

The Ontario Securities Commission

OSC Bulletin

November 12, 2004

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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	<u>SCHEDULED OSC HEARINGS</u>	
1.1.1	Current Proceedings Before The Ontario Securities Commission NOVEMBER 12, 2004 CURRENT PROCEEDINGS BEFORE ONTARIO SECURITIES COMMISSION -----	TBA	Yama Abdullah Yaqeen s. 8(2) J. Superina in attendance for Staff Panel: RLS/ST/DLK
	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	November 17, 2004	Robert Cassels, Murray Hout Pollitt, Pollitt & Co. Inc. 10:00 a.m. s. 127 K. Daniels in attendance for Staff Panel: PMM/RWD/DLK
	Telephone: 416-597-0681 Telecopier: 416-593-8348	November 24-25, 2004	Brian Peter Verbeek and Lloyd Hutchison Ebenezer Bruce 10:00 a.m. s. 127 K. Manarin in attendance for Staff Panel: RLS/ST
CDS	TDX 76	November 26, 2004	Andrew Currah, Colin Halanen, Joseph Damm, Nicholas Weir, Penny Currah and Warren Hawkins 10:00 a.m. s. 127 J. Waechter in attendance for Staff Panel: TBA
	Late Mail depository on the 19 th Floor until 6:00 p.m. -----	December 6 – 10, 2004	Brian Peter Verbeek and Lloyd Hutchison Ebenezer Bruce 10:00 a.m. s. 127 K. Manarin in attendance for Staff Panel: RLS/ST
	<u>THE COMMISSIONERS</u>	December 14, 2004	Mark E. Valentine 2:00 p.m. s. 127 A. Clark in attendance for Staff Panel: SWJ/WSW/PKB
	David A. Brown, Q.C., Chair — DAB Paul M. Moore, Q.C., Vice-Chair — PMM Susan Wolburgh Jenah, Vice-Chair — SWJ Paul K. Bates — PKB Robert W. Davis, FCA — RWD Harold P. Hands — HPH David L. Knight, FCA — DLK Mary Theresa McLeod — MTM H. Lorne Morphy, Q.C. — HLM Robert L. Shirriff, Q.C. — RLS Suresh Thakrar, FIBC — ST Wendell S. Wigle, Q.C. — WSW		

January 24 to March 4, 2005, except Tuesdays and April 11 to May 13, 2005, except Tuesdays
10:00 a.m.

Philip Services Corp. et al
s. 127
K. Manarin in attendance for Staff
Panel: PMM/RWD/ST

January 26, 27 31 and February 1, 2 and 3, 2005
10:00 a.m.

Cornwall et al
s. 127
K. Manarin in attendance for Staff
Panel: TBA

March 29-31, 2005
April 1, 4, 6-8, 11-14, 18, 20-22, 25-29, 2005
May 2, 4, 12, 13, 16, 18-20, 30, 2005
June 1-3, 2005
10:00 a.m.

ATI Technologies Inc., Kwok Yuen Ho, Betty Ho, JoAnne Chang, David Stone, Mary de La Torre, Alan Rae and Sally Daub
s. 127
M. Britton in attendance for Staff
Panel: SWJ/HLM/MTM

May 30, June 1, 2, 3, 6, 7, 8, 9 and 10, 2005
10:00 a.m.

Buckingham Securities Corporation, David Bromberg*, Norman Frydrych, Lloyd Bruce and Miller Bernstein & Partners LLP (formerly known as Miller Bernstein & Partners)
s. 127
J. Superina in attendance for Staff
Panel: TBA

* David Bromberg settled April 20, 2004

1.1.2 IDA Policy No. 4, Minimum Standards for Institutional Accounts - Notice of Withdrawal of By-Law

THE INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)

POLICY NO. 4 MINIMUM STANDARDS FOR INSTITUTIONAL ACCOUNTS

NOTICE OF WITHDRAWAL OF BY-LAW

The Ontario Securities Commission published for comment the proposed Policy No. 4 on April 25, 2003 at (2003) 26 OSCB 3317. The IDA has informed the CSA that it has withdrawn the proposed Policy and will resubmit a revised version of the Policy, which will address the comments received on the version published on April 25, 2003. The IDA's notice of withdrawal of Policy No. 4 is published in Chapter 13 of this Ontario Securities Commission Bulletin.

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Robert Walter Harris

Andrew Keith Lech

S. B. McLaughlin

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

**1.1.3 IDA Proposed Amendments to Policy No. 11 -
Research Restrictions and Disclosure
Requirements - Notice of Commission
Approval**

**THE INVESTMENT DEALERS ASSOCIATION OF
CANADA (IDA)**

**PROPOSED AMENDMENTS TO POLICY NO. 11 –
RESEARCH RESTRICTIONS
AND DISCLOSURE REQUIREMENTS**

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved proposed amendments to Policy No. 11 – Research Restrictions and Disclosure Requirements. In addition, the Alberta Securities Commission approved and the British Columbia Securities Commission did not object to the amendments. The purpose of the amendments is to update the reference to reflect the name change of AIMR to the Chartered Financial Analyst Institute (CFA Institute). The amendments are housekeeping in nature. The description and a copy of the amendment is contained in Chapter 13 of this Ontario Securities Commission Bulletin.

**1.1.4 OSC Staff Notice 11-741, IOSCO Publishes
Draft Consultation Policy and Procedures for
Public Comment**

OSC STAFF NOTICE 11-741

**IOSCO PUBLISHES DRAFT CONSULTATION POLICY
AND PROCEDURES FOR PUBLIC COMMENT**

The International Organization of Securities Commissions (IOSCO)¹ increasingly is recognized as a world leader in setting international standards for securities regulation. Recognizing the potential impact of IOSCO's standard-setting initiatives on capital market participants around the world, IOSCO has published a draft statement of its *Consultation Policy and Procedures* for public comment.

A copy of the draft *Consultation Policy and Procedures* is reproduced in the Bulletin following this Notice and has been posted on the Ontario Securities Commission's website at www.osc.gov.on.ca (International Affairs – Current Consultations) and on IOSCO's website at www.iosco.org (Library – Public Document #175).

The public is invited to submit comments on the *Consultation Policy and Procedures* by January 8, 2005 to mail@oicv.iosco.org. Please include in the subject line of the email "Public Comment on the *IOSCO Consultation Policy and Procedures*". Additional instructions on how to submit comments by email, fax or mail are included in the draft *Consultation Policy and Procedures*.

Please do not submit comments to the Commission.

Questions may be referred to:

Janet Holmes
Manager, International Affairs
Ontario Securities Commission
Tel: (416) 593 8282
Fax: (416) 593 8241
email: jholmes@osc.gov.on.ca

November 12, 2004.

¹ The Ontario Securities Commission is a member of IOSCO's Executive Committee and Technical Committee. More information about IOSCO and the Commission's participation in IOSCO can be found on the Commission's website at www.osc.gov.on.ca (International Affairs -- Who's Who).

The following document is a draft *IOSCO Consultation Policy and Procedures* that is presented for public consultation. Comments should be sent before 8 January 2005 to:

Philippe Richard
IOSCO Secretary General
Oquendo 12
28006 Madrid
SPAIN

Fax: (3491) 555 93 68

e-mail: mail@oicv.iosco.org

For comments sent by e-mail:

- The subject line of your message must indicate "Public Comment on the IOSCO Consultation Policy and Procedures".
- If you attach a document, indicate the software used (e.g., WordPerfect, Microsoft WORD, ASCII text, etc.) to create the attachment.
- DO NOT submit attachments as HTML, PDF, GIF, TIFF, PIF, ZIP, or EXE files.

IOSCO Consultation Policy and Procedures

IOSCO periodically publishes "Consultation Reports" to solicit the views and comments of the securities industry and other interested members of the public. Consultation Reports should be viewed as "draft reports" that do not necessarily reflect the final conclusions or positions of IOSCO or its membership and that will be finalized after IOSCO considers the public comments it receives.

IOSCO encourages the public to submit comments on its Consultation Reports during the comment period.

IOSCO has adopted the following statements of policy and procedure relating to public consultations:

Statement of Consultation Policy

General Objectives

IOSCO will conduct public consultations to achieve the following general objectives:

- To assist in a determination of whether concerns exist which require a regulatory response, and if so, what form of action is appropriate;
- To benefit from the expertise of market intermediaries, exchanges and other market operators, securities clearing and settlement system service providers, endusers and consumers, auditors and auditing companies, and other public authorities, international standard setters, international financial institutions, and regional development banks, when assessing and analyzing regulatory issues;
- To obtain substantive input into IOSCO's work;
- To obtain information and views on the potential impact of any proposed standards and principles;
- To provide opportunities for alternative regulatory approaches to a specific issue to be proposed by the consulted persons;
- To promote industry and public understanding of the role and work of IOSCO;
- To increase transparency regarding IOSCO activities and its work program to enhance the perceived fairness and openness of IOSCO's decision-making process and the visibility and acceptability of its results;
- To enhance consistency, where appropriate, by facilitating an early dialogue: (a) among standard setters (at an international and domestic level) and (b) between the private sector and standard setters, regarding proposed approaches to dealing with common concerns;
- To contribute to the convergence in securities regulatory standards and, where appropriate, in financial regulation generally, by facilitating an early dialogue among standard setters; and
- To assist persons who may be affected by proposed IOSCO standards and principles to modify their activities and/or processes, if necessary, by providing early notice of potential IOSCO standards and principles.

Factors to be Considered in Deciding Whether and How to Seek Public Comment

IOSCO will maintain a flexible approach to public consultations that would depend on the significance of an issue. In determining whether to seek public consultation on its work projects, IOSCO would consider the following factors:

- The scope and applicability of the work project, including whether the work project is targeted to particular users or participants in the markets;
- The extent to which the application of the work project will affect the business practices of regulated entities;
- The extent to which technical or industry-specific information is necessary to the articulation of appropriate conclusions in a report or any associated principles or standards that will be adopted as part of a report;
- The degree to which public comment will otherwise contribute to the fulfillment of the objectives of the work project;

- The practicality of requesting comment;
- The urgency of the need for an IOSCO response;
- The existence of any confidentiality concerns;
- The degree to which a public comment process is likely to enhance public perceptions of fairness and openness of IOSCO's decision-making processes; and
- The likelihood that other international, regional and/or domestic standard setters are considering, or are planning to consider, similar or related issues.

As a general matter, work projects that contemplate the issuance of international standards and principles for the securities sector will include the conduct of a public consultation as part of the project.

In conducting public consultations, IOSCO generally will aim to consult a wide range of interested parties, including, where appropriate, market intermediaries, exchanges and other market operators, securities clearing and settlement system service providers, end-users and investors, auditors and auditing companies, and other public authorities, international standard setters (e.g., the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, the International Accounting Standards Board and the International Federation of Accountants), international financial institutions, such as the International Monetary Fund and World Bank, and regional development banks. In addition, in particular cases, IOSCO or its members may elicit comment from specific groups, entities or associations that are particularly affected by the issue under consideration through the dissemination of surveys or questionnaires or through IOSCO's standing SRO Consultative Committee.

IOSCO will endeavor to conduct consultations at a sufficiently early stage in the completion of a work project to allow the public adequate time to respond taking into account the complexity of the issues to be considered and the urgency for action by IOSCO.

IOSCO will take comments into account in framing Final Reports and will provide a summary explanation of the manner in which public comments have been addressed or the reasons why they have not been addressed in a Preamble to Final Reports. It will not always be possible to address all comments individually.

Statement of Consultation Procedures

IOSCO has adopted the following consultation procedures in furtherance of its consultation policy:

- All Consultation Reports shall be prominently labeled as such on the title page of the document.
- The deadline for submitting comments, together with background information describing the reasons why consultation is sought, and any specific questions that IOSCO would like the public to address, will be set out in a Preamble to the Consultation Report.
- All Consultation Reports will be published in the Public Documents area of the IOSCO Library on the IOSCO internet website at www.iosco.org.
- Individual IOSCO members also may distribute the Consultation Report and any associated survey or questionnaire within their respective jurisdictions in a manner to be determined by them.
- All comments received on a Consultation Report will be posted in an anonymous format on the IOSCO internet website.
- At the conclusion of the consultation process, IOSCO normally will publish a final report that will be posted in the Public Documents area of the IOSCO Library on the IOSCO internet website at www.iosco.org. All Final Reports shall be prominently labeled as such on the title page of the document. A summary explanation of the manner in which public comments have been addressed or the reasons why they have not been addressed will be set out in a Preamble to Final Reports.

