of a completed financial year referred to in clause (A), as at the most recent date as at which the short form prospectus includes an audited balance sheet of the issuer, and for the greatest portion of a financial year that includes the date of that balance sheet and for which the short form prospectus includes an audited income statement of the issuer.

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

**PROPOSED AMENDMENT
TO
NATIONAL INSTRUMENT 45-101
RIGHTS OFFERINGS**

PART 1 AMENDMENT

1.1 Amendment – Subsection 3.1(1) of National Instrument 45-101 *Rights Offerings* is amended by:

- (a) deleting from Item 4 the words after "Projects"; and
- (b) adding after Item 4 the following, and renumbering the former Item 5 accordingly:
 - 5. If the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and the rights offering circular is sent to the reviewing authority on or before June 30, 2005, an oil and gas report prepared in accordance with National Policy Statement No. 2-B *Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators*, unless the issuer has filed or is required to have filed (or has included or is required to have included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101.

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

**PROPOSED AMENDMENT
TO
COMPANION POLICY 45-101CP**

PART 1 AMENDMENT

1.1 Amendment - Section 1.5 of Companion Policy 45-101CP is amended by:

(a) deleting from the heading the words after "43-101" and substituting the following:

.", National Policy Statement No. 2-B or National Instrument 51-101"; and

(b) deleting the words after "Mineral Projects" and substituting the following:

, National Policy Statement No. 2-B or National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

**PROPOSED AMENDMENT
TO
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

PART 1 AMENDMENT

1.1 Amendment – Section 1.1 of Multilateral Instrument 45-102 *Resale of Securities* is amended by:

(a) adding the following after the definition of "NI 44-101":

"NI 51-101" means National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities;

(b) deleting paragraph (e) of the definition of "qualifying issuer";

(c) adding the following after paragraph (e) of the definition of "qualifying issuer":

(e.1) that has filed a current oil and gas report consistent with National Policy Statement No. 2-B Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators, if the issuer

(i) is engaged in oil and gas activities (as defined in NI 51-101),

(ii) is not qualified to file a short form prospectus under NI 44-101,

(iii) has not filed and is not required to have filed audited annual financial statements for a financial year that ends on or after December 31, 2003, and

(iv) has not, prior to the date on which it is required to file audited financial statements for a financial year that ends on or after December 31, 2003, filed under Part 2 of NI 51-101 or included in another filed document the statement referred to in Item 1 of section 2.1 of NI 51-101,

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

6.1.2 National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities

**NATIONAL INSTRUMENT 51-101
STANDARDS OF DISCLOSURE
FOR OIL AND GAS ACTIVITIES**

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**NATIONAL INSTRUMENT 51-101
STANDARDS OF DISCLOSURE
FOR OIL AND GAS ACTIVITIES**

PART 1 APPLICATION AND TERMINOLOGY¹

1.1 Definitions² - In this *Instrument*:

- (a) *annual information form* means:
 - (i) a "current AIF", as defined in *NI 44-101*;
 - (ii) in the case of a *reporting issuer* that is eligible to file, for the purposes of Part 3 of *NI 44-101*, a current annual report on Form 10-K or Form 20-F under the *1934 Act*, such a current annual report so filed; or
 - (iii) a document prepared in Form 44-101F1 *AIF* and filed with the *securities regulatory authority* in the *jurisdiction* in accordance with *securities legislation* of that *jurisdiction* other than *NI 44-101*;
- (b) "*BOEs*" means barrels of *oil* equivalent;
- (c) "*CICA*" means The Canadian Institute of Chartered Accountants;
- (d) "*CICA Accounting Guideline 5*" means Accounting Guideline AcG-5 "Full cost accounting in the oil and gas industry" included in the *CICA Handbook*, as amended from time to time;
- (e) "*CICA Handbook*" means the Handbook of the *CICA*, as amended from time to time;
- (f) "*COGE Handbook*" means the "Canadian Oil and Gas Evaluation Handbook" prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society), as amended from time to time;
- (g) "*constant prices and costs*" means the prices and costs used in an estimate that are:
 - (i) the *reporting issuer's* prices and costs as at the *effective date* of the estimation, held constant throughout the estimated lives of the *properties* to which the estimate applies;
 - (ii) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the *reporting issuer* is legally bound by contract or otherwise, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (i);
- (h) "*effective date*", in respect of information, means the date as at which, or for the period ended on which, the information is provided;
- (i) "*FAS 19*" means United States Financial Accounting Standards Board Statement of Financial Accounting Standards No. 19 "Financial Accounting and Reporting by Oil and Gas Producing Companies", as amended from time to time;
- (j) "*forecast prices and costs*" means future prices and costs that are:
 - (i) generally accepted as being a reasonable outlook of the future;

¹ For the convenience of readers, Appendix 1 to Companion Policy 51-101CP sets out the meanings of terms, including those defined in this Part, that are printed in italics in this *Instrument*, *Form 51-101F1*, *Form 51-101F2*, *Form 51-101F3* or the Companion Policy.

² A national definition instrument has been adopted as *NI 14-101*. It contains definitions of certain terms used in more than one national instrument. *NI 14-101* provides that a term used in a national instrument and defined in the statute relating to securities of the applicable *jurisdiction*, the definition of which is not restricted to a specific portion of the statute, will have the meaning given to it in that statute unless the context otherwise requires. *NI 14-101* also provides that a provision or a reference within a provision of a national instrument that specifically refers by name to a *jurisdiction*, other than the local *jurisdiction* shall not have any effect in the local *jurisdiction*, unless otherwise stated in that national instrument.

- (ii) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the *reporting issuer* is legally bound by contract or otherwise, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (i).
- (k) "*foreign geographic area*" means a geographic area outside North America within one country or including all or portions of a number of countries;
- (l) "*Form 51-101F1*" means Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*;
- (m) "*Form 51-101F2*" means Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor*;
- (n) "*Form 51-101F3*" means Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure*;
- (o) "*independent*", in respect of the relationship between a *reporting issuer* and a *qualified reserves evaluator or auditor*, has the meaning set out in the *COGE Handbook*;
- (p) "*McfGEs*" means thousand cubic feet of *gas* equivalent;
- (q) "*NI 14-101*" means National Instrument 14-101 *Definitions*;
- (r) "*NI 44-101*" means National Instrument 44-101 *Short Form Prospectus Distributions*;
- (s) "*oil and gas activities*"
 - (i) include:
 - (A) the search for *crude oil* or *natural gas* in their natural states and original locations;
 - (B) the acquisition of property rights or *properties* for the purpose of further exploring for or removing *oil* or *gas* from *reservoirs* on those *properties*;
 - (C) the construction, drilling and *production* activities necessary to retrieve *oil* and *gas* from their natural *reservoirs*, and the acquisition, construction, installation and maintenance of *field* gathering and storage systems including lifting the *oil* and *gas* to the surface and gathering, treating, *field* processing and *field* storage; and
 - (D) the extraction of hydrocarbons from oil sands, shale, coal or other non-conventional sources and activities similar to those referred to in clauses (A), (B) and (C) undertaken with a view to such extraction; but
 - (ii) do not include:
 - (A) transporting, refining or marketing *oil* or *gas*;
 - (B) activities relating to the production of natural resources other than *oil* and *gas* and their by-products; or
 - (C) the production of geothermal steam or the extraction of hydrocarbons as a by-product of the extraction of geothermal steam or associated geothermal resources;
- (t) "*preparation date*", in respect of written disclosure, means the most recent date on which information relating to the period ending on the *effective date* was considered in the preparation of the disclosure;
- (u) "*product type*" means one of the following:
 - (i) in respect of conventional *oil and gas activities*:
 - (A) light and medium *crude oil* (combined);
 - (B) *heavy oil*;

- (C) *natural gas*;
 - (D) natural gas liquids; or
 - (E) sulphur and other non-hydrocarbon by-products; and
- (ii) in respect of non-conventional *oil and gas activities*:
 - (A) *synthetic oil*;
 - (B) *bitumen*;
 - (C) coal bed methane; or
 - (D) hydrates.
- (v) "*professional organization*" means a self-regulatory organization of engineers, geologists, other geoscientists or other professionals whose professional practice includes *reserves evaluations* or *reserves audits*, that:
 - (i) admits members primarily on the basis of their educational qualifications;
 - (ii) requires its members to comply with the professional standards of competence and ethics prescribed by the organization that are relevant to the estimation, *evaluation*, *review* or *audit* of *reserves data*;
 - (iii) has disciplinary powers, including the power to suspend or expel a member; and
 - (iv) is either:
 - (A) given authority or recognition by statute in a Canadian jurisdiction; or
 - (B) accepted for this purpose by the *securities regulatory authority* or the *regulator*;
- (w) "*qualified reserves auditor*" means an individual who:
 - (i) in respect of particular *reserves data* or related information, possesses professional qualifications and experience appropriate for the estimation, *evaluation*, *review* and *audit* of the *reserves data* and related information; and
 - (ii) is a member in good standing of a *professional organization*;
- (x) "*qualified reserves evaluator*" means an individual who:
 - (i) in respect of particular *reserves data* or related information, possesses professional qualifications and experience appropriate for the estimation, *evaluation* and *review* of the *reserves data* and related information; and
 - (ii) is a member in good standing of a *professional organization*;
- (y) "*qualified reserves evaluator or auditor*" means a *qualified reserves auditor* or a *qualified reserves evaluator*;
- (z) "*reserves data*" means the following estimates, as at the last day of the *reporting issuer's* most recent financial year:
 - (i) *proved reserves* and related *future net revenue* estimated:
 - (A) using *constant prices and costs* as at the last day of that financial year; and
 - (B) using *forecast prices and costs*; and
 - (ii) *probable reserves* and related *future net revenue* estimated using *forecast prices and costs*; and
- (aa) "*supporting filing*" means a document filed by a *reporting issuer* with a *securities regulatory authority*.

1.2 COGE Handbook Definitions

- (1) Terms used but not defined in this *Instrument*, NI 14-101 or the securities statute in the *jurisdiction*, and defined or interpreted in the *COGE Handbook*, have the meaning or interpretation ascribed to those terms in the *COGE Handbook*.
- (2) In the event of a conflict or inconsistency between the definition of a term in this *Instrument*, NI 14-101 or the securities statute in the *jurisdiction* and the meaning ascribed to the term in the *COGE Handbook*, the definition in this *Instrument*, NI 14-101 or the securities statute in the *jurisdiction*, as the case may be, shall apply.

1.3 Applies to Reporting Issuers Only - This *Instrument* applies only to *reporting issuers* engaged, directly or indirectly, in *oil and gas activities*.

1.4 Materiality Standard

- (1) This *Instrument* applies only in respect of information that is *material* in respect of a *reporting issuer*.
- (2) For the purpose of subsection (1), information is *material* in respect of a *reporting issuer* if it would be likely to influence a decision by a reasonable investor to buy, hold or sell a security of the *reporting issuer*.

PART 2 ANNUAL FILING REQUIREMENTS

2.1 Reserves Data and Other Oil and Gas Information - A *reporting issuer* shall, not later than the date on which it is required by *securities legislation* to file audited financial statements for its most recent financial year, file with the *securities regulatory authority* the following:

1. **Statement of Reserves Data and Other Information** - a statement of the *reserves data* and other information specified in *Form 51-101F1*, as at the last day of the *reporting issuer's* most recent financial year and for the financial year then ended;
2. **Report of Independent Qualified Reserves Evaluator or Auditor** - a report in accordance with *Form 51-101F2* that is:
 - (a) included in, or filed concurrently with, the document filed under item 1; and
 - (b) executed by one or more *qualified reserves evaluators or auditors* each of whom is *independent* of the *reporting issuer*, who shall in the aggregate have:
 - (i) *evaluated* or *audited* at least 75 percent of the *future net revenue* (calculated using a discount rate of 10 percent) attributable to *proved plus probable reserves*, as reported in the statement filed or to be filed under item 1; and
 - (ii) *reviewed* the balance of such *future net revenue*; and
3. **Report of Management and Directors** - a report in accordance with *Form 51-101F3* that
 - (a) refers to the information filed or to be filed under items 1 and 2;
 - (b) confirms the responsibility of management of the *reporting issuer* for the content and filing of the statement referred to in item 1 and for the filing of the report referred to in item 2;
 - (c) confirms the role of the board of directors in connection with the information referred to in paragraph (b);
 - (d) is contained in, or filed concurrently with, the document filed under item 1; and
 - (e) is executed by two senior officers and two directors of the *reporting issuer*.

2.2 News Release to Announce Filing - A *reporting issuer* shall, concurrently with filing a statement and reports under section 2.1, disseminate a news release announcing that filing and indicating where a copy of the filed information can be found for viewing by electronic means.

2.3 Inclusion in *Annual Information Form* - The requirements of section 2.1 may be satisfied by including the information specified in section 2.1 in an *annual information form* filed within the time specified in section 2.1.

2.4 Reservation in Report of *Independent Qualified Reserves Evaluator or Auditor*

- (1) If a *qualified reserves evaluator or auditor* cannot report on *reserves data* without *reservation*, the report of the *qualified reserves evaluator or auditor* prepared for the purpose of item 2 of section 2.1 shall set out the cause of the *reservation* and the effect, if known to the *qualified reserves evaluator or auditor*, on the *reserves data*.
- (2) A report containing a *reservation*, the cause of which can be removed by the *reporting issuer*, does not satisfy the requirements of item 2 of section 2.1.

PART 3 RESPONSIBILITIES OF REPORTING ISSUERS AND DIRECTORS

3.1 Interpretation - A reference to a board of directors in this Part means, for a *reporting issuer* that does not have a board of directors, those individuals whose authority and duties in respect of that *reporting issuer* are similar to those of a board of directors.

3.2 Reporting Issuer to Appoint *Independent Qualified Reserves Evaluator or Auditor* - A *reporting issuer* shall appoint one or more *qualified reserves evaluators or auditors*, each of whom is *independent* of the *reporting issuer*, to report to the board of directors of the *reporting issuer* on its *reserves data*.

3.3 Reporting Issuer to Make Information Available to *Qualified Reserves Evaluator or Auditor* - A *reporting issuer* shall make available to the *qualified reserves evaluators or auditors* that it appoints under section 3.2 all information reasonably necessary to enable the *qualified reserves evaluators or auditors* to provide a report that will, when approved under section 3.4(e) and filed with the *securities regulatory authority*, satisfy the applicable requirements of this Instrument.

3.4 Certain Responsibilities of Board of Directors - The board of directors of a *reporting issuer* shall

- (a) review, with reasonable frequency, the *reporting issuer's* procedures relating to the disclosure of information with respect to *oil and gas activities*, including its procedures for complying with the disclosure requirements and restrictions of this *Instrument*;
- (b) review each appointment under section 3.2 and, in the case of any proposed change in such appointment, determine the reasons for the proposal and whether there have been disputes between the appointed *qualified reserves evaluator or auditor* and management of the *reporting issuer*;
- (c) review, with reasonable frequency, the *reporting issuer's* procedures for providing information to the *qualified reserves evaluators or auditors* who report on *reserves data* for the purposes of this *Instrument*;
- (d) before approving the filing of *reserves data* and the report of the *qualified reserves evaluators or auditors* thereon referred to in section 2.1, meet with management and each *qualified reserves evaluator or auditor* appointed under section 3.2, to
 - (i) determine whether any restrictions affect the ability of the *qualified reserves evaluator or auditor* to report on *reserves data* without *reservation*; and
 - (ii) review the *reserves data* and the report of the *qualified reserves evaluator or auditor* thereon; and
- (e) review and approve
 - (i) the content and filing, under section 2.1, of the statement referred to in item 1 of section 2.1;
 - (ii) the filing, under section 2.1, of the report referred to in item 2 of section 2.1; and
 - (iii) the content and filing, under section 2.1, of the report referred to in item 3 of section 2.1.

3.5 Reserves Committee

- (1) The board of directors of a *reporting issuer* may, subject to subsection (2), delegate the responsibilities set out in section 3.4 to a committee of the board of directors, provided that a majority of the members of the committee

- (a) are individuals who are not and have not been, during the preceding 12 months:
 - (i) an officer or employee of the *reporting issuer* or of an affiliate of the *reporting issuer*;
 - (ii) a person who beneficially owns 10 percent or more of the outstanding voting securities of the *reporting issuer*; or
 - (iii) a relative of a person referred to in clause (a)(i) or (ii), residing in the same home as that person; and
 - (b) are free from any business or other relationship which could reasonably be seen to interfere with the exercise of their independent judgement.
- (2) Despite subsection (1), a board of directors of a *reporting issuer* shall not delegate its responsibility under paragraph 3.4(e) to approve the content or the filing of information.
 - (3) A board of directors that has delegated responsibility to a committee pursuant to subsection (1) shall solicit the recommendation of that committee as to whether to approve the content and filing of information for the purposes of paragraph 3.4(e).

PART 4 MEASUREMENT

4.1 Accounting Methods - A *reporting issuer* engaged in *oil and gas activities* that discloses financial statements prepared in accordance with *Canadian GAAP* shall use

- (a) the full cost method of accounting, applying *CICA Accounting Guideline 5*; or
- (b) the successful efforts method of accounting, applying *FAS 19*.

4.2 Requirements for Disclosed Reserves Data

- (1) Estimates of *reserves* or *future net revenue* contained in a document filed with the *securities regulatory authority* under this *Instrument* shall be
 - (a) prepared or *audited* by a *qualified reserves evaluator or auditor*;
 - (b) prepared or *audited* in accordance with the *COGE Handbook*;
 - (c) estimated assuming that development of each *property* in respect of which the estimate is made will occur, without regard to the likely availability to the *reporting issuer* of funding required for that development;
 - (d) estimated deducting reasonably estimated future abandonment and reclamation costs related to a particular undrilled *property*, for the purpose of determining whether *reserves* should be attributed to that *property* in the first year in which *reserves* are considered for attribution to the *property*; and
 - (e) estimated deducting reasonably estimated aggregate future abandonment and reclamation costs in estimating aggregate *future net revenue*.
- (2) The date or period with respect to which the effects of an event or transaction are recorded in a *reporting issuer's* annual financial statements shall be the same as the date or period with respect to which they are first reflected in the *reporting issuer's* annual *reserves data* disclosure under Part 2.

PART 5 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE

5.1 Application of Part 5 - This Part applies to disclosure made by or on behalf of a *reporting issuer*

- (a) to the public;
- (b) in any document filed with a *securities regulatory authority*; or
- (c) in other circumstances in which, at the time of making the disclosure, the *reporting issuer* knows, or ought reasonably to know, that the disclosure is or will become available to the public.

- 5.2 Consistency with Reserves Data and Other Information** - If a *reporting issuer* makes disclosure of information of a type that is required to be included in a statement filed with a *securities regulatory authority* under item 1 of section 2.1, the information shall be
- (a) prepared in accordance with Part 4; and
 - (b) consistent with the corresponding information, if any, contained in the statement most recently filed by the *reporting issuer* with the *securities regulatory authority* under item 1 of section 2.1, except to the extent that such statement has been supplemented or superseded by a report of a material change³ filed by the *reporting issuer* with the *securities regulatory authority*.
- 5.3 Reserves and Resources Classification** - Disclosure of *reserves* or *resources* shall be consistent with the *reserves* and *resources* terminology and classifications or categories set out in the *COGE Handbook*.
- 5.4 Oil and Gas Reserves and Sales** - Disclosure of *reserves* or of sales of *oil*, *gas* or associated by-products shall be made only in respect of *marketable* quantities, reflecting prices for the product in the condition (upgraded or not upgraded, processed or unprocessed) in which it is to be, or was, sold.
- 5.5 Natural Gas By-Products** - Disclosure concerning natural gas by-products (including natural gas liquids and sulphur) shall be made in respect only of volumes that have been or are to be recovered prior to the point at which *marketable gas* is measured.
- 5.6 Future Net Revenue Not Fair Value** - Disclosure of an estimate of *future net revenue*, whether calculated without discount or using a discount rate, shall include a statement to the effect that the estimated values disclosed do not represent fair market value.
- 5.7 Consent of Qualified Reserves Evaluator or Auditor**
- (1) A *reporting issuer* shall not disclose a report referred to in item 2 of section 2.1 that has been delivered to the board of directors of the *reporting issuer* by a *qualified reserves evaluator or auditor* pursuant to an appointment under section 3.2, or disclose the identity of the *qualified reserves evaluator or auditor*, without the written consent of that *qualified reserves evaluator or auditor*.
 - (2) Subsection (1) does not apply to
 - (a) the filing of that report by a *reporting issuer* under section 2.1;
 - (b) the use of or reference to that report in another document filed by the *reporting issuer* under section 2.1; or
 - (c) the identification of the report or of the *qualified reserves evaluator or auditor* in a news release referred to in section 2.2.
- 5.8 Disclosure of Less Than All Reserves** - If a *reporting issuer* that has more than one *property* makes written disclosure of any *reserves* attributable to a particular *property*
- (a) the disclosure shall include a cautionary statement to the effect that
"The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties"; and
 - (b) the document containing the disclosure of any *reserves* attributable to one *property* shall also disclose total *reserves* of the same classification for all *properties* of the *reporting issuer* in the same country (or, if appropriate and not misleading, in the same *foreign geographic area*).
- 5.9 Disclosure Concerning Prospects** - If a *reporting issuer* discloses anticipated results from a *prospect*, the *reporting issuer* shall also disclose in writing, in the same document or in a *supporting filing*, in respect of the *prospect*
- (a) the location and basin name;

³ "Material change" has the meaning ascribed to the term under *securities legislation* of the applicable *jurisdiction*.

- (b) the *reporting issuer's* gross and net interest in the *property*, expressed in units of area (acres or hectares);
- (c) in the case of undeveloped *property* in which the *reporting issuer* holds a leasehold interest, the expiry date of that interest;
- (d) the name, geologic age and lithology of the target zone;
- (e) the distance to the nearest analogous commercial production;
- (f) the *product types* reasonably expected;
- (g) the range of pool or *field* sizes;
- (h) the depth of the target zone;
- (i) the estimated cost to drill and test a well to the target depth;
- (j) reasonably expected drilling commencement and completion dates;
- (k) the anticipated prices to be received for each *product type* reasonably expected;
- (l) reasonably expected marketing and transportation arrangements;
- (m) the identity and relevant experience of the operator;
- (n) risks and the probability of success; and
- (o) the applicable information specified in section 5.10.

5.10 Estimates of Fair Value of an *Unproved Property*, a *Prospect* or *Resources*

- (1) If a *reporting issuer* discloses in writing an estimate of the fair value of an *unproved property*, of a *prospect* or *resources*, or discloses expected results from a *prospect*, the disclosure shall include all positive and negative factors relevant to the estimate or expectation.
- (2) If a *reporting issuer* discloses in writing an estimate of the fair value of an *unproved property*, a *prospect* or *resources*
 - (a) in the case of an estimate of the fair value of an *unproved property*, except as provided in paragraph (b), the estimate shall be based on the first applicable item listed below, and that item shall be described as the basis of the estimate in the document containing the disclosure or in a *supporting filing*:
 - 1. the acquisition cost to the *reporting issuer*, provided that there have been no material changes in the *unproved property*, the surrounding *properties*, or the general *oil* and *gas* economic climate since acquisition;
 - 2. recent sales by others of interests in the same *unproved property*;
 - 3. terms and conditions, expressed in monetary terms, of recent farm-in agreements related to the *unproved property*;
 - 4. terms and conditions, expressed in monetary terms, of recent work commitments related to the *unproved property*;
 - 5. recent sales of similar *properties* in the same general area;
 - (b) in the case of an estimate of fair value to which none of the items listed in paragraph (a) applies
 - (i) the estimate shall be prepared or accepted by a professional valuator (who is not a "related party" of the *reporting issuer* within the meaning of the term as used in the *CICA Handbook*)

applying valuation standards established by the professional body of which the valuator is a member and from which the valuator derives professional standing;

- (ii) the estimate shall consist of at least three values that reflect a range of reasonable likelihoods (the low value being conservative, the middle value being the median and the high value being optimistic) reflecting courses of action expected to be followed by the *reporting issuer*;
- (iii) the estimate, and the identities of the professional valuator and of the professional body referred to in subparagraph (i), shall be set out in the document containing the disclosure or in a *supporting filing*; and
- (iv) the *reporting issuer* shall obtain from the professional valuator referred to in subparagraph (i)
 - (A) a report on the estimate that does not contain
 - (I) a disclaimer that materially detracts from the usefulness of the estimate; or
 - (II) a statement that the report may not be relied on; and
 - (B) the professional valuator's written consent to the disclosure of the report by the *reporting issuer* to the public.

5.11 Net Asset Value and Net Asset Value per Share - Written disclosure of net asset value or net asset value per share shall include a description of the methods used to value assets and liabilities and the number of shares used in the calculation.

5.12 Reserve Replacement - Written disclosure concerning *reserve* replacement shall include an explanation of the method of calculation applied.

5.13 Netbacks - Written disclosure of a netback

- (a) shall include separate netbacks for each *product type* by country (or, if appropriate and not misleading, by *foreign geographic area*);
- (b) shall reflect netbacks calculated by subtracting royalties and *operating costs* from revenues; and
- (c) shall state the method of calculation.

5.14 BOEs and McfGEs - If written disclosure includes information expressed in *BOEs*, *McfGEs* or other units of equivalency between *product types* that are ordinarily measured in different units of volume

- (a) the information shall be presented
 - (i) in the case of *BOEs*, using *BOEs* derived by converting *gas* to *oil* in the ratio of six thousand cubic feet of *gas* to one barrel of *oil* (6 *Mcf*:1 *bbf*);
 - (ii) in the case of *McfGEs*, using *McfGEs* derived by converting *oil* to *gas* in the ratio of one barrel of *oil* to six thousand cubic feet of *gas* (1 *bbf*:6 *Mcf*); and
 - (iii) with the conversion ratio stated;
- (b) if the information is also presented using *BOEs* or *McfGEs* derived using a conversion ratio other than a ratio specified in paragraph (a), the disclosure shall state that other conversion ratio and explain why it has been chosen;
- (c) if the information is presented using a unit of equivalency other than *BOEs* or *McfGEs*, the disclosure shall identify the unit, state the conversion ratio used and explain why it has been chosen; and
- (d) the disclosure shall include a cautionary statement to the effect that:

"BOEs [or 'McfGEs' or other applicable units of equivalency] may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl [or 'An McfGE conversion ratio of 1 bbl: 6 Mcf'] is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead".

5.15 Finding and Development Costs - If written disclosure is made of finding and development costs

- (a) those costs shall be calculated using the following two methods, in each case after eliminating the effects of acquisitions and dispositions:

$$\text{Method 1:} \quad \frac{a+b+c}{x}$$

$$\text{Method 2:} \quad \frac{a+b+d}{y}$$

- where
- a = *exploration costs* incurred in the most recent financial year
 - b = *development costs* incurred in the most recent financial year
 - c = the change during the most recent financial year in estimated future *development costs* relating to *proved reserves*
 - d = the change during the most recent financial year in estimated future *development costs* relating to *proved reserves* and *probable reserves*
 - x = additions to *proved reserves* during the most recent financial year, expressed in *BOEs* or other unit of equivalency
 - y = additions to *proved reserves* and *probable reserves* during the most recent financial year, expressed in *BOEs* or other unit of equivalency

- (b) the disclosure shall include
- (i) the results of both methods of calculation under paragraph (a) and a description of those methods;
 - (ii) if the disclosure also includes a result derived using any other method of calculation, a description of that method and the reason for its use;
 - (iii) for each result, comparative information for the most recent financial year, the second most recent financial year and the averages for the three most recent financial years;
 - (iv) a cautionary statement to the effect that:

"The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions"; and
 - (v) the cautionary statement required under paragraph 5.14(d).

PART 6 MATERIAL CHANGE DISCLOSURE

6.1 Material Change⁴ from Information Filed under Part 2

- (1) This Part applies in respect of a material change that, had it occurred on or before the *effective date* of information included in the statement most recently filed by a *reporting issuer* under item 1 of section 2.1, would have resulted in a significant change in the information contained in the statement.

⁴ In this Part, "material change" has the meaning ascribed to the term under *securities legislation* of the applicable *jurisdiction*.

- (2) In addition to any other requirement of *securities legislation* governing disclosure of a material change, disclosure of a material change referred to in subsection (1) shall
 - (a) identify the statement filed under Part 2 that contains the original information referred to in subsection (1); and
 - (b) discuss the *reporting issuer's* reasonable expectation of how the material change, had it occurred on or before the *effective date* referred to in subsection (1), would have affected the *reserves data* or other information contained in the document identified under paragraph (a).

PART 7 OTHER INFORMATION

- 7.1 **Information to be Furnished on Request** - A *reporting issuer* shall, on the request of the *regulator*, deliver additional information with respect to the content of a document filed under this *Instrument*.

PART 8 EXEMPTIONS

8.1 Authority to Grant Exemption

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

PART 9 INSTRUMENT IN FORCE

- 9.1 **Coming Into Force** - This *Instrument* comes into force on September 30, 2003.

- 9.2 **Transition** - Despite section 9.1, this *Instrument* does not apply to a *reporting issuer* until the earlier of:

- (a) the date by which the *reporting issuer* is required under *securities legislation* to file audited annual financial statements for its financial year that includes or ends on December 31, 2003; and
- (b) the first date on which the *reporting issuer* files with the *securities regulatory authority* the statement referred to in item 1 of section 2.1.

