

5.1.2 Multilateral Instrument 45-102: Resale of Securities

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

PART 1 DEFINITIONS

1.1 Definitions - In this Instrument

"AIF" means an annual information form of an issuer;

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

Approved Rating Organization	Long Term Debt	Short Term Debt	Preferred Shares
Dominion Bond Rating Service Limited	BBB	R-2	Pfd-3
Fitch, Inc.	BBB	F3	BBB
Moody's Investors Service, Inc.	Baa	Prime-3	baa
Standard & Poor's Corporation	BBB	A-3	BBB

"approved rating organization" means each of Dominion Bond Rating Service Limited, Fitch, Inc., Moody's Investors Service, Inc., Standard & Poor's Corporation, and any of their predecessors or successors;

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

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

"CPC" means a capital pool company as defined in a CPC instrument and, in Manitoba, a keystone company as defined in Manitoba Securities Commission Rule 44-501 Keystone Companies;

"CPC information circular" means an information circular filed by an issuer and accepted under a CPC instrument in connection with a qualifying transaction;

"CPC instrument" means a rule or regulation of a jurisdiction, or a rule, regulation or policy of an exchange in Canada, that applies only to CPCs;

"current AIF" means

- a) an AIF that is a current AIF filed under NI 44-101 in at least one of the jurisdictions listed in Appendix B,
- b) an AIF that is a "Current AIF" as defined in NP 47 filed under NP 47 in at least one of the jurisdictions listed in Appendix B,
- c) an AIF in the form required by Form 44-101F1 filed in at least one of the jurisdictions listed in Appendix B by an issuer not eligible to use NI 44-101 and containing audited financial statements for the issuer's most recently completed financial year,
- d) an AIF that is a current AIF filed under British Columbia Instrument 45-506 or Alberta Rule 45-501,
- e) a prospectus which has been filed in any jurisdiction that includes audited financial statements for the issuer's most recently completed financial year, other than
 - (i) a short form prospectus filed under NI 44-101,
 - (ii) a short form prospectus filed under NP 47, or
 - (iii) a prospectus filed under a CPC instrument,
- f) a CPC information circular filed in any jurisdiction that includes
 - (i) audited financial statements for the issuer's most recently completed financial year,
 - (ii) audited financial statements for the target issuer's most recently completed financial year, and
 - (iii) a pro forma balance sheet that gives effect to the qualifying transaction accompanied by a compilation report of an auditor, and
- g) a current annual report on Form 10-K or Form 20-F under the 1934 Act for the issuer's most recently completed financial year filed in any jurisdiction by an issuer that has securities registered under section 12 of the 1934 Act or has a reporting obligation under subsection 15(d) of the 1934 Act;

"distribution date" means

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

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

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

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

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

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

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

"NP 47" means National Policy Statement No. 47 Prompt Offering Qualification System;

"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 in the form in place on the effective date of this Instrument;

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

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

- (a) is not a reporting issuer or a mutual fund,

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

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

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

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

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

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

"qualified market" means any of

- (a) The Toronto Stock Exchange Inc.,
- (b) Tier 1 or Tier 2 of the Canadian Venture Exchange Inc.,
- (c) Bourse de Montréal Inc.,
- (d) the American Stock Exchange,
- (e) Nasdaq National Market,
- (f) Nasdaq SmallCap Market,
- (g) the New York Stock Exchange,
- (h) the London Stock Exchange Limited, and
- (i) any predecessor or successor to any of the entities referred to in paragraphs (a) through (h);

"qualifying issuer" means an issuer

- (a) that is a reporting issuer in a jurisdiction listed in Appendix B,
- (b) that is an electronic filer under NI 13-101,
- (c) that has a current AIF filed on SEDAR,
- (d) that
 - (i) has a class of equity securities listed or quoted on a qualified market, has not been notified by the qualified market that it does not meet the requirements to maintain that

listing or quotation and is not designated inactive, suspended or the equivalent, or

(ii) has a class of securities outstanding that has an approved rating,

(e) if it is not qualified to file a short form prospectus under NI 44-101, or prior to the effective date of NI 44-101 was not qualified to file a short form prospectus under NP 47, and has a mineral project or oil and gas producing activities, including exploration, that has filed with its current AIF, as if the current AIF were a prospectus, technical reports in accordance with NI 43-101 if the current AIF was filed after the effective date of NI 43-101, or a technical report and certificate prepared in accordance with NP 2-B,

(f) that, if it has received a notice in writing from any regulator that its current AIF, including any technical reports, is unacceptable, has satisfied the regulator that its current AIF is acceptable, and

(g) that, if it is a CPC, has filed a CPC information circular;

"qualifying transaction" means a transaction that, if completed, would result in the issuer no longer being a CPC;

"SEDAR" has the meaning ascribed to that term in NI 13-101; and

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

PART 2 FIRST TRADES

2.1 Application - Except for sections 2.1, 2.8 and 2.9, this Part does not apply in Manitoba, New Brunswick, Prince Edward Island and the Yukon Territory.

2.2 Removal of Resale Provisions - The provisions in securities legislation listed in Appendix C do not apply.

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

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

2.5 Restricted Period

(1) Unless the conditions in subsection (2) or (3) are satisfied, a trade that is specified by section 2.3

or other securities legislation to be subject to this section is a distribution.

(2) If the issuer of the securities was a qualifying issuer at the distribution date, the conditions are:

1. The issuer is and has been a reporting issuer in a jurisdiction listed in Appendix B for the four months immediately preceding the trade.

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

3. If the distribution date is on or after the effective date of this Instrument, a certificate representing the securities was issued that carried a legend stating:

"Unless permitted under securities legislation, the holder of the securities shall not trade the securities before [insert the date that is four months and a day after the distribution date]."

4. The trade is not a control distribution.

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

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

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

(3) If the issuer of the securities was not a qualifying issuer at the distribution date, the conditions are:

1. The issuer is and has been a reporting issuer for the 12 months immediately preceding the trade

(a) in a jurisdiction listed in Appendix B, if the issuer is an electronic filer under NI 13-101; or

(b) in the local jurisdiction of the purchaser of the securities that are the subject of the trade, if the issuer is not an electronic filer under NI 13-101.

2. At least 12 months have elapsed from the distribution date.

3. If the distribution date is on or after the effective date of this Instrument, a certificate representing the securities was issued that carried a legend

- (a) if the issuer is a reporting issuer in a jurisdiction listed in Appendix B and is an electronic filer under NI 13-101 on the distribution date, stating:

"Unless permitted under securities legislation, the holder of the securities shall not trade the securities before [insert the date that is 12 months and a day after the distribution date]."; or

- (b) if the issuer is not a reporting issuer in a jurisdiction listed in Appendix B at the distribution date, stating:

"Unless permitted under securities legislation, the holder of the securities shall not trade the securities before the earlier of (i) the date that is 12 months and a day after the date the issuer first became a reporting issuer in any of Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan, if the issuer is a SEDAR filer; and (ii) the date that is 12 months and a day after the later of (A) the distribution date, and (B) the date the issuer became a reporting issuer in the local jurisdiction of the purchaser of the securities that are the subject of the trade."