How to Submit Comments

Comments may be submitted by one of four methods. To help us process and review your comments more efficiently, please use only one method.

Important: All comments will be made available to the in an anonymous format to the public. Comments sent via online form or e-mail will be posted on our website. Comments sent via fax or paper will be converted to PDF format and then posted on our website. We do not edit personal identifying information from submissions; submit only information that you wish to make available publicly.

1. Online form

Consultation Reports open for comments have a direct link to an online form that can be used to submit comments. The link is located beneath the caption "Consultation Report" on the title page of the document.

OR

2. E-mail

- Send comments to mail@oicv.iosco.org.
- The subject line of your message must indicate "Public Comment on [name of report]."
- If you attach a document, indicate the software used (e.g., WordPerfect, Microsoft WORD, ASCII text, etc.) to create the attachment.
- DO NOT submit attachments as HTML, PDF, GIF, TIFF, PIF, ZIP, or EXE files.

OR

3. Facsimile Transmission

Send by facsimile transmission using the following fax number: 34 (91) 555 93 68.

OR

4. Paper

Send a copy of your paper comment letter to:

Philippe Richard
IOSCO Secretary General
Oquendo 12
28006 Madrid
Spain

Your comment letter should indicate prominently that it is a "Public Comment on [name of report]."

1.1.5 CSA Uniform Securities Transfer Act Task Force - Notice

CANADIAN SECURITIES ADMINISTRATORS'

UNIFORM SECURITIES TRANSFER ACT TASK FORCE

NOTICE

The Canadian Securities Administrators' (CSA) Uniform Securities Transfer Act Task Force (Task Force) is pleased to release the version of the proposed provincial *Uniform Securities Transfer Act* (USTA), and related Comments, approved by the Uniform Law Conference of Canada (ULCC) on August 26, 2004.

An earlier English-language consultative draft USTA and related material were released for public comment August 1, 2003. A revised consultative draft USTA and related material, in both official languages, were released for public comment May 28, 2004.

The Task Force is posting this Notice on the web-site of the Ontario Securities Commission (OSC) at www.osc.gov.on.ca under "Hot Topics". The ULCC-approved version of the USTA, together with previous consultative drafts, and related material (including comments received) are posted there as well. Other members of the CSA may post on their respective web-sites this Notice, together with the ULCC-approved version of the USTA, previous consultative drafts and related material or may, alternatively, post only this Notice inviting readers to review this material on the OSC web-site.

During the public consultation process, the Task Force received strong letters of support from securities and financial industry representatives and lawyers urging prompt, uniform implementation of the USTA. Similar comments on the USTA were expressed at public hearings of the Ontario Legislative Assembly's Standing Committee on Finance and Economic Affairs, whose October 2004 Report on the Five Year Review of the Securities Act recommends that the Ontario government introduce securities transfer legislation (see Recommendation 3 of the Report at http://www.ontla.on.ca/committees/agenda_finance.htm and the comments on the USTA by David Brown, Purdy Crawford, Barbara Amsden, Warren Law, John Cameron, and Robert Scavone at the Hansard URLs provided in Appendix 2 of the Report).

The Task Force will work to assist the provinces and territories to implement the USTA. The mandate of the Task Force is to promote uniform implementation by the common law jurisdictions, and encourage the Province of Québec to consider implementation that is as close-to-uniformity as possible in the context of the Québec civil law regime.

Requests for additional information should be addressed to:

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November 12, 2004.

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e-mail: elyse.turgeon@lautorite.qc.ca

1.1.6 Notice of Correction for Amendments to National Instrument 44-101 - Short Form Prospectus Distributions

**NOTICE OF CORRECTION
FOR
AMENDMENTS TO NATIONAL INSTRUMENT 44-101 --
SHORT FORM PROSPECTUS DISTRIBUTIONS**

The Notice of Commission Approval of Amendments to National Instrument 44-101 *Short Form Prospectus Distributions*, as published in Chapter 1 (2004, 27 OSCB 8651) and Notice of Amendments to National Instrument 44-101 *Short Form Prospectus Distributions*, as published in Chapter 5 (2004, 27 OSCB 8709) of the OSC Bulletin, has been corrected to indicate that the rule was delivered to the Chair of Management Board of Cabinet ("the Minister"). The corrected versions of the Notices are being published in Chapters 1 and 5 of today's Bulletin. The amendments to the Rule and Companion Policy are also being published in Chapter 5 of today's Bulletin.

1.1.7 Revised Notice of Commission Approval for Amendments to National Instrument 44-101 - Short Form Prospectus Distributions

**REVISED NOTICE OF COMMISSION APPROVAL FOR
AMENDMENTS TO NATIONAL INSTRUMENT 44-101 --
SHORT FORM PROSPECTUS DISTRIBUTIONS**

On October 12, 2004, the Commission made the amendments to National Instrument 44-101 - *Short Form Prospectus Distributions* as a rule under the *Securities Act* (Ontario) (the "Act"). On October 20, 2004 the rule was delivered to the Chair of Management Board of Cabinet (the "Minister"). If the Minister does not approve or reject the instrument or return it to the Commission for further consideration, the instrument will come into force on January 4, 2005. Amendments to the Companion Policy 44-101CP will come into force on the same date.

The amendments to the Rule and Companion Policy are published in Chapter 5 of this Bulletin. A blackline of the amendments previously published on January 30, 2004, against the amendments made by the Commission on October 12, 2004, is available on the Commission's website at www.osc.gov.on.ca.

November 12, 2004.

1.3 News Releases

1.3.1 OSC Approves Settlement in the Matter of Brian Anderson

FOR IMMEDIATE RELEASE
November 5, 2004

OSC APPROVES SETTLEMENT IN THE MATTER OF BRIAN ANDERSON

TORONTO – On November 1, 2004, a panel of the Ontario Securities Commission (OSC) approved a settlement agreement entered into between Staff of the Commission and Brian Anderson. Mr. Anderson was a respondent to the proceeding *In the Matter of Brian Anderson et al.* That proceeding concerned the offering of investments in “desks” on the Flat Electronic Data Interchange, (also known as F.E.D.I.), in breach of the Ontario *Securities Act*.

This matter arose on June 4, 2003 when Staff of the Commission were provided with notice of a seminar to be held that evening at a Toronto area hotel. Staff attended the meeting. Upon attending the meeting, persons who were present were invited to invest in F.E.D.I., in amounts of \$125,000 US, or a portion thereof. F.E.D.I. was described as a scriptural based trust that operated an electronic data interchange. The following day, June 5, 2003, the Commission issued and served a temporary order cease trading any investment in F.E.D.I. and prohibiting the distribution of the related sales literature. As a result, no one invested in the project.

Pursuant to the settlement agreement, Mr. Anderson agreed that he led the presentation held June 4, 2003 where he described for the audience an opportunity to invest in “desks” of F.E.D.I. Mr. Anderson admitted that the “desks” of F.E.D.I. made available to the public were securities in accordance with the *Securities Act*. In participating in the sales presentation, he further agreed that he committed acts in furtherance of a trade without being registered under the *Act* and that the sale of desks in Ontario was not qualified by a prospectus, as required.

In approving the proposed settlement, the Commission imposed the following sanctions upon Mr. Anderson, pursuant to sections 127(b) and 127.1 of the *Act*:

1. Mr. Anderson is permanently prohibited from trading in the desks of F.E.D.I.;
2. Mr. Anderson is permanently prohibited from providing copies of certain documents (delivered at the June 4 meeting) to any member of the public;
3. The exemptions contained in Ontario Securities law will not apply to Mr. Anderson for four years from November 1, 2004, save those trades effected through an agent who is a registered dealer under the *Act*;

4. a reprimand; and
5. Mr. Anderson is to paid \$10,000.00 towards a portion of the costs of the investigation

Pursuant to the agreement, the Commission reprimanded Mr. Anderson. In so doing, the Commission noted that it was through the “quick action of the Commission in issuing [the temporary order] that people were saved a lot of money”. As set out in the Settlement Agreement, no one invested in the project following the June 4, 2003 meeting.

At the hearing, Staff also provided notice to the Commission that it intended to withdraw the Statement of Allegations as it relates to F.E.D.I.

Copies of the Commission order which includes the approved settlement agreement are available on the OSC web site (www.osc.gov.on.ca).

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)

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 J.U.M. Capital Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption from National Instrument 51-102 to the extent that financial statements to be included in an information circular that provides prospectus level disclosure in connection with a plan of arrangement must be accompanied by an unqualified auditors' report.

Ontario Rules

National Instrument 51-102- Continuous Disclosure Obligations.
OSC Rule 41-501 – General Prospectus Requirements.

November 3, 2004

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, NOVA SCOTIA,
NEW BRUNSWICK, AND YUKON

AND

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

AND

IN THE MATTER OF
J.U.M. CAPITAL INC. (THE "FILER")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, and Yukon (the Jurisdictions) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirements that the financial statements of West 49 Inc. (West 49) to be included in the Filer's information circular (the Circular) in connection with its acquisition of West 49 be accompanied by an unqualified auditors' report (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions and National Instrument 51-102 Continuous Disclosure Obligations have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer was incorporated under the *Business Corporations Act* (Ontario) on June 19, 1987. The Filer's head and registered office is located at 5500 North Service Road, 10th Floor, Burlington, Ontario L7L 5H7.
2. As of September 17, 2004, the Filer's issued capital consisted of 74,460,328 common shares. There were also options outstanding to purchase 5,625,000 common shares as of that date.
3. The common shares trade under the symbol "JUM" on the Toronto Stock Exchange (the "TSX"). On July 9, 2004, the Filer announced that it had completed the sale of substantially all of its assets to Le SuperClub Videotron Ltee after receiving shareholder approval at its Annual and Special Meeting of Shareholders on June 28, 2004. Since such date, the Filer has not operated an active business, but has remained a reporting issuer and has sought out a new business to seek to take advantage of its tax losses and cash.
4. The Filer is a reporting issuer or the equivalent, where applicable, in each province other than Quebec and Newfoundland and Labrador and each territory other than Nunavut and is not in default of its obligations as a reporting issuer.
5. West 49 is a corporation existing under the *Canada Business Corporations Act*. The head and registered office for West 49 is located at 4335 Mainway Drive Burlington, Ontario, Canada L7L 5N9.
6. West 49 is a retailer of moderately priced brand name and private label apparel, footwear and accessories to action sports enthusiasts, with an

- emphasis on skateboarding, snowboarding and surfing. West 49 is Canada's largest skateboard retailer. West 49 was established in 1995 and has grown from 3 stores to 55 stores, the majority of which are located in high traffic urban malls.
7. As at September 17, 2004, the outstanding capital of West 49 consisted of 180 Class A common shares and 20 Class B common shares.
8. West 49 is privately held and is not a reporting issuer in any jurisdiction.
9. The Filer intends to purchase a portion of the outstanding West 49 Common Shares through a newly incorporated subsidiary ("Subco"). The purchase will be followed by a three corner amalgamation between Subco, West 49, and JUM (the "Transaction"). The Filer will become the owner of 100% of West 49 upon the completion of the Transaction.
10. A special meeting of shareholders of the Filer has been called for November 24, 2004 to consider and, if deemed advisable, to pass, among other things, resolutions to approve certain items, including the Transaction.
11. The Circular will be furnished to the Filer's shareholders in connection with the solicitation of proxies by and on behalf of the management of the Filer in connection with a meeting of shareholders called to consider the Transaction.
12. In accordance with Section 14.2 of Form 51-102F5, the Circular is required to include the disclosure (including financial statement disclosure) prescribed by the form of prospectus for the entity that would result from the significant acquisition. The acquisition of West 49 pursuant to the Transaction will constitute a significant acquisition (at the over 50% significance level) for the Filer.
13. The Filer is required to disclose certain financial statements of West 49 in the Circular including: (i) statements of income, retained earnings and cash flows for each of its three most recently completed financial years ended more than 90 days before the date of the Circular; and (ii) a balance sheet as at the date on which its two most recently completed financial years ended more than 90 days before the date of the Circular. The financial statements must be accompanied by an unqualified auditors' report.
14. The Circular will contain prospectus-level disclosure of the business and affairs of the Filer and West 49 and of the particulars of the Transaction.
15. It is proposed that the Circular will include, among others, the following historical financial statements of West 49 (the West 49 Financial Statements):
- (a) audited consolidated balance sheets as at January 31, 2004 and January 25, 2003; and
 - (b) audited consolidated statements of income, retained earnings and cash flows for the 53 week period ended January 31, 2004 and the 52 week periods ended January 25, 2003 and January 26, 2002.
16. The auditors' report for the West 49 Financial Statements (the Qualified Report) will be qualified as the auditors were not able to observe the counting of physical inventories at the beginning of the 52 week period ended January 26, 2002, and are not able to satisfy themselves concerning those inventory quantities by alternative means. Since opening inventories enter into the determination of the results of operations and cash flows, they will not be able to determine whether adjustments to cost of goods sold, income taxes, net income for the period, opening retained earnings and cash provided from operations might be necessary for the 52 weeks ended January 26, 2002.
17. The Circular will also:
- (a) incorporate by reference the audited consolidated financial statements of the Filer as at and for each of the three years ended February 28, 2004; and
 - (b) include *pro forma* financial statements of the Filer giving effect to the Transaction.