FORM 51-101F1
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION

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**FORM 51-101F1
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION**

This is the form referred to in item 1 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

GENERAL INSTRUCTIONS

- (1) *Terms for which a meaning is given in NI 51-101 have the same meaning in this Form 51-101F1¹.*
- (2) *Unless otherwise specified in this Form 51-101F1, information under item 1 of section 2.1 of NI 51-101 shall be provided as at the last day of the reporting issuer's most recent financial year or for its financial year then ended.*
- (3) *It is not necessary to include the headings or numbering, or to follow the ordering of Items, in this Form 51-101F1. Information may be provided in tables.*
- (4) *To the extent that any Item or any component of an Item specified in this Form 51-101F1 does not apply to a reporting issuer and its activities and operations, or is not material, no reference need be made to that Item or component. It is not necessary to state that such an Item or component is "not applicable" or "not material". Materiality is discussed in NI 51-101 and Companion Policy 51-101CP.*
- (5) *This Form 51-101F1 sets out minimum requirements. A reporting issuer may provide additional information not required in this Form 51-101F1 provided that it is not misleading and not inconsistent with the requirements of NI 51-101, and provided that material information required to be disclosed is not omitted.*
- (6) *A reporting issuer may satisfy the requirement of this Form 51-101F1 for disclosure of information "by country" by instead providing information by foreign geographic area in respect of countries outside North America as may be appropriate for meaningful disclosure in the circumstances.*

¹ For the convenience of readers, Appendix 1 to Companion Policy 51-101CP sets out the meanings of terms that are printed in italics (or, in the Instructions, in bold type) in this Form 51-101F1 or in NI 51-101, Form 51-101F2, Form 51-101F3 or the Companion Policy.

PART 1 DATE OF STATEMENT

Item 1.1 Relevant Dates

1. Date the statement.
2. Disclose the *effective date* of the information being provided.
3. Disclose the *preparation date* of the information being provided.

INSTRUCTIONS

- (1) For the purpose of Part 2 of **NI 51-101**, and consistent with the definition of **reserves data** and General Instruction 2 of this **Form 51-101F1**, the **effective date** to be disclosed under section 2 of Item 1.1 is the last day of the **reporting issuer's** most recent financial year. It is the date of the balance sheet for the **reporting issuer's** most recent financial year (for example, "as at December 31, 20xx") and the ending date of the **reporting issuer's** most recent annual statement of income (for example, "for the year ended December 31, 20xx").
- (2) The same **effective date** applies to **reserves** of each category reported and to related **future net revenue**. References to a change in an item of information, such as changes in **production** or a change in **reserves**, mean changes in respect of that item during the year ended on the **effective date**, or such earlier period as may be specified.
- (3) The **preparation date**, in respect of written disclosure, means the most recent date on which information relating to the period ending on the **effective date** was considered in the preparation of the disclosure. The **preparation date** is a date subsequent to the **effective date** because it takes time after the end of the financial year to assemble the information for that completed year that is needed to prepare the required disclosure as at the end of the financial year.
- (4) Because of the interrelationship between certain of the **reporting issuer's reserves data** and other information referred to in this **Form 51-101F1** and certain of the information included in its financial statements, the **reporting issuer** should ensure that its financial auditor and its **qualified reserves evaluators or auditors** are kept apprised of relevant events and transactions, and should facilitate communication between them.
- (5) If the **reporting issuer** provides information as at a date more recent than the **effective date**, in addition to the information required as at the **effective date**, also disclose the date as at which that additional information is provided. The provision of such additional information does not relieve the **reporting issuer** of the obligation to provide information as at the **effective date**.

PART 2 DISCLOSURE OF RESERVES DATA

Item 2.1 Reserves Data (Constant Prices and Costs)

1. Breakdown of Proved Reserves (Constant Case) – Disclose reserves, gross and net, estimated using constant prices and costs, by country and in the aggregate, for each product type, in the following classifications:
 - (a) proved developed producing reserves;
 - (b) proved developed non-producing reserves;
 - (c) proved undeveloped reserves; and
 - (d) proved reserves (in total).
2. Net Present Value of Future Net Revenue (Constant Case) – Disclose the net present value of future net revenue attributable to the categories of reserves referred to in section 1 of this Item, estimated using constant prices and costs, before and after income taxes, calculated without discount and using a discount rate of 10 percent.
3. Breakdown of Future Net Revenue (Constant Case)

- (a) Disclose, by year for at least ten years and grouped thereafter, by country and in the aggregate, estimated using *constant prices and costs* and calculated without discount, the following information in respect of *future net revenue* attributable to *proved reserves* (in total):
 - (i) estimated future revenue;
 - (ii) royalties;
 - (iii) *operating costs*;
 - (iv) *development costs*;
 - (v) abandonment and reclamation costs;
 - (vi) *future net revenue* before income taxes;
 - (vii) *future income tax expenses*; and
 - (viii) *future net revenue* after income taxes.

- (b) In respect of *future net revenue* attributable to *proved reserves* (in total), disclose, by country, the net present value of the aggregate of each of the following, estimated using *constant prices and costs* and calculated using a discount rate of 10 percent:
 - (i) *development costs*;
 - (ii) abandonment and reclamation costs;
 - (iii) *future net revenue* before income taxes; and
 - (iv) *future net revenue* after income taxes.

Item 2.2 Reserves Data (Forecast Prices and Costs)

- 1. Breakdown of Reserves (Forecast Case) – Disclose *reserves, gross and net*, estimated using *forecast prices and costs*, by country and in the aggregate, for each *product type*, in the following classifications:
 - (a) *proved developed producing reserves*;
 - (b) *proved developed non-producing reserves*;
 - (c) *proved undeveloped reserves*;
 - (d) *proved reserves* (in total);
 - (e) *probable reserves* (in total);
 - (f) *proved plus probable reserves* (in total); and
 - (g) if the *reporting issuer* discloses an estimate of *possible reserves* in the statement:
 - (i) *possible reserves* (in total); and
 - (ii) *proved plus probable plus possible reserves* (in total).

- 2. Net Present Value of Future Net Revenue (Forecast Case) – Disclose the net present value of *future net revenue* attributable to the categories of *reserves* referred to in section 1 of this Item, estimated using *forecast prices and costs*, before and after income taxes, calculated without discount and using discount rates of 5 percent, 10 percent, 15 percent and 20 percent.

3. Breakdown of *Future Net Revenue* (Forecast Case)

- (a) This section 3 applies to *future net revenue* attributable to each of the following classifications of *reserves* estimated using *forecast prices and costs*:
 - (i) *proved reserves* (in total);
 - (ii) *proved plus probable reserves* (in total); and
 - (iii) if paragraph 1(g) of this Item applies, *proved plus probable plus possible reserves* (in total).
- (b) Disclose by year for at least ten years and grouped thereafter, by country and in the aggregate, estimated using *forecast prices and costs*, calculated without discount, the following information:
 - (i) estimated future revenue;
 - (ii) royalties;
 - (iii) *operating costs*;
 - (iv) *development costs*;
 - (v) abandonment and reclamation costs;
 - (vi) *future net revenue* before income taxes;
 - (vii) *future income tax expenses*; and
 - (viii) *future net revenue* after income taxes.
- (c) Disclose, by country, the net present value of the aggregate of each of the following, estimated using *forecast prices and costs*, calculated without discount and using discount rates of 5 percent, 10 percent, 15 percent and 20 percent:
 - (i) *development costs*;
 - (ii) abandonment and reclamation costs;
 - (iii) *future net revenue* before income taxes; and
 - (iv) *future net revenue* after income taxes.

Item 2.3 Reserves Determination Varies with Accounting

In determining *reserves* to be disclosed:

- (a) Consolidated Financial Disclosure – if the *reporting issuer* files consolidated financial statements:
 - (i) include 100 percent of *reserves* attributable to the parent company and 100 percent of the *reserves* attributable to its consolidated subsidiaries (whether or not wholly-owned); and
 - (ii) if a significant portion of *reserves* referred to in clause (i) is attributable to a consolidated subsidiary in which there is a significant minority interest, disclose that fact and the approximate portion of such *reserves* attributable to the minority interest;
- (b) Proportionate Consolidation – if the *reporting issuer* files financial statements in which investments are proportionately consolidated, the *reporting issuer's* disclosed *reserves* must include the *reporting issuer's* proportionate share of the investees' *oil* and *gas reserves*; and
- (c) Equity Accounting – if the *reporting issuer* files financial statements in which investments are accounted for by the equity method, do not include investees' *oil* and *gas reserves* in disclosed *reserves* of the *reporting issuer*, but disclose the *reporting issuer's* share of the investees' *oil* and *gas reserves* separately.

Item 2.4 *Future Net Revenue Disclosure Varies with Accounting*

1. Consolidated Financial Disclosure – If the *reporting issuer* files consolidated financial statements, and if a significant portion of the *reporting issuer's* economic interest in *future net revenue* is attributable to a consolidated subsidiary in which there is a significant minority interest, disclose that fact and the approximate portion of the economic interest in *future net revenue* attributable to the minority interest.
2. Equity Accounting – If the *reporting issuer* files financial statements in which investments are accounted for by the equity method, do not include investees' *future net revenue* in disclosed *future net revenue* of the *reporting issuer*, but disclose the *reporting issuer's* share of such *future net revenue* of investees separately, by country and in the aggregate.

INSTRUCTIONS

- (1) Do not include, in **reserves, oil or gas** that is subject to purchase under a long-term supply, purchase or similar agreement. However, if the **reporting issuer** is a party to such an agreement with a government or governmental authority, and participates in the operation of the **properties** in which the **oil or gas** is situated or otherwise serves as "producer" of the **reserves** (in contrast to being an independent purchaser, broker, dealer or importer), disclose separately the **reporting issuer's** interest in the **reserves** that are subject to such agreements at the **effective date** and the **net quantity of oil or gas** received by the **reporting issuer** under the agreement during the year ended on the **effective date**.
- (2) **Future net revenue** includes the portion attributable to the **reporting issuer's** interest under an agreement referred to in Instruction (1).

PART 3 PRICING ASSUMPTIONS

Item 3.1 Constant Prices Used in Estimates

For each *product type*, disclose the benchmark reference prices for the countries or regions in which the *reporting issuer* operates, as at the last day of the *reporting issuer's* most recent financial year, reflected in the *reserves data* disclosed in response to Item 2.1.

Item 3.2 Forecast Prices Used in Estimates

1. For each *product type*, disclose:
 - (a) the pricing assumptions used in estimating *reserves data* disclosed in response to Item 2.2:
 - (i) for each of at least the following ten financial years; and
 - (ii) generally, for subsequent periods; and
 - (b) the *reporting issuer's* weighted average historical prices for the most recent financial year.
2. The disclosure in response to section 1 shall include the benchmark reference pricing schedules for the countries or regions in which the *reporting issuer* operates, and inflation and other forecast factors used.
3. If the pricing assumptions specified in response to section 1 were provided by a *qualified reserves evaluator or auditor independent* of the *reporting issuer*, disclose that fact and identify the *qualified reserves evaluator or auditor*.

INSTRUCTIONS

- (1) *Benchmark reference prices* may be obtained from sources such as public product trading exchanges or prices posted by purchasers.
- (2) The defined terms "**constant prices and costs**" and "**forecast prices and costs**" include any fixed or presently determinable future prices or costs to which the **reporting issuer** is legally bound by contract, including those for an extension period of a contract that is likely to be extended. In effect, such contractually committed prices override benchmark reference prices for the purpose of estimating **reserves data**. To ensure that disclosure under this Part is not misleading, the disclosure should reflect such contractually committed prices.

- (3) Under subsection 5.7(1) of **NI 51-101**, the **reporting issuer** must obtain the written consent of the **qualified reserves evaluator or auditor** to disclose his or her identity in response to section 3 of this Item.

PART 4 RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE

Item 4.1 Reserves Reconciliation

1. Provide the information specified in section 2 of this Item in respect of the following classifications of *reserves*:
 - (a) *net proved reserves* (in total);
 - (b) *net probable reserves* (in total); and
 - (c) *net proved plus probable reserves* (in total).
2. Disclose changes between the *reserves* estimates referred to in section 1 made as at the *effective date* and the corresponding estimates ("prior-year estimates") made as at the last day of the preceding financial year of the *reporting issuer*:
 - (a) by country and in the aggregate;
 - (b) for each of the following *product types*:
 - (i) light and medium *crude oil* (combined);
 - (ii) *heavy oil*;
 - (iii) *natural gas*; and
 - (iv) *synthetic oil* and other products from non-conventional *oil and gas activities*;
 - (c) separately identifying and explaining:
 - (i) economic factors (revisions of the prior-year estimates resulting from changes in previously estimated prices and costs);
 - (ii) technical revisions (revisions of the prior-year estimates resulting from information, other than estimated prices and costs, that was not available when the prior-year estimates were made);
 - (iii) acquisitions of *reserves*;
 - (iv) dispositions of *reserves*;
 - (v) extensions and improved recovery;
 - (vi) discoveries; and
 - (vii) *production*.

INSTRUCTION

The reconciliation required under this Item 4.1 may be provided in respect of **reserves** estimated using either **constant prices and costs** or **forecast prices and costs**, with the price and cost case indicated in the disclosure.

Item 4.2 Future Net Revenue Reconciliation

1. Provide the information specified in section 2 of this Item in respect of estimates of *future net revenue* (estimated using *constant prices and costs* and calculated using a discount rate of 10 percent) attributable to *net proved reserves* (in total).
2. Disclose changes between the *future net revenue* estimates referred to in section 1 made as at the *effective date* and the corresponding estimates ("prior-year estimates") made as at the last day of the preceding financial year of the *reporting issuer*.

- (a) by country and in the aggregate;
- (b) separately identifying and explaining:
 - (i) sales and transfers of *oil, gas* or other *product types* produced during the period net of *production costs* and royalties;
 - (ii) net change in sales and transfer prices and in *production costs* and royalties related to future *production*;
 - (iii) changes in previously estimated *development costs* incurred during the period;
 - (iv) changes in estimated future *development costs*;
 - (v) net change resulting from extensions and improved recovery;
 - (vi) net change resulting from discoveries;
 - (vii) changes resulting from acquisitions of *reserves*;
 - (viii) changes resulting from dispositions of *reserves*;
 - (ix) net change resulting from revisions in quantity estimates;
 - (x) accretion of discount (10 percent of discounted *future net revenue* at the beginning of the financial year);
 - (xi) net change in income taxes; and
 - (xii) any other significant factors.

INSTRUCTIONS

- (1) *Compute the effects of changes in prices and costs before the effects of changes in volumes, so that, in respect of **constant prices and costs**, volumes are reflected at prices as at the **effective date**.*
- (2) *In providing information for each **product type** under this Part, it is not necessary to allocate among multiple **product types** attributable to a single well, **reservoir** or other **reserves** entity. It is sufficient to provide the information in respect of the principal **product type** attributable to the well, **reservoir** or other **reserves** entity.*
- (3) *Except in respect of clause 2(b)(xi) of Item 4.2, the information to be provided under this Part is pre-tax information.*
- (4) *For the purposes of clause 2(b)(xi) of Item 4.2, a "net change in income taxes" includes both income taxes incurred during the period and changes in estimated **future income tax expenses**.*

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Item 5.1 *Undeveloped Reserves*

- 1. For *proved undeveloped reserves*:
 - (a) disclose for each *product type* the volumes of *proved undeveloped reserves* that were first attributed in each of the most recent five financial years and, in the aggregate, before that time; or
 - (b) discuss generally the basis on which the *reporting issuer* attributes *proved undeveloped reserves*, its plans (including timing) for developing the *proved undeveloped reserves* and, if applicable, its reasons for not planning to develop particular *proved undeveloped reserves* during the following two years.
- 2. For *probable undeveloped reserves*:
 - (a) disclose for each *product type* the volumes of *probable undeveloped reserves* that were first attributed in each of the most recent five financial years and, in the aggregate, before that time; or

- (b) discuss generally the basis on which the *reporting issuer* attributes *probable undeveloped reserves*, its plans (including timing) for developing the *probable undeveloped reserves* and, if applicable, its reasons for not planning to develop particular *probable undeveloped reserves* during the following two years.

Item 5.2 Significant Factors or Uncertainties

1. Identify and discuss important economic factors or significant uncertainties that affect particular components of the *reserves data*.
2. Section 1 does not apply if the information is disclosed in the *reporting issuer's* financial statements for the financial year ended on the *effective date*.

INSTRUCTION

Examples of information that could warrant disclosure under this Item 5.2 include unusually high expected development costs or operating costs, the need to build a major pipeline or other major facility before production of reserves can begin, or contractual obligations to produce and sell a significant portion of production at prices substantially below those which could be realized but for those contractual obligations.

Item 5.3 Future Development Costs

1. Discuss the *reporting issuer's* expectations as to:
 - (a) the sources (including internally-generated cash flow, debt or equity financing, farm-outs or similar arrangements) and costs of funding for estimated future *development costs*; and
 - (b) the effect of those costs of funding on disclosed *reserves* or *future net revenue*.
2. If the *reporting issuer* expects that the funding costs referred to in section 1 could make development of a *property* uneconomic for that *reporting issuer*, disclose that expectation and its plans for the *property*.

PART 6 OTHER OIL AND GAS INFORMATION

6.1 Oil and Gas Properties and Wells

1. Identify and describe generally the *reporting issuer's* important *properties*, plants, facilities and installations:
 - (a) identifying their location (province, territory or state if in Canada or the United States, and country otherwise);
 - (b) indicating whether they are located onshore or offshore;
 - (c) in respect of *properties* to which *reserves* have been attributed and which are capable of *producing* but which are not *producing*, disclosing how long they have been in that condition and discussing the general proximity of pipelines or other means of transportation; and
 - (d) describing any statutory or other mandatory relinquishments, surrenders, back-ins or changes in ownership.
2. State, separately for *oil* wells and *gas* wells, the number of the *reporting issuer's* producing wells and non-producing wells, expressed in terms of both *gross* wells and *net* wells, by location (province, territory or state if in Canada or the United States, and country otherwise).

Item 6.2 Properties with No Attributed Reserves

1. For *properties* to which no *reserves* are attributed, disclose:
 - (a) the *gross* area (acres or hectares) in which the *reporting issuer* has an interest;
 - (b) the interest of the *reporting issuer* therein expressed in terms of net area (acres or hectares);
 - (c) the location, by country; and
 - (d) the existence, nature (including any bonding requirements), timing and cost (specified or estimated) of any work commitments.

2. Disclose, by country, the *net* area (acres or hectares) of *property* to which no *reserves* are attributed and for which the *reporting issuer* expects its rights to explore, develop and exploit to expire within one year.

Item 6.3 Forward Contracts

1. If the *reporting issuer* is bound by an agreement (including a transportation agreement), directly or through an aggregator, under which it may be precluded from fully realizing, or may be protected from the full effect of, future market prices for *oil* or *gas*, describe the agreement, providing dates, time periods and summaries or ranges of volumes and contracted or reasonably estimated values.
2. Section 1 does not apply to agreements disclosed by the *reporting issuer*
 - (a) as financial instruments, in accordance with Section 3860 of the *CICA Handbook*; or
 - (b) as contractual obligations or commitments, in accordance with Section 3280 of the *CICA Handbook*.
3. If the *reporting issuer's* transportation obligations or commitments for future physical deliveries of *oil* or *gas* exceed the *reporting issuer's* expected related future *production* from its *proved reserves*, estimated using *forecast prices and costs* and disclosed under Part 2, disclose the amount of such excess, providing dates, time periods, volumes and reasonably estimated value.

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

In respect of abandonment and reclamation costs for surface *leases*, wells, facilities and pipelines, disclose:

- (a) how the *reporting issuer* estimates such costs;
- (b) the number of *net* wells for which the *reporting issuer* expects to incur such costs;
- (c) the total amount of such costs, net of estimated salvage value, expected to be incurred, calculated without discount and using a discount rate of 10 percent;
- (d) the portion, if any, of the amounts disclosed under paragraph (c) of this Item 6.4 that was not deducted in estimating the *reserves data* disclosed under Part 2; and
- (e) the portion, if any, of the amounts disclosed under paragraph (c) of this Item 6.4 that the *reporting issuer* expects to pay in the next three financial years, in total.

INSTRUCTION

Item 6.4 supplements the information disclosed in response to clauses 3(e) of Item 2.1 and (3)(b)(v) of Item 2.2. The response to paragraph (d) of Item 6.4 should enable a reader of this statement and of the reporting issuer's financial statements for the financial year ending on the effective date to understand both the reporting issuer's estimated total abandonment and reclamation costs, and what portions of that total are, and are not, reflected in the disclosed reserves data.

Item 6.5 Tax Horizon

If the *reporting issuer* is not required to pay income taxes for its most recently completed financial year, discuss its estimate of when income taxes may become payable.

Item 6.6 Costs

1. Disclose each of the following by country for the most recent financial year (irrespective of whether such costs were capitalized or charged to expense when incurred):
 - (a) *property acquisition costs*, separately for *proved properties* and *unproved properties*;
 - (b) *exploration costs*; and
 - (c) *development costs*.

2. If the *reporting issuer* files financial statements in which investments are accounted for by the equity method, disclose separately, for the purpose of this Item 6.6, the *reporting issuer's* share of the investees' *property acquisition costs*, *exploration costs* and *development costs* incurred in the most recent financial year, in the aggregate by country.

Item 6.7 Exploration and Development Activities

1. Disclose, by country and separately for *exploratory wells* and *development wells*:
 - (a) the number of *gross wells* and *net wells* completed in the *reporting issuer's* most recent financial year; and
 - (b) for each category of wells for which information is disclosed under paragraph (a), the number completed as *oil wells*, *gas wells* and *service wells* and the number that were dry holes.
2. Describe generally the *reporting issuer's* most important current and likely exploration and development activities, by country.

Item 6.8 Production Estimates

1. Disclose, by country, for each *product type*, the volume of *production* estimated for the first year reflected in the estimates of *future net revenue* disclosed under Items 2.1 and 2.2.
2. If one *field* accounts for 20 percent or more of the estimated *production* disclosed under section 1, identify that *field* and disclose the volume of *production* estimated for the *field* for that year.

Item 6.9 Production History

1. To the extent not previously disclosed in financial statements filed by the *reporting issuer*, disclose, for each quarter of its most recent financial year, by country for each *product type*:
 - (a) the *reporting issuer's* share of average daily *production* volume, before deduction of royalties; and
 - (b) as an average per unit of volume (for example, *\$/bbl* or *\$/Mcf*):
 - (i) the prices received;
 - (ii) royalties paid;
 - (iii) *production costs*; and
 - (iv) the resulting netback.
2. For each important *field*, and in total, disclose the *reporting issuer's production* volumes for the most recent financial year, for each *product type*.

INSTRUCTION

*In providing information for each **product type** for the purpose of Item 6.9, it is not necessary to allocate among multiple **product types** attributable to a single well, **reservoir** or other **reserves** entity. It is sufficient to provide the information in respect of the principal **product type** attributable to the well, **reservoir** or other **reserves** entity.*

**FORM 51-101F2
REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES
EVALUATOR OR AUDITOR**

This is the form referred to in item 2 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities ("NI 51-101")*.

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.¹
2. The report on *reserves data* referred to in item 2 of section 2.1 of *NI 51-101*, to be executed by one or more *qualified reserves evaluators or auditors independent of the reporting issuer*, shall in all material respects be as follows:

Report on Reserves Data

To the board of directors of [name of reporting issuer] (the "Company"):

1. We have [audited] [evaluated] [and reviewed] the Company's reserves data as at [last day of the reporting issuer's most recently completed financial year]. The reserves data consist of the following:
 - (a)
 - (i) proved and proved plus probable oil and gas reserves estimated as at [last day of the reporting issuer's most recently completed financial year] using forecast prices and costs; and
 - (ii) the related estimated future net revenue; and
 - (b)
 - (i) proved oil and gas reserves estimated as at [last day of the reporting issuer's most recently completed financial year] using constant prices and costs; and
 - (ii) the related estimated future net revenue.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our [audit] [evaluation] [and review].

We carried out our [audit] [evaluation] [and review] in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an [audit] [evaluation] [and review] to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An [audit] [evaluation] [and review] also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company [audited] [evaluated] [and reviewed] by us for the year ended xxx xx, 20xx, and identifies the respective portions thereof that we have [audited] [evaluated] [and reviewed] and reported on to the Company's [management/board of directors]:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of [Audit/ Evaluation/ Review] Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (10% discount rate)			
			Audited	Evaluated	Reviewed	Total
Evaluator A	xxx xx, 20xx	xxxx	\$xxx	\$xxx	\$xxx	\$xxx
Evaluator B	xxx xx, 20xx	xxxx	xxx	xxx	xxx	xxx
Totals			\$xxx	\$xxx	\$xxx	\$xxx ²

¹ For the convenience of readers, Appendix 1 to Companion Policy 51-101CP sets out the meanings of terms that are printed in italics in sections 1 and 2 of this Form or in *NI 51-101*, *Form 51-101F1*, *Form 51-101F3* or the Companion Policy.

Request for Comments

- 5. In our opinion, the reserves data respectively [audited] [evaluated] by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
- 6. We have no responsibility to update our respective reports referred to in paragraph 4 for events and circumstances occurring after its preparation date.
- 7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Evaluator A, City, Province or State / Country, Execution Date _____
[signed]

Evaluator B, City, Province or State / Country, Execution Date _____
[signed]

² This amount should be the amount disclosed by the *reporting issuer* in the *reserves data* included in its statement filed under item 1 of section 2.1 of **NI 51-101**, as its total *future net revenue* attributable to *proved plus probable reserves*, estimated using *forecast prices and costs* and calculated using a discount rate of 10 percent.

**FORM 51-101F3
REPORT OF
MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE**

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities ("NI 51-101")*.

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.¹
2. The report referred to in item 3 of section 2.1 of *NI 51-101* shall in all material respects be as follows:

**Report of Management and Directors
on Reserves Data and Other Information**

Management of [name of reporting issuer] (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which consist of the following:

- (a)
 - (i) proved and proved plus probable oil and gas reserves estimated as at [last day of the reporting issuer's most recently completed financial year] using forecast prices and costs; and
 - (ii) the related estimated future net revenue; and
- (b)
 - (i) proved oil and gas reserves estimated as at [last day of the reporting issuer's most recently completed financial year] using constant prices and costs; and
 - (ii) the related estimated future net revenue.

[An] independent [qualified reserves evaluator[s] or qualified reserves auditor[s]] [has / have] [audited] [evaluated] [and reviewed] the Company's reserves data. The report of the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]] [is presented below / will be filed with securities regulatory authorities concurrently with this report].

The [Reserves Committee of the] board of directors of the Company has

- (a) reviewed the Company's procedures for providing information to the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]];
- (b) met with the independent qualified reserves evaluator[s] or qualified reserves auditor[s] to determine whether any restrictions affected the ability of the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]] to report without reservation [and, because of the proposal to change the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]], to inquire whether there had been disputes between the previous independent [qualified reserves evaluator[s] or qualified reserves auditor[s] and management]; and
- (c) reviewed the reserves data with management and the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]].

The [Reserves Committee of the] board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has [, on the recommendation of the Reserves Committee,] approved

- (a) the content and filing with securities regulatory authorities of the reserves data and other oil and gas information;
- (b) the filing of the report of the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]] on the reserves data; and
- (c) the content and filing of this report.

¹ For the convenience of readers, Appendix 1 to Companion Policy 51-101CP sets out the meanings of terms that are printed in italics in sections 1 and 2 of this Form or in *NI 51-101*, *Form 51-101F1*, *Form 51-101F2* or the Companion Policy.

Request for Comments

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

[signature, name and title of chief executive officer]

[signature, name and title of a senior officer other than the chief executive officer]

[signature, name and title of a director]

[signature, name and title of a director]

[Date]

**COMPANION POLICY 51-101CP
STANDARDS OF DISCLOSURE
FOR OIL AND GAS ACTIVITIES**

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**COMPANION POLICY 51-101CP
STANDARDS OF DISCLOSURE
FOR OIL AND GAS ACTIVITIES**

This Companion Policy sets out the views of the Canadian Securities Administrators (the "CSA") as to the interpretation and application of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") and related forms, and how the *securities regulatory authorities* or *regulators* may exercise their discretion in respect of certain applications for exemption from provisions of NI 51-101¹.

PART 1 APPLICATION AND TERMINOLOGY

1.1 Supplements Other Requirements - NI 51-101 supplements other continuous disclosure requirements of *securities legislation* that apply to *reporting issuers* in all business sectors.

1.2 Materiality Standard - Section 1.4 of NI 51-101 states that NI 51-101 applies only in respect of information that is *material*.

NI 51-101 does not require any disclosure or filing of information that is not *material*. If information is not required to be disclosed because it is not *material*, it is unnecessary to disclose that fact.

Materiality for the purposes of NI 51-101 is a matter of judgement to be made in light of the circumstances, taking into account both qualitative and quantitative factors, assessed in respect of the *reporting issuer* as a whole.

The reference in subsection 1.4(2) of NI 51-101 to a "reasonable investor" denotes an objective test: would a notional investor, broadly representative of investors generally and guided by reason, be likely to be influenced, in making an investment decision to buy, sell or hold a security of a *reporting issuer*, by an item of information or an aggregate of items of information? If so, then that item of information, or aggregate of items, is "*material*" in respect of that *reporting issuer*.

This concept of *materiality* is consistent with the concept of *materiality* applied in connection with financial reporting pursuant to the *CICA Handbook*.

1.3 When Does NI 51-101 First Apply to a Reporting Issuer? - Part 9 of NI 51-101 specifies both the date on which NI 51-101 comes into force (section 9.1) and the timing of its first application to a *reporting issuer* (section 9.2). The two dates differ.

NI 51-101 comes into force on September 30, 2003. That does not, however, itself trigger any immediate filing or other requirements for *reporting issuers*.

Section 9.2 of NI 51-101 in effect establishes a transition period after NI 51-101 comes into force, during which *reporting issuers* are expected to prepare for compliance with NI 51-101. The date on which they first become subject to the requirements of NI 51-101 will vary depending on their financial year-ends and, in some cases, on whether or not they choose to enter the NI 51-101 disclosure system earlier than required. *Reporting issuers* may voluntarily comply with NI 51-101 before they are required to do so.

The first mandatory annual filings under Part 2 of NI 51-101 will be due at the same time as a *reporting issuer* is required to file its audited annual financial statements for its financial year that includes, or ends on, December 31, 2003. Those first annual *oil* and *gas* filings will include *reserves data* and other information that must be prepared as at the last day of that financial year and for that financial year. Some of this information will date back to the beginning of that financial year.

The other provisions of NI 51-101, including requirements relating to public disclosure generally and to material change² disclosure in particular, will apply to a *reporting issuer* only after it has filed its first annual *oil* and *gas* disclosure under Part 2, or the deadline for that filing, whichever is earlier.