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

2.6 Seasoning Period

- (1) Unless the conditions in subsection (3), (4) or (5) are satisfied, a trade that is specified by section 2.4 or other securities legislation to be subject to this section is a distribution.
- (2) The first trade of securities issued by a private company or private issuer made after the issuer has ceased to be a private company or private issuer is a distribution unless the conditions in subsection (4) are satisfied.

- (3) If the issuer of the securities was a qualifying issuer at the distribution date, the conditions are:

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

- (4) If the issuer of the securities was not a qualifying issuer at the distribution date, the conditions are:

1. The issuer is and has been a reporting issuer for the 12 months immediately preceding the trade
 - (a) in a jurisdiction listed in Appendix B, if the issuer is an electronic filer under NI 13-101; or
 - (b) in the local jurisdiction of the purchaser of the securities that are the subject of the trade, if the issuer is not an electronic filer under NI 13-101.
2. The trade is not a control distribution.
3. No unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade.
4. No extraordinary commission or consideration is paid to a person or company in respect of the trade.
5. If the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

- (5) Despite subsection (4), if

- (a) the selling security holder acquired the securities under any of the provisions listed in Appendix F or a provision of securities legislation that specifies that the first trade of securities distributed to an employee, executive, consultant or administrator is subject to this section, and

- (b) the issuer of the securities became a qualifying issuer after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B and listing or quoting a class of its equity securities on a qualified market,

the conditions are the issuer is and has been a reporting issuer in a jurisdiction listed in Appendix B for the four months immediately preceding the trade and the conditions in items (4)2., 3., 4. and 5.

2.7 Filing of Forms 45-102F1 and 45-102F2

- (1) If an issuer ceases to be a private company or private issuer on or after the effective date of this Instrument, the issuer shall file Form 45-102F1.

(2) If

- (a) an issuer, or a selling security holder in the case of a control distribution, has distributed securities under any of the provisions listed in Appendix D or E or a provision of securities legislation that specifies that the first trade of the securities is subject to section 2.5 or 2.6,

- (b) the distribution date is on or after the effective date of this Instrument, and

- (c) the issuer was a qualifying issuer on the distribution date,

the issuer, or the selling security holder in the case of a control distribution, shall file Form 45-102F2 on or before the tenth day after the distribution date.

(3) If

- (a) an issuer has distributed securities under any of the provisions listed in Appendix F or a provision of securities legislation that specifies that the first trade of securities distributed to an employee, executive, consultant or administrator is subject to section 2.6,

- (b) the issuer was not a qualifying issuer on the distribution date, and

- (c) the issuer becomes a qualifying issuer on or after the effective date of this Instrument by filing a prospectus in a jurisdiction listed in Appendix B and listing or quoting a class of its equity securities on a qualified market,

the issuer shall file Form 45-102F2.

- (4) The issuer, or the selling security holder in the case of a control distribution, shall file Form 45-102F2 on SEDAR.

2.8 Exemption for a Trade by a Control Person

- (1) The prospectus requirement does not apply to a control distribution, or a distribution by a lender, pledgee, mortgagee or other encumbrancer for the purpose of liquidating a debt made in good faith by selling or offering for sale a security pledged, mortgaged or otherwise encumbered in good faith as collateral for the debt if the security was acquired by the lender, pledgee, mortgagee or other encumbrancer in a control distribution, if the conditions in subsections (2) or (3) are satisfied.

- (2) If the issuer of the securities was a qualifying issuer at the distribution date, the conditions are:

1. The issuer is and has been a reporting issuer in a jurisdiction listed in Appendix B for the four months immediately preceding the trade.
2. The selling security holder, or the lender, pledgee, mortgagee or other encumbrancer if the distribution is for the purpose of liquidating a debt, has held the securities for at least four months.
3. No unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade.
4. No extraordinary commission or consideration is paid to a person or company in respect of the trade.
5. The selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

- (3) If the issuer of the securities was not a qualifying issuer at the distribution date, the conditions are:

1. The issuer is and has been a reporting issuer for the 12 months immediately preceding the trade
 - (a) in a jurisdiction listed in Appendix B, if the issuer is an electronic filer under NI 13-101; or
 - (b) in the local jurisdiction of the purchaser of the securities that are the subject of the trade, if the issuer is not an electronic filer under NI 13-101.
2. No unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade.
3. No extraordinary commission or consideration is paid to a person or company in respect of the trade.

4. The selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.
5. The selling security holder, or the lender, pledgee, mortgagee or other encumbrancer if the distribution is for the purpose of liquidating a debt has held the securities for
 - (a) at least 12 months, if the securities were distributed to the selling security holder under any of the provisions listed in Appendix D or a provision of securities legislation that specifies that the first trade of the securities is subject to section 2.5, and
 - (b) in all other cases, at least six months.
- (4) The selling security holder, or the lender, pledgee, mortgagee or other encumbrancer if the distribution is for the purpose of liquidating a debt, under subsection (2) or (3) shall
 - (a) sign and file Form 45-102F3 at the times set out in subsections (6) and (7), and
 - (b) file, within three days after the completion of any trade, a report of the trade in the form required to be filed by a person or company in order to comply with the insider reporting requirements.
- (5) A person or company required to file Form 45-102F3 shall sign the form no earlier than one business day before its filing.
- (6) Subject to subsections (7) and (8), a person or company required to file Form 45-102F3 shall file the form
 - (a) at least seven days and not more than 14 days before the first trade that forms part of the distribution,
 - (b) on the 60th day after the date of filing under paragraph (a), and
 - (c) thereafter at the end of each 28 day period.
- (7) Subject to subsection (8), if a person or company has filed a Form 23 Notice of Intention to Distribute Securities or equivalent form before the effective date of this Instrument, the person or company shall file Form 45-102F3
 - (a) on the 60th day after the date of filing of the Form 23 or equivalent form, and thereafter at the end of each 28 day period, or
 - (b) on the 28th day after the date of filing of the renewal Form 23 or equivalent form, and thereafter at the end of each 28 day period, if a renewal form has been filed before the effective date of this Instrument.