Decision

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 Requested Relief is granted provided that:

1. the West 49 Financial Statements disclosed in the Circular include the Qualified Report; and
2. the Circular otherwise complies with the Legislation.

"Iva Vranic"
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Simex Inc. - ss. 83 and 144

Headnote

Application for revocation of cease trade order and order deeming issuer to have ceased to be a reporting issuer.

Issuer was subject to cease trade order as a result of its failure to file with the Commission annual financial statements. Issuer has brought its filings up to date. Full revocation granted.

Issuer is a closely held issuer. No securities of issuer are traded on a marketplace. Issuer has not completed a conventional public offering. Issuer obtained shareholder approval to make the application to be deemed to have ceased to be a reporting issuer. Issuer has agreed to provide shareholders with audited financial statements on an annual basis and unaudited financial statements on a semi-annual basis. 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., ss. 83, 127 and 144.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
SIMEX INC.**

**ORDER
(Section 83 and section 144)**

UPON the application (the "Application") of SimEx Inc. (the "Corporation") to the Ontario Securities Commission (the "Commission") for an order:

- (a) under section 144 of the Act revoking the temporary order made by the Commission, pursuant to paragraph 2 of subsection 127(1) on November 20, 2003 and extended by a further order of the Commission, pursuant to subsection 127(8) of the Act on December 2, 2003 (collectively, the "Cease Trade Order"), ordering that trading in the securities of the Corporation cease until the Cease Trade Order is revoked by a further order of revocation; and
- (b) under section 83 of the Act deeming the Corporation to have ceased to be a reporting issuer under the Act;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Corporation having represented to the Commission as follows:

1. The Corporation was amalgamated under the *Business Corporations Act* (Ontario).
2. The Corporation is not a reporting issuer or the equivalent in any jurisdiction of Canada other than Ontario.
3. The authorized capital of the Corporation consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preferred shares, issuable in series.
4. As of September 30, 2004, the Corporation had the following securities outstanding:
 - (a) 10,397,302 Common Shares;
 - (b) 6,133,750 warrants (the "Existing Warrants") to purchase an equal number of Common Shares for nominal consideration; and
 - (c) Series 2 debentures in the principal amount of \$8,575,000 (the "Series 2 Debentures") and Series 3 debentures in the principal amount of \$6,425,000 (the "Series 3 Debentures" and together with the Series 2 Debentures, the "Debentures").

The Corporation has no securities outstanding other than the Common Shares, the Existing Warrants and the Debentures.

5. As of September 30, 2004, there were 70 registered holders of Common Shares, of which 20 were residents of Ontario and there were 57 beneficial owners of Common Shares, of which 15 were residents of Ontario.
6. As of September 30, 2004, there were 11 beneficial owners of the Existing Warrants, of which eight were residents of Ontario.
7. As of September 30, 2004, there were 12 beneficial owners of the Debentures, of which nine were residents of Ontario.
8. In the aggregate, four of the beneficial owners of the Corporation's securities are directors or employees of the Corporation.
9. No securities of the Corporation are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* and, to the best of the knowledge of management after due inquiry, no

- trading of any kind has occurred in the Corporation's securities since 1996.
10. The Corporation became a reporting issuer in November 1996 concurrently with the completion of a financing pursuant to which certain purchasers of Common Shares required that the Corporation become a reporting issuer with the intention that the Common Shares would be freely tradable under applicable securities legislation; however, despite the Corporation's reporting issuer status, no holder of Common Shares has, to the best of the knowledge of management after due inquiry, ever traded its Common Shares.
 11. Holders of an aggregate of 5,749,008 Common Shares have agreed to significant restrictions on their right to transfer their shares by signing a shareholders' agreement (the "Shareholders' Agreement") in connection with the issuance of the Series 2 Debentures on December 21, 2001 (the "Series 2 Financing").
 12. In the Shareholders' Agreement, the parties committed not to transfer their Common Shares except in accordance with the Shareholders' Agreement or with the prior written consent of a majority of those persons participating in the Series 2 Financing (the "Investors").
 13. All of the Common Shares and warrants which were qualified by the Corporation's prospectus dated January 16, 1998 (the "Prospectus") were issued to four persons, each of whom is a party to the Shareholders' Agreement. All of the warrants qualified by the Prospectus have either expired or were exercised and converted into Common Shares. As the Shareholders' Agreement places significant restrictions on the transfer of Common Shares owned by parties to the Shareholders' Agreement, the Common Shares qualified by the Prospectus are effectively not freely tradable.
 14. The Cease Trade Order was issued due to the Corporation's failure to file with the Commission audited annual financial statements for the financial year ended June 30, 2003.
 15. The Corporation has filed with the Commission audited annual financial statements for the financial year ended June 30, 2003 and unaudited interim financial statements for the interim periods ended September 30, 2003, December 31, 2003 and March 31, 2004.
 16. Other than (i) the Cease Trade Order, and (ii) the failure to file with the Commission and deliver to the holders of Common Shares, within the required time periods, (x) audited annual financial statements for the financial year ended June 30, 2003, and (y) unaudited interim financial statements for the interim periods ending September 30, 2003, December 31, 2003 and March 31, 2004, the Corporation is not in default of any requirement of the Act or the rules and regulations made thereunder.
 17. The Corporation was for several months in default of its obligation to pay interest under the Debentures and as a result the Debentures were in default and overdue interest was itself accruing interest at a rate of 22% per annum, compounded quarterly. As at December 31, 2003, \$3,601,157 in overdue and unpaid interest had accrued. The Corporation was not in a financial position to be able to pay the overdue interest nor was the Corporation able to pay current interest when due, which was accruing at the rate of 15% per annum. There was no practical likelihood that this default could be corrected by the Corporation. Recognizing this, and at the insistence of its bank, the Corporation agreed to restructure the Debentures (the "Refinancing") to cure the default.
 18. The holders of the Debentures required that it be a term of the Refinancing that the Corporation make an application to cease to be a reporting issuer under the Act and it was a condition to the completion of the Refinancing that holders of at least 90% of the outstanding Common Shares consent to such application.
 19. As certain of the Investors are (and were at the time of the Series 2 Financing) major shareholders or management of the Corporation, the Series 2 Financing was a "Related Party Transaction" within the meaning of the Act and accordingly the Series 2 Financing was subject to the requirements of Ontario Securities Commission Rule 61-501 *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions* ("Rule 61-501"). The Corporation applied for and obtained exemptive relief from the Commission from the valuation and minority approval requirements for related party transactions. The Commission granted the exemption on the basis that substantially all of the holders of Common Shares who were not participating in the Series 2 Financing consented to the transaction.
 20. Certain of holders of the Debentures are still "related parties" of the Corporation within the meaning of Rule 61-501. The board of directors of the Corporation (the "Board") and the independent members of the Board determined that the Refinancing qualified for the "Financial Hardship" exemption in section 5.6 of Rule 61-501 from the formal valuation and minority approval requirements for related party transactions.
 21. By letter (the "Consent Request Letter") dated April 12, 2004, the Corporation informed the holders of Common Shares of the Refinancing and requested their consent to the application to the Commission to cease to be a reporting issuer.

22. The Consent Request Letter explained that, if the Corporation ceased to be a reporting issuer, it would no longer be (i) required to provide unaudited interim financial statements, AIFs, MD&A and press releases and material change reports required by securities legislation, and (ii) subject to reporting issuer rules for related party and similar transactions. The Consent Request Letter also confirmed that the Common Shares would not be freely tradeable if the Corporation ceased to be a reporting issuer. "Robert L. Shirriff" "Paul M. Moore"
23. As each of the holders of the Existing Warrants is also a holder of Common Shares of the Corporation, each of the holders of the Existing Warrants received the Consent Request Letter.
24. In the Consent Request Letter, the Corporation agreed to provide the holders of Common Shares with annual audited financial statements within 140 days of the Corporation's year-end and semi-annual unaudited financial statements within 60 days of the end of the first half of the Corporation's financial year.
25. As of September 30, 2004, of a total of 70 holders of Common Shares: (i) 54 holders of Common Shares, holding 9,840,291 Common Shares and representing approximately 95% of the outstanding Common Shares (on a fully diluted basis), have consented to the application to the Commission for an order discontinuing the Corporation's reporting issuer status, (ii) one holder of Common Shares, representing less than 1% of the outstanding Common Shares (on a fully diluted basis) has responded negatively to the request for consent, and (iii) the remaining 15 holders of Common Shares have failed to respond.
26. The Corporation does not intend to seek public financing by way of an issue of securities.

AND UPON considering the Application and the recommendation of Staff of the Commission;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order be and is hereby revoked.

October 19, 2004.

"Cameron McInnis"

AND IT IS FURTHER ORDERED pursuant to section 83 of the Act that the Corporation is deemed to have ceased to be a reporting issuer for the purposes of Ontario securities law.

October 19, 2004.

2.2.2 Vital Retirement Living Inc. - cl. 104(2)(c)

Headnote

Clause 102(4)(c) – application for order exempting issuer from the issuer bid requirements of Part XX of the Act in connection with the proposed acquisition for cancellation of shares of the issuer – acquisition and cancellation of the shares is partial consideration for the transfer of assets – completion of the transaction is critical to the business survival of the issuer and will alleviate financial hardship of the issuer – issuer is subject to cease trade order and has filed concurrent application for partial revocation of cease trade order – completion of the transaction will provide the issuer the resources to complete its audited and interim financial statements and to apply for full revocation of the cease trade order.

Ontario Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 95, 96, 97, 98, 100 and 104(2)(c).

Ontario Rules Cited

Rule 61-501 – Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED (the “ACT”)**

AND

**IN THE MATTER OF
VITAL RETIREMENT LIVING INC.**

**ORDER
(Clause 104(2)(c))**

WHEREAS Vital Retirement Living Inc. (the “Applicant”) has made an application to the Ontario Securities Commission (the “Commission”) for an order pursuant to clause 104(2)(c) of the Act exempting the Applicant from the requirements set forth in sections 95, 96, 97, 98 and 100 of the Act and the regulations made thereunder (the “Issuer Bid Requirements”) in connection with a proposed transaction by which the Applicant will dispose of its interest in two retirement properties to Mel Dancy (“Dancy”), a related party of the Applicant, in exchange for, among other consideration, the common shares of the Applicant owned or controlled by Dancy;

AND WHEREAS the Commission has considered the application and the recommendation of the staff of the Commission;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant was incorporated on March 4, 1998 under the *Business Corporations Act* (Alberta).