A *reporting issuer* may voluntarily make its first annual filing under Part 2 of NI 51-101 earlier than the deadlines noted below, and may do so in respect of a financial year earlier than noted below. The other provisions of NI 51-101 would begin to apply to the *reporting issuer* at the time of that voluntary early filing.

¹ For the convenience of readers, the Appendix to Companion Policy 51-101CP sets out the meanings of terms that are printed in italics in NI 51-101, Form 51-101F1, 51-101F2 or Form 51-101F3, or in this Companion Policy (other than terms italicized in titles of documents, or in the texts of reports set out in Part 8, that are printed entirely in italics).

² "Material change" has the meaning ascribed to the term under *securities legislation* in the *jurisdiction*.

The following examples, summarized in the table below, illustrate the effect of Part 9:

- A *reporting issuer* with a financial year that coincides with the calendar year, and with an annual financial statement filing period of 140 days after year-end, will be required to make its first annual *oil* and *gas* disclosure filing under Part 2 in the first 140 days of 2004, by May 19, 2004. The *reserves data* and other information included in that filing must be prepared as at December 31, 2003 and for the year ended on that date.

The other provisions of *NI 51-101* will begin to apply to the *reporting issuer* as soon as it makes its first filing under Part 2, or on May 19, 2004, whichever occurs first.

- A *reporting issuer* with a financial year that ends on June 30 will be required to make its first annual oil and gas disclosure filing under Part 2 within 140 days after June 30, 2004, by November 17, 2004. The *reserves data* and other information included in that filing must be prepared as at June 30, 2004 and for the financial year ended on that date.

The other provisions of *NI 51-101* will begin to apply to the *reporting issuer* as soon as it makes its first filing under Part 2, or on November 17, 2004, whichever occurs first.

<u>Financial Year-End</u>	<u>First Annual Filing Deadline</u>
December 31	May 19, 2004 (data for the year ended <u>December 31, 2003</u>)
June 30	November 17, 2004 (data for the year ended <u>June 30, 2004</u>)

- * Note that any change in annual financial statement filing deadlines would also change the filing deadline under Part 2 of *NI 51-101*.

Because the first annual filing must include certain information from the beginning of the financial year for which disclosure is required, as well as certain information for prior periods, *reporting issuers* should familiarize themselves with *NI 51-101* and begin gathering information well before *NI 51-101* applies to them.

1.4 COGE Handbook

Pursuant to section 1.2 of *NI 51-101*, definitions and interpretations in the COGE Handbook apply for purposes of *NI 51-101* if they are not defined in *NI 51-101*, *NI 14-101* or the securities statute in the jurisdiction (except to the extent of any conflict or inconsistency with *NI 51-101*, *NI 14-101* or the securities statute).

Section 1.1 of *NI 51-101* and the Glossary in Appendix 1 to this Companion Policy set out definitions and interpretations, many of which are derived from the COGE Handbook. Reserves definitions and classifications developed by the Petroleum Society of the Canadian Institute of Mining, Metallurgy & Petroleum (CIM), are incorporated in the COGE Handbook and set out, in part, in Part 2 of Appendix 1 to this Companion Policy.

Paragraph 4.2(1)(b) of *NI 51-101* requires that all filed estimates of reserves or future net revenue have been prepared or audited in accordance with the COGE Handbook. Under sections 5.2 and 5.3 of *NI 51-101*, all types of public oil and gas disclosure, including disclosure of reserves and resources must be consistent with the COGE Handbook.

1.5 Qualified Reserves Evaluator or Auditor

The defined terms "*qualified reserves evaluator*" and "*qualified reserves auditor*" have a number of elements. A *qualified reserves evaluator* or *qualified reserves auditor* must

- possess professional qualifications and experience appropriate for the tasks contemplated in the *Instrument*, and
- be a member in good standing of a *professional organization*.

Reporting issuers should satisfy themselves that any person they appoint to perform the tasks of a *qualified reserves evaluator* or *auditor* for the purposes of the *Instrument* satisfies each of the elements of the appropriate definition.

The definitions of *qualified reserves evaluator* and *qualified reserves auditor* are set out in subsections 1.1(x) and 1.1(w) of *NI 51-101*, respectively, and again in the Glossary in Appendix 1 to this Companion Policy.

(a) Relevant Professional Qualifications and Experience

In addition to having the relevant professional qualifications, a *qualified reserves evaluator or auditor* must also have sufficient practical experience relevant to the *reserves data* to be reported on. In assessing the adequacy of practical experience, reference should be made to section 3 of the *COGE Handbook*.

(b) Professional Organization

For the purposes of the *Instrument*, a *qualified reserves evaluator or auditor* must also be a member in good standing with a self-regulatory *professional organization* of engineers, geologists, geoscientists or other professionals.

The definition of "*professional organization*" (in subsection 1.1(v) of *NI 51-101* and in the Glossary in Appendix 1 to this Companion Policy) has four elements, three of which deal with the basis on which the organization accepts members and its powers and requirements for continuing membership. The fourth element requires either authority or recognition given to the organization by a statute in Canada, or acceptance of the organization by the *securities regulatory authority or regulator*.

Each of the following organizations in Canada is a *professional organization* as at the date *NI 51-101* comes into force:

- Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA)
- Association of Professional Engineers and Geoscientists of the Province of British Columbia (APEGBC)
- Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS)
- Association of Professional Engineers and Geoscientists of Manitoba (APEGM)
- Association of Professional Geoscientists of Ontario (APGO)
- Professional Engineers of Ontario (PEO)
- Ordre des ingénieurs du Québec (OIQ)
- Ordre des Géologues du Québec (OGQ)
- Association of Professional Engineers of Prince Edward Island (APEPEI)
- Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB)
- Association of Professional Engineers of Nova Scotia (APENS)
- Association of Professional Engineers and Geoscientists of Newfoundland (APEGN)
- Association of Professional Engineers of Yukon (APEY)
- Association of Professional Engineers, Geologists & Geophysicists of the Northwest Territories (NAPEGG) (representing the Northwest Territories and Nunavut Territory)

(i) Other Professional Organizations?

The CSA are willing to consider whether particular foreign professional bodies should be accepted as "*professional organizations*" for purposes of *NI 51-101*. A *reporting issuer*, foreign professional body or other interested person can apply to have a self-regulatory organization that satisfies the first three elements of the definition of "*professional organization*" accepted for the purpose of *NI 51-101*.

In considering any such application for acceptance, the *securities regulatory authority or regulator* is likely to take into account the degree to which a foreign professional body's authority or recognition, admission criteria, standards and disciplinary powers and practices are similar to, or differ from, those of organizations listed above.

The CSA may from time to time determine that it is appropriate to expand or revise the list of *professional organizations* and publish notice of such changes.

(ii) **No Professional Organization?**

A *reporting issuer* or other person may apply for an exemption under Part 8 of *NI 51-101* to enable a *reporting issuer* to appoint, in satisfaction of its obligation under section 3.2 of *NI 51-101*, an individual who is not a member of a *professional organization*, but who has other satisfactory qualifications and experience. Such an application might refer to a particular individual or generally to members and employees of a particular foreign reserves evaluation firm. In considering any such application, the *securities regulatory authority* or *regulator* is likely to take into account the individual's professional education and experience or, in the case of an application relating to a firm, to the education and experience of the firm's members and employees, evidence concerning the opinion of a *qualified reserves evaluator or auditor* as to the quality of past work of the individual or firm, and any prior relief granted or denied in respect of the same individual or firm.

(iii) **Renewal Applications Unnecessary**

A successful applicant would likely have to make an application contemplated in this section 1.5 only once, and not renew it annually.

1.6 Oil Sands and Other Non-Conventional Activities - *NI 51-101* applies not only to conventional *oil and gas activities*, but also to non-conventional activities such as the extraction of *bitumen* from oil sands with a view to the production of *synthetic oil*, the in situ production of *bitumen* and the extraction of methane from coal beds.

Although *NI 51-101* and *Form 51-101F1* make few specific references to non-conventional *oil and gas activities*, the CSA are of the view that the requirements of *NI 51-101* for the preparation and disclosure of *reserves data* apply to *oil and gas reserves* relating to oil sands, shale, coal or other non-conventional sources of hydrocarbons. The CSA encourage *reporting issuers* that are engaged in non-conventional *oil and gas activities* to supplement the disclosure prescribed in *NI 51-101* and *Form 51-101F1* with information specific to those activities that can assist investors and others in understanding the business and results of the *reporting issuer*. In particular, the CSA encourage *reporting issuers* engaged in *oil and gas activities* that involve mining to consider the following when making disclosure about those activities:

- in respect of financial disclosure, *CICA Handbook* guidance for mining activities; and
- in respect of technical aspects of mine development and operations, National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and *Form 43-101F1 Technical Report*.

1.7 Use of Information - The requirements under *NI 51-101* for the filing with *securities regulatory authorities* of information relating to *oil and gas activities* are designed in part to assist the public and analysts in making investment decisions and recommendations.

The CSA encourage registrants³ and other persons and companies that wish to make use of information concerning *oil and gas activities* of a *reporting issuer*, including *reserves data*, to review the information filed on *SEDAR* under *NI 51-101* by the *reporting issuer* and, if they are summarizing or referring to this information, to use the applicable terminology consistent with *NI 51-101* and the *COGE Handbook*.

PART 2 ANNUAL FILING REQUIREMENTS

2.1 Annual Filings on SEDAR - The information required under section 2.1 of *NI 51-101* must be filed electronically on *SEDAR*. Consult National Instrument 13-101 *SEDAR* and the current CSA "SEDAR Filer Manual" for information about filing documents electronically.

2.2 Inapplicable or Immaterial Information - Section 2.1 of *NI 51-101* does not require the filing of any information, even if specified in *NI 51-101* or in a form referred to in *NI 51-101*, if that information is inapplicable or not *material* in respect of the *reporting issuer*. See section 1.2 of this Companion Policy for a discussion of *materiality*.

If an item of prescribed information is not disclosed because it is inapplicable or immaterial, it is unnecessary to state that fact or to make reference to the disclosure requirement.

³ "Registrant" has the meaning ascribed to the term under *securities legislation* in the *jurisdiction*.

- 2.3 Use of Forms** - Section 2.1 of *NI 51-101* requires the annual filing of information set out in *Form 51-101F1* and reports in accordance with *Form 51-101F2* and *Form 51-101F3*.

NI 51-101 and the instructions in *Form 51-101F1*, give the *reporting issuer* considerable flexibility in presenting this information, provided that all required information is filed. It is not necessary to identify any of the information by form name, number or title, to include the headings or numbering used in a form, or to follow the ordering of items used in the forms. (Appendix 2 to this Companion Policy provides an example of how certain of the *reserves data* might be presented).

The information specified in all three forms, or any two of the forms, can be combined in a single document. A *reporting issuer* may wish to include statements indicating the relationship between documents or parts of one document. For example, the *reporting issuer* may wish to accompany the report of the *independent qualified reserves evaluator or auditor* (*Form 51-101F2*) with a reference to the *reporting issuer's* disclosure of the *reserves data* (*Form 51-101F1*), and vice versa.

The report of management and directors in *Form 51-101F3* may be combined with management's report on financial statements, if any, in respect of the same financial year.

- 2.4 Annual Information Form** - Section 2.3 of *NI 51-101* permits *reporting issuers* to satisfy the requirements of section 2.1 of *NI 51-101* by presenting the information required under section 2.1 in an *annual information form*.

(a) Meaning of "Annual Information Form"

The *annual information form* can be in *Form 44-101F1 AIF* if it is a "current AIF" under National Instrument 44-101 *Short Form Prospectus Distributions*, or if it is filed for other purposes such as Ontario Securities Commission Rule 51-501 *AIF and MD&A*, section 159 of the Regulation under the *Securities Act* (Québec) or Multilateral Instrument 45-102 *Resale of Securities*. The *annual information form* can also be a current annual report on *Form 10-K* or *Form 20-F* under the *1934 Act*, if the *reporting issuer* is eligible to file such a report under *NI 44-101*.

Some or all of the current domestic forms of *annual information form* may be superseded by a new form under proposed National Instrument 51-102 *Continuous Disclosure Obligations*. If so, such new form would likely be acceptable as an "*annual information form*" for purposes of *NI 51-101*. The CSA will give public notice of any such change.

(b) Option to Set Out Information in Annual Information Form

All types of domestic *annual information form* will likely require the inclusion of the information required under section 2.1 of *NI 51-101*, either by setting out the text of the information or by incorporating it, by reference, from separately filed documents. The option offered by section 2.3 of *NI 51-101* enables a *reporting issuer* to satisfy its obligations under section 2.1 of *NI 51-101*, as well as its obligations in respect of *annual information form* disclosure, by setting out the information required under section 2.1 only once, in the *annual information form*. If the *annual information form* is on *Form 10-K*, this can be accomplished by including the information in a supplement (often referred to as a "wrapper") to the *Form 10-K*.

A *reporting issuer* that elects to set out in full in its *annual information form* the information required by section 2.1 of *NI 51-101* need not also file that information again for purposes of section 2.1 in one or more separate documents. A reporting issuer that elects to follow this approach should file its *annual information form* in accordance with usual requirements of *securities legislation*, and at the same time file on *SEDAR*, in the category for *NI 51-101 oil and gas* disclosure, a notification that the information required under section 2.1 of *NI 51-101* is included in the *reporting issuer's* filed *annual information form*. This notification (which could be a copy of the news release mandated by section 2.2 of *NI 51-101*) will assist other *SEDAR* users in finding that information. It is not necessary to make a duplicate filing of the *annual information form* itself under the *SEDAR NI 51-101 oil and gas* disclosure category.

- 2.5 Reservations in Report of Independent Qualified Reserves Evaluator or Auditor** - A report of an *independent qualified reserves evaluator or auditor* on *reserves data* will not satisfy the requirements of item 2 of section 2.1 of *NI 51-101* if the report contains a *reservation*, the cause of which can be removed by the *reporting issuer* (subsection 2.4(2) of *NI 51-101*).

The CSA do not generally consider time and cost considerations to be causes of a *reservation* that cannot be removed by the *reporting issuer*.

A report containing a *reservation* may be acceptable if the *reservation* is caused by a limitation in the scope of the *evaluation* or *audit* resulting from an event that clearly limits the availability of necessary records and which is beyond

the control of the *reporting issuer*. This could be the case if, for example, necessary records have been inadvertently destroyed and cannot be recreated or if necessary records are in a country at war and access is not practicable.

One potential source of *reservations*, which the CSA consider can and should be addressed in a different way, could be reliance by a *qualified reserves evaluator or auditor* on information derived or obtained from a *reporting issuer's* independent financial auditors or reflecting their report. As discussed in section 4.4 of this Companion Policy, the CSA recommend that *qualified reserves evaluators or auditors* follow the procedures and guidance set out in both sections 4.5 and 12.6 of the *COGE Handbook* in respect of dealings with independent financial auditors. In so doing, the CSA expect that the quality of *reserves data* can be enhanced and a potential source of *reservations* can be eliminated.

- 2.6 Negative Assurance by Qualified Reserves Evaluator or Auditor** - A *qualified reserves evaluator or auditor* conducting a *review* may wish to express only negative assurance -- for example, in a statement such as "Nothing has come to my attention which would indicate that the reserves data have not been prepared in accordance with principles and definitions presented in the Canadian Oil and Gas Evaluation Handbook". This can be contrasted with a positive statement such as an opinion that "The reserves data have, in all material respects, been determined and presented in accordance with the Canadian Oil and Gas Evaluation Handbook and are, therefore, free of material misstatement".

The CSA are of the view that statements of negative assurance can be misinterpreted as providing a higher degree of assurance than is intended or warranted.

The CSA believe that a statement of negative assurance would constitute so material a departure from the report prescribed in *Form 51-101F2* as to fail to satisfy the requirements of item 2 of section 2.1 of *NI 51-101*.

The *COGE Handbook* may address the issue of negative assurance in connection with evolving standards for *reviews of reserves data*. The CSA will consider any such developments and may, in consequence, reassess the views expressed above.

- 2.7 Royalty Interest in Reserves** - *Net reserves* (or "company *net reserves*") of a *reporting issuer* include its royalty interest in *reserves*.

If a *reporting issuer* cannot obtain the information it requires to enable it to include a royalty interest in *reserves* in its disclosure of *net reserves*, it should, proximate to its disclosure of *net reserves*, disclose that fact and its corresponding royalty interest share of *oil and gas production* for the year ended on the *effective date*.

- 2.8 Government Restriction on Disclosure** - If, because of a restriction imposed by a government or governmental authority having jurisdiction over a *property*, a *reporting issuer* excludes *reserves* information from its *reserves data* disclosed under *NI 51-101*, the disclosure should include a statement that identifies the *property* or country for which the information is excluded and explains the exclusion.

- 2.9 Additional Information** - As discussed in section 2.3 above and in the instructions to *Form 51-101F1*, *NI 51-101* offers considerable flexibility in the use of the prescribed forms and the presentation of required information.

The disclosure specified in *Form 51-101F1* is the minimum disclosure required, subject to the *materiality* standard. *Reporting issuers* are free to provide additional disclosure that is not inconsistent with *NI 51-101*.

To the extent that additional, or more detailed, disclosure can be expected to assist readers in understanding and assessing the mandatory disclosure, it is encouraged. Indeed, to the extent that additional disclosure of material facts is necessary in order to make mandated disclosure not misleading, a failure to provide that additional disclosure would amount to a misrepresentation.

- 2.10 Sample Reserves Data Disclosure** - Appendix 2 to this Companion Policy sets out an example of how certain of the *reserves data* might be presented in a manner which the CSA consider to be consistent with *NI 51-101* and *Form 51-101F1*.

The sample presentation in Appendix 2 also illustrates how certain additional information not mandated under *Form 51-101F1* might be incorporated in an annual filing.

The sample presentation in Appendix 2 is provided by way of illustration only, and is not mandatory. However, the CSA urge *reporting issuers* to review Appendix 2 and consider whether a similar presentation might be helpful for their investors.

PART 3 RESPONSIBILITIES OF REPORTING ISSUERS AND DIRECTORS

- 3.1 Reserves Committee** - Section 3.4 of *NI 51-101* enumerates certain responsibilities of the board of directors of a *reporting issuer* in connection with the preparation of *oil* and *gas* disclosure.

The CSA believe that certain of these responsibilities can in many cases more appropriately be fulfilled by a smaller group of directors who bring particular experience or abilities and an independent perspective to the task.

Subsection 3.5(1) of *NI 51-101* permits a board of directors to delegate responsibilities (other than the responsibility to approve the content or filing of certain documents) to a committee of directors, a majority of whose members are independent of management. Although subsection 3.5(1) is not mandatory, the CSA encourage *reporting issuers* and their directors to adopt this approach.

- 3.2 Responsibility for Disclosure** - *NI 51-101* requires the involvement of an *independent qualified reserves evaluator or auditor* in preparing or reporting on certain *oil* and *gas* information disclosed by a *reporting issuer*, and in section 3.2 mandates the appointment of an *independent qualified reserves evaluator or auditor* to report on *reserves data*.

The CSA do not intend or believe that the involvement of an *independent qualified reserves evaluator or auditor* relieves the *reporting issuer* of responsibility for information disclosed by it for purposes of *NI 51-101*.

PART 4 MEASUREMENT

- 4.1 Forecast Prices and Costs** - *Forecast prices and costs* are discussed in the *COGE Handbook*. Except to the extent that the *reporting issuer* is legally bound by fixed or presently determinable future prices or costs, *forecast prices and costs* are future prices and costs "generally recognized as being a reasonable outlook on the future".

The CSA do not consider that future prices or costs would satisfy this requirement if they fall outside the range of forecasts of comparable prices or costs used, as at the same date, for the same future period, by major *independent qualified reserves evaluators or auditors*.

- 4.2 Constant Prices and Costs** - *Constant prices and costs* are based on the *reporting issuer's* prices and costs as of the *effective date* of the estimate being made (generally, for purposes of the estimates to be filed under section 2.1 of *NI 51-101*, as at the *reporting issuer's* financial year-end). In general, these prices and costs are assumed not to change, but rather to remain constant, throughout the life of a *property*, except to the extent of any fixed or presently determinable future prices or costs to which the *reporting issuer* is legally bound by contract or otherwise (including those for an extension period of a contract that is likely to be extended).

- 4.3 Reserves Estimation Methods** - The *COGE Handbook* sets out target levels of certainty for estimates of primary classifications of total *reserves* for the *reporting issuer* as a whole. For example, there is to be at least a 90 percent probability that the total remaining quantities of *oil* and *gas* to be recovered will equal or exceed the estimated total *proved reserves*. (See Part 2 of Appendix 1.)

Section 5.4.3 of the *COGE Handbook* states "In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods".

When deterministic methods are used, because of the absence of a "mathematically derived quantitative measure of probability", the classification of *reserves* is based on professional judgement as to the quantitative measure of certainty attained.

- 4.4 Consistency of Timing** - Subsection 4.2(2) of *NI 51-101* requires consistency in the timing of recording the effects of events or transactions for purposes of both annual financial statements and annual *reserves data* disclosure.

To ensure that the effects of events or transactions are recorded, disclosed or otherwise reflected consistently (in respect of timing) in all public disclosure, a *reporting issuer* will wish to ensure that both its financial auditors and its *qualified reserves evaluators or auditors*, as well as its directors, are kept apprised of relevant events and transactions, and to facilitate communication between its financial auditors and its *qualified reserves evaluators or auditors*.

Sections 4.5 and 12.6 of the *COGE Handbook* set out procedures and guidance for the conduct of *reserves evaluations* and *reserves audits*, respectively. Section 12.6 deals with the relationship between a *reserves auditor* and the client's financial auditor. Section 4.5, in connection with *reserves evaluations*, deals somewhat differently with the relationship between the *qualified reserves evaluator or auditor* and the client's financial auditor. The CSA recommend that *qualified reserves evaluators or auditors* carry out the procedures discussed in both sections 4.5 and 12.6 of the *COGE Handbook*, whether conducting a *reserves evaluation* or a *reserves audit*.

PART 5 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE

5.1 Scope of Part 5 of NI 51-101 - Part 5 of *NI 51-101* imposes requirements and restrictions that apply to all "disclosure" (or, in some cases, all written disclosure) of a type described in section 5.1 of *NI 51-101*. Section 5.1 refers to disclosure that is either:

- filed by a *reporting issuer* with the *securities regulatory authority*; or
- if not filed, otherwise made to the public or made in circumstances in which, at the time of making the disclosure, the *reporting issuer* expects, or ought reasonably to expect, the disclosure to become available to the public.

As such, Part 5 applies to a broad range of disclosure including:

- the annual filings required under Part 2 of *NI 51-101*;
- other continuous disclosure filings, including material change reports (which themselves may also be subject to Part 6 of *NI 51-101*);
- public disclosure documents, whether or not filed, including news releases;
- public disclosure made in connection with a distribution of securities, including a prospectus; and
- except in respect of provisions of Part 5 that apply only to written disclosure, public speeches and presentations made by representatives of the *reporting issuer* on behalf of the *reporting issuer*.

For these purposes, the CSA consider written disclosure to include any writing, map, plot or other printed representation whether produced, stored or disseminated on paper or electronically.

To ensure compliance with the requirements of Part 5, the CSA encourage *reporting issuers* to involve a *qualified reserves evaluator or auditor*, or other person who is familiar with *NI 51-101* and the *COGE Handbook*, in the preparation, review or approval of all such *oil* and *gas* disclosure.

5.2 Estimates of Fair Value - Section 5.10 of *NI 51-101* sets out requirements applicable to disclosure of certain estimates of fair value -- for example, an estimate of fair value of an *oil* and *gas* prospect.

Such an estimate must, unless paragraph 5.10(2)(a) applies, satisfy the requirements of paragraph 5.10(2)(b), which among other things requires that the estimate be prepared or accepted by a professional valuator. The CSA do not consider that such an estimate would be an appropriate basis for disclosure if it is prepared or accepted as at a date more than six months before the date of the disclosure.

Under subparagraph 5.10(2)(b)(ii), the estimate must consist of at least three values that reflect a range of reasonable likelihoods (the low value reflecting a conservative estimate, the middle value being the median estimate, and the high value being an optimistic estimate) such values being estimated by a professional valuator in accordance with applicable professional standards based on the course of action that the valuator reasonably expects the *reporting issuer* to follow.

In circumstances in which paragraph 5.10(2)(b) applies, in order to ensure that the *reporting issuer* is not making public disclosure of misleading information, the CSA expect the *reporting issuer* to provide all relevant information to the valuator to enable the valuator to prepare the estimate and provide the report referred to in that paragraph.

5.3 Negative Assurance - As discussed in section 2.6, the CSA are of the view that a report of a *qualified reserves evaluator or auditor* that is based on or conveys only negative assurance can be misinterpreted as providing a higher degree of assurance than is intended or warranted.

The CSA believe that *reporting issuers* should avoid making any public disclosure of, or based on, a report that conveys only negative assurance.

In the rare case, if any, in which there are compelling reasons for making such disclosure, the CSA believe that, to avoid providing information that could be misleading, the *reporting issuer* should include in such disclosure useful explanatory and cautionary statements. Such statements should explain the limited nature of the work undertaken by the *qualified reserves evaluator or auditor* and the limited scope of the assurance expressed, noting that it does not amount to a positive opinion.

The *COGE Handbook* may address the issue of negative assurance in connection with evolving standards for *reviews of reserves data*. The CSA will consider any such developments and may, in consequence, give public notice of a change in the views expressed above.

- 5.4 Supporting Filings** - Part 5 of *NI 51-101* requires that certain information, if disclosed publicly, be supported by consistent information in a *supporting filing*.

The definition of "*supporting filing*" in section 1.1 of *NI 51-101* does not specify any particular type of document, nor a maximum age or an expiry date for any such document. If the information in a filed document has not been rendered inaccurate or misleading by events subsequent to its filing, the document can continue to serve as a *supporting filing*.

Part 6 of *NI 51-101* requires that reports of material changes include, in certain circumstances, information concerning the effect that the material change would, but for the timing of its occurrence, have had on information in an annual filing under Part 2.

The CSA do not consider that a document filed under Part 2 of *NI 51-101* would cease to qualify as a *supporting document* merely by reason of the occurrence of a material change referred to in Part 6 of *NI 51-101*, provided that the material change disclosure satisfies applicable requirements of Part 6.

- 5.5 Consistent Use of Units of Measurement** - *Reporting issuers* should be consistent in their use of units of measurement within and between disclosure documents, to facilitate understanding and comparison of the disclosure. For example, *reporting issuers* should not, without compelling reason, switch between imperial units of measure (such as barrels) and *Système International (SI)* units of measurement (such as tonnes) within or between disclosure documents.

In all cases, in accordance with paragraph 4.2(1)(b), subsection 5.2(a) and section 5.3 of *NI 51-101*, *reporting issuers* should apply the relevant nomenclature and unit prefixes set out in the *COGE Handbook*.

- 5.6 BOEs and McfGEs** - Section 5.14 of *NI 51-101* sets out requirements that apply if a *reporting issuer* chooses to make disclosure using units of equivalency such as *BOEs* or *McfGEs*. The requirements include prescribed methods of calculation and cautionary disclosure as to the possible limitations of those calculations. Section 13 of the *COGE Handbook*, under the heading "Barrels of Oil Equivalent", provides additional guidance.

- 5.7 Finding and Development Costs** - Section 5.15 of *NI 51-101* sets out requirements that apply if a *reporting issuer* chooses to make disclosure of finding and development costs.

Because the prescribed methods of calculation under section 5.15 involve the use of *BOEs*, section 5.14 of *NI 51-101* necessarily applies to disclosure of finding and development costs under section 5.15. As such, the finding and development cost calculations must apply a conversion ratio as specified in section 5.14 and the cautionary disclosure prescribed in section 5.14 will also be required.

BOEs are based on imperial units of measurement. If the *reporting issuer* uses other units of measurements (such as *SI* or "metric" measures), any corresponding departure from the requirements of section 5.15 should reflect the use of units other than *BOEs*.

PART 6 MATERIAL CHANGE DISCLOSURE

- 6.1 Changes from Filed Information** - Part 6 of *NI 51-101* requires the inclusion of specified information in disclosure of certain material changes.

The information to be filed each year under Part 2 of *NI 51-101* is prepared as at, or for a period ended on, the *reporting issuer's* most recent financial year-end. That date is the *effective date* referred to in subsection 6.1(1) of *NI 51-101*. When a material change occurs after that date, the filed information may no longer, as a result of the material change, convey meaningful information, or the original information may have become misleading in the absence of updated information.

Part 6 of *NI 51-101* requires that the disclosure of the material change include a discussion of the *reporting issuer's* reasonable expectation of how information that had been filed under Part 2 would differ, had the material change occurred before rather than after the *effective date* of that original information.

This material change disclosure can reduce the likelihood of investors being misled, and maintain the usefulness of the original filed *oil* and *gas* information when the two are read together.

- 6.2 Constant Case Estimates** - To the extent that a material change referred to in section 6.1 involves a change in future prices and costs, the CSA do not consider that Part 6 of *NI 51-101* would require further discussion of *reserves data* estimated using *constant prices and costs* as at the *effective date*.

PART 7 INDEPENDENCE OF PROFESSIONALS

- 7.1 Independence of Qualified Reserves Evaluator or Auditor** - "*Independence*", in respect of the relationship between a *reporting issuer* and a *qualified reserves evaluator or auditor* engaged to *evaluate, audit, or review reserves data*, is to be determined in accordance with the *COGE Handbook*. The following guidance should be read in light of the *COGE Handbook*.

Under the *COGE Handbook*, a *qualified reserves evaluator or auditor* would not generally be considered to be *independent* of a client *reporting issuer* if the *qualified reserves evaluator or auditor* has or expects to receive a direct or indirect interest in either a *property* to be *evaluated* or reported on, or in securities of the client or of an affiliate of the client.

Independence would not ordinarily be considered to be lost only by reason of the fact that the *qualified reserves evaluator or auditor*, or a *reserves evaluation firm* of which he or she is a partner, shareholder or employee, also provides to the client *reporting issuer*, or provides to another client in respect of a *property* to be *evaluated* or reported on, other services (including *evaluations, audits or reviews*) of a type normally rendered by the petroleum engineering profession.