- (8) A person or company is not required to file Form 45-102F3 under paragraph 6(b), 6(c), 7(a) or 7(b) if
 - (a) all of the securities specified under the original form have been sold, or
 - (b) a notice has been filed in the jurisdictions in which a Form 45-102F3 would otherwise have been filed, which states that the securities specified under the original form, or the unsold part, are no longer for sale.

2.9 Determining Time Periods

- (1) In determining the period of time that an issuer has been a reporting issuer for the purposes of section 2.6 or 2.8, in the case of securities distributed under any of the provisions listed in Appendix G, the period of time that one of the amalgamating, merging or continuing issuers was a reporting issuer immediately before the amalgamation, merger or continuation may be included.
- (2) In determining the period of time that a selling security holder has held a security for the purposes of section 2.5 or 2.8, if the security was acquired by the selling security holder from an affiliate of the selling security holder, the period of time that the security had been held by the affiliate before the transfer to the selling security holder may be included.
- (3) In determining the period of time that a selling security holder has held an underlying security for the purposes of section 2.8, the period of time the selling security holder has held the convertible security, exchangeable security or multiple convertible security may be included.
- (4) In determining the period of time that a lender, pledgee, mortgagee or other encumbrancer has held a security under item 2.8(2)2. or 2.8(3)5., the period of time the security has been held by the debtor may be included.
- (5) In determining the period of time that a lender, pledgee, mortgagee or other encumbrancer has held an underlying security under item 2.8(2)2. or 2.8(3)5., the period of time the convertible security, exchangeable security or multiple convertible security has been held by the debtor may be included.

2.10 Exemption for a Trade in an Underlying Security if the Convertible Security, Exchangeable Security or Multiple Convertible Security is Qualified by a Prospectus - Section 2.6 does not apply to a trade in an underlying security issued or transferred under the terms of a convertible security, exchangeable security or multiple convertible security if

- (a) a receipt was obtained for a prospectus qualifying the distribution of the convertible

security, exchangeable security or multiple convertible security;

- (b) the trade is not a control distribution; and
- (c) the issuer of the underlying security is a reporting issuer at the time of the trade.

2.11 Exemption for a Trade in a Security Acquired in a Take-over Bid or Issuer Bid - Section 2.6 does not apply to a trade of a security of an offeror acquired by the selling security holder upon the exchange by or for the account of the offeror with the security holders of the offeree issuer in connection with a take-over bid or issuer bid if

- (a) when the exemption from the prospectus requirement was relied upon, a securities exchange take-over bid circular or securities exchange issuer bid circular relating to the distribution of the securities was filed by the offeror on SEDAR;
- (b) the trade is not a control distribution; and
- (c) the offeror was a reporting issuer on the date securities of the offeree issuer are first taken up under the take-over bid or issuer bid.

2.12 Exemption for a Trade in an Underlying Security if the Convertible Security, Exchangeable Security or Multiple Convertible Security is Qualified by a Securities Exchange Take-over Bid Circular or Issuer Bid Circular - Section 2.6 does not apply to a trade in an underlying security issued or transferred under the terms of a convertible security, exchangeable security or multiple convertible security if

- (a) when the exemption from the prospectus requirement was relied upon, a securities exchange take-over bid circular or a securities exchange issuer bid circular relating to the distribution of the convertible security, exchangeable security or multiple convertible security was filed by the offeror on SEDAR;
- (b) the trade is not a control distribution;
- (c) the offeror was a reporting issuer on the date securities of the offeree issuer are first taken up under the take-over bid or issuer bid; and
- (d) the issuer of the underlying security is a reporting issuer at the time of the trade.

2.13 Trades by Underwriters - A trade by an underwriter of securities distributed under any of the provisions listed in Appendix H is a distribution.

2.14 First Trades in Securities of a Non-Reporting Issuer Distributed under a Prospectus Exemption

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

PART 3 CURRENT AIF FILING REQUIREMENTS

3.1 Current AIF

- (1) An issuer that has not filed an AIF
 - (a) under NI 44-101, or
 - (b) prior to the effective date of NI 44-101, under NP 47

may file a current AIF under this Instrument at any time.

- (2) An issuer filing a current AIF as defined in paragraphs (c), (d), (e), (f) or (g) of the definition of current AIF shall file a notice on SEDAR
 - (a) advising that it has filed a current AIF, and
 - (b) identifying the SEDAR project number under which the current AIF was filed.

PART 4 EXEMPTION

4.1 Exemption

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

PART 5 EFFECTIVE DATE

Effective Date - This Instrument comes into force on November 30, 2001.

**APPENDIX A
TO
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

CONTROL DISTRIBUTIONS

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

**APPENDIX B
TO
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

REPORTING ISSUER JURISDICTIONS

Alberta

British Columbia

Manitoba

Nova Scotia

Ontario

Quebec

Saskatchewan

**APPENDIX C
TO
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

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

JURISDICTION SECURITIES LEGISLATION REFERENCE

Alberta	Sections 109, 109.1, 110, 110.1, 110.2, 111 with respect to underwriters and 112 of the <i>Securities Act</i> (Alberta)
Nova Scotia	Subsections 77(5), 77(6), 77(7), 77(7A), 77(7B), 77(8), 77(9), 77(10)(a) and 77(11) of the <i>Securities Act</i> (Nova Scotia)
Ontario	Subsections 72(4) (except as referred to in Rule 45-503 Trades to Employees, Executives and Consultants), 72(5), 72(6) as it relates to clause 72(1)(r), and 72(7) of the <i>Securities Act</i> (Ontario)

**APPENDIX D
TO
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

**RESTRICTED PERIOD TRADES
(Section 2.3)**

Sections 107(1)(a), (b), (c), (d), (l), (m), (p), (q), (t), (t.1), (u) and (z) of the *Securities Act* (Alberta), and section 107(1)(f)(iii) of the *Securities Act* (Alberta) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under the *Securities Act* (Alberta)

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

Sections 128(a), (b), (c), (e), (f) and (h) of the *Securities Rules* (British Columbia)

Sections 74(2)(11)(ii) and 74(2)(13) of the *Securities Act* (British Columbia) if the security acquired by the selling security holder was initially acquired by a person or company under any of the sections of the *Securities Act* (British Columbia), or the *Securities Rules* (British Columbia) referred to in this Appendix

Section 74(2)(12) of the *Securities Act* (British Columbia) if the security acquired by the selling security holder under the realization on collateral was initially acquired by a person or company under any of the sections of the *Securities Act* (British Columbia) or the *Securities Rules* (British Columbia) referred to in this Appendix

Clauses 73(1)(a), (b), (c), (d), (l), (m), (p) and (q) of the *Securities Act* (Newfoundland) and subclause 73(1)(f)(iii) of the *Securities Act* (Newfoundland) if the right to purchase, convert or exchange was previously acquired under one of the above listed exemptions under the *Securities Act* (Newfoundland)