2. The common shares of the Applicant (the “Shares”) began trading on the Alberta Stock Exchange on October 6, 1998. As a result of the consolidation of Canadian junior stock exchanges, the Shares were listed on the TSX Venture Exchange until May 23, 2003.
3. The Applicant’s principal business since its inception has been the development and management of retirement home facilities. The Applicant’s most significant asset is a 100 bed retirement home, known as Brookside Manor (the “Brookside Property”). The Applicant also owns: (i) two smaller retirement homes, Tudhope Manor and Lafontaine Terrance (the “Homes”); (ii) a 33% interest in a retirement home management company based in Seattle, Washington, that operates over 30 retirement facilities; and (iii) more than \$5,000,000 in loss carry-forwards from its operations.
4. Beginning in early 2000, the Applicant experienced a number of business reversals that contributed to the deterioration of its financial condition. By early 2003, the Applicant was unable to complete its audit for the year ended December 31, 2002 as a result of uncertainty as to the carrying value of the Homes and a lack of liquid financial resources to complete the audit. A cease trade order (the “Cease Trade Order”) was issued against the Applicant by the Commission on May 23, 2003 as a result of the Applicant’s failure to file financial statements for the year ended December 31, 2002.
5. Since the date of the Cease Trade Order, the Board of Directors of the Applicant (the “Board”) has been working to reduce operating costs and rationalize its assets in an attempt to preserve shareholder value.
6. As part of its efforts to improve its financial position, the Applicant is pursuing two proposed transactions. The Applicant anticipates that completion of the first transaction, which involves the Brookside Property, will immediately improve its financial condition by stopping the monthly cash drain on its resources and will result in monthly payments to the Applicant commencing 9-12 months after closing.
7. The second transaction is the proposed sale by the Applicant of the Homes to Dancy (the “Transaction”). Under the Transaction, the Applicant will sell the Homes to an entity controlled by Dancy. At closing, Dancy will: (1) pay to the Applicant \$67,000 in cash; (2) pay out mortgage debt on the Homes in the amount of approximately \$2,237,000; and (3) deliver approximately 7,257,000 Shares back to the Applicant for cancellation (the “Share Repurchase”).

8. The Share Repurchase will constitute an “issuer bid” under subsection 89(1) of the Act. There is no exemption available under the Act from the Issuer Bid Requirements and, as such, the Transaction cannot be completed without an order from the Commission exempting the Applicant from the Issuer Bid Requirements.
9. The Share Repurchase will also be contrary to the Cease Trade Order. In connection with this application, the Applicant has also applied for a partial revocation of the Cease Trade Order in order that Transaction may take place.
10. The Transaction constitutes a “related party transaction” under Commission Rule 61-501 (“Rule 61-501”). The Board, the members of which are each independent pursuant to section 7.1 of Rule 61-501, has determined that the Applicant is entitled to rely on the valuation exemption in subsection 5.5(8) and the minority approval exemption in subsection 5.7(1)(6) of Rule 61-501 on the basis that the Applicant is in serious financial difficulty, the Transaction is designed to improve the financial position of the Applicant and the terms of the Transaction are reasonable in the circumstances.
11. The Board has unanimously concluded that the Transaction represents the best available option for the Applicant to maximizing shareholder value for the public shareholders. The Homes have been listed for sale for an extended period of time without any other satisfactory offers being received.
12. In addition to providing cash resources adequate to operate the business of the Applicant until such time as the Applicant can obtain income from its other assets, the Transaction will remove the uncertainty associated with the carrying value of the Homes on the balance sheet of the Applicant.
13. The Applicant will reserve a portion of the cash proceeds of the Transaction sufficient to complete, file and deliver the financial statements and continuous disclosure documents that are in arrears. Once the Applicant had filed all documents which are in arrears, it will apply to the Commission for a full revocation of the Cease Trade Order.
14. Dancy, a co-founder and former director of the Applicant until July 30, 2004, has possession of sufficient information to make an informed decision about the Transaction. There is no inequality of information between the Applicant and Dancy with respect to the Transaction.
15. Given that the Transaction involves the purchase of the Homes and the assumption of mortgage debt on the Homes, there is no reasonable means

to allow public shareholders of the Applicant to participate in the Share Repurchase.

AND WHEREAS the Commission is 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 the Applicant is exempt from the Issuer Bid Requirements in connection with the Share Repurchase.

October 8, 2004.

“Paul M. Moore”

“Susan Wolburgh Jenah”

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Revoke
Slater Steel Inc.	29 Oct 04	10 Nov 04	10 Nov 04	

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
ECLIPS Inc.	08 Nov 04	22 Nov 04			
Aavdex Corporation	21 Oct 04	3 Nov 04		04 Nov 04	
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Hollinger Canadian Newspapers, Limited Partnership	18 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Hollinger International Inc.	18 May 04	01 Jun 04	01 Jun 04		
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		

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Chapter 5

Rules and Policies

5.1.1 CSA Revised Notice of Amendments to National Instrument 44-101 Short Form Prospectus Distributions

REVISED NOTICE OF AMENDMENTS TO NATIONAL INSTRUMENT 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS

Introduction

On January 30, 2004 we (the members of the Canadian Securities Administrators (CSA)) published for comment proposed amendments (the Proposed Amendments) to National Instrument 44-101 *Short Form Prospectus Distributions* (the Instrument), Form 44-101F3 *Short Form Prospectus* (the Form), and Companion Policy 44-101CP (the Companion Policy). The purpose of the Proposed Amendments was to make the financial statement requirements of the Instrument consistent with the financial statement requirements in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107).

The amendments (the Final Amendments) to the Instrument, Form and Companion Policy have now been finalized and will be implemented or, subject to ministerial approval in certain jurisdictions are expected to be implemented, by each member of the CSA, as:

- a rule in each of Alberta, British Columbia, Manitoba, Ontario and Nova Scotia;
- a regulation in Québec and Saskatchewan; and
- a policy in all other jurisdictions represented by the CSA.

In Ontario, the Final Amendments and other required materials were delivered to the Chair of Management Board of Cabinet (the "Minister") on October 20, 2004. The Minister may approve or reject the Final Amendments or return them for further consideration. If the Minister approves them or does not take any further action, the Final Amendments will come into force on January 4, 2005.

In Québec, the Final Amendments are a regulation made under section 331.1 of *The Securities Act* (Québec) and must be approved, with or without amendment, by the Minister of Finance. The Final Amendments will come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date specified in the regulation. It must also be published in the Bulletin.

Provided all necessary ministerial approvals are obtained, the Final Amendments will come into force on January 4, 2005.

Text of the Final Amendments

The text of the Final Amendments accompany this notice.

Substance, Purpose and Background

The Instrument requires all financial statements to be prepared using Canadian generally accepted accounting principles and audited using Canadian generally accepted auditing standards. However, NI 52-107, which came into force on March 30, 2004, permits financial statements to be prepared using foreign generally accepted accounting principles and audited using foreign generally accepted auditing standards in certain circumstances. As a result of the implementation of NI 52-107, we proposed amending the Instrument, Form and Companion Policy so that these documents would be consistent with NI 52-107.

Summary of Written Comments Received by the CSA

On January 30, 2004 we published the Proposed Amendments for public comment. The comment period expired on April 29, 2004. We received one submission from the following commenter:

Osler, Hoskin & Harcourt
Barristers & Solicitors
Box 50, 1 First Canadian Place
Toronto, Ontario
Canada M5X 1B8
T: 416-362-2111
F: 416-862-6666

The appendix to this notice provides a summary of the comments in the submission, together with our responses. We found the comments useful and thank the commenter for taking the time to make a submission.

We revised the Proposed Amendments in response to the comments, but because those revisions have not materially changed the Proposed Amendments, we did not republish the amendments for a second comment period.

Summary of Differences between the Final Amendments and the Proposed Amendments

There are no noteworthy changes between the Final Amendments and the Proposed Amendments. The differences between the Final Amendments and the Proposed Amendments are substantially described in our responses to the comments.

Questions

Please refer your questions to any of:

Michael Moretto
Associate Chief Accountant, Corporate Finance
British Columbia Securities Commission
(604) 899-6767 or (800) 373-6393 (if calling from B.C. or Alberta)
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November 12, 2004.

**APPENDIX TO CSA NOTICE OF AMENDMENTS
OF NATIONAL INSTRUMENT 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS
SUMMARY OF COMMENTS ON THE PROPOSED AMENDMENTS
AND CSA RESPONSES**

The following summarizes the comments on the Proposed Amendments submitted by Osler Hoskin & Harcourt, and provides our response to those comments. We thank the commenter for making its submission.

The section references set out below are to the relevant sections in the amending instruments that accompany this notice.

Part I Comments on the Proposed Amendments to the Instrument and Form

Section 1.1(d)

The commenter suggested amending the definition of “US GAAS” to encompass the new Public Company Accounting Oversight Board (PCAOB), which has authority to set auditing standards and establish rules related to independence requirements for auditors.

Response: We have repealed the definition as it is no longer required because we have repealed paragraph 10.2(b), which was the only provision that used that term. However, we would not have altered the definition in any case. The definition of US GAAS in NI 52-107 would include both the auditing standards developed by the PCAOB and the auditing standards developed by the American Institute of Certified Public Accountants (AICPA) because both are generally accepted in the United States under different circumstances. Further, since PCAOB rules on independence require SEC approval, the current definition in NI 52-107 will encompass any independence rules developed by the PCAOB.

Section 1.2(c) and (d) and section 1.3(c)

The commenter suggested adding a reference to section 6.2(3) of NI 52-107 in these sections to provide relief from the requirement to provide an audit report with respect to the annual financial statements of an acquired business.

Response: We have not made the suggested change. Section 6.2(3) of NI 52-107 does not create a requirement to have an audit report. It specifies how the auditor’s report must be prepared if the acquisition statements must be audited. The requirement to audit the financial statements remains in NI 44-101.

Section 1.3

In addition to the comment noted above the commenter suggested deleting the reference to “financial information” because there is no requirement to audit financial information.

Response: We agreed and have deleted the reference to financial information.

New section 1.4(d)

The commenter noted that the reference to “1(6)” in section 7.3(2)(a) of the Instrument should be corrected to read “1(5)” instead.

Response: We agreed and have made the suggested correction.

Section 2.1

The commentator noted that the reconciliation to Canadian GAAP in Item 20 of Form 44-101F3 may not always be required.

Response: We agreed and have clarified the wording.

Part II Comments on the Proposed Amendments to the Companion Policy

Section 1.1

The commenter suggested we add a sentence that would remind issuers that NI 52-107 requires all audited financial statements to be accompanied by an audit report.

Response: We agreed and have clarified the wording as suggested.

Section 1.2

The commenter suggested adding “or incorporated by reference” so that financial statements incorporated by reference into a short form prospectus would also be explicitly captured.

Response: We have clarified the wording to capture financial statements incorporated by reference.