- 7.2 Unacceptable Qualified Reserves Evaluator or Auditor or Valuator** - Sections 2.1 and 3.2 of *NI 51-101* require the involvement, in connection with annual *reserves data* disclosure, of a *qualified reserves evaluator or auditor* who is *independent* (in accordance with the *COGE Handbook*) of the *reporting issuer*. Similarly, section 5.10 of *NI 51-101* requires the involvement, in connection with certain disclosure of estimates of fair value, of a professional valuator who is not a "related party" (within the meaning of the term in the *CICA Handbook*) of the *reporting issuer*.

Notwithstanding that a *qualified reserves evaluator or auditor* or a valuator may technically satisfy these requirements concerning his or her relationship with the *reporting issuer*, circumstances may, or may reasonably be seen to, deprive that individual of the freedom to exercise the independent judgement that the CSA consider essential for the purposes of *NI 51-101*. In such circumstances, the *securities regulatory authority* or *regulator* may request the *reporting issuer* to engage another *qualified reserves evaluator or auditor* or another valuator. If a prospectus filing is involved, the *securities regulatory authority* or *regulator* may consider that a failure to comply with such a request materially impairs the quality of disclosure to an extent that could lead to a refusal to issue a prospectus receipt.

PART 8 EXEMPTIONS

- 8.1 Scope of Possible Exemptions** - This Part discusses certain exemptive relief that the *securities regulatory authority* or *regulator* may be willing to grant in appropriate circumstances, on application by a *reporting issuer* under Part 8 of *NI 51-101*. The relief discussed in this Part is limited to relief from the requirements of *NI 51-101*, and would not affect other requirements of *securities legislation*.

(See also section 1.5 of this Companion Policy for a discussion of certain applications relating to professional qualifications.)

- 8.2 Exemption from Requirement for Independent Qualified Reserves Evaluator or Auditor**

The CSA consider that the involvement of a *qualified reserves evaluator or auditor* who is *independent* of a *reporting issuer* will in most cases serve as an important measure of quality control for *reserves data* disclosure, which should in turn help foster and maintain confidence in *oil* and *gas* disclosure, to the benefit of all participants in Canadian capital markets.

However, the CSA recognize that there may be limited circumstances in which the desired quality and reliability of *reserves data* disclosure may be achieved even without *independent* professional involvement.

(a) Discretionary Exemption for Senior Producing Issuer

Securities regulatory authorities or *regulators* would, in certain circumstances, likely be prepared, on application by a *senior producing issuer*, to grant an exemption from the requirements of *NI 51-101* for involvement of a *qualified reserves evaluator or auditor* who is *independent* of the *reporting issuer*. Such an exemption would likely be subject to conditions.

For these purposes, "*senior producing issuer*" means a *reporting issuer* that

- (i) demonstrates capability to estimate its *reserves* and *future net revenue* in accordance with the *COGE Handbook* (other than with respect to *independence*); and
- (ii) produced an average of more than 100,000 *BOEs* of *oil* and *gas* (converted in the ratio 6 *Mcf* :1 *bbl*) per day throughout its most recent financial year.

Such an exemption from the requirement for *independence* of a *qualified reserves evaluator* or *auditor* would likely apply in respect of requirements arising directly under *NI 51-101* (notably paragraph (b) of item 2 of section 2.1 and section 3.2) or indirectly under other *securities legislation* (such as prospectus disclosure requirements) that applies requirements of *NI 51-101*.

Such an exemption would not vary the requirements of *NI 51-101* in respect of the involvement of a *qualified reserves evaluator*, only his or her *independence*. Given the nature of the *reserves audit* function, it is unlikely that a non-independent professional could act as a *qualified reserves auditor* or usefully perform a *review*. Accordingly, for purposes of section 2.1 of *NI 51-101*, the use of an *audit* as an alternative to an *evaluation*, and the use of a *review* of information not *evaluated* or *audited*, would not likely be alternatives available to a *reporting issuer* relying on such an exemption. In other words, reliance on such an exemption would likely require *evaluation* of all *reserves data* by an "in-house" *qualified reserves evaluator*.

Relief would likely cease to be available to a *reporting issuer* if it ceased to be a *senior producing issuer* or in the event of a failure to adhere to any undertaking provided as a condition of the exemption.

No such exemption would likely be provided in connection with an initial public offering of securities or a reverse take-over or similar transaction.

(b) Application

An application for an exemption referred to above should demonstrate that the applicant is a *senior producing issuer*. In considering that aspect of an application, factors taken into account by *securities regulatory authorities* or *regulators* would likely include the background and experience of the *reporting issuer's* non-independent *qualified reserves evaluators*, the quality of its past *oil* and *gas* disclosure, and its internal disclosure, compliance, quality control and approval procedures. Demonstrated adherence to "best practice" standards of the *COGE Handbook* and of the relevant professional body would be expected.

An independent review of internally-generated *reserves data*, with satisfactory results, could be required before an exemption is granted.

An exemption, if granted, might not specify an expiry date, meaning that a successful applicant need not renew the application annually.

(c) Likely Conditions to Discretionary Exemption

A discretionary exemption described in this section 8.2 would likely be conditional on the *reporting issuer* furnishing and complying with the following undertakings:

- (i) **Explanatory and cautionary disclosure** - an undertaking by the *reporting issuer* to disclose:
 - (A) at least annually (for example, in an *annual information form*), its reasons for considering the reliability of internally-generated *reserves data* to be not materially less than would be afforded by strict adherence to the requirements of *NI 51-101*, including a discussion of
 - (I) factors supporting the involvement of *independent qualified evaluators* or *auditors* and why such factors are not considered compelling in the case of that *reporting issuer*; and
 - (II) the manner in which the *reporting issuer's* internally-generated *reserves data* is determined, reviewed and approved, its relevant disclosure control procedures and the related role, responsibilities and composition of responsible management, the board of directors and (if applicable) the reserves committee of the board of directors; and

- (B) in each document that discloses any information derived from internally-generated *reserves data* and proximate to that disclosure, the fact that no *independent qualified reserves evaluator or auditor* was involved in the preparation of the *reserves data*; and
- (ii) **Disclosure of conflicting *independent reports*** - an undertaking by the *reporting issuer* to the effect that, if despite the exemption it obtains a report on *reserves data* from an *independent qualified reserves evaluator or auditor* that contains information that differs materially from corresponding information filed by the *reporting issuer* in reliance on the exemption or that otherwise suggests that the *reporting issuer's* public disclosure record in respect of *reserves data* may be misleading, it will promptly file a correction of its public disclosure.

(d) Modified Reports

A discretionary exemption discussed in this section 8.2 would have the effect of varying the application of section 2.1 of *NI 51-101* as though the words "each of whom is *independent* of the *reporting issuer*" were omitted from paragraph (b) of item 2.

Such an exemption would also likely contemplate modifications to the texts of the reports required under items 2 and 3 of section 2.1 of *NI 51-101*.

- (i) **Modified Form 51-101F2** - The report of the *independent qualified reserves evaluator or auditor* in *Form 51-101F2*, required by item 2 of section 2.1 of *NI 51-101*, would likely be modified under the terms of a discretionary exemption to reflect the substance of the exemption, substituting a report consistent in all *material* respects with the following:

"Report on Reserves Data

To the board of directors of [name of reporting issuer] (the "Company"):

1. *Our staff and I have evaluated the Company's reserves data as at [last day of the reporting issuer's most recently completed financial year]. The reserves data consist of the following:*
 - (a)
 - (i) *proved and proved plus probable oil and gas reserves estimated as at [last day of the reporting issuer's most recently completed financial year] using forecast prices and costs; and*
 - (ii) *the related estimated future net revenue; and*
 - (b)
 - (i) *proved oil and gas reserves estimated as at [last day of the reporting issuer's most recently completed financial year] using constant prices and costs; and*
 - (ii) *the related estimated future net revenue.*
2. *The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.*
3. *We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"). We are not, however, independent of the Company, within the meaning of the term "independent" under those standards.*
4. *Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.*
5. *The following sets forth the estimated future net revenue attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended xxx xx, 20xx:*

Location of
Reserves
(Country or
Foreign
Geographic
Area)

xxx \$ xxx
xxx xxx
xxx xxx
 \$ xxx

6. *In our opinion, the reserves data evaluated by us have, in all material respects, been determined in accordance with the COGE Handbook.*
7. *We have no responsibility to update our evaluation for events and circumstances occurring after the date of this report.*
8. *Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.*

[Internal Qualified Reserves Evaluator Name, Position, Province, Date]

[signed]"

- (i) **Modified Form 51-101F3** - The report of the *reporting issuer's* management and directors in *Form 51-101F3*, required by item 3 of section 2.1 of *NI 51-101*, would likely be modified under the terms of a discretionary exemption to reflect the substance of the exemption, substituting a report consistent in all *material* respects with the following:

"Report of Management and Directors on Reserves Data and Other Information

Management of [name of reporting issuer] (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which consist of the following:

- (a)
 - (i) *proved and proved plus probable oil and gas reserves estimated as at [last day of the reporting issuer's most recently completed financial year] using forecast prices and costs; and*
 - (ii) *the related estimated future net revenue; and*
- (b)
 - (i) *proved oil and gas reserves estimated as at [last day of the reporting issuer's most recently completed financial year] using constant prices and costs; and*
 - (ii) *the related estimated future net revenue.*

Our [title of internal qualified reserves evaluator[s]], who [is an / are] employee[s] of the Company, [has / have] evaluated the Company's reserves data. The report of the [internal qualified reserves evaluator[s]] [is presented below / will be filed with securities regulatory authorities concurrently with this report].

The [Reserves Committee of the] Board of Directors has:

- (a) *reviewed the Company's procedures for providing information to the [internal qualified reserves evaluator];*
- (b) *met with the [internal qualified reserves evaluator] to determine whether any restrictions placed by management affect the ability of the [internal qualified reserves evaluator] to report without reservation; and*
- (c) *reviewed the reserves data with management and the [internal qualified reserves evaluator].*

The [Reserves Committee of the] Board of Directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has [, on the recommendation of the Reserves Committee,] approved the content and filing of the reserves data and other oil and gas information, the filing of the report of the [internal qualified reserves evaluator] on the reserves data and the content and filing of this report.

In our view, the reliability of the internally generated reserves data is not materially less than would be afforded by our involving independent qualified reserves evaluators or independent qualified reserves auditors to evaluate or audit and review the reserves data. The Company is therefore relying on an exemption, which it sought and was granted by securities regulatory authorities, from the requirement under securities legislation to involve independent qualified reserves evaluators or independent qualified reserves auditors.

The primary factors supporting the involvement of independent qualified reserves evaluators or independent qualified reserves auditors apply when (i) their knowledge of, and experience with, a reporting issuer's reserves data are superior to that of the internal evaluators and (ii) when the independent qualified reserves evaluators or independent qualified reserves auditors are less likely to be adversely influenced by self-interest or management of the reporting issuer. In our view, neither of these factors applies in our circumstances.

Our view is based in large part on the following. Our reserves data were developed in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook. Our internal reserves evaluation staff includes [number] of persons with an average of [X] years of relevant experience in evaluating reserves, of whom [number of persons] are qualified reserves evaluators for purpose of securities regulatory requirements. Our internal reserves evaluation management personnel includes [number] of persons with an average of [Y] years of relevant experience in evaluating and managing the evaluation of reserves. Our procedures, records and controls relating to the accumulation of source data and preparation of reserves data by our internal reserves evaluation staff have been established, refined, documented, and subjected to review for [Z] years by our internal financial auditors who have reported directly to the [Reserves Committee of the] Board of Directors.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

[signature, name and title of chief executive officer]

[signature, name and title of senior officer
other than the chief executive officer]

[signature, name and title of director]

[signature, name and title of director]

[Date]"

8.3 Exemption Permitting Substitution of FASB Standards

(a) Comparable FASB Standards

The reserves data to be disclosed under NI 51-101 include proved reserves and related future net revenue estimated using constant prices and costs. The SEC requires disclosure of comparable estimates (referred to respectively as "proved oil and gas reserve quantities" and the "standardized measure of discounted future net cash flows relating to proved oil and gas reserve quantities" or, in this Companion Policy, the "standardized measure") determined in accordance with standards established by FASB. The applicable FASB terminology and disclosure standards are currently set out in the following documents (referred to in this Companion Policy as the "FASB Standard"):

- (i) FASB Statement of Financial Accounting Standards No. 69 "Disclosures about Oil and Gas Producing Activities -- an amendment of FASB Statements 19, 25, 33, and 39", as amended from time to time (referred to in this Companion Policy as "FAS 69"); and

- (ii) paragraphs .103, .106, .107, .108, .112, .160 through .167, .174 through .184, and .401 through .408 of FASB Current Text Section Oi5, "Oil and Gas Producing Activities", which also reflect FAS 69.

(b) Discretionary Exemption to Permit Substitution of FASB Standard

A key objective of the CSA in developing *NI 51-101* was to enhance the comparability of *oil* and *gas* disclosure provided by *reporting issuers*. The CSA recognize that, in the case of some *reporting issuers* that are active in United States capital markets, comparability of *oil* and *gas* disclosure with that provided by US issuers, as well as with that provided by other Canadian *reporting issuers*, may be important for investors.

In the absence of an exemption from Part 5 of *NI 51-101*, a *reporting issuer* that is subject both to the disclosure requirements of the SEC and to *NI 51-101* would be required to prepare and present two sets of estimates -- *proved reserves* and the related *future net revenue*, as well as proved oil and gas reserve quantities and the related standardized measure -- that relate to very similar concepts. In many cases, the CSA believe that the results of the two sets of estimates would not differ substantially. The CSA recognize that the requirement to prepare and disclose two similar sets of estimates could impose a burden on *reporting issuers*, and be confusing to investors.

In light of these considerations, *securities regulatory authorities* or *regulators* would likely be prepared, on application by a *reporting issuer* that has securities registered in the US under the *1934 Act*, to grant a limited exemption from the requirements of Part 5 of *NI 51-101* and the forms referred to in that Part.

Such a discretionary exemption could permit a *reporting issuer* to substitute disclosure of "proved oil and gas reserve quantities" and the "standardized measure" for disclosure of *proved reserves* and related *future net revenue* estimated using *constant prices and costs*. The exemption could also permit the applicant to apply the *FASB Standard* (despite any indication to the contrary in the *FASB Standard*) to disclosure relating to non-conventional *oil and gas activities* (the extraction of hydrocarbons from oil sands, shale, coal or other non-conventional sources).

In the absence of a further exemption, this discretionary exemption would not otherwise affect the *reporting issuer's* disclosure and other obligations under *NI 51-101*. For example, requirements for the reporting of other elements of *reserves data*, notably *proved reserves* and *proved plus probable reserves* together with the related estimates of *future net revenue* estimated using *forecast prices and costs*, would be unchanged.

With this exemption, a *reporting issuer* that discloses *reserves* estimates and related information in both Canada and the US would be able to file, in both countries, the information required by the SEC (proved oil and gas reserve quantities and the standardized measure) in the same manner as US peer issuers, facilitating comparison with those peers. At the same time the *reporting issuer* would present other disclosure not required by the SEC (including estimates of *proved* and *probable reserves* and related *future net revenue* estimated using *forecast prices and costs*) in accordance with *NI 51-101*, facilitating comparison with Canadian peer issuers.

Such an exemption might not specify an expiry date so that renewal applications would not be required.

It is unlikely that any such exemption would alter the requirements of Parts 3, 4, 5 or 6 of *NI 51-101* in respect of the role and responsibilities of directors, measurement and estimation standards, requirements relating to certain voluntary disclosure, or material change reporting. Thus, for example, in the absence of applicable SEC requirements, relevant provisions of Part 5 of *NI 51-101* relating to the use of *BOEs* or to disclosure of an estimate of fair value of a prospect would still apply.

(c) Likely Conditions to Discretionary Exemption

A discretionary exemption described in this section 8.3 would likely be conditional on the *reporting issuer* furnishing and complying with an undertaking to include in all its written disclosure of proved oil and gas reserve quantities and the standardized measure (which the *reporting issuer* has substituted for otherwise mandatory disclosure of *proved reserves* and related *future net revenue* estimated using *constant prices and costs*) a statement, proximate to that disclosure

- (i) of the *reporting issuer's* reliance on the exemption;
- (ii) that explains generally the nature of the estimates being disclosed and the source of the underlying standards (the *FASB Standards*); and
- (iii) to the effect that the disclosed estimates may differ from corresponding estimates of *proved reserves* and related *future net revenue* estimated using *constant prices and costs* prepared in accordance with *NI 51-101*.

8.4 Exemption Permitting SEC-Only Disclosure

As noted in section 8.3, the CSA recognize that for some *reporting issuers* that are active in US capital markets, comparability of their *oil* and *gas* disclosure with that provided by US issuers may be important for investors. In some cases, a Canadian *reporting issuer* may consider that comparability of disclosure to US peer issuers is of primary relevance to its investors.

The CSA acknowledge that there may be circumstances in which such an assessment is valid. At the same time, the CSA consider that the public interest requires, at minimum, clarity as to what standards are being applied in public disclosure and consistency of annual disclosure.

The CSA believe that these considerations can be addressed in appropriate cases by a discretionary exemption that builds on the exemption discussed in section 8.3. The discretionary exemption discussed in this section 8.4 could enable a *reporting issuer* to substitute, for much of the disclosure ordinarily required by *NI 51-101*, disclosure that is consistent with the *FASB Standards* and other relevant requirements of the *SEC*, provided that the *reporting issuer* makes clear in its disclosure that it is departing from *NI 51-101* requirements and makes clear which standards are being applied.

(a) Scope of Possible Exemption

On application by a *reporting issuer* that has securities registered in the US under the *1934 Act*, *securities regulatory authorities* or *regulators* may be prepared to grant a limited exemption from certain requirements of *NI 51-101* to permit

- (i) the substitution, as discussed in section 8.3, of disclosure of estimates of proved oil and gas reserve quantities and the related standardized measure, for the disclosure of *proved reserves* and related *future net revenue* estimated using *constant prices and costs* otherwise required by *NI 51-101*; and
- (ii) relief from requirements of *NI 51-101* for disclosure of other elements of *reserves data*, or other information concerning *oil* and *gas* activities contemplated in *Form 51-101F1*, to the extent that these elements or information exceed or differ from *SEC* requirements;

provided that the *reporting issuer* files, within the time prescribed in section 2.1 of *NI 51-101*, the information relating to its *oil* and *gas* activities contemplated by, and consistent with, the *FASB Standard* and relevant requirements of the *SEC*.

Such an exemption might not specify an expiry date so that renewal applications would not be required.

As discussed in section 8.3, the exemption could also likely permit the applicant to apply the *FASB Standard* (despite any indication to the contrary in the *FASB Standard*) to disclosure relating to non-conventional *oil* and *gas* activities (the extraction of hydrocarbons from oil sands, shale, coal or other non-conventional sources).

No such exemption would likely affect the principle that all disclosed *reserves* and related estimates must be prepared by a *qualified reserves evaluator or auditor*. A *reporting issuer* that wishes to substitute other *evaluation* or *audit* standards would likely have to demonstrate that such other standards are clearly identifiable and not less comprehensive than those set out in the *COGE Handbook*.

It is also unlikely that any such exemption would alter the requirements of Parts 3, 5 or 6 of *NI 51-101* in respect of the role and responsibilities of directors, requirements relating to certain voluntary disclosure, or material change reporting. For example, in the absence of applicable *SEC* requirements, relevant provisions of Part 5 of *NI 51-101* relating to the use of *BOEs* or to disclosure of an estimate of fair value of a prospect would still apply to the extra disclosure.

Such a discretionary exemption would likely contemplate modifications of the reports of the *qualified reserves evaluator or auditor* and of management and directors, prescribed by items 2 and 3 of section 2.1 of *NI 51-101*, to the extent necessary to reflect the substance of the exemption. It is unlikely that such an exemption would waive the requirement to file these reports.

No such exemption would likely be provided in connection with an initial public offering of securities or a reverse take-over or similar transaction.

(b) Likely Conditions to Discretionary Exemption

An exemption contemplated in this section 8.4 would likely be conditional on the *reporting issuer* furnishing and adhering to undertakings substantially as follows:

- (i) **Disclosure of Exemption and Effect** - an undertaking to include, proximate to all written disclosure that the *reporting issuer* makes in reliance on the exemption, a statement
 - (A) of the *reporting issuer's* reliance on the exemption;
 - (B) that explains generally the nature of the information being disclosed and identifies the standards and the source of the standards being applied (if it is not otherwise readily apparent); and
 - (C) to the effect that the information disclosed may differ from corresponding information prepared in accordance with *NI 51-101* standards (if that is the case), and explains the difference (if any);
- (ii) **Specified disclosure standards to be applied** - an undertaking to disclose, for the purposes of item 1 of section 2.1 of *NI 51-101*:
 - (A) the information required by the *FASB Standard*;
 - (B) the information required by *SEC* Industry Guide 2 "Disclosure of Oil and Gas Operations", as amended from time to time;
 - (C) any other information concerning matters addressed in *Form 51-101F1* that is required by *FASB* or by the *SEC*; and
 - (D) if the *reporting issuer* is engaged in extracting, by mining, *bitumen* or *oil* from oil sands, shale or coal, the information required by *SEC* Industry Guide 7 "Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations", as amended from time to time;
- (iii) **Voluntary Extra Disclosure not Required by SEC or FASB** - an undertaking that, if the *reporting issuer* (despite its exemption) makes public disclosure of a type contemplated in *NI 51-101* or *Form 51-101F1* but not required by the *SEC*:
 - (A) if the disclosure is of a nature and subject matter referred to in Part 5 of *NI 51-101*, and if there are no applicable *SEC* requirements or restrictions specific to that type of disclosure, the disclosure will be made in compliance with Part 5; and
 - (B) if the disclosure includes estimates of *reserves* or related *future net revenue* in classifications not required by the *SEC*:
 - (I) the disclosure will
 - a. apply the *reserves* classifications set out in the *COGE Handbook*; or
 - b. set out the *reserves* classifications being used in enough detail to make them understandable to a reader, identify the source of those *reserves* classifications, state that those *reserves* classifications differ from the *reserves* classifications set out in the *COGE Handbook* (if that is the case) and explain the differences (if any);
 - (II) if the disclosure includes an estimate of *future net revenue*, it will also include the corresponding estimate of *reserves* (although disclosure of an estimate of *reserves* might not have to be accompanied by an estimate of the related *future net revenue*).
 - (III) if the disclosure includes an estimate of *reserves* for a classification other than *proved reserves* or proved oil and gas reserve quantities, it will also include an estimate of *proved reserves* (or proved oil and gas reserve quantities) based on the same price and cost assumptions, with the price assumptions disclosed;
 - (IV) unless the extra disclosure is made involuntarily, the *reporting issuer* will include disclosure of the same type in its subsequent annual filings under Part 2 of *NI 51-101* for as long as the information is material; and
 - (V) for the purpose of clause (IV) above, if the triggering disclosure was an estimate for a particular *property*, unless that *property* is highly material for the *reporting issuer* its subsequent annual disclosure of that type of estimate will include aggregate estimates for

the *reporting issuer* and by country (or, if appropriate and not misleading, by *foreign geographic area*) not only estimates for that *property*.

Although the exemption might not require that an estimate of *reserves* be accompanied by an estimate of related *future net revenue*, the *CSA* would generally expect disclosure of *reserves* alone to be supplemented by information such as the development and *production* status of the *reserves* and the *reporting issuer's* plans for the development of the *reserves*, so that disclosure of *reserves* volume alone is not misleading.

For the purposes of this undertaking, disclosure would be considered to be made involuntarily if, for example:

- it was made not by or at the instigation of the *reporting issuer* but instead by the operator of a joint venture of which the *reporting issuer* is a member but not the operator, for and on behalf of all the joint venturers; or
- it was made by the *reporting issuer* solely in compliance with its material change disclosure obligations under *securities legislation*.

Although the exemption might permit a *reporting issuer* to apply definitions and standards other than those presented in the *COGE Handbook*, the *CSA* would expect consistency in a *reporting issuer's* use and disclosure of other standards within and between reporting periods.

The conditions set out above are designed to ensure that the extra disclosure applies clearly identified standards and definitions and that, if the information is *material* to the *reporting issuer*, similar information is provided in the subsequent annual filings, to enable investors to assess and compare that information from year to year.

Consequence of Voluntary Extra Disclosure: Examples

Following are examples of key consequences that would likely follow, under such undertakings, for a *reporting issuer* that voluntarily makes extra disclosure.

- If the *reporting issuer* discloses *probable reserves* (without related *future net revenue*) estimated using *constant prices and costs*, its subsequent annual filings would have to include estimates of *probable reserves* estimated using *constant prices and costs* in addition to *SEC*-mandated disclosure of proved oil and gas reserve quantities and the standardized measure.
- If the *reporting issuer* discloses *probable reserves* and related *future net revenue* estimated using *constant prices and costs*, its subsequent annual filings would have to include estimates of *probable reserves* and related *future net revenue* using *constant prices and costs* in addition to the *SEC*-mandated disclosure.
- If the *reporting issuer* discloses *probable reserves* (with or without related *future net revenue*) estimated using *forecast prices and costs*, its subsequent annual filings would have to include such estimates as well as estimates of *proved reserves* and related *future net revenue*, estimated using *forecast prices and cost*, in addition to the *SEC*-mandated disclosure.

8.5 Stacking of Exemptions - The possible discretionary exemptions discussed in this Part are not necessarily mutually exclusive.

In appropriate circumstances, *securities regulatory authorities* or *regulators* would likely be prepared to consider granting, on application by *reporting issuers* that fall within the classes contemplated in both sections 8.2 and 8.3 or 8.2 and 8.4, exemptions that combine the elements contemplated in those respective sections.

8.6 Exemption not Conferring Immunity - A discretionary exemption from any part of *NI 51-101* would not imply a lesser scope or degree of regulatory review of the *reporting issuer's* disclosure. The *reporting issuer* would still be subject to regulatory review of its filings and other disclosure, and enforcement of its disclosure obligations, whether the obligations are as set out in *securities legislation* or modified by the terms of an exemption.

APPENDIX 1
to
COMPANION POLICY 51-101CP
STANDARDS OF DISCLOSURE
FOR OIL AND GAS ACTIVITIES

GLOSSARY

Section 1.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") defines a number of terms used in NI 51-101, Form 51-101F1, Form 51-101F2, Form 51-101F3 and this Companion Policy. Section 1.2 of NI 51-101 provides that terms not defined in the *Instrument*, NI 14-101 or the securities statute in the *jurisdiction* have the meaning or interpretation, if any, set out in the *COGE Handbook*.

This Appendix explains much of the terminology used in NI 51-101 and its accompanying documents. The explanations are drawn from a number of sources, including section 1.1 of NI 51-101, NI 14-101 and the *COGE Handbook*. The source document, if any, is indicated in square brackets after the explanation.

Part 1 of this Appendix sets out, in alphabetical order, certain terms and their meanings.

Part 2 sets out certain *reserves* definitions derived from the *COGE Handbook*.

This Appendix is provided only as a convenience to users of NI 51-101, to assist them in better understanding its purpose and application.

Background or further guidance may be found in the source documents:

- CICA Accounting Guideline 5 is included in the *CICA Handbook*, which can be obtained from the *CICA*.
- The *COGE Handbook* can be obtained from the Petroleum Society of the Canadian Institute of Mining, Metallurgy & Petroleum (Telephone (403) 237-5112; email info@petsoc.org; or www.petsoc.org).
- FAS 19, FAS 69 and the *FASB Standard* can be obtained from FASB, the United States Financial Accounting Standards Board.
- SEC Industry Guide 7 "Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations" can be obtained from the SEC.
- NI 14-101 can be viewed on the websites of a number of securities regulatory authorities.

PART 1 DEFINITIONS

The terms (and plural, singular or other grammatical variants thereof) set out in the left column below have the meanings respectively set out in the right column.

Defined Term	Meaning
1934 Act	The Securities Exchange Act of 1934 of the United States of America, as amended from time to time. [NI 14-101]
Annual information form	Any of the following: <ul style="list-style-type: none">(a) a "current AIF", as defined in NI 44-101;(b) in the case of a <i>reporting issuer</i> that is eligible to file, for the purposes of Part 3 of NI 44-101, a current annual report on Form 10-K or Form 20-F under the 1934 Act, such a current annual report so filed; or(c) a document prepared in Form 44-101F1 AIF and filed with the <i>securities regulatory authority</i> in the <i>jurisdiction</i> in accordance with <i>securities legislation</i> of that <i>jurisdiction</i> other than NI 44-101.
	[NI 51-101]

Audit In relation to *reserves data*, the process whereby an *independent qualified reserves auditor* carries out procedures designed to allow the *independent qualified reserves auditor* to provide reasonable assurance, in the form of an opinion that the *reporting issuer's reserves data* (or specific parts thereof) have, in all material respects, been determined and presented in accordance with the *COGE Handbook* and are, therefore, free of material misstatement.

Because of

- (a) the nature of the subject matter (estimates of future results with many uncertainties);
- (b) the fact that the *independent qualified reserves auditor* assesses the qualifications and experience of the *reporting issuer's* staff, assesses the *reporting issuer's* systems, procedures and controls and relies on the competence of the *reporting issuer's* staff and the appropriateness of the *reporting issuer's* systems, procedures and controls; and
- (c) the fact that tests and samples (involving examination of underlying documentation supporting the determination of the *reserves* and *future net revenue*) as opposed to complete *evaluations*, are involved;

the level of assurance is designed to be high, though not absolute.

The level of assurance cannot be described with numeric precision. It will usually be less than, but reasonably close to, that of an *independent evaluation* and considerably higher than that of a *review*.

[*COGE Handbook*]

Bbl Barrel.

Bitumen A highly viscous *oil* which is too thick to flow in its native state, and which cannot be produced without altering its viscosity. The density of *bitumen* is generally less than 10 degrees API (as that term is defined by the American Petroleum Institute).