Paragraphs 3(a), (b), (c), (k), (l), (m), (r), (s), (t), (u), (w) and (z), and clause 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories)

Clauses 77(1)(a), (b), (c), (d), (l), (m), (p), (q), (u), (w), (y), (ab) and (ad) of the *Securities Act* (Nova Scotia), and subclause 77(1)(f)(iii) of the *Securities Act* (Nova Scotia) if the right to purchase, convert or exchange was previously acquired under one of the above listed exemptions under the *Securities Act* (Nova Scotia)

Paragraphs 3(a), (b), (c), (k), (l), (m), (r), (s), (t), (u), (w) and (z), and clause 3(e)(iii) of Blanket Order No.1 of the Registrar of Securities (Nunavut)

Clauses 72(1)(a), (b), (c), (d), (l), (m), (p) and (q) of the *Securities Act* (Ontario) and subclause 72(1)(f)(iii) of the *Securities Act* (Ontario) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under the *Securities Act* (Ontario)

Clauses 81(1)(a), (b), (c), (d), (m), (n), (s), (t), (v), (w), (z), (bb) and (ee) of *The Securities Act, 1988* (Saskatchewan)

Subclauses 81(1)(f)(iii) and (iv) of *The Securities Act, 1988* (Saskatchewan) if the convertible security, exchangeable security or multiple convertible security was acquired under one of the exemptions of *The Securities Act, 1988* (Saskatchewan) referred to in this Appendix

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

**APPENDIX E
TO
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

**SEASONING PERIOD TRADES
(Section 2.4)**

Sections 107(1)(f) if not included in Appendix D of this Instrument, (i), (j), (j.1), (k), (k.1) prior to its repeal by section 5 of the *Securities Amendment Act, 1989* (Alberta), and (n) of the *Securities Act* (Alberta)

Sections 74(2)(7) to (11), (13), (22) and (24) of the *Securities Act* (British Columbia)

Section 128(g) of the *Securities Rules* (British Columbia)

Section 74(2)(12) of the *Securities Act* (British Columbia), if the security acquired by the selling security holder under the realization on collateral was initially acquired by a person or company under any of the sections of the *Securities Act* (British Columbia) or the *Securities Rules* (British Columbia) referred to in this Appendix

Clauses 73(1)(f) if not included in Appendix D of this Instrument, (i), (j), (k) and (n) of the *Securities Act* (Newfoundland)

Clauses 3(e)(i) and (ii) and paragraphs 3(f), (g), (h), (i), (n), (x), (y) and (mm) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories)

Clause 77(1)(f) of the *Securities Act* (Nova Scotia) if not included in Appendix D of this Instrument, and clauses 77(1)(h), (i), (j), (k), (n), (v), (va), (ac), (ae) and (af) of the *Securities Act* (Nova Scotia), and clause 78(1)(a) of the *Securities Act* (Nova Scotia) as it relates to clause 41(2)(j) of the *Securities Act* (Nova Scotia) and Blanket Order No. 5A

Clauses 3(e)(i) and (ii) and paragraphs 3(f), (g), (h), (i), (n), (x), (y) and (mm) of Blanket Order No. 1 of the Registrar of Securities (Nunavut)

Clauses 72(1)(f), (i), (j), (k) and (n) of the *Securities Act* (Ontario), except for a trade made under subclause 72(1)(f)(iii) of the *Securities Act* (Ontario) that is

- (i) included in Appendix D of this Instrument,
- (ii) to an associated consultant or investor consultant as defined in Ontario Securities Commission Rule 45-503 Trades to Employees, Executives and Consultants, or
- (iii) contemplated by section 6.5 of Ontario Securities Commission Rule 45-501 Exempt Distributions

Clauses 81(1)(a.1), (e) if not included in Appendix D of this Instrument, (f) if not included in Appendix D of this Instrument, (f.1), (g), (h), (i), (i.1), (j), (k), (o), (cc) and (dd) of *The Securities Act, 1988* (Saskatchewan)

**APPENDIX F
TO
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

**EMPLOYEE TRADES
(Section 2.6)**

Sections 107(1)(f)(iii) (if the convertible security was distributed under section 107(1)(n) and (n) of the *Securities Act* (Alberta)

Sections 74(2)(9) and 74(2)(11)(iii) (if the convertible security was distributed under section 74(2)(9) of the *Securities Act* (British Columbia) or under British Columbia Instrument 45-507 Trades to Employees, Executives and Consultants (other than to an associated consultant or investor consultant)) of the *Securities Act* (British Columbia)

Sections 73(1)(f)(iii) (if the convertible security was distributed under section 73(1)(n) and (n) of the *Securities Act* (Newfoundland)

Paragraphs 3(e) (if the convertible security was distributed under paragraph 3(n) and (n) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories)

Subclause 77(1)(f)(iii) (if the convertible security was distributed under clause 77(1)(n) and clause 77(1)(n) of the *Securities Act* (Nova Scotia) and Blanket Order No. 5A

Paragraphs 3(e) (if the convertible security was distributed under paragraph 3(n) and (n) of Blanket Order No. 1 of the Registrar of Securities (Nunavut)

Subclause 72(1)(f)(iii) (if the convertible security was distributed under clause 72(1)(n) of the *Securities Act* (Ontario) or under Ontario Securities Commission Rule 45-503 Trades to Employees, Executives and Consultants (other than to an associated consultant or investor consultant)) and clause 72(1)(n) of the *Securities Act* (Ontario)

Subclause 81(1)(f)(iii) (if the convertible security was distributed under clause 81(1)(o) and clause 81(1)(o) of *The Securities Act, 1988* (Saskatchewan)

**APPENDIX G
TO
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

**AMALGAMATIONS OR MERGERS
(Section 2.9)**

Section 107(1)(i) of the *Securities Act* (Alberta)

Section 74(2)(8) of the *Securities Act* (British Columbia)

Clause 58(1)(b) of the *Securities Act* (Manitoba)

Clause 73(1)(i) of the *Securities Act* (Newfoundland)

Paragraph 3(g) of Blanket Order No.1 of the Registrar of Securities (Northwest Territories)

Clause 77(1)(i) of the *Securities Act* (Nova Scotia)

Paragraph 3(g) of Blanket Order No. 1 of the Registrar of Securities (Nunavut)

Clause 72(1)(i) of the *Securities Act* (Ontario) and section 2.8 of Rule 45-501 Exempt Distributions

Clause 2(3)(k) of the *Securities Act* (Prince Edward Island)

Clause 81(1)(i) of *The Securities Act, 1988* (Saskatchewan)