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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

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>
25-Oct-2004	Ernest Yee	ABC American -Value Fund - Units"	150,000.00	17,089.00
01-Nov-2004	28 Purchasers	ABC American -Value Fund - Units	7,375,000.00	737,500.00
01-Nov-2004	15 Purchasers	ABC Fundamental - Value Fund – Units	3,157,486.47	164,238.00
01-Nov-2004	76 Purchasers	ABC North American Deep Value Fund - Units	20,005,000.00	2,000,500.00
22-Oct-2004	David Baldisera	Acuity Pooled Canadian Equity Fund - Trust Units"	50,000.00	2,232.00
25-Oct-2004	Kenneth Hill Linda Hill	Acuity Pooled Canadian Small Cap Fund - Trust Units	126,000.00	6,391.00
22-Oct-2004	David Baldisera	Acuity Pooled Conservative Asset Allocation - Trust Units	50,000.00	3,240.65
27-Oct-2004	Kenneth Fleming	Acuity Pooled Conservative Asset Allocation - Trust Units	155,086.03	10,055.00
22-Oct-2004	David Owen	Acuity Pooled Fixed Income Fund - Trust Units	156,322.39	10,918.00
26-Oct-2004	Ruth P. Smith	Acuity Pooled Global Balanced Fund - Trust Units	160,204.78	12,981.00
20-Oct-2004	Marion Holly Richardson	Acuity Pooled Growth and Income Fund - Trust Units	378,000.00	35,233.00
19-Oct-2004 to 25-Oct-2004	25 Purchasers	Acuity Pooled High Income Fund - Trust Units	4,046,746.00	21,529.00
29-Oct-2004 to 29-Oct-2004	30 Purchasers	Acuity Pooled High Income Fund - Trust Units	3,202,551.24	173,111.00
19-Oct-2004 to 21-Oct-2004	5 Purchasers	Acuity Pooled Income Trust Fund - Trust Units	426,476.33	25,161.00
26-Oct-2004 to 29-Oct-2004	5 Purchasers	Acuity Pooled Income Trust Fund - Trust Units	300,278.39	16,870.00

Notice of Exempt Financings

22-Oct-2004	2049341 Ontario Inc.	Acuity Pooled Social Values Canadian Equity Fund - Trust Units	250,000.00	17,448.00
31-Oct-2004	3 Purchasers	Alternum Capital - North American Value Hedge Fund - Limited Partnership Units	5,415.07	7.00
04-Nov-2004	4 Purchasers	Apollo Gold Corporation - Notes	1,256,250.00	4.00
04-Nov-2004	3 Purchasers	Apollo Gold Corporation - Warrants	225,000.00	750,000.00
01-Nov-2004	4 Purchasers	Argosy Bridge Fund L.P. II - Limited Partnership Units	28,925,000.00	289,250.00
02-Jul-2003	1397225 Ontario Limited	Ashmore Global Special Situations Fund Limited - Shares	13,391,000.00	100,000.00
14-Oct-2004	Credit Risk Advisors LP	ASG Consolidated LLC/ ASG Finance, Inc. – Notes	8,763,300.00	7,000.00
29-Oct-2004	NCE Flow-Through (2004) L.P. NCE Diversified Flow-Through (04) L.P.	Blue Parrot Energy Inc. - Flow-Through Shares	999,999.84	2,380,952.00
28-Oct-2004	Bank of Montreal	BMO Capital Trust - Special Trust Securities	262,500,000.00	262,500.00
22-Oct-2004	James A. Richardson Christopher Dundas	Boulder Mining Corporation - Units	45,000.00	180,000.00
15-Oct-2004	RBC Capital Partners	Brampton Engineering Inc. - Preferred Shares	4,000,000.00	729,578.00
27-Oct-2004	Goodman & Co. Manufacturers Life	Build-A-Bear Workshop - Stock Option	218,317.00	8,900.00
15-Oct-2004	15 Purchasers	Cabo Mining Enterprises Corp. - Units	971,000.00	1,213,750.00
22-Oct-2004	51 Purchasers	Candax Energy Inc. - Units	1,153,500.00	11,535,000.00
21-Oct-2004	32 Purchasers	Canoro Resources Ltd. - Units	5,354,775.00	3,966,500.00
19-Oct-2004	5 Purchasers	CareVest Blended Mortgage Investment Corporation - Preferred Shares	589,000.00	589,000.00
19-Oct-2004	Kurt & Christel Oelschlagel Diana Ellis	CareVest First Mortgage Investment Corporation - Preferred Shares	130,000.00	130,000.00
19-Oct-2004	Laura Mestelman	CareVest Second Mortgage Investment Corporation - Preferred Shares	10,000.00	10,000.00
01-Oct-2004 to 07-Oct-2004	Centaur Balanced	Centaur Balanced Fund - Units	164,787.47	12,325.00

Notice of Exempt Financings

08-Oct-2004 to 14-Oct-2004	Centaur Balanced	Centaur Balanced Fund - Units	16,175.41	1,212.00
01-Oct-2004 to 07-Oct-2004	Centaur Bond Fund	Centaur Bond Fund - Units	64,120.28	6,424.00
01-Oct-2004 to 07-Oct-2004	Centaur Canadian Equity	Centaur Canadian Equity - Units	103,576.74	1,135.00
01-Oct-2004 to 07-Oct-2004	Centaur International	Centaur International Fund - Units	39,394.54	5,018.00
01-Oct-2004 to 07-Oct-2004	Centaur Money Market	Centaur Money Market - Units	582,520.11	58,252.00
08-Oct-2004 to 14-Oct-2004	Centaur Money Market	Centaur Money Market - Units	7,116.93	712.00
01-Oct-2004 to 07-Oct-2004	Centaur Small Cap	Centaur Small Cap - Units	800,838.80	12,859.00
01-Oct-2004 to 07-Oct-2004	Centaur US Equity	Centaur US Equity - Units	33,333.27	837.00
28-Oct-2004 to 29-Oct-2004	16 Purchasers	CGO&V Balanced Fund - Units	710,608.65	56,924.00
29-Oct-2004	Nikki Hawke 281810A	CGO&V Cumberland Fund - Units	1,011.05	75.00
01-Oct-2004 to 29-Oct-2004	4 Purchasers	CGO&V Hazelton Fund - Units	1,720,020.01	134,312.00
25-Oct-2004	CI Mutual Funds	CI Mutual Funds - Shares	5,972,115.60	575,000.00
21-Oct-2004	4 Purchasers	Clan Resources Ltd. - Units	112,000.00	112,000.00
22-Oct-2004	10 Purchasers	Cline Mining Corporation - Units	1,559,250.00	3,118,500.00
03-Nov-2004	4 Purchasers	Continental Cash Technologies Corporation - Common Shares	603,350.00	4,022,333.00
21-Oct-2004	147 Purchasers	Daylight Energy Trust - Subscription Receipts	95,973,427.20	9,997,232.00
21-Oct-2004	90 Purchasers	Daylight Energy Trust - Subscription Receipts	52,365,000.00	52,365.00
28-Oct-2004	Crescent Financial Corporation	Diadem Resources Ltd. - Common Shares	0.00	300,000.00
22-Oct-2004	16 Purchasers	Diadem Resources Ltd. - Units	1,251,666.68	20,861,108.00

Notice of Exempt Financings

28-Oct-2004	Crescent Financial Corporation	Diadem Resources Ltd. - Warrants	0.00	2,500,000.00
20-Oct-2004	3 Purchasers	Dragonheart Energy Inc. - Units	30,000.00	120,000.00
02-Nov-2004	4 Purchasers	DreamWorks Animation SKG - Stock Option	308,000.00	11,000.00
22-Oct-2004 to 28-Oct-2004	9 Purchasers	Drilcorp Energy Ltd. - Common Shares"	1,375,000.00	3,437,500.00
22-Oct-2004	Libby Eydelman BPL Corp.	DynaMotive Energy Systems Corporation - Warrants	381,436.65	423,571.00
13-Feb-2004	Joseph Douglas Lalonde	Exploration Tom Inc. - Common Shares	40,000.00	133,334.00
26-Mar-2004	Vision Exploration	Exploration Tom Inc. - Common Shares	12,800.00	42,667.00
01-Nov-2004	Hutchinson	FactorCorp. - Units	50,000.00	50,000.00
20-Oct-2004	National Bank ITF Sorin Marinescu Peter Tanko	Global Financial Group Inc. - Units	15,000.00	120,000.00
30-Aug-2004	Thomas D. Smith	Gunn Allen Holdings, Inc. - Units	50,000.00	1.00
22-Oct-2004	4 Purchasers	IG Realty Investments Inc. - Common Shares	2,750,000.00	27,500.00
02-Nov-2004	4 Purchasers	IG Realty Investments Inc. - Common Shares	1,520,000.00	15,200.00
22-Oct-2004 to 01-Nov-2004	5 Purchasers	IMAGIN Diagnostic Centres, Inc. - Common Share Purchase Warrant	30,000.00	30,000.00
26-Aug-2004	4 Purchasers	Inter-Citic Minerals Inc. - Units	600,000.00	660,000.00
26-Oct-2004	9 Purchasers	International Frontier Resources Corporation - Units	575,275.50	426,130.00
28-Oct-2004	Indar Soni	Kangaroo Media Inc. - Units	20,000.00	50,000.00
28-Oct-2004	Lawrence Partners Fund	Kangaroo Media Inc. - Units	500,000.00	1,250,000.00
28-Oct-2004	Sean Kogan	Kangaroo Media Inc. - Units	4,000.00	10,000.00
28-Oct-2004	Alexander Sharfarenko	Kangaroo Media Inc. - Units	20,000.00	50,000.00
28-Oct-2004	Martin Macdonald	Kangaroo Media Inc. - Units	5,000.00	12,500.00
28-Oct-2004	AGF Canadian Small Cap Fund	Kangaroo Media Inc. - Units	300,000.00	750,000.00
18-Oct-2004	MDS Life Sciences Technology Fund II NC L.P.; MLII Co-Investment Fund NC L.P.	KAI Pharmaceutical Inc. - Shares	3,873,339.68	3,166,304.00

Notice of Exempt Financings

08-Oct-2004	Jeff Saracuse and/or Sheryl Saracuse	Knowledgewhere Corp - Units	10,500.00	30,000.00
01-Nov-2004	10 Purchasers	Las Vegas from Home.com Entertainment Inc. - Units	275,000.00	2,750,000.00
30-Sep-2004	Fasken Martineau DuMoulin LLP	Limerick Mines Limited - Notes	125,000.00	125,000.00
02-Oct-2004	Thomas Barnard	Madison Grant Limited Partnership II - Limited Partnership Units	150,000.00	150.00
20-Oct-2004	Marc LeBlanc	Magenta Mortgage Investment Corporation - Shares	5,219.78	522.00
04-Nov-2004	Blair Franklin	MarketAxess Holdings - Stock Option	13,281.40	1,000.00
28-Oct-2004	Mackenzie Financial Corporation	Merrill Lynch Canada Finance Company – Notes	25,987,000.00	26,000,000.00
03-Nov-2004	Aegon Capital Mangement Inc.	Mint Technology Corp. - Debentures	500,000.00	500,000.00
29-Oct-2004	Ontario Teacher's Pension Plan Board	Mosaïd Technologies Incorporated - Common Shares	14,000,000.00	800,000.00
28-Oct-2004	Ontario Teacher's Pension Plan Board	North American Oil Sands Corporation – Shares	3,000,000.00	100,000.00
28-Oct-2004	8 Purchasers	NovaGold Resources Inc. - Common Shares	18,367,860.00	1,818,600.00
29-Oct-2004	Angelo & Linda Innocente	O'Donnell Emerging Companies Fund - Units	26,727.26	4,121.00
27-Aug-2004	3 Purchasers	Osprey Gold Corp. - Units	75,000.00	750,000.00
28-Oct-2004	Northern Securities Inc. The K2 Principal Fund LP	Patricia Mining Corp. - Units	150,000.00	300,000.00
15-Oct-2004	26 Purchasers	Petroworth Resources Inc. - Warrants	932,599.00	1,554,332.00
15-Oct-2004	11 Purchasers	Petroworth Resources Inc. - Warrants	167,833.00	335,666.00
01-Nov-2004	Douglas A. Sarjeant	Premiax Financial Corp. - Debentures	100,000.00	100.00
29-Oct-2004 to	Nursing Homes and Related Industries Pension Plan"	Real Assets US Social Equity Index Fund – Units	5,717.99	853.00
27-Oct-2004	4 Purchasers	Real Estate Asset Liquidity Trust - Certificate	13,204,739.81	15,302,747.00
15-Oct-2004 to 18-Nov-2004	7 Purchasers	Result Energy Inc. - Flow-Through Shares	1,532,100.00	2,553,500.00