BOEs Barrels of *oil* equivalent. [*NI 51-101* and *COGE Handbook*]

Canadian GAAP Generally accepted accounting principles determined with reference to the *CICA Handbook*. [*NI 14-101*]

CICA The Canadian Institute of Chartered Accountants. [*NI 51-101*]

CICA Accounting Guideline 5 Accounting Guideline AcG-5 "Full cost accounting in the oil and gas industry" included in the *CICA Handbook*, as amended from time to time. [*NI 51-101*]

CICA Handbook The Handbook of the *CICA*, as amended from time to time.

COGE Handbook The "Canadian Oil and Gas Evaluation Handbook" prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

Constant prices and costs Prices and costs used in an estimate that are:

- (a) the *reporting issuer's* prices and costs as at the *effective date* of the estimation, held constant throughout the estimated lives of the *properties* to which the estimate applies;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the *reporting issuer* is legally bound by contract or otherwise, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

For the purpose of paragraph (a), the *reporting issuer's* prices will be the posted price for *oil*

and the spot price for *gas*, after historical adjustments for transportation, gravity and other factors.

[COGE Handbook]

Crude oil

A mixture that consists mainly of pentanes and heavier hydrocarbons, that may contain sulphur compounds and that is recoverable at a well from an underground *reservoir* and that is liquid at the conditions under which its volume is measured or estimated, and includes all other liquid hydrocarbons so recoverable except natural gas liquids.

[COGE Handbook]

CSA

The Canadian Securities Administrators, an association consisting of the thirteen securities regulatory authorities in Canada.

Developed non-producing reserves

See Part 2 of this Appendix. [COGE Handbook]

Developed producing reserves

See Part 2 of this Appendix. [COGE Handbook]

Developed reserves

See Part 2 of this Appendix. [COGE Handbook]

Development costs

Costs incurred to obtain access to *reserves* and to provide facilities for extracting, treating, gathering and storing the *oil* and *gas* from the *reserves*.

More specifically, *development costs*, including applicable costs of *support equipment and facilities* and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, *gas* lines and power lines, to the extent necessary in developing the *reserves*;
- (b) drill and equip *development wells*, development type *stratigraphic test wells* and *service wells*, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install *production* facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, *natural gas* cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems. [CICA Accounting Guideline 5]

Development well

A well drilled inside the established limits of an *oil* or *gas reservoir*, or in close proximity to the edge of the *reservoir*, to the depth of a stratigraphic horizon known to be productive. [CICA Accounting Guideline 5]

Effective date

In respect of information, the date as at which, or for the period ended on which, the information is provided.

Evaluation

In relation to *reserves data*, the process whereby an economic analysis is made of a *property* to arrive at an estimate of a range of net present values of the estimated *future net revenue* resulting from the production of the *reserves* associated with the *property*. [COGE Handbook]

Exploration costs

Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have *prospects* that may contain *oil* and *gas reserves*, including costs of drilling *exploratory wells* and exploratory type *stratigraphic test wells*.

Exploration costs may be incurred both before acquiring the related *property* (sometimes referred to in part as "prospecting costs") and after acquiring the *property*. *Exploration costs*,

which include applicable costs of *support equipment and facilities* and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to *properties* to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");
- (b) costs of carrying and retaining *unproved properties*, such as delay rentals, taxes (other than income and capital taxes) on *properties*, legal costs for title defence, and the maintenance of land and lease records;
- (c) costs of drilling and equipping *exploratory wells*; and
- (d) costs of drilling exploratory type *stratigraphic test wells*.

[CICA Accounting Guideline 5]

Exploratory well

A well that is not a *development well* or a *service well*.

FAS 19

FASB Statement of Financial Accounting Standards No. 19 "Financial Accounting and Reporting by Oil and Gas Producing Companies", as amended from time to time.

[NI 51-101]

FAS 69

FASB Statement of Financial Accounting Standards No. 69 "Disclosure about Oil and Gas Producing Activities - an amendment of FASB Statements 19, 25, 33 and 39", as amended from time to time.

FASB

United States Financial Accounting Standards Board.

FASB Standard

The following:

- (a) FAS 69; and
- (b) paragraphs .103, .106, .107, .108, .112, .160 through .167, .174 through .184, and .401 through .408 of FASB Current Text Section Oi5, "Oil and Gas Producing Activities", which also reflects FAS 69.

Field

An area consisting of a single *reservoir* or multiple *reservoirs* all grouped on or related to the same individual geological structural feature and/or stratigraphic condition.

There may be two or more *reservoirs* in a *field* that are separated vertically by intervening impervious strata or laterally by local geologic barriers, or both. Reservoirs that are associated by being in overlapping or adjacent *fields* may be treated as a single or common operational *field*. The geological terms "structural feature" and "stratigraphic condition" are intended to denote localized geological features, in contrast to broader terms such as "basin", "trend", "province", "play" or "area of interest".

[FASB Standard paragraph .403]

Forecast prices and costs

Future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the *reporting issuer* is legally bound by contract or otherwise, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

Foreign geographic area

A geographic area outside North America within one country or including all or portions of a number of countries.

Form 51-101F1	Form 51-101F1 <i>Statement of Reserves Data and Other Oil and Gas Information.</i>
Form 51-101F2	Form 51-101F2 <i>Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor.</i>
Form 51-101F3	Form 51-101F3 <i>Report of Management and Directors on Oil and Gas Disclosure.</i>
Future income tax expenses	<p><i>Future income tax expenses</i> estimated (generally, year-by-year):</p> <ul style="list-style-type: none">(a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between <i>oil and gas activities</i> and other business activities;(b) without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income;(c) taking into account estimated tax credits and allowances (for example, royalty tax credits); and(d) applying to the future pre-tax net cash flows (<i>future net revenue</i>) relating to the issuer's <i>oil and gas reserves</i> the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.
Future net revenue	<p>The estimated net amount to be received with respect to the development and <i>production of reserves</i> (including <i>synthetic oil</i>, coal bed methane and other non-conventional <i>reserves</i>) estimated using:</p> <ul style="list-style-type: none">(a) <i>constant prices and costs</i>; or(b) <i>forecast prices and costs</i>. <p>This net amount is computed by deducting, from estimated future revenues, estimated amounts of future royalties obligations, costs related to the development and <i>production of reserves</i>, abandonment and reclamation costs and <i>future income tax expenses</i>. Corporate general and administrative expenses and financing costs are not deducted. Net present values of <i>future net revenue</i> may be calculated using a discount rate or without discount.</p> <p>This definition of <i>future net revenue</i> differs from "Future Net Revenue" as defined in <i>CICA Accounting Guideline 5</i>, which is based on <i>proved reserves</i> estimated using <i>constant prices and costs</i>, deducting general and administrative expenses and financing costs and applying no discount.</p>
Gas (or natural gas)	The lighter hydrocarbons and associated non-hydrocarbon substances occurring naturally in an underground <i>reservoir</i> , which under atmospheric conditions are essentially gases but which may contain liquids. [<i>COGE Handbook</i>]
Gross	<ul style="list-style-type: none">(a) In relation to a <i>reporting issuer's</i> interest in <i>production</i> or <i>reserves</i>, its "company gross reserves", which are the <i>reporting issuer's</i> working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the <i>reporting issuer</i>. <p>[<i>COGE Handbook</i>]</p> <ul style="list-style-type: none">(b) In relation to wells, the total number of wells in which a <i>reporting issuer</i> has an interest.(c) In relation to <i>properties</i>, the total area of properties in which a <i>reporting issuer</i> has an interest.
Heavy oil	<p>In respect of <i>reserves</i> or <i>production</i>:</p> <ul style="list-style-type: none">(a) in a <i>jurisdiction</i> that has a royalty regime specific to <i>heavy oil</i>, "<i>heavy oil</i>" is <i>oil</i> that qualifies for royalties specific to <i>heavy oil</i>; or

- (b) in a *jurisdiction* that has no royalty regime specific to *heavy oil*, "*heavy oil*" is *oil* with a density between 10 to 22.3 degrees API (as that term is defined by the American Petroleum Institute). [COGE Handbook]

Independent In respect of the relationship between a *reporting issuer* and a *qualified reserves evaluator or auditor*, the term has the meaning set out in the *COGE Handbook*.

Instrument
(or **NI 51-101**) NI 51-101 *Standards of Disclosure for Oil and Gas Activities*.

Jurisdiction For the purposes of *NI 51-101*, a province or territory of Canada. [NI 14-101]

Lease An agreement granting to the lessee rights to explore, develop and exploit a *property*.

Marketable In respect of *reserves* or sales of *oil*, *gas* or associated by-products, the volume of *oil*, *gas* or associated by-products measured at the point of sale to a third party, or of transfer to another division of the issuer for treatment prior to sale to a third party. For *gas*, this may occur either before or after removal of natural gas liquids. For *heavy oil* or *bitumen*, this is before the addition of diluent.

Material (or **materiality**) For the purposes of *NI 51-101*, information is *material*, in respect of a *reporting issuer*, if it would be likely to influence a decision by a reasonable investor to buy, hold or sell a security of the *reporting issuer*.

This meaning differs from the definitions of "material change" and "material fact" in securities legislation, but is consistent with the meaning of the term as used, for accounting purposes, in the *CICA Handbook*.

[NI 51-101]

Mcf Thousand cubic feet.

McfGE Thousand cubic feet of gas equivalent. [NI 51-101 and COGE Handbook]

Natural gas Gas. [COGE Handbook]

Net (a) In relation to a *reporting issuer's* interest in *production* or *reserves*, the *reporting issuer's* working interest (operating or non-operating) share after deduction of royalty obligations, plus the *reporting issuer's* royalty interests in *production* or *reserves*. [COGE Handbook]

(b) In relation to a *reporting issuer's* interest in wells, the number of wells obtained by aggregating the *reporting issuer's* working interest in each of its *gross wells*.

(c) In relation to a *reporting issuer's* interest in a *property*, the total area in which the *reporting issuer* has an interest multiplied by the working interest owned by the *reporting issuer*.

NI 14-101 National Instrument 14-101 *Definitions*.

NI 44-101 National Instrument 44-101 *Short Form Prospectus Distributions*.

NI 51-101 or
the **Instrument** National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

Oil *Crude oil* or *synthetic oil*. [COGE Handbook]

Oil and gas activities "*Oil and gas activities*":

(a) include:

- (i) the search for *crude oil* or *natural gas* in their natural states and original locations;

- (ii) the acquisition of property rights or *properties* for the purpose of further exploring for or removing *oil* or *gas* from *reservoirs* on those *properties*;
 - (iii) the construction, drilling and *production* activities necessary to recover *oil* and *gas* from *reservoirs*, and the acquisition, construction, installation and maintenance of *field* gathering and storage systems, including lifting *oil* and *gas* to the surface and gathering, treating, *field* processing and *field* storage; and
 - (iv) the extraction of hydrocarbons from oil sands, shale, coal or other non-conventional sources and activities similar to those referred to in clauses (i), (ii) and (iii) undertaken with a view to such extraction; but
- (b) do not include:
- (i) transporting, refining or marketing *oil* or *gas*;
 - (i) activities relating to the production of natural resources other than *oil* and *gas* and their by-products; or
 - (ii) the production of geothermal steam or the extraction of hydrocarbons as a by-product of the extraction of geothermal steam or associated geothermal resources.

[NI 51-101]

Operating costs

Production costs.

Possible reserves

See Part 2 of this Appendix. [COGE Handbook]

Preparation date

In respect of written disclosure, the most recent date on which information relating to the period ending on the *effective date* was considered in the preparation of the disclosure.

Probable reserves

See Part 2 of this Appendix. [COGE Handbook]

Product type

One of the following:

- (a) in respect of conventional *oil and gas activities*:
 - (i) light and medium *crude oil* (combined);
 - (ii) heavy oil;
 - (iii) *natural gas*;
 - (iv) natural gas liquids; or
 - (v) sulphur and other non-hydrocarbon products; and
- (b) in respect of non-conventional *oil and gas activities*:
 - (i) *synthetic oil*;
 - (ii) *bitumen*;
 - (iii) coal bed methane; or
 - (iv) hydrates.

[NI 51-101]

Production

Recovering, gathering, treating, *field* or plant processing (for example, processing *gas* to extract natural gas liquids) and *field* storage of *oil* and *gas*.

The *oil production* function is usually regarded as terminating at the outlet valve on the lease or *field production* storage tank. The *gas production* function is usually regarded as terminating at the plant gate. In some circumstances, it may be more appropriate to regard the *production* function as terminating at the first point at which *oil*, *gas* or their by-products are delivered to a main pipeline, a common carrier, a refinery or a marine terminal.

Production costs or Operating costs

Costs incurred to operate and maintain wells and related equipment and facilities, including applicable *operating costs of support equipment and facilities* and other costs of operating and maintaining those wells and related equipment and facilities.

Lifting costs become part of the cost of *oil* and *gas* produced.

Examples of *production costs* are:

- (a) costs of labour to operate the wells and related equipment and facilities;
- (b) costs of repairs and maintenance;
- (c) costs of materials, supplies and fuel consumed, and supplies utilized, in operating the wells and related equipment and facilities;
- (d) costs of workovers;
- (e) property taxes and insurance costs applicable to properties and wells and related equipment and facilities; and
- (f) taxes, other than income and capital taxes.

Professional organization

A self-regulatory organization of engineers, geologists, other geoscientists or other professionals whose professional practice includes *reserves evaluations* or *reserves audits*, that:

- (a) admits members primarily on the basis of their educational qualifications;
- (b) requires its members to comply with the professional standards of competence and ethics prescribed by the organization that are relevant to the estimation, *evaluation*, *review* or *audit* of *reserves data*;
- (c) has disciplinary powers, including the power to suspend or expel a member; and
- (d) is either:
 - (i) given authority or recognition by statute in a Canadian jurisdiction; or
 - (ii) accepted for this purpose by the *securities regulatory authority* or the *regulator*.

[NI 51-101]

Property

A *property* includes:

- (a) fee ownership or a lease, concession, agreement, permit, licence or other interest representing the right to extract *oil* or *gas* subject to such terms as may be imposed by the conveyance of that interest;
- (b) royalty interests, production payments payable in *oil* or *gas*, and other non-operating interests in *properties* operated by others; and
- (c) a production-sharing agreement or other agreement with a foreign government or authority under which a *reporting issuer* participates in the operation of *properties* or otherwise serves as "producer" of the underlying *reserves* (in contrast to being an independent purchaser, broker, dealer or importer).

[CICA Accounting Guideline 5]

Property acquisition costs Costs incurred to acquire a *property* (directly by purchase or lease, or indirectly by acquiring another corporate entity with an interest in the *property*), including:

- (a) costs of lease bonuses and options to purchase or lease a *property*;
- (b) the portion of the costs applicable to hydrocarbons when land including rights to hydrocarbons is purchased in fee;
- (c) brokers' fees, recording and registration fees, legal costs and other costs incurred in acquiring *properties*.

[CICA Accounting Guideline 5]

Prospect A geographic or stratigraphic area, in which the *reporting issuer* owns or intends to own one or more *oil* and *gas* interests, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one *reservoir* or part of a *reservoir* of *oil* and *gas*. [COGE Handbook]

Proved property A *property* or part of a *property* to which *proved reserves* have been specifically attributed. [CICA Accounting Guideline 5]

Proved reserves See Part 2 of this Appendix. [COGE Handbook]

Qualified reserves auditor An individual who:

- (a) in respect of particular *reserves data* or related information, possesses professional qualifications and experience appropriate for the estimation, *evaluation*, *review* and *audit* of the *reserves data* and related information; and
- (b) is a member in good standing of a *professional organization*.

[NI 51-101]

Qualified reserves evaluator An individual who:

- (a) in respect of particular *reserves data* or related information, possesses professional qualifications and experience appropriate for the estimation, *evaluation* and *review* of the *reserves data* and related information; and
- (b) is a member in good standing of a *professional organization*.

[NI 51-101]

Qualified reserves evaluator or auditor A *qualified reserves auditor* or a *qualified reserves evaluator*.

[NI 51-101]

Regulator The *securities regulatory authority* or a person who holds a specified position with the *securities regulatory authority* (in several instances, its Executive Director or Director) in each *jurisdiction*.

[NI 14-101]

Reporting issuer

- (a) A "reporting issuer" as defined in *securities legislation*; or
- (b) in a *jurisdiction* in which the term is not defined in *securities legislation*, an issuer of securities that is required to file financial statements with the *securities regulatory authority*.

Reservation In relation to a report on *reserves data*, a modification of the standard report of an *independent qualified reserves evaluator or auditor* on *reserves data* set out in *Form 51-101F2*, caused by a departure from the *COGE Handbook* or by a limitation in the scope of work that the *independent qualified reserves evaluator or auditor* considers necessary. A modification may

take the form of a qualified or adverse opinion or a denial of opinion.

Reserves

See Part 2 of this Appendix. [COGE Handbook]

Reserves data

The following estimates, as at the last day of the *reporting issuer's* most recent financial year:

- (a) *proved reserves* and related *future net revenue* estimated:
 - (i) using *constant prices and costs* as at the last day of that financial year; and
 - (ii) using *forecast prices and costs*; and
- (b) *probable reserves* and related *future net revenue* estimated using *forecast prices and costs*.

Reservoir

[NI 51-101]

A porous and permeable underground formation containing a natural accumulation of producible *oil* or *gas* that is confined by impermeable rock or water barriers and is individual and separate from other *reservoirs*. [CICA Accounting Guideline 5]

Resources

Those quantities of *oil* and *gas* estimated to exist originally in naturally occurring accumulations.

Resources are, therefore, those quantities estimated on a particular date to be remaining in known accumulations plus those quantities already produced from known accumulations plus those quantities in accumulations yet to be discovered.

Resources are divided into:

- (a) discovered *resources*, which are limited to known accumulations; and
- (b) undiscovered *resources*.

[COGE Handbook]

Review

In relation to the role of a *qualified reserves evaluator or auditor* in respect of *reserves data*, steps carried out by the *qualified reserves evaluator or auditor*, consisting primarily of enquiry, analytical procedures, analysis, review of historical reserves performance and discussion with *reserves* management staff related to a *reporting issuer's reserves data*, with the limited objective of assessing whether the *reserves data* is "plausible" in the sense of appearing to be worthy of belief based on the information obtained by the *qualified reserves evaluator or auditor* as a result of carrying out such steps. Examination of documentation is not required unless the information does not appear to be plausible.

A *reserves review*, due to the limited nature of the investigation involved, does not provide the level of assurance provided by a *reserves audit*. Although *reserves reviews* can be done for specific applications, they are not a substitute for an *audit*.

[COGE Handbook]

SEC

The Securities and Exchange Commission of the United States of America. [NI 14-101]

Securities legislation

The statute (in most cases entitled the "Securities Act") and subordinate legislation (in most cases including regulations or rules) specified, for each *jurisdiction*, in NI 14-101.

References in NI 51-101 to *securities legislation* are to be read as references to *securities legislation* in the particular *jurisdiction*.

Securities regulatory authority

The securities commission or comparable body specified, for each *jurisdiction*, in NI 14-101.

References in *NI 51-101* to the *securities regulatory authority* are to be read as references to the *securities regulatory authority* in the particular *jurisdiction*.

SEDAR The System for Electronic Document Analysis and Retrieval referred to in National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*.

Senior producing issuer A reporting issuer that:

- (a) demonstrates capability to estimate its *reserves* and *future net revenue* in accordance with the *COGE Handbook* (other than with respect to *independence*); and
- (b) produced an average of more than 100,000 *BOEs* of *oil* and *gas* (converted in the ratio 6 *Mcf* :1 *bbbl*) per day throughout its most recent financial year.

Service well A well drilled or completed for the purpose of supporting *production* in an existing *field*. Wells in this class are drilled for the following specific purposes: *gas* injection (*natural gas*, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

[*CICA Accounting Guideline 5*]

Stratigraphic test well A drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon *production*. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration.

Stratigraphic test wells are classified as

- (a) "exploratory type" if not drilled into a *proved property*; or
- (b) "development type", if drilled into a *proved property*. Development type stratigraphic wells are also referred to as "evaluation wells". [*CICA Accounting Guideline 5*]

Support equipment and facilities Equipment and facilities used in *oil and gas activities*, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices.

Supporting filing A document that has been filed by the *reporting issuer* with a *securities regulatory authority*. [*NI 51-101*]

Synthetic oil A mixture of hydrocarbons derived by upgrading crude *bitumen* from oil sands or kerogen from oil shales or other substances such as coal. [*COGE Handbook*]

Undeveloped reserves See Part 2 of this Appendix. [*COGE Handbook*]

Unproved property A *property* or part of a *property* to which no *reserves* have been specifically attributed. [*CICA Accounting Guideline 5*]

PART 2 DEFINITIONS OF RESERVES

This Part is derived from Section 5.4 of Volume 1 of the *COGE Handbook* (First Edition, June 30, 2002). Consult the *COGE Handbook* for additional explanation and guidance.

The following definitions and guidelines have been prepared by the Standing Committee on Reserves Definitions of the CIM (Petroleum Society) after many years of consultations and deliberations. These definitions and guidelines must be used by qualified evaluators when evaluating and reporting oil and gas reserves and related substances.

The definitions and guidelines are designed to assist:

- evaluators in making reserves estimates on a reasonably consistent basis;
- users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

The guidelines outline

- general criteria for classifying *reserves*,
- procedures and methods for estimating *reserves*,
- confidence levels of individual entity and aggregate *reserves* estimates,
- verification and testing of *reserves* estimates.

The determination of *oil* and *gas reserves* involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of *proved*, *probable*, and *possible reserves* have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of *reserves* requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific *reserves* classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply *reserves* definitions. These concepts are presented and discussed in greater detail within the guidelines in Section 5.5 [of the *COGE Handbook*].

The following definitions apply to both estimates of individual *reserves* entities and the aggregate of *reserves* for multiple entities.

Reserves Categories

Reserves are estimated remaining quantities of *oil* and *natural gas* and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions¹, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates

- (a) **Proved reserves** are those *reserves* that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated *proved reserves*.
- (b) **Probable reserves** are those additional *reserves* that are less certain to be recovered than *proved reserves*. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated *proved* plus *probable reserves*.

¹ For the purposes of NI 51-101, the key economic assumptions will be the prices and costs used in the estimate, namely:

- (a) **constant prices and costs** as at the last day of a reporting issuer's financial year; or
- (b) **forecast prices and costs**.

- (c) **Possible reserves** are those additional *reserves* that are less certain to be recovered than *probable reserves*. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated *proved plus probable plus possible reserves*.

Other criteria that must also be met for the categorization of *reserves* are provided in [Section 5.5 of the *COGE Handbook*].

Development and Production Status

Each of the *reserves* categories (*proved, probable and possible*) may be divided into *developed* and *undeveloped* categories:

- (a) **Developed reserves** are those *reserves* that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the *reserves* on production. The *developed* category may be subdivided into producing and non-producing.
- (i) **Developed producing reserves** are those *reserves* that are expected to be recovered from completion intervals open at the time of the estimate. These *reserves* may be currently producing or, if shut-in, they must have previously been on *production*, and the date of resumption of *production* must be known with reasonable certainty.
- (i) **Developed non-producing reserves** are those *reserves* that either have not been on *production*, or have previously been on *production*, but are shut-in, and the date of resumption of *production* is unknown.
- (b) **Undeveloped reserves** are those *reserves* expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of *production*. They must fully meet the requirements of the *reserves* classification (*proved, probable, possible*) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool *reserves* between the *developed* and *undeveloped* categories or to subdivide the *developed reserves* for the pool between *developed producing* and *developed non-producing*. This allocation should be based on the estimator's assessment as to the *reserves* that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and *production* status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which *reserves* calculations are performed) and to reported *reserves* (which refers to the highest-level sum of individual entity estimates for which *reserves* estimates are presented). Reported *reserves* should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated *proved reserves*;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated *proved plus probable reserves*; and
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated *proved plus probable plus possible reserves*.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various *reserves* categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of *reserves* estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with *reserves* estimates and the effect of aggregation is provided in Section 5.5.3 [of the *COGE Handbook*].

APPENDIX 2

to
COMPANION POLICY 51-101CP
STANDARDS OF DISCLOSURE
FOR OIL AND GAS ACTIVITIES

SAMPLE RESERVES DATA DISCLOSURE

Format of Disclosure

NI 51-101 and *Form 51-101F1* offer *reporting issuers* considerable flexibility in the format of their disclosure of *reserves data* and related information. Whatever format and level of detail a *reporting issuer* chooses to use in satisfying the requirements of *NI 51-101*, the objective should be to enable reasonable investors to understand and assess the information, and compare it to corresponding information presented by the *reporting issuer* for other reporting periods or to similar information presented by other *reporting issuers*, in order to be in a position to make informed investment decisions concerning securities of the *reporting issuer*.

A logical and legible layout of information, use of descriptive headings, and consistency in terminology and presentation from document to document and from period to period, are all likely to further that objective.

Reporting issuers and their advisers are reminded of the materiality standard under section 1.4 of *NI 51-101*, and of the instructions in *Form 51-101F1*. See also sections 1.2, 5.2, 5.3 and 5.9 of Companion Policy 51-101CP.

Sample Tables

The following sample tables provide an example of how certain of the *reserves data* might be presented in a manner consistent with *NI 51-101*. Other manners of presentation may also satisfy the requirements of *NI 51-101*.

These sample tables do not reflect all of the information required by *Form 51-101F1*, and they have been simplified to reflect *reserves* in one country only. For the purpose of illustration, the sample tables also incorporate information not mandated by *NI 51-101* but which *reporting issuers* might wish to include in their disclosure; shading indicates this non-mandatory information.

**SUMMARY OF OIL AND GAS RESERVES
AND NET PRESENT VALUES OF FUTURE NET REVENUE
as of December 31, 2003**

CONSTANT PRICES AND COSTS

RESERVE CLASSIFICATION	RESERVES									
	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS		SULPHUR	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mlt)	Net (Mlt)
PROVED										
Developed Producing	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Developed Non-Producing	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Undeveloped	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
TOTAL PROVED	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
PROBABLE	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
TOTAL PROVED PLUS PROBABLE	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

RESERVE CLASSIFICATION	NET PRESENT VALUES OF FUTURE NET REVENUE									
	BEFORE INCOME TAXES DISCOUNTED AT (%/year)					AFTER INCOME TAXES DISCOUNTED AT (%/year)				
	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)
PROVED										
Developed Producing	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Developed Non-Producing	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Undeveloped	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
TOTAL PROVED	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
PROBABLE	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
TOTAL PROVED PLUS PROBABLE	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx

 OPTIONAL

Reference: Item 2.1(1) and (2) of Form 51-101F1

**SUMMARY OF FUTURE NET REVENUE
as of December 31, 2003**

PROVED RESERVES

CONSTANT PRICES AND COSTS

YEAR	REVENUES (M\$)	ROYALTIES (M\$)	OPERATING COSTS (M\$)	DEVELOP- MENT COSTS (M\$)	ABANDON- MENT AND RECLAMA- TION COSTS (M\$)	FUTURE NET REVENUE BEFORE INCOME TAXES (M\$)	INCOME TAXES (M\$)	FUTURE NET REVENUE AFTER INCOME TAXES (M\$)
2004	XX	XX	XX	XX	XX	XX	XX	XX
2005	XX	XX	XX	XX	XX	XX	XX	XX
2006	XX	XX	XX	XX	XX	XX	XX	XX
2007	XX	XX	XX	XX	XX	XX	XX	XX
2008	XX	XX	XX	XX	XX	XX	XX	XX
2009	XX	XX	XX	XX	XX	XX	XX	XX
2010	XX	XX	XX	XX	XX	XX	XX	XX
2011	XX	XX	XX	XX	XX	XX	XX	XX
2012	XX	XX	XX	XX	XX	XX	XX	XX
2013	XX	XX	XX	XX	XX	XX	XX	XX
Subtotal	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Remaining	XX	XX	XX	XX	XX	XX	XX	XX
Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
DISCOUNTED AT (%/year)	NET PRESENT VALUES (M\$)							
0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
15	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
20	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

 OPTIONAL

Reference: Item 2.1(3) of Form 51-101F1

**SUMMARY OF OIL AND GAS RESERVES
AND NET PRESENT VALUES OF FUTURE NET REVENUE
as of December 31, 2003**

FORECAST PRICES AND COSTS

RESERVE CLASSIFICATION	RESERVES									
	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS		SULPHUR	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mit)	Net (Mit)
PROVED										
Developed Producing	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Developed Non-Producing	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Undeveloped	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
TOTAL PROVED	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
PROBABLE	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
TOTAL PROVED PLUS PROBABLE	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

RESERVE CLASSIFICATION	NET PRESENT VALUES OF FUTURE NET REVENUE									
	BEFORE INCOME TAXES DISCOUNTED AT (%/year)					AFTER INCOME TAXES DISCOUNTED AT (%/year)				
	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)
PROVED										
Developed Producing	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Developed Non-Producing	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Undeveloped	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
TOTAL PROVED	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
PROBABLE	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
TOTAL PROVED PLUS PROBABLE	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx

Reference: Item 2.2(1) and (2) of Form 51-101F1

**SUMMARY OF FUTURE NET REVENUE
as of December 31, 2003**

PROVED RESERVES

FORECAST PRICES AND COSTS

YEAR	REVENUES (M\$)	ROYALTIES (M\$)	OPERATING COSTS (M\$)	DEVELOP- MENT COSTS (M\$)	ABANDON- MENT AND RECLAMA- TION COSTS (M\$)	FUTURE NET REVENUE BEFORE INCOME TAXES (M\$)	INCOME TAXES (M\$)	FUTURE NET REVENUE AFTER INCOME TAXES (M\$)
2004	XX	XX	XX	XX	XX	XX	XX	XX
2005	XX	XX	XX	XX	XX	XX	XX	XX
2006	XX	XX	XX	XX	XX	XX	XX	XX
2007	XX	XX	XX	XX	XX	XX	XX	XX
2008	XX	XX	XX	XX	XX	XX	XX	XX
2009	XX	XX	XX	XX	XX	XX	XX	XX
2010	XX	XX	XX	XX	XX	XX	XX	XX
2011	XX	XX	XX	XX	XX	XX	XX	XX
2012	XX	XX	XX	XX	XX	XX	XX	XX
2013	XX	XX	XX	XX	XX	XX	XX	XX
Subtotal	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Remaining	XX	XX	XX	XX	XX	XX	XX	XX
Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
DISCOUNTED AT (%/year)	NET PRESENT VALUES (M\$)							
0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
15	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
20	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

 OPTIONAL


Reference: Item 2.2(3) of Form 51-101F1

**SUMMARY OF FUTURE NET REVENUE
as of December 31, 2003**

PROVED PLUS PROBABLE RESERVES

FORECAST PRICES AND COSTS

YEAR	REVENUES (M\$)	ROYALTIES (M\$)	OPERATING COSTS (M\$)	DEVELOP- MENT COSTS (M\$)	ABANDON- MENT AND RECLAMA- TION COSTS (M\$)	FUTURE NET REVENUE BEFORE INCOME TAXES (M\$)	INCOME TAXES (M\$)	FUTURE NET REVENUE AFTER INCOME TAXES (M\$)
2004	XX	XX	XX	XX	XX	XX	XX	XX
2005	XX	XX	XX	XX	XX	XX	XX	XX
2006	XX	XX	XX	XX	XX	XX	XX	XX
2007	XX	XX	XX	XX	XX	XX	XX	XX
2008	XX	XX	XX	XX	XX	XX	XX	XX
2009	XX	XX	XX	XX	XX	XX	XX	XX
2010	XX	XX	XX	XX	XX	XX	XX	XX
2011	XX	XX	XX	XX	XX	XX	XX	XX
2012	XX	XX	XX	XX	XX	XX	XX	XX
2013	XX	XX	XX	XX	XX	XX	XX	XX
Subtotal	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Remaining	XX	XX	XX	XX	XX	XX	XX	XX
Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
DISCOUNTED AT (%/year)	NET PRESENT VALUES (M\$)							
0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
15	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
20	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

 OPTIONAL

Reference: Item 2.2(3) of Form 51-101F1

SUMMARY OF PRICING ASSUMPTIONS
as of December 31, 2003

CONSTANT PRICES AND COSTS

Year	OIL ⁽¹⁾				NATURAL GAS ⁽¹⁾ AECO Gas Price (\$Cdn/MMBtu)	EXCHANGE RATE ⁽²⁾ (\$US/\$Cdn)
	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40 ⁰ API (\$Cdn/bbl)	Hardisty Heavy 12 ⁰ API (\$Cdn/bbl)	Cromer Medium 29.3 ⁰ API (\$Cdn/bbl)		
Historical (Year End)	xx	xx	xx	xx	xx	xx
1999	xx	xx	xx	xx	xx	xx
2000	xx	xx	xx	xx	xx	xx
2001	xx	xx	xx	xx	xx	xx
2002	xx	xx	xx	xx	xx	xx
2003 (Year End)	xx	xx	xx	xx	xx	xx

 OPTIONAL

- (1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*.
- (2) The exchange rate used to generate the benchmark prices in this table.