**APPENDIX H
TO
MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

**UNDERWRITERS
(Section 2.13)**

Section 107(1)(u.1) of the *Securities Act* (Alberta)

Section 74(2)(15) of the *Securities Act* (British Columbia)

Clause 73(1)(r) of the *Securities Act* (Newfoundland)

Paragraph 3(v) of Blanket Order No.1 of the Registrar of Securities (Northwest Territories)

Clause 77(1)(r) of the *Securities Act* (Nova Scotia)

Paragraph 3(v) of Blanket Order No. 1 of the Registrar of Securities (Nunavut)

Clause 72(1)(r) of the *Securities Act* (Ontario)

Clause 81(1)(u) of *The Securities Act, 1988* (Saskatchewan)

FORM 45-102F1

Report Made under Subsection 2.7(1) of Multilateral Instrument 45-102 Resale of Securities with respect to an Issuer that has Ceased to be a Private Company or Private Issuer

- 1. Name and address of the issuer that has ceased to be a private company or private issuer.
- 2. Date when the issuer ceased to be a private company or private issuer.
- 3. Jurisdiction of incorporation, organization or continuation of the issuer.
- 4. List, as of the time immediately before the issuer ceased to be a private company or private issuer, the number or amount and designation of the authorized and outstanding securities of each class of securities of the issuer.
- 5. Particulars of the outstanding securities.

Name of Owner of Securities and Municipality and Jurisdiction of Residence	Number or Amount	Designation of Securities
--	------------------	---------------------------

If, after reasonable effort, it was not possible to identify the beneficial owner, explain why and disclose the registered owner.

- 6. The issuer has prepared, certified and delivered to the securities regulatory authority a statement containing the full legal name of, the full residential address of, and the number or amount and designation of securities of the issuer held by, each person or company who was a beneficial owner of securities of the issuer immediately before the issuer ceased to be a private company or private issuer and, if, after reasonable effort, it was not possible to identify the beneficial owner at the time the statement was delivered, has explained why.

(Make certain the totals as to beneficial and as to registered owners given in this item reconcile, in each case, with the totals given in items 4 and 5.)

- 7. The undersigned certifies that the information given in this report is true and complete in every respect.

Date

.....
(name of issuer that has ceased to be a private company or private issuer)

By:.....
(signature)

.....
(official capacity)

.....
(name of individual whose signature appears above)

INSTRUCTION:

If the issuer ceases to be a private company or private issuer on or after the effective date of Multilateral Instrument 45-102, file this form with the securities regulatory authority in each jurisdiction in which the issuer has ceased to be a private company or private issuer and section 2.7 of Multilateral Instrument 45-102 has been implemented. Section 2.7 has been implemented in Alberta, British Columbia, Newfoundland, Northwest Territories, Nova Scotia, Nunavut, Ontario and Saskatchewan.

Notice - Collection and Use of Personal Information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities set out below for the purposes of the administration and enforcement of the securities legislation in Alberta, British Columbia, Newfoundland, Northwest Territories, Nova Scotia, Nunavut, Ontario and Saskatchewan. All of the information required under this form, except for the information contained in the statement required under item 6, is made available to the public pursuant to Multilateral Instrument 45-102 and the securities legislation in each of the jurisdictions indicated above. If you have any questions about the collection and use of this information, contact the securities regulatory authorities in the jurisdiction(s) in which the form is filed, at the address(es) set out below.

Alberta Securities Commission

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

British Columbia Securities Commission

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

Securities Commission of Newfoundland

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

Department of Justice, Northwest Territories

Legal Registries

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

Nova Scotia Securities Commission

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

Department of Justice, Nunavut

Legal Registries Division

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

Ontario Securities Commission

Suite 1903, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Administrative Assistant to the Director of Corporate Finance
Telephone: (416) 593-8200
Facsimile: (416) 593-8177

Saskatchewan Securities Commission

800 - 1920 Broad Street
Regina, SK S4P 3V7
Attention: Deputy Director, Legal
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

FORM 45-102F2

**Certificate under Subsection 2.7(2) or (3) of
Multilateral Instrument 45-102 Resale of Securities**

Complete 1. or 2.

1. *[Name of Issuer or Selling Security Holder]* has distributed securities under a provision listed in Appendix D or E to Multilateral Instrument 45-102 or a provision of securities legislation that specifies that the first trade of the securities is subject to section 2.5 or 2.6 of Multilateral Instrument 45-102 and hereby certifies that in respect of a distribution on *[date]* of *[amount or number and type of securities]* of *[Name of Issuer]*, *[Name of Issuer]* was a qualifying issuer within the meaning of Multilateral Instrument 45-102 Resale of Securities at the distribution date.
2. *[Name of Issuer]* has distributed securities under a provision listed in Appendix F to Multilateral Instrument 45-102 or a provision of securities legislation that specifies that the first trade of securities distributed to an employee, executive, consultant or administrator is subject to section 2.6 of Multilateral Instrument 45-102 and hereby certifies that in respect of a distribution on *[date]* of *[amount or number and type of securities]* of *[Name of Issuer]*, *[Name of Issuer]* became after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B to Multilateral Instrument 45-102 and listing or quoting a class of its equity securities on a qualified market, and now is, a qualifying issuer within the meaning of Multilateral Instrument 45-102.

DATED at _____ this ____ day of _____, 2__.

[Name of Issuer or Selling Security Holder]

By: _____
[type name]
[title]

INSTRUCTIONS:

1. If the distribution date is on or after the effective date of Multilateral Instrument 45-102 and the issuer or selling security holder has completed 1. above, file this form on or before the tenth day after the distribution date with the securities regulatory authority in each jurisdiction in which a purchaser of the securities is located and section 2.7 of Multilateral Instrument 45-102 has been implemented. Section 2.7 has been implemented in Alberta, British Columbia, Newfoundland, Northwest Territories, Nova Scotia, Nunavut, Ontario and Saskatchewan.
2. If the issuer has completed 2. above, file this form with the securities regulatory authority in each jurisdiction in which a purchaser of the securities is located and section 2.7 of Multilateral Instrument 45-102 has been implemented.