Notice of Exempt Financings

15-Oct-2004 to 18-Nov-2004	7 Purchasers	Result Energy Inc. - Warrants	1,532,100.00	1,066,750.00
26-Oct-2004	4 Purchasers	Revolve Energy Inc. - Preferred Shares	2,000,000.00	1,800,000.00
26-Oct-2004	4 Purchasers	Sciometric Instruments Inc. - Debentures	750,000.00	750,000.00
26-Oct-2004	4 Purchasers	Sciometric Instruments Inc. - Preferred Shares	750,000.00	1,444,751.00
28-Oct-2004	3 Purchasers	Seymour Exploration Corp. - Flow-Through Shares	410,000.00	2,050,000.00
29-Oct-2004	3 Purchasers	Shopping.com Ltd. - Shares	23,400.00	1,300.00
14-Oct-2004	7 Purchasers	Silver Spruce Resources Inc. - Units	67,250.00	192,143.00
28-Oct-2004	Mr. Kazimierz Grechalla	Sirios Resources Inc. - Units	37,000.00	370,000.00
01-Nov-2004	Diane M. Daniel	Stacey Investment Limited Partnership - Limited Partnership Units	25,006.66	833.00
31-Oct-2004	3 Purchasers	Stacey Investment Limited Partnership - Trust Units	33,524.28	3,390.00
22-Oct-2004	MMV Financial Inc.	Symbium Corporation - Notes	2,640,000.00	1.00
22-Oct-2004	MMV Financial Inc.	Symbium Corporation - Warrants	1.32	1.00
02-Nov-2004	Stanley G. Hawkins	Tandem Resources Ltd. - Common Shares	100,000.00	2,000,000.00
05-Nov-2004	Jay A. Swartz Stacy Rosen/ Jonathan Hausman	TD Harbour Capital Balanced Fund - Trust Units	1,572,046.57	14,526.00
25-Oct-2004	Marco Marrone	Tech Income Limited Partnership 1 - Limited Partnership Units	75,000.00	5.00
26-Oct-2004	Becker Capital Management	Tower Group, Inc - Stock Option	1,708,830.74	164,100.00
26-Oct-2004	4 Purchasers	Trafalgar Trading Limited - Units	100,000,000.00	4,688,155.00
20-Aug-2004	12 Purchasers	Trinity Plumas Capital Corp - Common Shares	181,600.00	227,000.00
30-Aug-2004	Westdale Construction Co. Limited	Trinity Plumas Capital Corp - Units	3,000,000.00	6,000,000.00
29-Oct-2004	9 Purchasers	UEX Corporation - Flow-Through Shares	7,812,500.00	3,125,000.00
22-Oct-2004	4 Purchasers	Union Summit Minerals Corporation - Units	218,750.00	875,000.00
29-Oct-2004 to 01-Nov-04	4 Purchasers	Unisphere Waste Conversion Ltd. - Debentures"	3,144,000.00	3,144,000.00

Notice of Exempt Financings

27-Oct-2004	Norrep Performance 2004 Flow-Through L.P.	WALLBRIDGE MINING COMPANY LIMITED	435,000.00	725,000.00
27-Oct-2004	16 Purchasers	WALLBRIDGE MINING COMPANY LIMITED - Units - Flow-Through Shares	3,635,000.40	6,058,334.00
25-Oct-2004	19 Purchasers	Western Prospector Group Ltd. - Units	2,403,500.00	2,090,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Addenda Capital Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated November 5, 2004
Mutual Reliance Review System Receipt dated November 5, 2004

Offering Price and Description:

\$ * - * Common Shares

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
First Association Investment Inc.
GMP Securities Ltd.

Promoter(s):

-

Project #704410

Issuer Name:

Arriscraft International Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 4, 2004
Mutual Reliance Review System Receipt dated November 5, 2004

Offering Price and Description:

\$ * - * Units

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Canaccord Capital Corporation

Promoter(s):

Emilyharper Corporation

Project #704052

Issuer Name:

Canadian Capital Auto Receivables Asset Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated November 9, 2004
Mutual Reliance Review System Receipt dated November 9, 2004

Offering Price and Description:

\$ * - * % Auto Loan Receivables-Backed Notes, Series 2004-2, Class A-1
\$ * - * % Auto Loan Receivables-Backed Notes, Series 2004-2, Class A-2
\$ * - * % Auto Loan Receivables-Backed Notes, Series 2004-2, Class A-3

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
TD Securities Inc.

Promoter(s):

General Motors Acceptance Corporation of Canada, Limited

Project #705380

Issuer Name:

Cancor Mines Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated November 5, 2004
Mutual Reliance Review System Receipt dated November 8, 2004

Offering Price and Description:

Minimum Offering: \$ 500,000 or * Units
Maximum Offering: \$ 2,500,000 or * Units
Price: \$ * per Unit
Each Unit consists of : 4 Flow-Through Shares at a price of \$ * per share
1 Common Share at a price of \$ * per share
Minimum individual subscription: \$ 6,000 or * Units

Underwriter(s) or Distributor(s):

Dundee Securities Corporation

Promoter(s):

-

Project #704620

Issuer Name:

Chariot Resources Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 5, 2004
Mutual Reliance Review System Receipt dated November 8, 2004

Offering Price and Description:

\$ * - * Units Price: \$ * per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Canaccord Capital Corporation
GMP Securities Ltd.
Haywood Securities Inc.

Promoter(s):

-

Project #704754

Issuer Name:

Cutwater Capital Corporation

Type and Date:

Preliminary CPC Prospectus dated November 5, 2004
Received on November 8, 2004

Offering Price and Description:

\$400,000.00 - 2,666,666 Common Shares Price: \$0.15 per
Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #704702

Issuer Name:

Destiny Resource Services Corp.
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated November 2, 2004
Mutual Reliance Review System Receipt dated November 3, 2004

Offering Price and Description:

\$7,379,583.26 - 52,711,309 rights to purchase 52,711,309
Common Shares at a purchase price of \$0.14 per share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #703556

Issuer Name:

DirectCash Income Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated November 3, 2004
Mutual Reliance Review System Receipt dated November 4, 2004

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
First Associates Investments Inc.

Promoter(s):

Teal Financial (2003) Corp.

Project #703804

Issuer Name:

diversiTrust Energy Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 2, 2004
Mutual Reliance Review System Receipt dated November 3, 2004

Offering Price and Description:

Maximum \$ * (* Trust Units)

Price: \$ 10.00 per Trust Unit

Minimum Purchase: 100 Trust Units

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
CIBC World Markets Inc
Dundee Securities Corporation
Scotia Capital Inc
TD Securities Inc
BMO Nesbitt Burns Inc
National Bank Financial Inc
Canaccord Capital Corporation
HSBC Securities (Canada) Inc
Berkshire Securities Inc
First Associates Investments Inc
Raymond James Ltd

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #703458

Issuer Name:

Explorer II Resource Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 4, 2004
Mutual Reliance Review System Receipt dated November 4, 2004

Offering Price and Description:

\$30,000,000 (maximum); (maximum- 1,200,000 Units)
\$10,000,000 (minimum)

Underwriter(s) or Distributor(s):

CIBC World Markets Inc
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc
Scotia Capital Inc.
TD Securities Inc
National Bank Financial Inc
Berkshire Securities Inc
Canaccord Capital Corporation
Dundee Securities Corporation
First Associates Investments Inc
HSBC Securities (Canada) Inc
Raymond James Ltd
Wellington West Capital Inc.
Desjardins Securities Inc
GMP Securities Ltd
Middlefield Capital Corporation
Research Capital Corporation

Promoter(s):

Explorer II Resource Management Limited

Project #704004

Issuer Name:

Finning International Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form PREP Prospectus dated November 8, 2004
Mutual Reliance Review System Receipt dated November 8, 2004

Offering Price and Description:

Approximately \$300,000,000 - * Common Shares Price: \$ *
per Share

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
RBC Dominion Securities Inc.

Promoter(s):

-

Project #705036

Issuer Name:

Finning International Inc.
Principal Regulator - British Columbia

Type and Date:

Amended and Restated Preliminary Short Form PREP
Prospectus dated November 9, 2004
Mutual Reliance Review System Receipt dated November 9, 2004

Offering Price and Description:

Approximately \$300,000,000 - * Common Shares Price: \$ *
per Share

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Raymond James Ltd.
CIBC World Markets Inc.
National Bank Financial Inc.
First Associates Investment Inc.
HSBC Securities (Canada) Inc.

Promoter(s):

-

Project #705036

Issuer Name:

Gatehouse Balanced Oil & Gas Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 3, 2004
Mutual Reliance Review System Receipt dated November 3, 2004

Offering Price and Description:

\$ * (Maximum) Price: \$10.00 per Unit
Minimum Purchase: 200 Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Corporation
First Associates Investments Inc.
Raymond James Ltd
Wellington West Capital Inc.

Promoter(s):

Gatehouse Capital Inc.

Project #703420

Issuer Name:

Granby Industries Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 8, 2004
Mutual Reliance Review System Receipt dated November 8, 2004

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Scotia Capital Inc.

Promoter(s):

Torquest Partners Value Fund, L.P.

Project #705040

Issuer Name:

GrowthWorks Commercialization Fund Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 3, 2004
Mutual Reliance Review System Receipt dated November 4, 2004

Offering Price and Description:

Class A Shares, series 1 - Maximum Offering: \$ * - Offering Price: \$10 per Share until the Initial Closing and thereafter Net Asset Value per Share

Underwriter(s) or Distributor(s):

GrowthWorks Capital Ltd.

Promoter(s):

-

Project #703694

Issuer Name:

IPC US Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated November 9, 2004
Mutual Reliance Review System Receipt dated November 9, 2004

Offering Price and Description:

US \$40,000,000 - 6.0% Convertible Unsecured Subordinated Debentures
Price: US\$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Desjardins Securities Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.

Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.

Promoter(s):

-

Project #705604

Issuer Name:

MCL Capital Inc.

Type and Date:

Preliminary CPC Prospectus dated November 5, 2004
Received on November 8, 2004

Offering Price and Description:

\$400,000.00 - 2,666,666 Common Shares Price: \$0.15 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #704693

Issuer Name:

Oncolytics Biotech Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated November 8, 2004
Mutual Reliance Review System Receipt dated November 8, 2004

Offering Price and Description:

\$10,001,600 - 1,504,000 Units Price: \$6.65 per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #705155

Issuer Name:

Opta Minerals Inc.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated November 8, 2004
Mutual Reliance Review System Receipt dated November 9, 2004

Offering Price and Description:

\$ * - * Common Shares - Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

Loewen, Ondaatje, McCutcheon Limited
First Associates Investments Inc.
Canaccord Capital Corporation

Promoter(s):

Sunopta Inc.

Project #699009

Issuer Name:

Placer Dome Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated November 8, 2004
Mutual Reliance Review System Receipt dated November 8, 2004

Offering Price and Description:

US\$500,000,000 - * Common Shares Price: US\$ * per Common Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Scotia Capital Inc.

Promoter(s):

-

Project #704992

Issuer Name:

Rockies Financial Corporation
Principal Regulator - Quebec

Type and Date:

Preliminary CPC Prospectus dated November 3, 2004
Mutual Reliance Review System Receipt dated November 3, 2004

Offering Price and Description:

Minimum Offering: \$500,000 or 2,500,000 common shares
Maximum Offering: \$1,785,000 or 8,925,000 common shares Price: \$0.20 per common share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #703438

Issuer Name:

Strike Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated November 5, 2004
Mutual Reliance Review System Receipt dated November 5, 2004

Offering Price and Description:

Maximum of 2,333,334 Common Shares (\$350,000.00);
Minimum of 2,000,000 Common Shares (\$300,000.00) at \$0.15 per Common Share

Underwriter(s) or Distributor(s):

Wolverton Securities Ltd.

Promoter(s):

-

Project #704543

Issuer Name:

The Manufacturers Life Insurance Company
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated November 4, 2004
Mutual Reliance Review System Receipt dated November 5, 2004

Offering Price and Description:

\$1,500,000,000.00 - Debt Securities Class A Shares Class D Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #704460

Issuer Name:

TransForce Income Fund
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated November 3, 2004
Mutual Reliance Review System Receipt dated November 3, 2004

Offering Price and Description:

\$84,600,000.00 - 6,000,000 Trust Units Price: \$14.10 per Trust Unit

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
Sprott Securities Inc.

Promoter(s):

-

Project #703489

Issuer Name:

TransGlobe Energy Corporation
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated November 8, 2004
Mutual Reliance Review System Receipt dated November 8, 2004

Offering Price and Description:

\$11,005,500 - 2,530,000 Common Shares Price: \$4.35 Common Share

Underwriter(s) or Distributor(s):

Orion Securities Inc.
GMP Securities Ltd.