Reference: Item 3.1 of *Form 51-101 F1*

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
as of December 31, 2003

FORECAST PRICES AND COSTS

Year	OIL ⁽¹⁾				NATURAL GAS ⁽¹⁾	INFLATION RATES ⁽³⁾ %/Year	EXCHANGE RATE \$US/\$Cdn
	WTI Cushing Oklahoma \$US/bbl	Edmonton Par Price 40 ^o API \$Cdn/bbl	Hardisty Heavy 12 ^o API \$Cdn/bbl	Cromer Medium 29.3 ^o API \$Cdn/bbl	AECO Gas Price (\$Cdn/MMBtu)		
Historical Weighted Average	xx	xx	xx	xx	xx	xx	xx
1999	xx	xx	xx	xx	xx	xx	xx
2000	xx	xx	xx	xx	xx	xx	xx
2001	xx	xx	xx	xx	xx	xx	xx
2002	xx	xx	xx	xx	xx	xx	xx
2003	xx	xx	xx	xx	xx	xx	xx
Forecast							
2004	xx	xx	xx	xx	xx	xx	xx
2005	xx	xx	xx	xx	xx	xx	xx
2006	xx	xx	xx	xx	xx	xx	xx
2007	xx	xx	xx	xx	xx	xx	xx
2008	xx	xx	xx	xx	xx	xx	xx
2009	xx	xx	xx	xx	xx	xx	xx
2010	xx	xx	xx	xx	xx	xx	xx
2011	xx	xx	xx	xx	xx	xx	xx
2012	xx	xx	xx	xx	xx	xx	xx
2013							
Thereafter	xx	xx	xx	xx	xx	xx	xx

 OPTIONAL

- (1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*.
- (2) Exchange rates used to generate the benchmark prices in this table
- (3) Inflation rates for forecasting prices and costs.

Reference: Item 3.2 of *Form 51-101 F1*

**RECONCILIATION OF
COMPANY NET RESERVES
BY PRINCIPAL PRODUCT TYPE**

[FORECAST/CONSTANT] PRICES AND COSTS ⁽¹⁾

FACTORS	LIGHT & MEDIUM OIL			HEAVY OIL			ASSOCIATED AND NON-ASSOCIATED GAS		
	Net Proved (Mbbbl)	Net Probable (Mbbbl)	Net Proved Plus Probable (Mbbbl)	Net Proved (Mbbbl)	Net Probable (Mbbbl)	Net Proved Plus Probable (Mbbbl)	Net Proved (MMcf)	Net Probable (MMcf)	Net Proved Plus Probable (MMcf)
December 31, 2002	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Economic Factors	xx	xx	xx	xx	xx	xx	xx	xx	xx
Technical Revisions	xx	xx	xx	xx	xx	xx	xx	xx	xx
Acquisitions	xx	xx	xx	xx	xx	xx	xx	xx	xx
Dispositions	xx	xx	xx	xx	xx	xx	xx	xx	xx
Extensions and Improved Recovery	xx	xx	xx	xx	xx	xx	xx	xx	xx
Discoveries	xx	xx	xx	xx	xx	xx	xx	xx	xx
Production	xx	xx	xx	xx	xx	xx	xx	xx	xx
December 31, 2003	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

- (1) A reconciliation of reserves estimates may be presented using either *constant prices and costs* or *forecast prices and costs* provided that the price and cost case is indicated in the disclosure of the reserves reconciliation.

Reference: Item 4.1 of Form 51-101F1

**RECONCILIATION OF CHANGES IN
NET PRESENT VALUES OF FUTURE NET REVENUE
DISCOUNTED AT 10% PER YEAR**

PROVED RESERVES

CONSTANT PRICES AND COSTS

PERIOD AND FACTOR	2003 (M\$)	2002 (M\$)
Estimated Future Net Revenue at Beginning of Year	xxx	xxx
Sales and Transfers of Oil and Gas Produced, Net of Production Costs and Royalties	xx	xx
Net Change in Prices, Production Costs and Royalties Related to Future Production	xx	xx
Changes in Previously Estimated Development Costs Incurred During the Period	xx	xx
Changes in Estimated Future Development Costs	xx	xx
Extensions and Improved Recovery Discoveries	xx	xx
Acquisitions of Reserves	xx	xx
Dispositions of Reserves	xx	xx
Net Change Resulting from Revisions in Quantity Estimates	xx	xx
Accretion of Discount	xx	xx
Net Change in Income Taxes	xx	xx
Estimated Future Net Revenue at End of Year	xxx	xxx

OPTIONAL

Reference: Item 4.2 of Form 51-101F1

NOTES TO SAMPLE TABLES

1. These sample tables do not reflect all of the information required by *Form 51-101F1*, and they have been simplified to reflect *reserves* in one country only.
2. For the purpose of illustration, the sample tables also incorporate information not mandated by *NI 51-101* but which *reporting issuers* might wish to include in their disclosure; shading indicates that this information is optional.
3. "M\$" means thousands of dollars.
4. The estimates of *future net revenue* presented in the sample tables do not represent fair market value. (Reference: Section 5.6 of *NI51-101*).

**ONTARIO SECURITIES COMMISSION
NOTICE AND REQUEST FOR COMMENTS**

**Proposed National Instrument 51-101
*Standards of Disclosure for Oil and Gas Activities***

Proposed Ontario Consequential Amendments

January 24, 2003

This Notice is being published concurrently with the Canadian Securities Administrators ("CSA") Notice dated January 24, 2003 that discusses and requests comment on proposed National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* and its related forms and companion policy (together, "NI 51-101") and consequential amendments to certain national and multilateral instruments, forms and policies.

As the CSA Notice explains, in general, NI 51-101 would first apply to a reporting issuer in 2004, when it files or is required to file audited financial statements for the financial year that ends on or includes December 31, 2003. Somewhat earlier application of NI 51-101 could affect issuers that file a prospectus early in 2004.

The consequential amendments proposed in the CSA Notice would phase out the application of National Policy Statement No. 2-B *Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators* ("NP 2B"), and phase in NI 51-101 disclosure standards for the purposes of the affected national and multilateral instruments, on the same timing as applies for NI 51-101 itself. The CSA Notice indicates that similar consequential amendments may also apply to local policy instruments specific to a jurisdiction.

Ontario Consequential Amendments

In addition to the consequential amendments to national and multilateral policy documents discussed in the CSA Notice, the OSC is proposing, and requesting comment on, consequential amendments to the following local Ontario securities legislation:

- OSC Rule 41-501 – *General Prospectus Requirements*
- OSC Form 41-501F1 – *Information Required in a Prospectus*

The texts of these proposed consequential amendments are appended to this Notice.

Request for Comment

We request comments on the proposed local consequential amendments by **March 31, 2003**.

Please forward comments that relate only to these local consequential amendments in hard copy, by e-mail or on a diskette in word format, to:

Deborah McCombe
Chief Mining Consultant
Ontario Securities Commission
20 Queen Street West
19th Floor Box 55
Toronto, Ontario, M5H 3S8
Fax: (416) 593-8177
E-mail: dmccombe@osc.gov.on.ca

We cannot keep your comments confidential.

If your comments go beyond these local consequential amendments, please consult the January 24, 2003 CSA Notice for information about how to send those comments.

**PROPOSED AMENDMENT
TO
ONTARIO SECURITIES COMMISSION RULE 41-501
GENERAL PROSPECTUS REQUIREMENTS**

PART 1 AMENDMENT

1.1 Amendment – Ontario Securities Commission Rule 41-501 *General Prospectus Requirements* is amended by:

- (a) deleting Item 3 of subsection 13.2(1) and substituting the following:
 - 3. Any technical report or certificate relating to oil and gas properties prepared in accordance with National Policy Statement No. 2-B *Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators* that was not previously filed, if the preliminary prospectus is filed on or before June 30, 2005, the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:
 - (i) the issuer has not filed and is not required to have filed (alone or in the preliminary prospectus or as part of another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;
 - (ii) the preliminary prospectus does not include and is not required to include audited financial statements for a financial year ended on or after December 31, 2003;
 - (iii) if the preliminary prospectus is filed on or before March 30, 2004 for an initial public offering of securities, it does not include financial statements for a financial year or interim period that ends on or after December 31, 2003; and
 - (iv) if the preliminary prospectus is filed after December 31, 2003 and during the issuer's first financial year, it does not include financial statements for an interim period that ends on or after December 31, 2003.
- (b) deleting Item 8 of subsection 13.3(1) and substituting the following:
 - 8. Any technical report or certificate relating to oil and gas properties prepared in accordance with National Policy Statement No. 2-B that was not previously filed, if the prospectus is filed on or before June 30, 2005, the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:
 - (i) the issuer has not filed and is not required to have filed (alone or in the prospectus or as part of another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;
 - (ii) the prospectus does not include and is not required to include audited financial statements for a financial year ended on or after December 31, 2003;
 - (iii) if the prospectus is filed on or before March 30, 2004 for an initial public offering of securities, it does not include financial statements for a financial year or interim period that ends on or after December 31, 2003; and
 - (iv) if the prospectus is filed after December 31, 2003 and during the issuer's first financial year, it does not include financial statements for an interim period that ends on or after December 31, 2003.
- (c) deleting Item 9(i) of subsection 13.3(1) and substituting the following:
 - (i) deals with a mineral project or oil and gas activities of the issuer; and

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

**PROPOSED AMENDMENT
TO
ONTARIO SECURITIES COMMISSION FORM 41-501F1
INFORMATION REQUIRED IN A PROSPECTUS**

PART 1 AMENDMENT

1.1 Amendment – Ontario Securities Commission Form 41-501F1 *Information Required in a Prospectus* is amended by:

- (a) adding to the initial instructions the following:
 - (11) *Disclosure in a prospectus must be consistent with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities if the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101) and:*
 - (a) *has filed or is required to have filed (or has included or is required to have included in another filed document) audited annual financial statements for a financial year that ends on or after December 31, 2003;*
 - (b) *has, prior to the date on which it is required to have filed audited financial statements for a financial year that ends on or after December 31, 2003, filed or is required to have filed (or has included or is required to have included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;*
 - (c) *is filing a preliminary prospectus or prospectus:*
 - (i) *that includes or is required to include audited financial statements for a financial year ended on or after December 31, 2003;*
 - (ii) *after March 30, 2004 for an initial public offering of securities, and the prospectus includes financial statements for a financial year or interim period that ends on or after December 31, 2003; or*
 - (iii) *after December 31, 2003 and during the issuer's first financial year, and the prospectus includes financial statements for an interim period that ends on or after December 31, 2003; or*
 - (d) *indicates in the prospectus that information disclosed therein is presented in accordance with National Instrument 51-101.*
- (b) amending Item 6 by:
 - (a) adding after "operations," in the preamble to Item 6.4:

unless Item 6.5 applies,
 - (b) adding after Item 6.4 the following:

6.5 Issuers with Oil and Gas Activities

This Item 6.5 applies if the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:

- (a) has filed or is required to have filed (or has included or is required to have included in another filed document) audited annual financial statements for a financial year that ends on or after December 31, 2003;
- (b) has, prior to the date on which it is required to file audited financial statements for a financial year that ends on or after December 31, 2003, filed (or included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;
- (c) is filing the prospectus:

- (i) including audited financial statements for a financial year ended on or after December 31, 2003;
 - (ii) after March 30, 2004 for an initial public offering of securities, and the prospectus includes financial statements for a financial year or interim period that ends on or after December 31, 2003; or
 - (iii) after December 31, 2003 and during the issuer's first financial year, and the prospectus includes financial statements for an interim period that ends on or after December 31, 2003; or
- (d) indicates in the prospectus that information disclosed therein is presented in accordance with National Instrument 51-101.

1. Reserves Data and Other Information

- (a) Disclose the information prescribed by Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*:
- (i) as at the end of, and for, the most recent financial year for which the prospectus includes an audited balance sheet of the issuer; or
 - (ii) in the absence of a completed financial year referred to in clause (i), as at the most recent date for which the prospectus includes an audited balance sheet of the issuer, and for the greatest portion of the financial year that includes the date of that balance sheet and for which the prospectus includes an audited income statement of the issuer.
- (b) To the extent not reflected in the information disclosed in response to paragraph (a), disclose the information contemplated by Part 6 of National Instrument 51-101, in respect of material changes that occurred after the applicable balance sheet date referred to in paragraph (a).

2. Report of Qualified Reserves Evaluator or Auditor

Include with the information disclosed under section 1 the report of one or more qualified reserves evaluators or qualified reserves auditors, referred to in Item 2 of section 2.1 of National Instrument 51-101, on the reserves data included in the disclosure provided under paragraph 1(a) of this Item.

3. Report of Management and Directors

Include with the information disclosed under section 1 the report of management and directors, referred to in Item 3 of section 2.1 of National Instrument 51-101, relating to that information.

INSTRUCTION

The issuer may require the written consent of a qualified reserves evaluator or qualified reserves auditor to disclose information in this Form, pursuant to section 5.7 of National Instrument 51-101.

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

Exempt Financings

The Ontario Securities Commission reminds issuers and other parties relying on exemptions that they are responsible for the completeness, accuracy, and timely filing of Forms 45-501F1 and 45-501F2, and any other relevant form, pursuant to section 27 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1 (information current to December 13, 2002)

<u>Transaction Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Total Purchase Price (\$)</u>	<u>Number of Securities</u>
25-Nov-2002	Michael I. M. McMillan	2018830 Ontario Inc. - Common Shares	1.00	1.00
25-Feb-2002	4 Purchasers	Advanced Fiber Technologies Income Fund Trust Units - Trust Units	400,000.00	40,000.00
04-Dec-2002	CMP 2002 Resource Limited Partnership;Canada Dominion Resources LP X	Agnico-Eagle Mines Limited - Common Shares	1,000,008.90	40,161.00
22-Nov-2002	Credit Risk Advisors;Bank of Montreal	AmeriGas Partners, L.P. - Notes	1,638,599.00	2.00
21-Nov-2002	CMP 2002 Resource Limited	Apollo Gold Corporation - Common Shares	4,500,000.00	1,500,000.00
15-Mar-2002	KJH Strategic Investors	Arctic Glacier Income Fund Trust Units - Trust Units	85,800.00	90,000.00
18-Nov-2002	Wellington Financial L.P.	Basis100 Inc. - Debentures	4,000,000.00	1.00
22-Nov-2002	Roy McLaren;Susan Main	Broadview Press Inc. - Units	10,440.00	58,000.00
28-Nov-2002	7 Purchasers	Capstone Energy Ltd. - Common Shares	390,449.60	686,328.00
26-Nov-2002	Inter-Canadian Capital Strategies Inc.	Catalina Energy Corp. - Debentures	10,000.00	10,000.00
22-Mar-2002 3/25/02	3 Purchasers	CIBC World Markets - Shares	210,055.00	21,000.00
28-Nov-2002	CMP 2002 Resources Limited Partnership;NCE Flow-Through (2002-2) Limited	Claude Resources Inc. - Common Shares	1,500,000.00	1,000,000.00
26-Nov-2002	13 Purchasers	Connacher Oil and Gas Limited - Flow-Through Shares	1,400,000.40	3,111,112.00

Notice of Exempt Financings

25-Nov-2002	Mid-America Bag L.L.C.	CPI Plastics Group Limited - Common Shares	2,039,466.75	263,157.00
27-Nov-2002	6 Purchasers	Crystallex International Corporation - Special Warrants	4,730,000.00	2,080,000.00
27-Nov-2002	The VenGrowth Advanced Life Sciences Fund	Cytochroma Inc. - Shares	6,500,000.00	2,600,000.00
28-Nov-2002	3 Purchasers	Deer Creek Energy Limited - Common Shares	4,499,660.00	4,091,400.00
22-Nov-2002	Stephanie A. Atkinson	Diamondex Resources Ltd. - Flow-Through Shares	30,000.00	40,000.00
22-Nov-2002	Robert McAllister	Diamondex Resources Ltd. - Flow-Through Shares	200,000.25	266,667.00
05-Dec-2002	3 Purchasers	Diaz Resources Ltd. - Shares	1,499,999.90	4,285,714.00
18-Nov-2002	3 Purchasers	DIATEM Tetworks Inc. - Convertible Debentures	3,000,000.00	3.00
25-Nov-2002	6 Purchasers	Euston Capital Corp. - Common Shares	84,000.00	28,000.00
07-Nov-2002	Lupina Foundation	Eventi Inc. - Preferred Shares	200,000.00	133,333.00
13-Sep-2002	Northern Construction Services	Exploration Tom Inc. - Common Shares	90,000.00	300,000.00
29-Nov-2002	Clarica Life Insurance Company	Falls Management Company - Notes	20,000,000.00	1.00
22-Nov-2002	N/A	Garrison Road, Inc. - Bonds	1,500,000.00	1.00
29-Jul-2002 10/7/02	3539393 Ontario Inc.	Goldman Sachs Mutual Funds - Units	15,112,670.70	1,503,715.00
09-Oct-2002 10/31/02	8 Purchasers	Goldman Sachs Mutual Funds - Units	2,551,562.04	252,332.00
08-Nov-2002	Eric Breedon	Habanero Resources Inc. - Units	1,000.00	20,000.00
28-Nov-2002	Alexander Romanov;Gundyco ITF Nir Shafrir	iSee Media Inc. - Common Shares	125,000.00	125,000.00
28-Nov-2002	Alexander Romanov	iSee Media Inc. - Common Shares	50,000.00	50,000.00
13-Nov-2002	Anthony Galley	Imaging Dynamics Company Ltd. - Common Shares	250,000.00	657,895.00
19-Nov-2002	Campbell Resources Inc.	International Coromandel Resources Ltd. - Common Shares	17,076.00	170,769.00
23-Oct-2002	Gordon Reid	Intracoastal System Engineering Corporation - Units	150,000.00	150,000.00
25-Nov-2002	Edward Machej	Kerogen Petroleum Ltd. - Units	5,000.00	5.00

Notice of Exempt Financings

28-Nov-2002	Kensington Fund of Fund;L.P.	Kilmer Capital Fund L.P. - Limited Partnership Units	10,000,000.00	10,000.00
14-Nov-2002	7 Purchasers	Kinitos Inc. - Common Shares	925,610.80	1,429,020.00
22-Nov-2002	3 Purchasers	Kinloch Resources Inc. - Common Shares	669,800.00	609,000.00
12-Nov-2002	Cameron Bimm	Klondike Gold Corp. - Units	15,000.00	100,000.00
31-Oct-2002	6 Purchasers	Laramide Resources Ltd. - Units	65,100.00	434,000.00
21-Nov-2002	TD Securities Inc.	Legacy Hotels Real Estate Investment Trust - Debentures	100,000,000.00	100,000,000.00
25-Nov-2002	3 Purchasers	Lightning Energy Ltd. - Common Shares	415,000.00	142,000.00
27-Nov-2002	The VenGrowth II Investment Fund Inc.	Longview Solutions Inc. - Common Shares	3,400,000.00	1,030,303.00
25-Nov-2002	Credit Risk Advisors;Bank of Montreal	Lyondell Chemical Company - Notes	6,153,558.00	19.00
22-Nov-2002	Fred Ng	Microsource Online, Inc. - Common Shares	36,000.00	6,000.00
29-Nov-2002	Ken Frost	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
22-Nov-2002	Victor Boutin	Microsource Online, Inc. - Common Shares	15,000.00	2,500.00
02-Dec-2002	Lee Redmayne	Microsource Online, Inc. - Common Shares	2,400.00	400.00
02-Dec-2002	Joseph Uniac	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
27-Nov-2002	10 Purchasers	Midnight Oil & Gas Ltd. - Special Warrants	3,308,249.25	2,040,333.00
25-Nov-2002	Micke MacBain;Donald A. Wright	Non-Elephant Encryption Systems Inc. - Convertible Debentures	200,000.00	1.00
27-Nov-2002	Theodoros G. Petrou	North Atlantic Publishing Inc. - Common Shares	10,000.00	30.00
27-Nov-2002	Dennis Dionysiou	North Atlantic Publishing Inc. - Common Shares	10,000.00	30.00
27-Nov-2002	611770 Ontario Ltd.	North Growth U.S. Equity Fund - Shares	150,000.00	7,386,688.00
25-Nov-2002	Trudell Medical Limited	Oriel Therapeutics, Inc., - Shares	150,000.00	150,000.00
21-May-2002	KJH Strategic Invest #2;KJH Strategic Investors	PBB GLB Logist Income Fund Units - Units	502,055.00	50,000.00
29-Nov-2002	4 Purchasers	Pele Mountain Resources Inc. - Units	539,280.00	344,000.00

Notice of Exempt Financings

05-Sep-2002	N/A	Private Client Canadian Value Fund - Trust Units	14,568.00	1,734.00
25-Nov-2002	UBS Bunting Warburg Inc.	Profico Energy Management Ltd. - Common Shares	150,000.00	5,000.00
19-Nov-2002	9 Purchasers	Queens University at Kingston - Debentures	41,065,642.50	41,150,000.00
25-Nov-2002	P. Gren Schoch;Michael Phippen	Raven Energy Ltd. - Units	175,200.00	97,333.00
31-Oct-2002	Absolute Return Concepts Fund	RBC Global Investment Management Inc. - Units	344,000.00	3,378.00
19-Nov-2002	Robert Edward Dorrance	RevRen Investments Limited Partnership - Limited Partnership Units	250,000.00	25.00
20-Nov-2002	The Toronto-Dominion Bank	Saxon Ongoing Business Trust - Units	18,630,010.06	2,000,000.00
03-Dec-2002	Greg Morgan	Second World Trader Inc. - N/A	940.00	8.00
29-Nov-2002	Sun Life Assurance Company of Canada	Sobey Leased Properties Limited - Bonds	11,200,000.00	11,200,000.00
23-Aug-2002	5 Purchasers	StorageMaxx Master 990 Limited Partnership - Limited Partnership Units	412,214.00	421,214.00
23-Aug-2002	Deutsche Bank AG;StorageMaxx Master 990 Limited Partnership	StorageMaxx Master 990 Limited Partnership - Limited Partnership Units	1,289,300.00	128,900.00
04-Dec-2002	CMP 2002 Resource Limited Partnership;Canada Dominion Resources LP X	Sudbury Contact Mines, Limited - Common Shares	2,000,000.20	909,091.00
19-Aug-2002	80 Purchasers	Swiss Water Decaf Coffee Trust Units - Units	662,126.00	74,000.00
05-Dec-2002	CMP 2002 Resources Limited Partnership;MRF 2002 II Limited Partnership	Tahera Corporation - Flow-Through Shares	1,500,000.00	9,375,000.00
27-Nov-2002	N/A	Transition Therapeutics Inc. - Common Shares	643,000.00	1,837,145.00
26-Nov-2002	TCV (Barbados) SRL	Triversity Inc. - Shares	23,602,500.00	13,274,337.00

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

<u>Transaction Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Total Purchase Price (\$)</u>	<u>Number of Securities</u>
27-Dec-2002	3 Purchasers	1541650 Ontario Inc. - Convertible Debentures	17,000,000.00	3.00
30-Dec-2002	Canadian Medical Discoveries Fund Inc.; Canadian Medical Discoveries Fund II Inc.	1555195 Ontario Inc. - Debentures	10,000,000.00	2.00
09-Jan-2003	Ontario Teacher's Pension Plan Board and BPC Pence Corporation	6048935 Canada Ltd. - Debentures	227,200,000.00	2.00
09-Jan-2003	Ontario Teacher's Pension Plan Board and BPC Pence Corporation	6048935 Canada Ltd. - Promissory note	56,800,000.00	2.00
09-Jan-2003	Ontario Teacher's Pension Plan Board and BPC Pence Corporation	6048935 Canada Ltd. - Shares	14,200.00	20.00
09-Jan-2003	Ontario Teacher's Pension Plan Board and BPC Pence Corporation	6048935 Canada Ltd. - Shares	42,600.00	60.00
09-Jan-2003	Ontario Teacher's Pension Plan Board and BPC Pence Corporation	6048935 Canada Ltd. - Units	56,800,000.00	8,000.00
01-Jan-2003	8 Purchasers	ABC Fundamental - Value Fund - Units	1,300,516.93	10,365,910.00
01-Jan-2003	Mr. & Mrs. Arthur & Helen Scott	ABC Fundamental - Value Fund - Units	150,000.00	18,951.00
30-Dec-2002	5 Purchasers	Alliance Financing Group Inc - Units	100,000.00	606,666.00
23-Dec-2003	CMP 2002 Resources Ltd. and Anna Agata Hazaras	AltaCanada Energy Corp. - Common Shares	263,500.00	585,556.00
31-Dec-2002	Alternum Capital	Alternum Capital - Global Health Sciences Hedge Fund - Limited Partnership Units	1,420.00	3.00
31-Dec-2002	6 Purchasers	Alternum Capital - North American Value Hedge Fund - Limited Partnership Units	2,937.00	6.00
02-Jan-2002 10/1/02	Ontario Teachers' Pension Plan Board; The Governing Council of the University of Toronto	Arrowstreet Global Opportunities Offshore Fund Ltd. - Shares	37,639,621.76	600,000.00
30-Dec-2002	26 Purchasers	Band-Ore Resources Ltd. - Flow-Through Shares	500,780.00	73.00

Notice of Exempt Financings

09-Jan-2003	9 Purchasers	Becker Gold Mines Ltd. formerly Independent Enterprises Inc. - Common Shares	95,000.00	2,850,000.00
20-Dec-2002	25 Purchasers	Black Bull Resources Inc. - Units	186,000.00	372,000.00
29-Nov-2002	John Kutkevicius	BM Diamondcorp Inc. - Common Shares	52,500.00	350,000.00
31-Dec-2002	4 Purchasers	BNY Trust Company of Canada, as trustee of TIERS Principal-Protected Trust Canada 2002-25 - Trust Units	68,535,452.00	68,300,000.00
30-Dec-2002	J. Robert Nicholson	Brooklyn Energy Corporation - Common Shares	87,875.00	92,500.00
02-Jan-2003	123 Purchasers	Burgundy Asset Management Ltd. - Shares	2,896,398.56	1,846,774.00
02-Jan-2003	9 Purchasers	Burgundy Asset Management Ltd. - Shares	3,270,734.14	213,083.00
02-Jan-2003	84 Purchasers	Burgundy Asset Management Ltd. - Shares	17,232,642.61	490,369.00
02-Jan-2003	107 Purchasers	Burgundy Asset Management Ltd. - Shares	31,097,361.33	2,915,450.00
02-Jan-2003	Small Cap Pension	Burgundy Asset Management Ltd. - Shares	5,000,000.00	441,528.00
02-Jan-2003	8 Purchasers	Burgundy Asset Management Ltd. - Shares	45,573,669.94	4,520,759.00
02-Jan-2003	8 Purchasers	Burgundy Asset Management Ltd. - Shares	17,067,702.62	1,716,148.00
11-Dec-2002	6 Purchasers	Carfinco Income Fund - Debentures	650,000.00	6.00
20-Dec-2002	7 Purchasers	Churchill Institutional Real Estate Limited Partnership - Limited Partnership Units	210,000.00	14.00
31-Dec-2002	William Braithwaite and Joyce Karpiuk	Churchill Institutional Real Estate Limited Partnership - Limited Partnership Units	150,000.00	10.00
31-Dec-2002	13 Purchasers	Cogient Corp. - Convertible Debentures	437,500.00	437,500.00
31-Dec-2002	William Braithwaite and Joyce Karpiuk	CPG Capital Corp. - Debentures	100,000.00	10.00
20-Dec-2002	7 Purchasers	CPG Capital Corp. - Debentures	140,000.00	14.00
27-Dec-2002	7 Purchasers	CPI Plastics Group Limited - Common Shares	5,152,000.00	736,000.00