FORM 45-102F3

Notice of Intention to Distribute Securities and Accompanying
Declaration under Section 2.8 of Multilateral Instrument 45-102 Resale of Securities

1. Name and address of reporting issuer
2. Date and jurisdictions where issuer became a reporting issuer

<u>Date</u>	<u>Jurisdiction</u>
...
...
3. Name and address of the selling security holder
4. State whether the selling security holder is an insider or officer of the issuer. (if an officer state title).
5. Amount or number and designation of securities of the issuer beneficially owned, directly or indirectly, by the selling security holder.
6. Amount or number and designation of securities of the issuer proposed to be sold by the selling security holder.
7. State, to the extent known to the selling security holder, the following particulars about the control position of the issuer: name(s), securities of the issuer held, offices or positions with the issuer or selling security holder and any other material particular regarding such control position.
8. State whether the securities will be distributed privately or on an exchange or a market (state name of exchange or market).
9. Proposed date of sale or date of commencement of sale.
10. If the selling security holder is a lender, pledgee, mortgagee or other encumbrancer selling securities distributed under an exemption in securities legislation from the prospectus requirement for a trade to a lender, pledgee, mortgagee or other encumbrancer from the holdings of a control person for the purpose of giving collateral for a debt made in good faith, state the date and amount of the loan, pledge, mortgage or other encumbrance, reasons for liquidating the debt and the circumstances of default.
11. State the date that the selling security holder or lender, pledgee, mortgagee or other encumbrancer acquired the securities.
12. If this Form is not an initial filing, provide the following information:
 - (a) date of filing of the initial Form 45-102F3
 - (b) date of the most recently filed renewal Form 45-102F3
 - (c) number of securities proposed to be sold as stated in the initial Form 45-102F3
 - (d) number of securities sold from the date of the initial Form 45-102F3 to the date of this renewal Form 45-102F3
 - (e) number of securities proposed to be sold, as stated in the initial Form 45-102F3, that are no longer for sale
 - (f) number of securities remaining for sale

Declaration, Certificate and Undertaking

The selling security holder for whose account the securities are to be sold, and to which this certificate relates, hereby:

- (1) declares that the selling security holder has no knowledge of a material fact or material change with respect to the issuer of the securities that has not been generally disclosed;
- (2) declares that to the best of the selling security holder's information and belief:
 - (a) no unusual effort has been made to prepare the market or to create a demand for the securities to be sold and no extraordinary commission or other consideration has been paid in respect of such trade,
 - (b) the transaction to which this notice of intention and declaration relate is an arm's length transaction made in good faith, and

Rules and Policies

- (c) the securities have been held for the period of time required under section 2.8 of Multilateral Instrument 45-102 Resale of Securities and the other conditions of the applicable subsection of that section have been met;
- (3) undertakes that no unusual effort will be made to prepare the market or to create a demand for the securities to be sold and no extraordinary commission or other consideration will be paid in respect of such trade;
- (4) undertakes that this Form will be renewed and filed on the 60th day after the date of filing this Form and thereafter at the end of each 28 day period; and
- (5) certifies that the information given in the answers to the questions in this Form are true.

Date

.....
(name of selling security holder)

By:.....
(signature of selling security holder, and if a company, signature of authorised signatory)

.....
(name and office of authorised signatory)

INSTRUCTION:

File this form with the securities regulatory authority in each jurisdiction in which the securities are being distributed and with the exchange in Canada on which the securities that are the subject of the distribution are listed.

Notice - Collection and Use of Personal Information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities set out below for the purposes of the administration and enforcement of the securities legislation in Alberta, British Columbia, Newfoundland, Northwest Territories, Nova Scotia, Nunavut, Ontario and Saskatchewan. All of the information required under this form is made available to the public pursuant to Multilateral Instrument 45-102 and the securities legislation in each of the jurisdictions indicated above. If you have any questions about the collection and use of this information, contact the securities regulatory authorities in the jurisdiction(s) in which the form is filed, at the address(es) set out below.

Alberta Securities Commission

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

British Columbia Securities Commission

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

Securities Commission of Newfoundland

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

Department of Justice, Northwest Territories

Legal Registries

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

Nova Scotia Securities Commission

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

Department of Justice, Nunavut

Legal Registries Division

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

Ontario Securities Commission

Suite 1903, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Administrative Assistant to the Director of Corporate Finance
Telephone: (416) 593-8200
Facsimile: (416) 593-8177

Saskatchewan Securities Commission

800 - 1920 Broad Street
Regina, SK S4P 3V7
Attention: Deputy Director, Legal
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

**COMPANION POLICY 45-102CP
TO MULTILATERAL INSTRUMENT 45-102
RESALE OF SECURITIES**

PART 1 APPLICATION

1.1 Application

- (1) Multilateral Instrument 45-102 ("MI 45-102") has been implemented in all jurisdictions except Quebec.
- (2) Except for sections 2.1, 2.8 and 2.9, Part 2 of MI 45-102 does not apply in Manitoba, New Brunswick, Prince Edward Island and the Yukon Territory.

1.2 Purpose

- (1) MI 45-102 provides that first trades of securities distributed under certain exemptions from the prospectus requirement are distributions unless certain conditions are met. The conditions impose restrictions on the resale of the securities. If the securities were distributed under any of the provisions listed in Appendix D to MI 45-102, the conditions include that the issuer is and has been a reporting issuer for a seasoning period and that a restricted period has elapsed from the date of the initial distribution. If the securities were distributed under any of the provisions listed in Appendix E to MI 45-102, the conditions include that the issuer is and has been a reporting issuer for a seasoning period. If the issuer is a qualifying issuer, MI 45-102 reduces the restricted period and seasoning period. MI 45-102 also provides an exemption for a control distribution and a sale by a pledgee of pledged securities if the sale would be a distribution for the purposes of securities legislation.
- (2) Nothing in MI 45-102 is intended to restrict the ability of a purchaser to resell securities during the restricted period or seasoning period in reliance upon a prospectus or an exemption from the prospectus requirement.

1.3 Transition

- (1) Part 2 of MI 45-102 applies to first trades of securities made on or after the effective date of this Instrument, even if the securities were distributed, or acquired by the selling security holder in the case of a trade that is a control distribution, prior to the effective date of this Instrument. As a result, in determining whether the restricted period in section 2.5 or 2.8 of MI 45-102 or the seasoning period in subsection 2.6(3) or (4) or subsection 2.8(2) or (3) of MI 45-102 has expired, a seller making a first trade must determine whether the issuer was a qualifying issuer at the date the security that is the subject of the trade was distributed or, in the case of a trade that is a control distribution, the

date the security that is the subject of the trade was acquired by the control person selling the security. In the case of a trade of an underlying security, the seller must determine whether the issuer of the underlying security was a qualifying issuer at the date the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed.

- (2) Items 2.5(2)3. and 2.5(3)3. of MI 45-102 impose a condition that if the security that is the subject of the trade was distributed on or after the effective date of MI 45-102, the certificate representing the securities must carry a legend disclosing the resale restriction. Certificates representing securities distributed prior to the effective date of MI 45-102 do not have to be legended under MI 45-102.
- (3) Form 45-102F1 is required to be filed under subsection 2.7(1) of MI 45-102 if an issuer ceases to be a private company or a private issuer on or after the effective date of MI 45-102. Similarly, Form 45-102F2 is filed under subsection 2.7(2) of MI 45-102 if the issuer of the securities is a qualifying issuer and the distribution date is on or after the effective date of MI 45-102. Form 45-102F2 is filed under subsection 2.7(3) of MI 45-102 if the issuer becomes a qualifying issuer in certain circumstances on or after the effective date of MI 45-102.