Promoter(s):

-

Project #705164

Issuer Name:

WaveForm Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated November 3, 2004

Offering Price and Description:

Minimum: 5,000 Units (\$5,000,000) Maximum: 10,000 Units (\$10,000,000)

Underwriter(s) or Distributor(s):

First Associates Investments Inc.

Promoter(s):

-

Project #703302

Issuer Name:

Anacle Short-Term Investment Class

Type and Date:

Final Simplified Prospectus dated November 4, 2004
Received on November 5, 2004

Offering Price and Description:

Series A Shares

Underwriter(s) or Distributor(s):

M.R.S. Securities Services Inc.
M.R.S. Securities Services Inc.

Promoter(s):

Execuhold Investment Limited

Project #696285

Issuer Name:

Avenir Diversified Income Trust
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated November 5, 2004
Mutual Reliance Review System Receipt dated November 8, 2004

Offering Price and Description:

\$35,000,000 (Maximum Offering); \$25,000,000 (Minimum Offering) A Minimum of 2,777,777 and a Maximum of 3,888,888 Trust Units Price: \$9.00 per Trust Unit

Underwriter(s) or Distributor(s):

Raymond James Ltd.
GMP Securities Ltd.
First Associates Investment Inc.
Canaccord Capital Corporation
Acumen Capital Finance Partners Limited

Promoter(s):

-

Project #698058

Issuer Name:

Eldorado Gold Corporation
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated November 5, 2004
Mutual Reliance Review System Receipt dated November 5, 2004

Offering Price and Description:

Cdn\$3.75 per Common Share 18,000,000 Common Shares Cdn\$67,500,000.00 - Canadian ("Cdn") \$ (1)

Underwriter(s) or Distributor(s):

Orion Securities Inc.
National Bank Financial Inc.
Sprott Securities Inc.
UBS Securities Canada Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Raymond James Ltd.
TD Securities Inc.

Promoter(s):

-

Project #701484

Issuer Name:

Excel Canadian Balanced Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 26, 2004 to Final Simplified Prospectus and Annual Information Form dated January 30, 2004

Mutual Reliance Review System Receipt dated November 5, 2004

Offering Price and Description:

Mutual Fund Units at Net Asset Value

Underwriter(s) or Distributor(s):

Excel Funds Management Inc.

Promoter(s):

Excel Funds Management Inc.

Project #602539

Issuer Name:

Golf Town Income Fund
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated November 5, 2004
Mutual Reliance Review System Receipt dated November 5, 2004

Offering Price and Description:

\$102,280,520.00 - 10,228,052 Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
Scotia Capital Inc.

Promoter(s):

Manulife International Capital Corporation Limited

Project #697200

Issuer Name:

Juniper Equity Growth Fund

Type and Date:

Amendment #1 dated October 25, 2004 to Final Simplified Prospectus and Annual Information Form dated July 19, 2004

Received on November 9, 2004

Offering Price and Description:

Mutual Fund Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #662980

Issuer Name:

Sovereign Canadian Equity Pool

Sovereign US Equity Pool

Sovereign Overseas Equity Pool

Sovereign Global Equity RSP Pool

Sovereign Emerging Markets Equity Pool

Sovereign Canadian Fixed Income Pool

Sovereign Money Market Pool

Sovereign Diversified Monthly Income Portfolio

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated November 4, 2004

Mutual Reliance Review System Receipt dated November 5, 2004

Offering Price and Description:

Class A, Class B, Class F and Class O units

Underwriter(s) or Distributor(s):

Frank Russell Canada Limited

Promoter(s):

Frank Russell Canada Limited

Project #704072

Issuer Name:

Summit Real Estate Investment Trust

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated November 5, 2004

Mutual Reliance Review System Receipt dated November 5, 2004

Offering Price and Description:

\$115,000,000.00 - 5.70% Series A Debentures due November 10, 2011 (Senior Unsecured) Price: 99.943% plus accrued interest, if any

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

Scotia Capital Inc.

Promoter(s):

-

Project #701971

Issuer Name:

TransForce Income Fund

Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated November 8, 2004

Mutual Reliance Review System Receipt dated November 9, 2004

Offering Price and Description:

\$84,600,000.00 - 6,000,000 Trust Units Price: \$14.10 per Trust Unit

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

RBC Dominion Securities Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

Sprott Securities Inc.

Promoter(s):

-

Project #703489

Issuer Name:

Trinidad Energy Services Income Trust

Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated November 2, 2004

Mutual Reliance Review System Receipt dated November 3, 2004

Offering Price and Description:

\$79,000,001.00 - 8,449,198 Trust Units Price: \$9.35 Per Trust Unit

Underwriter(s) or Distributor(s):

Raymond James Ltd.

CIBC World Markets Inc.

TD Securities Inc.

Haywood Securities Inc.

First Associates Investments Inc.

Desjardins Securities Inc.

Dundee Securities Corporation

FirstEnergy Capital Corp.

Promoter(s):

Trinidad Drilling Ltd.

Project #699966

Issuer Name:

Venquest Capital Ltd.

Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated October 29, 2004

Mutual Reliance Review System Receipt dated November 3, 2004

Offering Price and Description:

\$1,475,000.00 - 5,900,000 common shares Price: \$0.25 per common share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Peter M. Kozicz

Stephen R. Shaver

Project #690159

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Marathon Asset Management LLP	International Adviser (Investment Counsel and Portfolio Manager)	November 3, 2004
New Registration	Peter Cundill & Associates (Bermuda) Ltd.	Non-Canadian Adviser (Investment Counsel and Portfolio Manager)	November 4, 2004
New Registration	Engemann Asset Management	International Adviser (Investment Counsel and Portfolio Manager)	November 4, 2004
Change of Name	From: CDC Securities To: IXIS Securities North America Inc.	International Dealer	November 1, 2004
Suspension of Registration	All-Canadian Investor Services Inc.	Mutual Fund Dealer	November 5, 2004
Suspension of Registration	Craig & Taylor Financial Services Inc.	Mutual Fund Dealer & Limited Market Dealer	November 5, 2004
Suspension of Registration	Lawrence Capital Partners Inc.	Investment Dealer	November 5, 2004
New Registration	Genuity Capital Markets/Marches de Capitaux Genuity	Investment Dealer	November 8, 2004
Change of Name	From: Babson Securities Corporation To: Babson Capital Securities Inc	International Dealer	November 1, 2004
New Registration	Burlington Capital Management Ltd.	Limited Market Dealer & Investment Counsel & Portfolio Manager	November 9, 2004
New Registration	Lee Munder Investments Ltd.	International Adviser (Investment Counsel & Portfolio Manager)	November 8, 2004

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Policy No. 4, Minimum Standards for Institutional Accounts - Withdrawal of By-Law

INVESTMENT DEALERS ASSOCIATION OF CANADA – POLICY NO. 4 MINIMUM STANDARDS FOR INSTITUTIONAL ACCOUNTS

WITHDRAWAL OF BY-LAW

I. OVERVIEW

On April 25, 2003 the Ontario Securities Commission published for comment proposed Policy No. 4, which sets out the Minimum Standards for Institutional Accounts. One comment letter was received on the proposals in addition to comments from Canadian Securities Administrators (CSA) staff. The comments have been addressed with the exception of one outstanding issue regarding suitability.

II. WITHDRAWAL

The Association has informed the CSA that it has withdrawn the proposed Policy and will resubmit a revised version of the Policy, which will address the comments received on the version published on April 25, 2003. The revised version will also reflect the discussions with Ontario Securities Commission staff with respect to the issue of suitability for Institutional Accounts.

Questions may be referred to:

Deborah Wise
Legal and Policy Counsel
Investment Dealers Association of Canada
(416) 943 – 6994

September 14, 2004.

13.1.2 IDA Policy No. 11 - Housekeeping Amendment to Research Restrictions and Disclosure Requirements

INVESTMENT DEALERS ASSOCIATION OF CANADA –

HOUSEKEEPING AMENDMENT TO POLICY NO. 11 – RESEARCH RESTRICTIONS AND DISCLOSURE REQUIREMENTS

I OVERVIEW

A Current Rules

Policy No. 11 became effective on February 1, 2004 and is largely based on the report of the *Securities Industry Committee on Analyst Standard*, as well as rules regarding analysts in the United States. The Policy contains 20 Requirements and 9 Guidelines that Members must comply with where practicable. The Policy is intended to maintain the integrity of the market place, by establishing requirements that reduce the potential for conflicts of interest and allow for the highest standards of ethical behavior.

Requirement 17 of Policy No. 11 – Analyst Standards – requires Members to obtain an annual certification from the head of the research department and the chief executive officer that the Members analysts are familiar with and have complied with the Association for Investment Management and Research (AIMR) Code of Ethics and Standards of Professional Conduct, whether or not they are members of AIMR.

B The Issue

In May 2004, AIMR changed their name to the Chartered Financial Analyst Institute (CFA Institute).

C Objective

The objective of the rule change is to update the reference to reflect the name change described above.

D Assessment of Effect and Whether Proposed Rules are in the Best Interests of the Capital Markets

The proposed rule change will have no affect on the purpose of Policy No. 11 or the means or costs of compliance. The Board has determined that the housekeeping amendment is not detrimental to the best interests of the capital markets.

II DETAILED ANALYSIS

The inclusion of a detailed analysis was not considered necessary for this housekeeping rule amendment.

III COMMENTARY

A Filing in Other Jurisdictions

This proposed amendment will be filed for approval in Alberta, British Columbia, Manitoba, Ontario and Quebec will be filed for information in Nova Scotia and Saskatchewan.

B Effectiveness

The proposed change will bring the language used Policy No. 11 up to date by using the new name of the Institute.

C Process

The amendment was precipitated by the change in name of the Association for Investment Management and Research (AIMR) to the Chartered Financial Analyst Institute (CFA Institute).

IV SOURCES

References:

- Policy No. 11
- CFA Institute

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The Association has determined that the entry into force of the proposed amendments is housekeeping in nature. As a result, a determination has been made that these proposed rule amendments need not be published for comment.

Questions may be referred to:

Deborah Wise
Legal and Policy Counsel, Regulatory Policy
Investment Dealers Association of Canada
(416) 943-6994
dwise@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA –

HOUSEKEEPING AMENDMENT TO POLICY NO. 11

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby amends the By-laws, Regulations, Forms and Policies of the Association by amending Policy No. 11, Requirement 17 as follows:

The words “AIMR Code of Ethics and Standards of Professional Conduct whether they are members of AIMR or not” are replaced with “CFA Institute Code of Ethics and Standards of Professional Conduct whether they are members of the CFA Institute or not.”

PASSED AND ENACTED by the Board of Directors, this 20th day of October 2004, to be effective on a date to be determined by Association staff.

13.1.3 IDA Settlement Hearing - Nerio D'Ambrosi

**NEWS RELEASE
For immediate release**

NOTICE TO PUBLIC: SETTLEMENT HEARING

IN THE MATTER OF NERIO D'AMBROSI

October 4, 2004 (Toronto, Ontario) – The Investment Dealers Association of Canada announced today that a hearing date has been set for the presentation, review and consideration of a settlement agreement by the Ontario District Council of the Association.

The settlement agreement is between staff of the Association and Nerio D'Ambrosi, who was at all material times a Registered Representative Options with TD Securities Inc., and relates to matters for which he may be disciplined by the Association.

The proceeding is scheduled to commence at 9:30 a.m. on Monday October 25, 2004 at 155 University Avenue, Suite 302, Toronto, Ontario. The proceeding is open to the public except as may be required for the protection of confidential matters.