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30-Apr-2002	UMA Group Ltd A/C GA 12006-1	Deans Knight Bond Fund - Units	3,000.00	7.00
01-Jan-2003	Tremaine Capital	Deans Knight Bond Fund - Units	150,000.00	340.00
30-Jun-2002	Philip Hampson;Cartwright Land	Deans Knight Bond Fund - Units	472,268.44	1,043.00
15-Feb-2002 7/12/02	Jean E. Nishimura;UMA Group Ltd. A/C GA 12006-1	Deans Knight Equity Growth Fund - Units	38,724.25	30.00
01-Jan-2003	Tremaine Capital	Deans Knight Equity Growth Fund - Units	250,000.00	208.00
23-Dec-2002	14 Purchasers	Destiny Solutions Inc. - Common Shares	850,000.00	4,025,000.00
30-Dec-2002	Kevin D. Williams and Alan Forde	Drexel Energy Ltd. - Units	400,000.00	400,000.00
23-Dec-2002	9 Purchasers	DT Energy Ltd. - Special Warrants	4,635,000.00	2,267,500.00
13-Dec-2002	6 Purchasers	E3 Energy Inc. - Flow-Through Shares	2,103,838.00	3,506,398.00
31-Dec-2002	MineralFields 2002 Limited Partnership	East West Resource Corporation - Units	60,000.00	600,000.00
02-Jan-2002	Bank of Montreal Pension Society	EACM Absolute Return Fund, Ltd. - Shares	47,166,000.00	30,000.00
08-Dec-2002	Ruston Children's Trust	Eventi Inc. - Preferred Shares	50,000.00	33,333.00
31-Dec-2002	Angus Terrance MacGibbon;Cynthia Annette MacGibbon	Falconbridge Limited - Flow-Through Shares	300,003.50	14,458.00
01-Apr-2002 10/1/02	3 Purchasers	Front Point Offshore Fixed Income Opportunities Fund, Ltd. - Shares	42,001,050.00	27,300.00
31-Dec-2002	BNY Trust Company of Canada	G-MAX 2002 FX-1 Ltd. - Notes	77,784,914.13	1.00
14-Oct-2002	UBS Trust (Canada)	GAM Diversity Inc. - Shares	39,164.00	50.00
21-Aug-2002	RBC Dominion Securities Inc.	Greydanus American Fund - Units	312,000.00	21,903.00
31-Oct-2002	OMERS	Hines European Development Fund, L.P. - Capital Commitment	77,100,000.00	1.00
31-Dec-2002	13 Purchasers	Holmer Gold Mines Limited - Units	390,060.00	2,167,000.00
23-Dec-2002	12 Purchasers	Ketch Resources Ltd. - Special Warrants	5,181,000.00	1,570,000.00
13-Dec-2002	3 Purchasers	Kingwest Avenue Portfolio - Units	14,920.00	822.00

Notice of Exempt Financings

31-Dec-2002	John Patrick Sheridan;Jon Chisholm	Langis Silver & Cobalt Mining Company Limited - Common Shares	74,910.95	651,399.00
04-Dec-2002	Mladen Ban	Legal Services Plan Inc. - Common Shares	15,000.00	15,000.00
04-Dec-2002	Francis Milley	Legal Services Plan Inc. - Common Shares	15,000.00	15,000.00
04-Dec-2002	Roger Maurice Thevenez	Legal Services Plan Inc. - Common Shares	5,000.00	5,000.00
04-Dec-2002	Valerie Thevenez	Legal Services Plan Inc. - Common Shares	5,000.00	5,000.00
18-Dec-2002	Guy Ward	Legal Services Plan Inc. - Common Shares	5,000.00	5,000.00
07-Jan-2003	Edco Capital Corporation	Magellan Aerospace Corporation - Debentures	15,000,000.00	1.00
19-Dec-2002	Canada Dominion Resources;MRF 2002 II Limited Partnership	Manhattan Resources Ltd. - Flow-Through Shares	1,836,000.00	10,200,000.00
13-Dec-2002	Winston Reynolds	Microsource Online, Inc. - Common Shares	1,200.00	200.00
13-Dec-2002	Randy Rogers	Microsource Online, Inc. - Common Shares	4,800.00	800.00
13-Dec-2002	Paul Commanda	Microsource Online, Inc. - Common Shares	3,000.00	500.00
13-Dec-2002	Fred Ng	Microsource Online, Inc. - Common Shares	24,000.00	4,000.00
20-Dec-2002	Trung Tran	Microsource Online, Inc. - Common Shares	4,800.00	800.00
23-Dec-2002	Ken Frost	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
20-Dec-2002	Stan Lazarski	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
23-Dec-2002	Jack Vanderweg	Microsource Online, Inc. - Common Shares	12,000.00	2,000.00
30-Dec-2002	9 Purchasers	Milano Investments Limited Partnership - Limited Partnership Units	828,524.64	11.00
10-Dec-2002	9 Purchasers	Mint Inc. - Special Warrants	900,000.00	1,800,000.00
02-Jan-2002 12/19/02	Gowlings Canada Inc.	Mitel Networks Corporation - Common Shares	16,898.00	6,145.00
09-Jan-2003	22 Purchasers	MICEO 2002 Corporation - Common Shares	393,620.00	39,362.00

Notice of Exempt Financings

19-Dec-2002	The Vengrowth II Investment Fund Inc.	Mobile Computing Corporation - Convertible Debentures	359,691.00	1.00
06-Jan-2002	Carl Di Placido	Morgain Minerals Inc. - Units	100,000.00	400,000.00
20-Dec-2002	6 Purchasers	Navitrak International Corporation - Units	566,090.00	566.00
27-Dec-2002	Northwater Foundation	NewQuant Trust I - Trust Units	200,000.00	0.00
27-Dec-2002	Creststreet 2002 Limited Partnership	Oiltec Resources Ltd. - Common Shares	748,800.00	288,000.00
31-Dec-2002	Michael Verdecchia	Outlook Resources Inc. - Flow-Through Shares	25,000.00	250,000.00
31-Dec-2002	18 Purchasers	Outlook Resources Inc. - Flow-Through Shares	209,000.00	2,090,000.00
30-Dec-2002	20 Purchasers	QGX Ltd. - Common Shares	3,111,670.00	2,705,800.00
02-Jan-2003	Canadian Friends of the Hebrew University	Quellos Strategic Partners II, Ltd. - Shares	1,253,600.00	800.00
31-Dec-2002	25 Purchasers	Qwest Energy II Limited Partnership - Limited Partnership Units	1,044,000.00	41,760.00
27-Dec-2002	Frederick Minns Meredith	Regis Resources Inc. - Common Shares	150,000.00	250,000.00
30-Dec-2002	3 Purchasers	Regis Resources Inc. - Flow-Through Shares	75,000.00	93,750.00
31-Dec-2002	6 Purchasers	Romios Gold Resources Inc. - Flow-Through Shares	136,000.00	544,000.00
30-Dec-2002	3 Purchasers	Royal Victoria Minerals Ltd. - Units	308,000.00	1,020,000.00
31-Dec-2002	Robert A. Gidden	Semper Energy Ltd. - Units	3,500.00	12,500.00
31-Dec-2002	13 Purchasers	Shore Gold Inc. - Flow-Through Shares	492,005.00	546,672.00
06-Jan-2003	Pebble Limited Partnership	Silvercreek Limited Partnership - Units	6,000,000.00	110,183.00
15-Jul-2002 12/30/02	3 Purchasers	Sprucegrove Global Pooled Fund - Units	4,415,054.00	305,881.00
15-Jan-2002 12/27/02	12 Purchasers	Sprucegrove International Pooled Fund - Units	69,320,935.00	35,879.00
31-Dec-2003	George Duguay	Tango Energy Inc. - Units	11,000.00	5,000.00
31-Dec-2002	Adam Winterton;Peter Brett	Tantalus Systems Limited Partnership - Limited Partnership Units	15,000.00	15.00
25-Nov-2002	The Vengrowth II Investment Fund Inc.	Telesystem Ltd. - Convertible Debentures	6,375,000.00	1.00

Notice of Exempt Financings

01-Jan-2003	6 Purchasers	The Canadian Professionals Services Trust - Units	9,794.00	19,589.00
31-Dec-2002	5 Purchasers	Thermal Energy International Inc. - Units	50,000.00	192,192.00
21-Nov-2002	The Vengrowth Advanced Life Science Fund Inc. and The Vengrowth II Investment Fund Inc.	VisualSonics Inc. - Shares	12,000,000.00	7,284,205.00
30-Dec-2002	24 Purchasers	Wolfden Resources Inc. - Special Warrants	1,010,000.00	1,208,000.00
02-Jan-2003 1/8/03	20 Purchasers	World Heart Corporation - Units	1,694,400.00	1,323,750.00
31-Dec-2002	Riocan REIT Senior Management Employee Pension Plan; Canada Life Assurance Co.	YMG Balanced Pooled Fund - Units	2,715,472.31	258,087.00
31-Dec-2002	4 Purchasers	YMG Bond Pooled Fund - Units	5,098,128.12	1,104,090.00
31-Dec-2002	4 Purchasers	YMG Canadian Equity Pooled Fund - Units	4,196,171.45	378,736.00
31-Dec-2002	42 Purchasers	YMG International Equity Pooled Fund - Units	16,873,264.24	1,394,904.00
31-Dec-2002	10 Purchasers	YMG Private Wealth Opportunities Fund - Units	980,000.00	79,574.00
31-Dec-2002	International Brotherhood of Painters and Allied Trades Pension Plan	YMG Special International Equity Pooled Fund - Units	645,000.00	37,094.00
31-Dec-2002	Exide Canada Inc.; International Brotherhood of Painters and Allied Trades Pension Plan	YMG Speical U.S. Equity Pooled Fund - Units	2,115,000.00	125,182.00
31-Dec-2002	YMG Special U.S. Equity Pooled Fund	YMG U.S. Equity Pooled Fund - Units	5,120,000.00	1,235,733.00
20-Dec-2002	8 Purchasers	Young-Shannon Gold Mines, Limited - Units	50,200.00	334,666.00

NOTICE OF INTENTION TO DISTRIBUTE SECURITIES AND ACCOMPANYING DECLARATION UNDER SECTION 2.8 OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES - FORM 45-102F3 (information current to December 13, 2002)

<u>Seller</u>	<u>Security</u>	<u>Number of Securities</u>
MacKay Shields LLC	Algoma Steel Inc. - Common Shares	4,244,544.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	29,900.00
Conrade M. Black	Hollinger Inc. - Preferred Shares	1,611,039.00
Kalimantan Investment Corporation	Kalimantan Gold Corporation Limited - Common Shares	2,500,000.00

Notice of Exempt Financings

Stephen Sham	MedMira Inc. - Common Shares	300,000.00
William J. Gastle	Microbix Biosystems Inc. - Common Shares	495,000.00
Susan M. S. Gastle	Microbix Biosystems Inc. - Common Shares	209,000.00
1326725 Ontario Limited	Northcott Gold Inc. - Common Shares	25,000.00
Andrew J. Mailon	Spectra Inc. - Common Shares	400,000.00
Michael R. Faye	Spectra Inc. - Common Shares	750,000.00
A-Shear Holdings Inc.	Teknion Corporation - Shares	34,800.00
DKRT Family Corp.	The Thomson Corporation - Common Shares	100,000.00

NOTICE OF INTENTION TO DISTRIBUTE SECURITIES AND ACCOMPANYING DECLARATION UNDER SECTION 2.8 OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES - FORM 45-102F3

<u>Seller</u>	<u>Security</u>	<u>Number of Securities</u>
John Buhler	Buhler Industries Inc. - Common Shares	502,800.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	19,765.00
Viceroy Resource Corporation	Channel Resources Ltd. - Common Shares	7,076,850.00
CMG Reservoir Simulation Foundation	Computer Modelling Group Ltd. - Common Shares	82,000.00
James M. Brady	Crowflight Minerals Inc. - Common Shares	2,000,000.00
James A. Estill	EMJ Data Systems Ltd. - Common Shares	59,200.00
Estill Holdings Limited	EMJ Data Systems Ltd. - Common Shares	344,500.00
Taronga Holdings Limited	Extendicare Inc. - Shares	85,800.00
Kingfield Investments Limited	Extendicare Inc. - Shares	42,900.00
Kalimantan Investment Corporation	Kalimantan Gold Corporation Limited - Common Shares	500,000.00
Kalimantan Investment Corporation	Kalimantan Gold Corporation Limited - Common Shares	2,500,000.00
Xenolith Gold Limited	Kookaburra Resources Ltd. - Common Shares	2,000,000.00
Stephen Sham	MedMira Inc. - Common Shares	288,000.00
William J. Gastle	Microbix Biosystems Inc. - Common Shares	495,000.00
Susan M. S. Gastle	Microbix Biosystems Inc. - Common Shares	209,000.00
Gideon Hack	Sangoma Technologies Corporation - Common Shares	1,000,000.00
Andrew J. Mailon	Spectra Inc. - Common Shares	400,000.00
Edensor Nominees Pty Ltd.	Tahera Corporation - Common Shares	1,996,008.00
Stanley G. Hawkins	Tandem Resources Ltd. - Common Shares	894,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Allied Properties Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated
January 15th, 2003
Mutual Reliance Review System Receipt dated January
16th, 2003

Offering Price and Description:

\$ * - * Units @ \$10.00 per Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.

Promoter(s):

Allied Properties Corporation
Project #491769

Issuer Name:

Amtelecom Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 16th, 2003
Mutual Reliance Review System Receipt dated January
16th, 2003

Offering Price and Description:

\$ * - * Units @ \$10.00 per Unit

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
Sprott Securities Inc.

Promoter(s):

Amtelecom Group Inc.
Project #507546

Issuer Name:

The Bank of Nova Scotia
Scotiabank Capital Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 17th, 2003
Mutual Reliance Review System Receipt dated January
21st, 2003

Offering Price and Description:

\$ *

* Scotiabank Trust Securities - Series 2003-1 (Scotia BaTS
II Series 2003-1)

Underwriter(s) or Distributor(s):

Scotia Capital Inc

Promoter(s):

The Bank of Nova Scotia
Project #508340, 508334

Issuer Name:

Boyd Group Income Fund
Principal Regulator - Manitoba

Type and Date:

Preliminary Prospectus dated January 16th, 2003
Mutual Reliance Review System Receipt dated January
17th, 2003

Offering Price and Description:

\$15,000,000 (Maximum)
\$9,000,000 (Minimum)
* Units @ \$ * per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
Wellington West Capital Inc.

Promoter(s):

The Boyd Group Inc.
Project #507839

Issuer Name:

Calpine Power Income Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated January 20th, 2003
Mutual Reliance Review System Receipt dated January
21st, 2003

Offering Price and Description:

\$ *

17,034,234 Warranted Units @ \$ * per Warranted Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Dundee Securities Corporation

Promoter(s):

Calpine Corporation
Project #508406

Issuer Name:

Mutual Discovery Tax Class
Mutual Discovery RSP Fund
Mutual Discovery Fund
Franklin Strategic Income Fund
Franklin AGE High Income Fund
Franklin Templeton Diversified Income Portfolio
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated January 17th, 2003
Mutual Reliance Review System Receipt dated January 20th, 2003

Offering Price and Description:

Series A, F, I and O Units and Series A, F, I and O Shares

Underwriter(s) or Distributor(s):

Franklin Templeton Investments Corp.

Promoter(s):

-

Project #508237

Issuer Name:

National Bank of Canada
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated January 15th, 2003
Mutual Reliance Review System Receipt dated January 15th, 2003

Offering Price and Description:

\$200,000,000 - (8,000,000 Shares)
Non-Cumulative Fixed Rate First Preferred Shares Series 15
Price: \$25.00 per Share to yield 5.85%

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
RBC Capital Markets Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
Merrill Lynch Canada Inc.
Trilon Securities Corporation

Promoter(s):

-

Project #507258

Issuer Name:

Royal Capital Management Income Fund

Type and Date:

Amended and Restated Preliminary Prospectus dated January 14th, 2003
Receipt dated January 16th, 2003

Offering Price and Description:

A minimum of \$ * and a maximum of \$ *
A minimum of * and a maximum of * Voting Units
\$10.00 per Voting Unit
Minimum Subscription : \$1,000 (100 Voting Units)

Underwriter(s) or Distributor(s):

Refco Institutional Equity Group.
a division of
Refco Futures (Canada) Ltd.

Promoter(s):

Roycap Securities Inc.
Mark Shoom
Stephen Rider

Project #471839

Issuer Name:

Sentry Select Diversified Income Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated January 15th, 2003
Mutual Reliance Review System Receipt dated January 15th, 2003

Offering Price and Description:

\$150,000,000 Maximum (* Units)
Exchange Offer

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

Promoter(s):

-

Project #507228

Issuer Name:

Western Oil Sands Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated January 20th, 2003

Mutual Reliance Review System Receipt dated January 20th, 2003

Offering Price and Description:

\$50,225,000 - 2,050,000 Common Shares @ \$24.50 per Common Share

Underwriter(s) or Distributor(s):

TD Securities Inc.
BMO Nesbitt Burns Inc.
Griffiths McBurney & Partners
Raymond James Ltd.
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
FirstEnergy Capital Corp.
Peters & Co. Limited
Salaman Partners Inc.
Tristone Capital Inc.

Promoter(s):

-

Project #508344

Issuer Name:

Capital Alliance Ventures Inc.

Type and Date:

Amendment #1 dated January 15th, 2003 to Prospectus dated October 23rd, 2002

Receipt dated 17th day of January, 2003

Offering Price and Description:

Class A Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #482810

Issuer Name:

GGOF Global Growth Fund
GGOF Canadian Growth Balanced Fund
GGOF Canadian Growth Fund Ltd.
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated January 10th, 2003 to Simplified Prospectus and Annual Information Form dated August 28th, 2002

Mutual Reliance Review System Receipt dated 15th day of January, 2003

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Guardian Group of Funds Ltd.
Jones Heward Investment Counsel Inc.
Jones Heward Investment Management Inc.

Promoter(s):

Guardian Group of Funds Ltd.

Project #465275

Issuer Name:

RESOLUTE GROWTH FUND
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated January 10th, 2003 to Simplified Prospectus and Annual Information Form

dated July 30th, 2002

Mutual Reliance Review System Receipt dated 16th day of January, 2003

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

First Associates Investments Inc.
Yorkton Securities Inc.

Promoter(s):

Resolute Funds Limited

Project #461237

Issuer Name:

Viscount U.S. Equity Pool
Viscount International Equity Pool
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated January 6th, 2003 to Simplified Prospectus and Annual Information Form

dated February 20th, 2002

Mutual Reliance Review System Receipt dated 15th day of January, 2003

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Dynamic Mutual Funds Ltd.

Project #414912

Issuer Name:

Canadian Medical Discoveries Fund II Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 6th, 2003

Mutual Reliance Review System Receipt dated 15th day of January, 2003

Offering Price and Description:

Class A Shares @ Net Asset Value per Class A Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

PIPSC Sponsor Corp.

Project #497583

Issuer Name:

New Millennium Venture Fund Inc.

Type and Date:

Final Prospectus dated January 15th, 2003
Receipt dated 20th day of January, 2003

Offering Price and Description:

(Class A Shares, Series II)

Underwriter(s) or Distributor(s):

New Millennium Venture Partners Inc.
New Millennium Internet Ventures Fund Inc.

Promoter(s):

TCU Sponsor Inc.
Triax Management Services Inc.

Project #504308

Issuer Name:

Retrocom Growth Fund Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 14th, 2003
Mutual Reliance Review System Receipt dated 16th day of
January, 2003

Offering Price and Description:

Class A Series I Shares and Class C Series 9 Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Retrocom Investment Management Inc.

Project #501574

Issuer Name:

The Consumers' Waterheater Operating Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 15th, 2003
Mutual Reliance Review System Receipt dated 17th day of
January, 2003

Offering Price and Description:

\$275,000,000 4.700% Series 2003-1 A-1 Secured Notes
\$225,000,000 5.245% Series 2003-1 A-2 Secured Notes

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

Enbridge Services Inc.

Project #495848

Issuer Name:

VentureLink Fund Inc.

Type and Date:

Final Prospectus dated January 20th, 2003
Receipt dated 20th day of January, 2003

Offering Price and Description:

(Class A Shares, Series I and Class A Shares, Series II)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #501210

Issuer Name:

Envest Diversified Income Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated January 17th, 2003
Mutual Reliance Review System Receipt dated 17th day of
January, 2003

Offering Price and Description:

Offering of Rights to Subscribe for Units.
Subscription Price: Three Rights to subscribe one unit at
\$5.9 per unit
The Subscription Price is 87.8% of the net asset value per
Unit on January 16, 2003

Underwriter(s) or Distributor(s):

Griffiths McBurney & Partners

Promoter(s):

-

Project #506536

Issuer Name:

Counsel Conservative Portfolio
Counsel Balanced Portfolio
Counsel Balanced RSP Portfolio
Counsel Growth Portfolio
Counsel Growth RSP Portfolio
Counsel All Equity Portfolio
Counsel All Equity RSP Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses and Annual Information
Forms dated January 14th, 2003
Mutual Reliance Review System Receipt dated 20th day of
January, 2003

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Counsel Group of Funds Inc.

Project #501030

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Name	OTG Financial Inc. Attention: Robert Charles Dameron Designated Compliance Officer 57 Mobile Drive Toronto ON M4A 1H5	From: Ontario Teachers' Group Inc. To: OTG Financial Inc.	Jan 01/03
Change in Name	Keybase Financial Group Inc. 100 York Blvd. Suite 600 Richmond Hill ON L4B 1J8	From: Keybase Investments Inc. To: Keybase Financial Group Inc.	Jan 17/03
Change in Category (Categories)	Arrow Hedge Partners Inc. Attention: Frederick F. Dalley 111 Queen Street East Suite 502 Toronto ON M5C 1S1	From: Limited Market Dealer Investment Counsel & Portfolio Manager To: Limited Market Dealer Investment Counsel & Portfolio Manager Commodity Trading Manager	Jan 15/03
New Registration	Cornerstone Trading Company, Inc. Attention; John Francis Eckstein IV The Chrysler Building 405 Lexington Ave., 39 th Floor New York NY 10174 USA	International Dealer	Jan 13/03
New Registration	Schroder Ventures North America Inc. Attention: Gayden Lea Carr 20 Custom House Street Suite 1010 Boston MA 02110 USA	International Dealer	Jan 21/03

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Amendment to IDA Regulation 100 Regarding Positions in and Offsets Involving Interest Rate and Performance Swaps - Notice of Commission Approval

AMENDMENT TO IDA REGULATION 100 REGARDING POSITIONS IN AND OFFSETS INVOLVING INTEREST RATE AND PERFORMANCE SWAPS

NOTICE OF COMMISSION APPROVAL

Amendments to IDA Regulation 100 regarding positions in and offsets involving interest rate and performance swaps has been approved by the Ontario Securities Commission. In addition, the Saskatchewan Securities Commission approved, the Alberta Securities Commission did not disapprove and the British Columbia Securities Commission did not object to these amendments. The amendments specify the capital requirements and the offset strategies permitted for total asset performance swaps. A copy and description of the amendments were published on November 8, 2002 at (2002) 25 OSCB 7416.

13.1.2 Amendment to IDA Policy 6, Part I.A(6) Regarding Proficiency Requirements for Portfolio Managers and Futures Contracts Portfolio Managers - Notice of Commission Approval

AMENDMENT TO IDA POLICY 6, PART I.A(6) REGARDING PROFICIENCY REQUIREMENTS FOR PORTFOLIO MANAGERS AND FUTURES CONTRACTS PORTFOLIO MANAGERS

NOTICE OF COMMISSION APPROVAL

Amendments to IDA Policy 6, Part I.A(6) regarding proficiency requirements for portfolio managers and futures contracts portfolio managers has been approved by the Ontario Securities Commission. In addition, the Saskatchewan Securities Commission approved, the Alberta Securities Commission did not disapprove and the British Columbia Securities Commission did not object to these amendments. The amendments set out changes to the existing experience requirements for portfolio managers and futures contracts portfolio managers. A copy and description of the amendments were published on November 8, 2002 at (2002) 25 OSCB 7399.

13.1.3 Notice of Commission Approval of Memorandum of Understanding with Respect to the Canadian Investor Protection Plan and Notice of Commission Approval Order of the Canadian Investor Protection Plan

NOTICE OF COMMISSION APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH RESPECT TO THE CANADIAN INVESTOR PROTECTION PLAN AND NOTICE OF COMMISSION APPROVAL ORDER OF THE CANADIAN INVESTOR PROTECTION PLAN

The Commission has approved a memorandum of understanding (MOU) between the securities regulatory authorities of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Northwest Territories, Nova Scotia, Ontario, Prince Edward Island, Nunavut, Saskatchewan, and the Yukon (collectively, the "Securities Administrators") and the Canadian Investor Protection Plan (CIPF).

The MOU is subject to the approval of the Minister of Finance. The MOU was sent to the Minister on January 20, 2003.

The MOU amends and restates an existing MOU, dated July 1991. The purposes for amending and restating the MOU are to (i) reflect current practices; (ii) streamline CIPF's reporting process; (iii) more clearly establish how the Securities Administrators will rely on CIPF for oversight of the self-regulatory organisations' financial compliance function; and (iv) reflect CIPF's corporate structure change from a trust to a not-for-profit corporation.

The Ontario Securities Commission, the Alberta Securities Commission, the British Columbia Securities Commission, the Nova Scotia Securities Commission, the Saskatchewan Securities Commission, the Office of the Administrator of Securities (New Brunswick), and CIPF have executed the MOU. The MOU is with the remaining Securities Administrators for execution. Section 7.6 of the MOU provides that the MOU comes into effect in each province or territory when both the securities regulator in that province or territory and CIPF have signed the MOU, except for in Ontario, where the MOU comes into effect on the date determined in accordance with applicable legislation.

The Commission also granted and continued the approval of CIPF in an approval order dated October 17, 2002. The Commission's approval order, along with approvals from certain of the other Securities Administrators, is attached at Appendix B to the MOU.

13.1.4 Memorandum of Understanding - Canadian Investor Protection Fund

MEMORANDUM OF UNDERSTANDING

B E T W E E N:

Alberta Securities Commission;
British Columbia Securities Commission;
The Manitoba Securities Commission;
Office of the Administrator of Securities (New Brunswick);
Securities Division, Department of Government Services & Lands (Newfoundland);
Office of the Registrar of Securities (Northwest Territories);
Nova Scotia Securities Commission;
Ontario Securities Commission;
Department of Community Affairs and Attorney General (Prince Edward Island);
Department of Justice, Legal Registries Division (Nunavut);
Saskatchewan Securities Commission;
Registrar of Securities (Yukon)

(collectively, the "Securities Administrators")

- and -

Canadian Investor Protection Fund,
a corporation incorporated under the laws of Canada (the "CIPF")

WHEREAS the Securities Administrators is comprised of the authority (the "Regulator") in each Canadian province and territory that, under statute, regulates the securities industry within its jurisdiction and each of the Securities Administrators is responsible for promoting both investor protection and an active capital market in its jurisdiction;

AND WHEREAS the securities laws in each Canadian province and territory may require registered dealers to participate in a compensation fund or contingency trust fund approved by the Regulator and established by, among others, a self-regulatory organization;

AND WHEREAS this approval is subject to the existence of an agreement among the Regulators and the CIPF, such agreement having been entered into on July 2, 1991;

AND WHEREAS the Canadian Investor Protection Fund ("CIPF Trust")(originally named the National Contingency Fund) was established as a trust pursuant to an Agreement and Declaration of Trust dated May 1, 1969, as subsequently amended and restated;

AND WHEREAS CIPF Trust was established by its sponsoring self-regulatory organizations to protect customers who have suffered financial loss due to the failure of a member of any one of the sponsoring self-regulatory organizations;

AND WHEREAS the CIPF Trust was terminated and wound up, effective 11:59 p.m. on December 31, 2001 (the "Effective Time");

AND WHEREAS as of the Effective Time CIPF has continued the operations of CIPF Trust in accordance with an agreement dated December 14, 2001 (the "Industry Agreement"), between the Investment Dealers Association of Canada (the "IDA"), Bourse de Montréal Inc.(the "Bourse"), The Toronto Stock Exchange Inc.(the "TSX"), and Canadian Venture Exchange (now doing business as the TSX Venture Exchange)(the "TSXVX");

AND WHEREAS the CIPF is financed by members of the securities industry through each Responsible Regulating SRO (as defined below);

AND WHEREAS in order to carry out their responsibilities more efficiently, and to reduce possible duplicative and unnecessary regulatory burdens, the CIPF and the Securities Administrators seek to reflect current practices, streamline the reporting process and more clearly establish how the Securities Administrators will rely on CIPF;

AND WHEREAS CIPF has or expects to enter into an agreement with the Commission des valeurs mobilières du Québec (or any successor thereto) containing substantially the same terms as this Agreement;

AND WHEREAS the parties hereto desire to enhance the protection of the investing public and maintain investor confidence in the Canadian capital markets;

AND WHEREAS the parties wish to amend and restate the existing agreement made between them;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby covenant, agree and declare as follows:

ARTICLE 1

Definitions

- 1.1 "Agreement" means this agreement entered into between the Securities Administrators and the CIPF.
- 1.2 "Applicable Regulators" means each Regulator in the jurisdictions in which a Member Firm is registered.
- 1.3 "Approval" means the approval of the CIPF by the Regulators required pursuant to those securities laws in each Canadian province or territory which may stipulate that registered dealers must participate in a compensation fund or contingency fund approved by the Regulator and established by, among others, a self-regulatory organization. A schedule of such securities laws requirements is set out in Appendix A to this Agreement and a copy of each Approval is at Appendix B to this Agreement.
- 1.4 "Board of Governors" means the board of directors of the CIPF.
- 1.5 "By-Law Number 1" means By-Law Number 1 of the CIPF.
- 1.6 "CIPF Policies" means the policies, guidelines or other instruments adopted by the Board from time to time, and all amendments thereto, pursuant to Section 14.1 of By-Law Number 1.
- 1.7 "Committee" means the Securities Administrators Committee on SRO Oversight.
- 1.8 "Coverage Policies" means policies established from time to time by the Board of Governors pursuant to Article Four of this Agreement regarding Customer protection.
- 1.9 "Customer" has the meaning ascribed to that term in the Coverage Policies.
- 1.10 "Fund" means the liquid assets of CIPF available for protection of customers of Members.
- 1.11 "Governors" means the persons comprising the Board.
- 1.12 "Member Firm" means a participant of any of the SRO's that is a registered dealer in Canada.
- 1.13 "Nominating Committee" means the nominating committee established pursuant to Part 5 of By-law Number 1.
- 1.14 "Public Person" means a person, including any person who is a member of the immediate family of such person, who:
- (A) is not an employee, director, governor or significant shareholder of a Member Firm or any affiliated or associated company;
 - (B) is not an employee or governor of a SRO;
 - (C) is not an employee of any government or agency thereof; or
 - (D) does not have an ongoing business relationship as a consultant to a Member Firm or SRO.
- 1.15 "Qualified Custodian" means those entities considered suitable to hold securities on behalf of a Member Firm, for both inventory and client positions, without capital penalty, pursuant to the bylaws, rules or regulations of the SROs.
- 1.16 "Quarterly Report" means the report made quarterly by the CIPF to the Securities Administrators pursuant to Section 3.9 of this Agreement, in the form agreed to by the parties.
- 1.17 "Reportable Conditions" means any condition which in the opinion of the official designated by each SRO to be responsible for financial regulation could give rise to payments being made out of the Fund, including any condition which has contributed substantially to or, if appropriate corrective action is not taken, could reasonably be expected to:
- (1) inhibit a Member Firm from promptly completing securities transactions, promptly segregating customers'

securities as required or promptly discharging its responsibilities to customers, other Member Firms and other creditors;

- (2) result in material financial loss;
- (3) result in material misstatements of the Member Firm's financial statements; or
- (4) result in violations of the minimum record requirements to an extent that could reasonably be expected to result in the conditions described in parts (1), (2), or (3) above.