1.4 Open System Jurisdictions - Sections 2.5 and 2.6 of MI 45-102 do not apply in the provinces of Manitoba, New Brunswick and Prince Edward Island and in the Yukon Territory as those jurisdictions do not impose restrictions on first trades in securities distributed under an exemption from the prospectus requirement in those jurisdictions unless the trade is a control distribution.

1.5 Example of Application of Section 2.5 - If an issuer distributes securities to a purchaser in British Columbia, the issuer must file a prospectus or rely upon a prospectus exemption under the securities legislation of British Columbia. If the issuer relies upon a British Columbia prospectus exemption listed in Appendix D to MI 45-102, section 2.3 of MI 45-102 applies and the first trade of the securities is subject to section 2.5 of MI 45-102. Section 2.5 provides that the first trade is a distribution unless, among other conditions, a four or 12 month restricted period has elapsed. If the British Columbia purchaser seeks to resell the securities into Ontario, a prospectus must be filed in Ontario or a prospectus exemption relied upon unless the conditions in subsection 2.5(2) or (3) of MI 45-102 are satisfied.

1.6 Reporting Issuer History - If an issuer is a SEDAR filer, reporting issuer history in any of the jurisdictions listed in Appendix B will satisfy the reporting issuer history requirements in sections 2.5, 2.6 and 2.8 of

MI 45-102. If the issuer is not a SEDAR filer, the reporting issuer history must be in the jurisdiction of the purchaser of the securities that are the subject of the trade.

1.7 Eligibility - Securities that were distributed when an issuer had a current AIF and met the other eligibility requirements of a qualifying issuer may be sold in accordance with subsection 2.5(2) or 2.6(3) of MI 45-102, even if the issuer is no longer a qualifying issuer at the time of the trade. However, if the issuer subsequently distributes securities at a time when it is not a qualifying issuer, purchasers of those securities may not rely upon the reduced restricted period or seasoning period in subsection 2.5(2) or 2.6(3) of MI 45-102.

1.8 Legending of Securities - Items 2.5(2)3. and 2.5(3)3. of MI 45-102 require that, for securities distributed under any of the provisions listed in Appendix D to MI 45-102 or another prospectus exemption subject to the resale restrictions in section 2.5 of MI 45-102, if the distribution date is on or after the effective date of MI 45-102 a certificate representing the securities must have been issued that carried a legend stating that, unless permitted under securities legislation, the holder of the securities shall not trade the securities before the expiry of the applicable restricted period. Placing a restricted period legend on a share certificate is the most practical manner of providing certainty as to the applicable restricted period and of ensuring more effective regulation of the exempt market in the closed system jurisdictions.

1.9 Calculation of Restricted Periods - The restricted periods in items 2.5(2)2. and 2.5(3)2. of MI 45-102 are calculated from the distribution date, that is, the date the securities were distributed in reliance on an exemption from the prospectus requirement by the issuer or a control person. For example, if an issuer or control person distributes securities under a private placement exemption to a purchaser in Saskatchewan and the private placee resells the securities during the restricted period to a purchaser in Alberta under a further private placement exemption, upon resale by the Alberta purchaser, that purchaser will determine whether the restricted period has expired by calculating the time period from the date the issuer or control person distributed the securities to the Saskatchewan purchaser.

In the case of a trade that is a control distribution, the restricted periods in items 2.8(2)2. and 2.8(3)5. of MI 45-102 are calculated from the distribution date, that is, the date the securities were acquired by the control person that is selling the securities.

1.10 Underlying Securities - The restricted period or seasoning period applicable to trades in underlying securities is calculated from the distribution date of the convertible security, exchangeable security or multiple convertible security.

1.11 Employees - Section 2.6 of MI 45-102 provides that the first trade of securities distributed under an exemption from the prospectus requirement for employees is a distribution unless certain conditions are met. If the issuer is a qualifying issuer at the distribution date, the conditions include a seasoning period of four months. If the issuer is not a qualifying issuer at the distribution date, the seasoning period is 12 months. However, if the securities were distributed under an employee exemption or exercise of an option exemption at a time when the issuer was not a qualifying issuer and the issuer of the securities subsequently becomes a qualifying issuer after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B and listing or quoting a class of its equity securities on a qualified market, the conditions include that the issuer is and has been a reporting issuer for a four month seasoning period.

1.12 Control Block Distributions - In addition to the provisions of MI 45-102, in particular section 2.8, the provisions of National Instrument 62-101 Control Block Distribution Issues may also apply to a trade of securities that is a control block distribution by an institutional investor.

1.13 Securities Exchange Take-over Bid or Issuer Bid - Section 2.11 of MI 45-102 provides relief from the seasoning requirement for a trade of securities issued in connection with a securities exchange take-over bid or securities exchange issuer bid in circumstances in which, among other things, a securities exchange take-over bid circular or securities exchange issuer bid circular is filed by the offeror under securities legislation of the local jurisdiction. The basis for this exemption is that a securities exchange take-over bid circular or securities exchange issuer bid circular for a formal bid is required to contain prospectus disclosure for the offeror or other issuer whose securities are being offered in exchange for the securities of the offeree issuer. In the view of the securities regulatory authority, if a take-over bid circular or issuer bid circular is prepared in connection with an exempt bid, the circular must meet the disclosure standards in securities legislation relating to the form and content of a take-over bid circular or issuer bid circular, as the case may be, for a formal bid in order for the exemption in section 2.11 to be available. If a take-over bid circular or issuer bid circular is prepared in connection with a formal bid, the circular must be filed under the take-over bid or issuer bid requirements of securities legislation. If the circular is prepared in connection with an exempt bid, the circular must be filed by the offeror on SEDAR.

1.14 Resales of Securities of a Non-Reporting Issuer

- (1) For the purposes of section 2.14 of MI 45-102, it is the view of the securities regulatory authority that, in determining the percentage of the outstanding securities of the class or series that are directly or indirectly owned by residents of Canada and the number of owners directly or indirectly that are residents of Canada, an issuer should use reasonable efforts to

- (a) determine securities held of record by a broker, dealer, bank, trust company or nominee for any of them for the accounts of customers resident in Canada;
 - (b) count securities beneficially owned by residents of Canada as reported on reports of beneficial ownership; and
 - (c) assume that a customer is a resident of the jurisdiction or foreign jurisdiction in which the nominee has its principal place of business if, after reasonable inquiry, information regarding the jurisdiction or foreign jurisdiction of residence of the customer is unavailable.
- (2) Lists of beneficial owners of securities maintained by intermediaries pursuant to SEC Rule 14a-13 under the 1934 Act or other securities law analogous to proposed National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer may be useful in determining the percentages referred to in subsection (1).