1.18 "Responsible Regulating SRO", with respect to a Member Firm, means the SRO determined by the Governors to be primarily responsible for the supervision of a Member Firm.

1.19 "SRO" means any of the IDA, the Bourse, The TSX, and the TSXVX.

ARTICLE 2

Organization of the CIPF

2.1 Board of Governors

The Board of Governors for the CIPF shall be selected by the participating SROs and/or the Nominating Committee in a fair and reasonable manner and shall fairly represent all of the member firms and their customers.

2.2 Public Governors

A minimum of one-third of the Board of Governors shall be Public Persons nominated by the Nominating Committee and appointed by the Governors, from persons eligible pursuant to Section 4.3.2 of By-Law Number 1, to represent the interests of the public. The Nominating Committee shall bear in mind the need for appropriate and timely regional representation.

2.3 President and Chief Executive Officer

The CIPF shall maintain a full-time president whose appointment shall be approved by a majority of the Board of Governors. The President shall also serve as Chief Executive Officer of the CIPF.

2.4 Examiners

The CIPF shall maintain a group of full-time examiners who shall function under the direction of the President.

2.5 Audit Committee of the Board of Governors

The Board of Governors shall maintain an audit committee, the majority of which shall be made up of members of the Board of Governors who are Public Persons. The audit committee will be responsible for, among other things, reviewing the annual management letter on internal control, the President's expenses and the financial statements.

2.6 External Auditor

The Board of Governors shall appoint external auditors for the CIPF, for the purpose of conducting an audit of the CIPF's annual financial statements. The individual auditor responsible for completion of the audit shall have had not less than five years of auditing experience in the securities industry.

2.7 Audited Financial Statements

The annual audited financial statements of the CIPF shall be sent to the Securities Administrators promptly after being approved by the Board of Governors and no later than 120 days after the close of the CIPF fiscal year.

2.8 Removal of Governors

The Board of Governors shall establish fair and equitable written provisions to provide for the removal of Governors, based on reasonable grounds, including absence.

ARTICLE 3

Funding and Maintenance of CIPF

3.1 Method of Assessment

The CIPF shall institute a fair and reasonable method of establishing equitable assessments for each Member Firm's contribution and provide the Securities Administrators with a current copy of the method of assessments.

3.2 Changes in Method of Assessment

The CIPF shall notify the Securities Administrators 30 days prior to making any changes in the method of assessing Member Firms.

3.3 Collection of Assessments

The Responsible Regulating SRO shall collect CIPF assessments from their Member Firms, in accordance with the provisions of Section 2.1 of the Industry Agreement, and remit the collected funds to the CIPF.

3.4 CIPF Asset Level

The Board of Governors of the CIPF shall determine the appropriate level of assets for the CIPF and shall ensure that the level of assets of the CIPF is, in its opinion, adequate.

3.5 Investment of Moneys in CIPF

Moneys in the Fund shall be invested in accordance with policies, standards and procedures approved by the Board of Governors, who will be responsible for regular monitoring of the investments. All investments shall be executed by one or more qualified registrants and all moneys and securities shall be held by a Qualified Custodian. The CIPF shall provide the Securities Administrators with its current investment policies and shall, in the Quarterly Report, inform the Securities Administrators of any changes in such policies.

3.6 Material Changes

The CIPF shall immediately report any material adverse change in the level of CIPF assets to the Securities Administrators.

3.7 CIPF Internal Controls

The CIPF shall implement an appropriate accounting system, including a system of internal controls for maintaining CIPF assets.

3.8 Annual CIPF – Securities Administrators Meetings

The CIPF shall meet with the Securities Administrators or their representatives at least once a year to report on the CIPF's oversight activities as set out in this agreement, including but not limited to fund size, the CIPF resources, Member Firm failures, the CIPF minimum standards, and the extent and results of the examinations conducted. The Securities Administrators may request more frequent meetings in the case of a material adverse change in the level of CIPF assets.

3.9 Reporting Requirements of the CIPF to the Securities Administrators

In addition to annual reporting and immediate notification requirements set out in this agreement, the CIPF shall make a Quarterly Report, the form and content of which shall be agreed upon by the parties. The Quarterly Report shall be sent to the Securities Administrators, in accordance with the notification procedures set out in Section 7.2 of this Agreement, no later than 45 days after the end of the quarter being reported on. For the purposes of this Agreement, a quarter ends on the last day of the months of March, June, September and December.

ARTICLE 4

Customer Protection

4.1 Policies for Coverage

The CIPF shall establish and maintain Coverage Policies and shall provide a current copy of such Coverage Policies to the Securities Administrators.

4.2 Universality

The CIPF shall provide coverage for all Customers of Member Firms who are not ineligible claimants as determined pursuant to the Coverage Policies established by the CIPF pursuant to Section 4.1 of this Agreement.

4.3 Payment of Claims

The Coverage Policies shall include fair and reasonable policies for assessing claims made to the CIPF and the CIPF shall pay Customer claims made pursuant to those policies.

4.4 Claim Reviews

The CIPF shall establish within its Coverage Policies a fair and reasonable internal claim review process whereby customer claims that are not accepted for payment by the CIPF staff or by an appointed committee shall be reconsidered by the Board of Governors or a review panel if requested by the Customer or CIPF staff. The Coverage Policies shall include criteria established by the Board of Governors for the selection of the review panel members.

4.5 Legal Action Against the CIPF

Nothing in this Agreement shall be interpreted to prevent a Customer from taking legal action against the CIPF in a court of competent jurisdiction in Canada, nor will the CIPF contest the jurisdiction of such a court to consider a claim where the claimant has exhausted the CIPF's internal claim review process.

4.6 CIPF Policy Changes

The CIPF shall inform the Securities Administrators 30 days prior to implementing any changes to its Coverage Policies. In emergency situations, where in the opinion of the CIPF 30 days prior notice is considered unreasonable, the CIPF shall inform the Securities Administrators with as much advance notice as possible in the circumstances. Such notice shall include an explanation of why the 30 day period is considered to be unreasonable.

4.7 Assistance to SRO Where Financial Problems Exists

The CIPF shall assist a SRO when a Member Firm is in or is approaching financial difficulty. Such assistance shall be provided in any way the CIPF determines to be appropriate.

ARTICLE 5

Financial and Operational Regulation

5.1 Minimum Standards

The Board of Governors shall maintain minimum standards for all Member Firms in the following areas:

- (i) Capital Requirements;
- (ii) Customers' Accounts;
- (iii) Audits and Questionnaires;
- (iv) Field examinations;
- (v) Books and records;
- (vi) Internal Controls;

- (vii) Insurance;
- (viii) Segregation;
- (ix) Early Warning System;
- (x) Reportable Conditions; and
- (xi) Most Stringent Rule

As required by Section 3.5 of the Industry Agreement, the Board of Governors shall maintain a subcommittee of the CIPF comprising representatives of the SROs, staff of the CIPF and other appropriate persons to monitor and advise the Board of Governors in respect of the minimum standards and changes and additions thereto.

5.2 Reporting Requirements of SROs

The Securities Administrators shall work together with the CIPF to establish the minimum reporting requirements for SROs with respect to SRO financial surveillance of Member Firms. Pursuant to these requirements, the SROs will report to CIPF the results of their monitoring and inspection activities. The CIPF shall establish internal review procedures with respect to this information.

5.3 Examination of Financial Compliance of SROs

On an ongoing basis the CIPF shall review and evaluate SRO financial examination activities to ensure that there is compliance with the minimum standards established pursuant to Section 5.1 of this Agreement.

5.4 Examination of Member Firms

The CIPF shall conduct financial examinations on a selected sample of Member Firms to ensure that Member Firms are in compliance with the minimum standards and to oversee the financial compliance activities of the SROs. The sample selection criteria should include, but is not limited to, risk factors, geographic location and type of business.

The examiners shall also be available in emergency situations to conduct special examinations and to provide assistance to the SROs.

5.5 SRO Reports

The CIPF shall for the information of the Securities Administrators and SROs analyze all SRO activities in relation to ensuring consistent application of the minimum standards among member firms and shall report on its findings in this area to the Securities Administrators, in the Quarterly Report, and to the SROs.

5.6 CIPF Oversight of the SROs' Financial Compliance Function

As part of oversight of the SROs, the Securities Administrators, where appropriate, will rely on the CIPF to oversee the SROs' financial compliance function. In order to establish reliance on the CIPF's oversight, the Securities Administrators will carry out examinations of the CIPF. It is anticipated that an examination of the CIPF will be completed every three years. The Ontario Securities Commission is the Principal Regulator for the purpose of the CIPF examination. The Principal Regulator will solicit interest from the other Regulators with respect to participating in the examination. Those Regulators that choose to participate will be considered to be Non-Principal Regulators for the purpose of CIPF examinations. The Principal Regulator will develop the examination program in consultation with staff of Non-Principal Regulators and the examination program will be approved by the Committee prior to its implementation. The Principal Regulator will be responsible for adequate staffing of the review, drafting reports and reporting to the Committee on the status and results of the examination.

At the conclusion of a CIPF examination, the procedure shall be as follows:

- (i) the Principal Regulator will finalize a report and send it to the CIPF for comment;
- (ii) the CIPF will review the report and respond with comments within 15 business days of receipt;
- (iii) the Principal Regulator will consider the CIPF's comments and revise the report as necessary within 10 business days of receiving the comments;

- (iv) the Principal Regulator will then forward a copy of the report and the CIPF's comments to the Non-Principal Regulators for comment;
- (v) the Non-Principal Regulators will review the report and the CIPF's comments and respond with comments within 10 business days of receipt;
- (vi) the Principal Regulator will consider these comments, revise the report as necessary, then release the final report to the CIPF, the Committee and the Securities Administrators' Chairs;
- (vii) the CIPF shall use its best efforts to respond the report within 30 days of receipt; and
- (viii) the Principal Regulator will review the CIPF response and develop a follow-up plan, which will be presented to the Committee for approval.

ARTICLE 6

Reporting to Securities Administrators With Respect to Member Firms

6.1 Automatic Reporting

The CIPF shall prepare and provide to the Securities Administrators within 35 business days of each month end monthly aggregate financial information concerning the Member Firms, as set out in the CIPF's Monthly Financial Report Consolidation— All Firms. In addition, a quarterly summary of its financial oversight activities shall be included in the Quarterly Report.

6.2 Requested Information

A Regulator may, at any time, request information from the CIPF in respect of any Member Firm registered in its jurisdiction, and the CIPF shall comply with that request for information.

6.3 Immediate Notification

The CIPF shall immediately report

- (a) to the Applicable Regulators,
 - (i) any Reportable Conditions with respect to the Member Firm of which the CIPF has been notified,
 - (ii) when any Member Firm has failed to file on a timely basis any required financial or operational report. For greater certainty, the Applicable Regulators shall be notified forthwith of the triggering of all early warning thresholds which would reasonably be expected to raise concerns about a member's liquidity, risk-adjusted capital or profitability,
 - (iii) misconduct or apparent misconduct by Member Firms and their registered or approved employees and others where investors, clients, creditors, Member Firms, the CIPF or a SRO may reasonably be expected to suffer serious damage as a consequence thereof, including where the solvency of a Member Firm is at risk, fraud is alleged or there is a concern of deficiencies in supervision or internal controls, and
 - (iv) upon being notified by the SRO that the Member Firm has been suspended or expelled from membership in the SRO for non compliance with the minimum standards referred to in Section 5.1 of this Agreement or for any other reason, or where the Member Firm has withdrawn from membership in the SRO, to ensure all client accounts have been properly dealt with;
- (b) to the Securities Administrators where a SRO has withdrawn or been expelled from participation in the CIPF or where a new SRO has become a participant in the CIPF.

As soon as practical after informing the Applicable Regulators of this information, the CIPF shall prepare and provide to the Applicable Regulators the reasons and/or an analysis of the information.

6.4 CIPF Actions in respect of Member Firms

The CIPF shall prepare and provide to the Applicable Regulators a report detailing any action taken with respect to such Member Firm in relation to the Member Firm's insolvency. For Member Firm failures, the report shall describe the circumstances of the failure, including a summary of the actions taken by the Member Firm, the SRO and the CIPF and any committee or person acting on behalf of such parties. These reports shall be included in the Quarterly Report.

ARTICLE 7

Miscellaneous Provisions

7.1 Amendments

This Agreement and any provision hereof may be amended at any time or times with the unanimous consent of the parties to this Agreement.

7.2 Notices

Unless specified otherwise in this Agreement, all notices and other information to be sent to the CIPF under this Agreement shall be delivered to:

Canadian Investor Protection Fund
c/o President
P.O. Box 192
Suite 2400, South Tower
Royal Bank Plaza
Toronto, Ontario
M5J 2J4

Unless specified otherwise in this Agreement, all notices and other information to be sent to the Securities Administrators under this Agreement shall be delivered to:

Ontario Securities Commission
c/o The Director of Capital Markets
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario
M5H 3S8

The Director of Capital Markets shall forward all notices and information to the other Regulators within 10 business days of receipt.

7.3 Confidentiality

All notices, reports and any other information provided pursuant to this Agreement are being provided for regulatory purposes and shall be supplied and maintained in confidence, except as required for regulatory purposes.

7.4 Authority

Nothing in this Agreement is intended to limit the powers of any of the Securities Administrators under applicable securities laws to take any measures authorized under such laws.

7.5 Approval

The Approvals shall be amended to reflect that this Agreement has been amended and restated and appended to the Approvals.

7.6 Effective Date

This Agreement comes into effect in each province or territory when both the Regulator in that province or territory and the CIPF have signed the Agreement, with the exception of Ontario where the Agreement comes into effect on a date determined in accordance with applicable legislation.

Alberta Securities Commission

by _____ Date _____

British Columbia Securities Commission

by _____ Date _____

The Manitoba Securities Commission

by _____ Date _____

Office of the Administrator of Securities (New Brunswick)

by _____ Date _____

Securities Division, Department of Government Services & Lands (Newfoundland)

by _____ Date _____

Office of the Registrar of Securities (Northwest Territories)

by _____ Date _____

Nova Scotia Securities Commission

by _____ Date _____

Ontario Securities Commission

by _____ Date _____

Department of Community Affairs and Attorney General (Prince Edward Island)

by _____ Date _____

Department of Justice, Legal Registries Division (Nunavut)

by _____ Date _____

Saskatchewan Securities Commission

by _____ Date _____

Registrar of Securities (Yukon)

by _____ Date _____

Canadian Investor Protection Fund

by _____ Date _____

by _____ Date _____

APPENDIX A

**Table of Securities Legislation Which May Require Registered Dealers
to participate in an Approved Compensation or Contingency Fund**

Province or Territory	Legislative Reference
British Columbia	<i>Section 23(1)(a) of the Securities Rules</i>
Saskatchewan	<i>Section 23(1) of The Securities Regulations</i>
Ontario	<i>Section 110(1) of Regulation 1015</i>
Nova Scotia	<i>Section 27 of the Securities Regulations</i>

APPENDIX B

British Columbia Securities Commission

Headnote

Order under s.23(1)(a) of the Securities Rules approving the Canadian Investor Protection Fund as a compensation fund.

Approval Order

Canadian Investor Protection Fund

Section 23(1)(a) of the *Securities Rules*, BC Reg. 194/97

Background

1. The *Securities Rules*, BC Reg. 194/97 requires registered dealers to participate in a compensation fund approved by the executive director.
2. The Canadian Investor Protection Fund is a compensation fund established by certain self-regulatory organizations, and approved by the Executive Director, to protect customers who have suffered financial loss due to the failure of a member of certain self-regulatory organizations. It was organized as a trust pursuant to an agreement and declaration of trust dated May 1, 1969, as subsequently amended and restated and was originally named the National Contingency Fund.
3. The trust was wound up as of December 31, 2002, and its operations were continued through a not-for-profit corporation incorporated under the laws of Canada (CIPF).

Representations of CIPF

1. CIPF continues to be subject to a Memorandum of Understanding dated July 2, 1991 (1991 MOU) between the CIPF and the Commission, among others.
2. CIPF will enter into and comply with a new Memorandum of Understanding (2002 MOU) between the CIPF and the Commission, among others.
3. The 2002 MOU will be effective in British Columbia when executed by both the Commission and the CIPF and will then supersede the 1991 MOU.
4. The terms of the compensation fund provide substantially the same coverage to customers of registrants who are members of certain self-regulatory organizations as it did when it was organized as a trust.

Approval

1. Under section 23(1)(a) of the Rules, the CIPF is approved as a compensation fund.

August 21, 2002

“Steve Wilson”
Executive Director

Ontario Securities Commission

**IN THE MATTER OF THE SECURITIES ACT, R.S.O. 1990, C.S.5,
AS AMENDED (the Act)**

AND

IN THE MATTER OF REGULATION 1015 MADE UNDER THE ACT, R.R.O. 1990, AS AMENDED (the Regulation)

AND

IN THE MATTER OF THE COMMODITY FUTURES ACT, R.S.O. 1990, C.20, AS AMENDED (the CFA)

AND

IN THE MATTER OF REGULATION 90 MADE UNDER THE ACT, R.R.O. 1990, AS AMENDED (the CFA Regulation)

AND

IN THE MATTER OF THE CANADIAN INVESTOR PROTECTION FUND

APPROVAL ORDER

(Section 110 of the Regulation and Section 23 of the CFA Regulation)

Pursuant to section 110(1) of the Regulation, every dealer, other than a security issuer, shall participate in a compensation fund or contingency trust fund approved by the Commission and established by an organization referred to in section 20 [now section 21] of the Act or a trust corporation registered under the Loan and Trust Corporation Act;

Pursuant to section 23 of the CFA Regulation, every registered futures commission merchant shall participate in either a compensation fund that a self-regulatory body recognized under section 15 [now section 16] of the CFA or a commodity futures exchange registered under section 19 [now section 15] of the CFA participates in or established, or a contingency trust fund established by a trust corporation registered under the Loan and Trust Corporations Act;

The Canadian Investor Protection Fund (CIPF) was established in 1969 by an Agreement and Declaration of Trust, as subsequently amended and restated by agreements, by its sponsoring self-regulatory organizations to protect customers who have suffered financial loss due to the failure of a member of any one of the sponsoring self-regulatory organizations;

The CIPF structure has been changed from that of a trust to a not-for-profit corporation (the Corporate Changes), as of January 1, 2002;

The Investment Dealers Association of Canada (IDA), along with other self-regulatory organizations, is a sponsor of the CIPF;

The Commission has recognized the IDA as a self-regulatory organization under section 21.1 of the Act and under section 15 of the CFA;

Members of the IDA must contribute to the CIPF as a condition of membership of the IDA;

The Commission, along with other Canadian Securities Authorities, entered into an agreement with the CIPF dated July 2, 1991, which provided for the role and responsibilities of the CIPF;

The CIPF and the Commission, along with other Canadian Securities Authorities, wish to amend and restate the July 2, 1991, agreement to reflect the Corporate Changes and current practices, streamline the reporting process and more clearly establish how the CSA will rely on the CIPF;

The Commission has considered the Corporate Changes made to CIPF;

The Commission has considered the amended and restated agreement;

The Commission is satisfied that the approval of the CIPF would not be prejudicial to the public interest;

The Commission grants and continues the approval of the CIPF, pursuant to section 110(1) of the Regulation and pursuant to section 23 of the CFA Regulation, subject to;

1. The CIPF entering into and complying with an amended and restated agreement with the Commission.

Dated October 17, 2002

“David Brown”

“Paul Moore”

Saskatchewan Securities Commission

**GENERAL RULING/ORDER 11-904
APPROVAL OF THE CANADIAN INVESTOR PROTECTION FUND**

IN THE MATTER OF THE SECURITIES ACT, 1988 AND THE SECURITIES REGULATIONS

AND

IN THE MATTER OF THE CANDIAN INVESTOR PROTECTION FUND

**APPROVAL ORDER
(SECTION 23 OF THE SECURITIES REGULATIONS)**

WHEREAS the Canadian Investor Protection Fund (the "CIPF") was established in 1969 by an Agreement and Declaration of Trust, as subsequently amended and restated by agreements, by its sponsoring self-regulatory organizations to protect customers who have suffered financial loss due to the failure of a member of any one of the sponsoring self-regulatory organizations;

WHEREAS the Investment Dealers Association of Canada (the "IDA"), along with other selfregulatory organizations is a sponsor of the CIPF;

WHEREAS the Saskatchewan Securities Commission (the "Commission") has recognized the IDA as a self-regulatory organization pursuant to section 21 of *The Securities Act, 1988* (the "Act") in General Ruling Order 11-102 dated July 17, 2000;

WHEREAS pursuant to subsection 23(1) of *The Securities Regulations* the Commission may require dealers to participate in a compensation fund or contingency fund that is approved by the Commission and established by a self-regulatory organization recognized pursuant to section 21 of the Act or a trust corporation licensed under *The Trust and Loan Corporations Act*;

WHEREAS the Commission has adopted as a Commission regulation Local Instrument 31-501 SRO Membership for Brokers and Securities Dealers effective March 15, 2001 which requires brokers and securities dealers to belong the IDA;

WHEREAS dealers, including investment dealers, brokers and securities dealers, which are members of the IDA must contribute to the CIPF as a condition of membership;

WHEREAS the Commission, along with other Canadian Securities Authorities entered into an agreement with the CIPF dated July 2, 1991 which provided for the role and the responsibilities of the CIPF;

WHEREAS the CIPF has changed its structure from a trust to a not-for-profit corporation;

AND WHEREAS The CIPF and the Commission, along with the other Canadian Securities Authorities wish to amend and restate the July 2, 1991 agreement to reflect current practices, streamline the reporting process and more clearly establish how the CSA will rely on the CIPF;

AND UPON the Commission having considered the amended and restated agreement;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

THE COMMISSISON HEREBY APPROVES the CIPF pursuant to section 23(1) of *The Securities Regulations*, provided that the CIPF enters into and complies with an amended and restated agreement with the Commission.

Dated September 13, 2002.

Saskatchewan Securities Commission

"Dave Wild"
Chairperson

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Chapter 25

Other Information

25.1 Exemptions

25.1.1 UBS Securities (Canada) Inc. - s. 59(2) of Sched. 1 to Reg. 1015 and s. 5.1 of Rule 31-506

Headnote

Section 5.1 – OSC Rule 31-506 – exemption to mutual fund dealer from the requirement to be a member of the Mutual Fund Dealers Association of Canada – exemption for a limited period of time.

Applicable Ontario Securities Rule

Rule 31-506 - SRO Membership - Mutual Fund Dealers.

**IN THE MATTER OF
THE SECURITIES ACT R.S.O. 1990,
C. S.5, AS AMENDED (the “Act”)**

AND

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 31-506
SRO MEMBERSHIP B MUTUAL FUND DEALERS
(the “Rule”)**

AND

**IN THE MATTER OF
UBS SECURITIES (CANADA) INC.**

**EXEMPTION
(Section 59(2) of Schedule 1 to
Ontario Regulation 1015)
(Section 5.1 of the Rule)**

UPON the Director having received an application (the “Application”) from UBS Securities (Canada) Inc. (“UBS”) seeking (i) a decision pursuant to section 5.1 of the Rule, to exempt UBS from the application of section 2.1 of the Rule, which requires UBS upon being registered as a mutual fund dealer under the Act to be a member of the Mutual Fund Dealers Association of Canada (the “MFDA”) on the condition that UBS is a member of the MFDA by December 1, 2002; and (ii) a decision pursuant to section 59(2) of Schedule I to Ontario Regulation 1015 to exempt UBS from the requirement to pay an application fee in respect of the Application;

AND UPON considering the Application and the recommendation of staff of the Ontario Securities Commission (the “Commission”);

AND UPON UBS having represented to the Director that:

1. UBS has applied to be registered under the Act as a mutual fund dealer;
2. UBS filed a membership application (the “MFDA Application”) with the MFDA on February 28, 2002;
3. UBS has complied with all requests by the MFDA for information and/or documents pertaining to its MFDA Application;
4. UBS is not, to its knowledge, in breach of any requirements of the Act or the regulations or rules made thereunder; and
5. UBS has been advised by staff at the MFDA that, subject to UBS obtaining a mutual fund dealer registration under the Act, MFDA staff will recommend UBS for membership in the MFDA to the MFDA Board of Directors on November 15, 2002.

AND UPON the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS THE DECISION of the Director, pursuant to section 5.1 of the Rule, that UBS is exempt from the requirement of section 2.1 of the Rule on the condition that from and after December 1, 2002, so long as UBS is registered as a mutual fund dealer under the Act, it is a member of the MFDA.

IT IS THE FURTHER DECISION of the Director, pursuant to section 59(2) of Ontario Regulation 1015, that UBS is exempt from the requirement to pay an application fee in respect of the Application.

November 14, 2002.

“David M. Gilkes”

25.1.2 Anchor Securities Limited - s. 4.1 of Rule 31-507

Headnote

Rule 31-507 - Section 4.1 – Further variation of Director’s decision, In the Matter of Anchor Securities Limited (2001) 24 OSCB 7129, to provide registrant with an extension of time in which to become an SRO member – Registrant granted a further exemption from the requirement to be a SRO member to take account of the fact that registrant still awaits a final decision from the Investment Dealers Association of Canada on its application for membership.

Statute Cited

Securities Act, R.S.O. 1990, c. S.5., as am., s. 21.1.

Rules Cited

OSC Rule 31-507 “SRO Membership - Securities Dealers and Brokers” (2000) 23 O.S.C.B. 5657, ss. 1.1(1), 2.2 and 4.1.

Decisions Cited

In the Matter of Anchor Securities Limited (2001) 24 OSCB 7129.
In the Matter of Anchor Securities Limited (2002) 25 OSCB 2361.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, CHAPTER S.5, AS AMENDED (the “Act”)**

AND

**IN THE MATTER OF
ONTARIO SECURITIES RULE 31-507
SRO MEMBERSHIP- SECURITIES DEALERS AND
BROKERS (the “Rule”)**

AND

**IN THE MATTER OF
ANCHOR SECURITIES LIMITED**

**EXEMPTION
(Section 4.1 of the Rule)**

WHEREAS upon the application of Anchor Securities Limited (“Anchor”), pursuant to section 4.1 of the Rule, the Director granted an exemption (the “Original Decision”) on November 26, 2001, which provided that, effective November 11, 2001, Anchor was exempted from the requirement of the Rule to be a member of a self-regulatory organization (“a recognized SRO”) recognized by the Ontario Securities Commission (the “Commission”) under section 21.1 of the Act, subject to certain terms and conditions;

AND WHEREAS upon the application of Anchor, pursuant to section 4.1 of the Rule, the Director varied the Original Decision by a decision dated April 23, 2002 (the “Variation Decision”), which had the effect of exempting Anchor from the requirement of the Rule to be a member of a recognized SRO until June 14, 2002;

AND WHEREAS Anchor has applied (the “New Application”) to the Director for a further exemption from the requirement of the Rule to be a member of a recognized SRO to take account of the fact that Anchor still awaits a final decision from the Investment Dealers Association of Canada (the “IDA”) on its application for membership in the IDA, which is a recognized SRO;

AND UPON considering the New Application and the recommendation of staff of the Commission;

AND UPON Anchor having represented to the Director that:

1. Anchor is registered under the Act as a dealer in the category of “securities dealer”;
2. Anchor has satisfied, to the satisfaction of the staff of the IDA, all requirements for it to be eligible to obtain membership in the IDA; and
3. Anchor has completed all of the steps necessary for it to obtain membership in the IDA, except for the final approval by the Board of the IDA, which Anchor had previously anticipated it would receive by June 14, 2002, but now anticipates it will receive sometime before March 31, 2003;

AND UPON the Director being satisfied that to do so would not be prejudicial to the public interest;

AND UPON the Director being satisfied that it is not necessary to impose or attach any terms and conditions to the exemption provided for in this Decision;

IT IS THE DECISION of the Director, pursuant to section 4.1 of the Rule, that, effective June 15, 2002, Anchor is exempt from the requirement of subsection 1.1(1) of the Rule to be a member of a recognized SRO, provided that this exemption will terminate on March 31, 2003.

December 19, 2002.

“David M. Gilkes”

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