1.15 Filing of Forms 45-102F1, 45-102F2 and 45-102F3

- (1) Subsection 2.6(2) of MI 45-102 provides that the first trade of securities issued by a private company or private issuer made after the issuer has ceased to be a private company or private issuer is a distribution unless the conditions in subsection 2.6(4) are satisfied. Subsection 2.7(1) of MI 45-102 requires an issuer to file Form 45-102F1 if the issuer ceases to be a private company or private issuer on or after the effective date of MI 45-102. Form 45-102F1 must be filed in each jurisdiction in which the issuer has ceased to be a private company or private issuer and section 2.7 of MI 45-102 has been implemented. Section 2.7 has been implemented in Alberta, British Columbia, Newfoundland, Nova Scotia, Nunavut, Ontario and Saskatchewan.
- (2) Subsection 2.7(2) of MI 45-102 provides that if an issuer, or a selling security holder in the case of a control distribution, has distributed securities under a provision listed in Appendix D or E or a provision of securities legislation that specifies that the first trade of the securities is subject to section 2.5 or 2.6 of MI 45-102, Form 45-102F2 must be filed on or before the tenth day after the distribution date if the issuer is a qualifying issuer. However, if an issuer has distributed securities under a provision listed in Appendix F or a provision of securities legislation that specifies that the first trade of securities distributed to an employee, executive, consultant or administrator is subject to section 2.6 of MI 45-102, and the issuer becomes a qualifying issuer after the distribution date by filing a prospectus and listing or quoting equity securities on a qualified market, the issuer must

file Form 45-102F2 even though the issuer was not a qualifying issuer at the distribution date. Form 45-102F2 must be filed in the jurisdictions of the purchasers of the securities in which section 2.7 of MI 45-102 has been implemented, being Alberta, British Columbia, Newfoundland, Northwest Territories, Nova Scotia, Nunavut, Ontario and Saskatchewan. Form 45-102F2 should be filed on SEDAR under the issuer's profile under "Continuous Disclosure - SHAI - Other" until the SEDAR filer manual is updated to include MI 45-102 filings. Purchasers of securities will be able to determine whether the applicable restricted period or seasoning period is four months or 12 months from a review of SEDAR filings.

- (3) Section 2.8 of MI 45-102 provides that the prospectus requirement does not apply to a control distribution if the conditions in subsection (2) or (3) of section 2.8 are met. Subsection 2.8(4) requires a person or company selling securities under subsection 2.8(2) or (3) of MI 45-102 to file Form 45-102F3. Form 45-102F3 must be filed whether the distribution date is before or after the effective date of MI 45-102.

1.16 Filings in the Local Jurisdiction - Sections 2.10, 2.11 and 2.12 of MI 45-102 state that section 2.6 of MI 45-102 does not apply to a trade in an underlying security if the convertible security, exchangeable security or multiple convertible security is qualified by a prospectus, a trade of a security issued in connection with a take-over bid or issuer bid and a trade in an underlying security if the convertible security, exchangeable security or multiple convertible security is qualified by a securities exchange take-over bid circular or issuer bid circular, respectively. Each of the exemptions from section 2.6 is subject to a condition that a take-over bid circular, an issuer bid circular or a prospectus was filed under securities legislation of the local jurisdiction of the person or company relying upon the exemption from section 2.6. Similarly, the exemptions in sections 2.10 and 2.12 of MI 45-102 require that the issuer of the underlying security be a reporting issuer in the local jurisdiction at the time of the trade. The exemptions in sections 2.11 and 2.12 of MI 45-102 are subject to a condition that the offeror was a reporting issuer in the local jurisdiction on the date securities of the offeree issuer are first taken up under the take-over bid or issuer bid.

PART 2 AIF REQUIREMENTS

2.1 Filing of Current AIF - Issuers that want to enable their security holders to take advantage of a provision of MI 45-102 that requires an issuer to have a current AIF may file a current AIF at any time. An issuer filing a current AIF for the purposes of MI 45-102 should file the notice and the current AIF, if not already filed, under "Continuous Disclosure - SHAI" on SEDAR selecting the appropriate filing subtype/document type (i.e. either an AIF, amended AIF or notice) until the SEDAR filer manual is updated to include MI 45-102 filings. A filer that elects to use a current AIF that has previously been

filed on SEDAR is not required to refile the document for the purposes of MI 45-102.

- 2.2 Most Recent Financial Year** - Issuers wishing to file a current AIF before they have filed their audited financial statements for the most recently completed financial year may include the audited financial statements for the financial year preceding the most recently completed financial year. For example, an issuer with a December 31 financial year end could continue to use a current AIF containing or incorporating by reference audited annual financial statements for the year ended December 31, 2000 during the first 139 days of 2002, until such time as annual audited financial statements for the year ended December 31, 2001 have been prepared and filed in accordance with securities legislation.
- 2.3 Review of Current AIF** - An issuer's current AIF may be reviewed at any time and, as a result of this review, changes may need to be made to the current AIF. If an issuer is advised by any regulator that its current AIF does not comply with securities legislation, any of a wide range of compliance actions may be taken by the securities regulatory authorities, from requiring the next AIF to be filed correctly, or a clarifying press release to be issued, to more serious actions such as issuing a cease trade order against the issuer's securities, or initiating appropriate enforcement proceedings against the issuer and its directors and officers.
- 2.4 Review before Distribution** - If the current AIF is reviewed before a distribution of securities and an issuer is advised by any regulator that its current AIF is unacceptable, an issuer will not be a qualifying issuer at the distribution date unless the issuer has made the necessary changes to the current AIF. Security holders that acquire securities under the distribution will not be able to take advantage of subsection 2.5(2), 2.6(3) or 2.8(2) of MI 45-102.
- 2.5 Review after Distribution** - If the current AIF is reviewed after a distribution of securities, and an issuer is advised by any regulator that its current AIF is unacceptable, securities that were distributed while the issuer was a qualifying issuer may be sold in accordance with subsection 2.5(2), 2.6(3) or 2.8(2) of MI 45-102 if the other conditions in the relevant subsection are met.

PART 3 FEES

- 3.1 Fees** - An issuer filing a current AIF under section 3.1 of MI 45-102 must pay the filing fees for the AIF required by securities legislation, unless the current AIF is in the form of a prospectus for which the regulator has issued a receipt.