If the Ontario District Council determines that discipline penalties are to be imposed on Nerio D'Ambrosi, the Association will issue a bulletin giving notice of the discipline penalties assessed, the regulatory violation(s) committed, and a summary of the facts. Copies of the bulletin and settlement agreement will be made available.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's mission is to protect investors and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Alex Popovic
Vice-President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Connie Craddock
Vice President, Public Affairs
(416) 943-5870 or ccraddock@ida.ca

13.1.4 Discipline Pursuant to IDA By-Law 20 - Nerio D'Ambrosi - Settlement Agreement

**IN THE MATTER OF
DISCIPLINE PURSUANT TO BY-LAW 20
OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA**

RE: NERIO D'AMBROSI

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. The staff ("Staff") of the Investment Dealers Association of Canada ("the Association") has conducted an investigation (the "Investigation") into the conduct of Nerio D'Ambrosi ("the Respondent").
2. The Investigation discloses matters for which the District Council of the Association ("the District Council") may penalize the Respondent by imposing discipline penalties.

II. JOINT SETTLEMENT RECOMMENDATION

3. Staff and the Respondent consent and agree to the settlement of these matters by way of this Settlement Agreement in accordance with By-law 20.25.
4. This Settlement Agreement is subject to its acceptance by the District Council in accordance with By-law 20.26. The District Council may also impose a lesser penalty or less onerous terms than those provided in this Settlement Agreement, or, with the consent of the Respondent, it may also impose a penalty or terms more onerous than those provided by this Settlement Agreement.
5. Staff and the Respondent jointly recommend that the District Council accept this Settlement Agreement.
6. If at any time prior to the acceptance of this Settlement Agreement, or the imposition of a lesser penalty or less onerous terms, or the imposition, with the consent of the Respondent, of a penalty or terms more onerous, by the District Council, there are new facts or issues of substantial concern in the view of Staff regarding the facts or issues set out in Section III of this Settlement Agreement, Staff will be entitled to withdraw this Settlement Agreement from consideration by the District Council.

III. STATEMENT OF FACTS

(i) ACKNOWLEDGEMENT

7. Staff and the Respondent agree with the facts set out in this Section III and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

Background:

8. The investigation in this matter by the Association was initiated as a result of a complaint made to the Ontario Securities Commission by the Respondent's client EB. At all material times the Respondent was a Registered Representative Options with TD Securities Inc. ("TD").

Registration History:

9. The Respondent entered the industry in December 1995 and has been registered since then as follows:
 - December 14, 1995 to July 23, 1996: Registered Representative at TD
 - July 23, 1996 to June 5, 1998: Registered Representative Options ("RRO") at TD
 - June 5, 1998 to November 16, 1998: Investment Representative Options at TD
 - November 16, 1998 to June 30, 2002: RRO at TD
 - July 1, 2002 to present: RRO at TD Waterhouse Canada Inc.

Client EB:

10. EB opened a margin account with the Respondent in January 1999 (“the account”). EB was a 50 year old nurse. She had a grade 12 education and a nursing diploma from the United Kingdom. EB told the Respondent that she was seeking \$500 U.S. per month from the investments to provide for an elderly aunt and also that she wanted to preserve the principal amount. The account was funded with a deposit of \$80,000 U.S. which came from an inheritance shared with EB’s three brothers.
11. EB had never had a brokerage account prior to opening the account with the Respondent. The account was set up as a joint account with EB’s nephew ST, for the purposes of estate planning. The Respondent never met or spoke with ST, who did not live in Canada. EB was the individual who provided any instructions to the Respondent.

The NAAF:

12. EB’s NAAF for the account dated January 7, 1999 (“the NAAF”) indicates that EB’s annual income was \$50,000 to \$100,000 and that her net worth was \$250,000 to \$500,000. EB signed the NAAF at the time she opened the account. The NAAF also indicates that EB’s investment experience was none and that her investment knowledge was limited.
13. EB’s investment objectives on the NAAF were listed as 70% income and 30% long term capital gains. Although EB’s risk level on the NAAF was checked off as being high, in fact, her actual risk level was low to moderate. EB does not remember if the box entitled “High” underneath Risk, was in fact checked off when she signed the NAAF.
14. The purpose of the account was discussed at the first meeting between the Respondent and EB. The Respondent explained to EB that in order to achieve a payout of U.S. \$500 each month, part of the account would have to be put into investments that had some risk and that the investments would fluctuate in value to some extent. There was no discussion that high risk or very aggressive investments would be required. The discussion of risk was in the context of ensuring that EB understood that the investments would not be of the guaranteed or very low risk variety.
15. As planned, monthly withdrawals of \$500 U.S. were made from EB’s account from May 1999 to July 2001. Until October 1999 there was very little trading activity in EB’s account. As of June 30, 1999, two speculative securities – Sikaman Gold Resources and Tri Vision International – made up 18.6% of the total portfolio holdings in the account. The rest of the account was made up of good quality securities and mutual funds of moderate risk.

Suitability:

16. During 2000 various short term trades were made in EB’s account. The securities traded were generally volatile technology related stocks with moderate to high share prices, as well as some small cap technology and resource stocks. Examples of heavily traded stocks were Protein Design Labs, Ariba, JDS Uniphase and Nortel Networks.
17. The short term trading was unsuitable for EB given the purpose of the account and EB’s investment objectives and risk tolerance.

Ariba and Research in Motion:

18. On November 21, 2000, the Respondent purchased 500 shares of Ariba in EB’s account, at a total price of \$40,375 U.S. The Ariba shares declined in value to \$2,140 U.S. by November 30, 2001, for an unrealized loss of \$38,235 U.S.
19. On February 7, 2001, 500 shares of Research in Motion were purchased in EB’s account at a total price of \$47,900. The Research in Motion shares declined in value to \$17,285 by November 30, 2001, for an unrealized loss of \$30,615.
20. By July 31, 2001, the combined net equity in the account had declined to \$35,422 U.S., after withdrawals of \$13,500 U.S. The losses sustained by the account were primarily caused by Ariba (U.S. side of the account) and Research in Motion (Canadian side of the account). As of November 2001, the total cumulative loss (unrealized and/or realized) in the account was \$54,602.52. This amount is net of any withdrawals or deposits.

Discretionary Trading:

21. EB had very little contact with the Respondent throughout the operation of her account. She spoke with the Respondent every few months and these calls were generally initiated by her. Their telephone calls were very general in nature, involving an update of what was occurring in the account.

22. EB thought that it was the normal course for the Respondent to make trades in her account without confirming the particulars of each trade in advance with her. The first time that EB discovered the particulars of a trade occurred when she received her confirmation slip or monthly statement in the mail.
23. The Respondent agrees that he did not speak often with EB, and that he spoke with her on average once every few months. The Respondent did not confirm all of the details of the trades with EB prior to effecting trades in her account.

Monthly statements received:

24. The Respondent did have general discussions with EB about her investments. Although she received her monthly statements and trade confirmation slips regarding her account activities and was aware of the transactions in her account, she did not know that the Respondent was required to obtain her consent prior to carrying out trades in her account.

IV. CONTRAVENTIONS

25. During 2000 and 2001, while a Registered Representative of a Member of the Association, Nerio D'Ambrosi failed to use due diligence to ensure that the short term trading recommendations made were appropriate for his client EB and in keeping with her investment objectives, contrary to Association Regulation 1300.1(c).
26. During 2000 and 2001, while a Registered Representative of a Member of the Association, Nerio D'Ambrosi effected discretionary transactions in client EB's account, without the prior written authorization of the client and without the account having been accepted and approved as a discretionary account by the Member firm, contrary to Association Regulation 1300.4.

V. ADMISSION OF CONTRAVENTIONS AND FUTURE COMPLIANCE

27. The Respondent admits the contravention of the By-laws, Regulations, Rulings or Policies of the Association noted in Section IV of this Settlement Agreement. The Respondent acknowledges his responsibility to comply with the By-laws, Regulations, Rulings and Policies of the Association.

VI. DISCIPLINE PENALTIES

28. The Respondent accepts the imposition of discipline penalties by the Association pursuant to this Settlement Agreement as follows:
 - a) a fine in the amount of \$20,000;
 - b) close supervision for 6 months to commence on the effective date of the Settlement Agreement; and
 - c) a condition of continued approval that in the event the Respondent fails to comply with any of these discipline penalties, the District Council may upon application by the Senior Vice-President Member Regulation and upon notice to the Respondent, suspend the approval of the Respondent until the discipline penalties have been complied with.

VII. ASSOCIATION COSTS

29. The Respondent shall pay the Association's costs of this proceeding in the amount of \$8,000.

VIII. EFFECTIVE DATE

30. This Settlement Agreement shall become effective and binding upon the Respondent and Staff in accordance with its terms as of the date of:
 - (a) its acceptance; or
 - (b) the imposition of a lesser penalty or less onerous terms; or
 - (c) the imposition, with the consent of the Respondent, of a penalty or terms more onerous, by the District Council.

IX. WAIVER

31. If this Settlement Agreement becomes effective and binding, the Respondent hereby waives his right to a hearing under the Association By-laws in respect of the matters described herein and further waives any right of appeal or review which may be available under such By-laws or any applicable legislation.

X. STAFF COMMITMENT

32. If this Settlement Agreement becomes effective and binding, Staff will not proceed with disciplinary proceedings under Association By-laws in relation to the facts set out in Section III of the Settlement Agreement.

XI. PUBLIC NOTICE OF DISCIPLINE PENALTY

33. If this Settlement Agreement becomes effective and binding:

- (a) the Respondent shall be deemed to have been penalized by the District Council for the purpose of giving written notice to the public thereof by publication in an Association Bulletin and by delivery of the notice to the media, the securities regulators and such other persons, organizations or corporations, as required by Association By-laws and any applicable Securities Commission requirements; and
- (b) the Settlement Agreement and the Association Bulletin shall remain on file and shall be disclosed to members of the public upon request.

XII. ACCEPTANCE OR REJECTION OF SETTLEMENT AGREEMENT

34. If the District Council rejects this Settlement Agreement:

- a) the provisions of By-laws 20.10 to 20.24, inclusive, shall apply, provided that no member of the District Council rejecting this Settlement Agreement shall participate in any hearing conducted by the District Council with respect to the same matters which are the subject of the Settlement Agreement; and
- b) the negotiations relating thereto shall be without prejudice and may not be used as evidence or referred to in any hearing.

AGREED TO by the Respondent at the City of "Toronto", in the Province of Ontario, this "23rd" day of September, 2004.

"Patrycia Jaros"
Witness

"Nerio D'Ambrosi"
Nerio D'Ambrosi

AGREED TO by Staff at the City of Toronto, in the Province of Ontario, this "27th" day of September, 2004.

"Nina Genova"
Witness

"Kathryn Andrews"
Kathryn Andrews
Enforcement Counsel, on behalf of the Staff of the Investment Dealers Association of Canada

ACCEPTED BY the Ontario District Council of the Investment Dealers Association of Canada, at the City of Toronto, in the Province of Ontario, this "25th" day of "October" 2004.

Investment Dealers Association of Canada
(Ontario District Council)

Per: "F. Kaufman"
Per: "H. McNabney"
Per: "M. Walsh"

13.1.5 IDA Discipline Penalties Imposed on Nerio D'Ambrosi – Violation of Regulations 1300.1(c) and 1300.4

Contact:

Kathryn Andrews
Enforcement Counsel
(416) 865-3048

BULLETIN # 3346
November 4, 2004

DISCIPLINE

DISCIPLINE PENALTIES IMPOSED ON NERIO D'AMBROSI – VIOLATION OF REGULATIONS 1300.1(C) AND 1300.4

Person Disciplined A Hearing Panel appointed pursuant to Association By-law 20 has imposed discipline penalties on Nerio D'Ambrosi (the "Respondent"), at all material times employed as a Registered Representative Options in the North York and Woodbridge branch offices of TD Securities Inc. ("TD"), a Member of the Association.

By-laws, Regulations, Policies Violated On October 25, 2004 the Hearing Panel considered and accepted a Settlement Agreement negotiated between the Respondent and Association staff.

Pursuant to the Settlement Agreement, the Respondent admitted that during 2000 and 2001, he failed to use due diligence to ensure that that short term trading recommendations made were appropriate for client EB and in keeping with her investment objectives, contrary to Association Regulation 1300.1 (c).

The Respondent also admitted that he effected discretionary trades in client EB's account, during the same time period, without the prior written authorization of the client and without the account having been accepted as a discretionary account, contrary to Association Regulation 1300.4.

Penalty Assessed The discipline penalties assessed against the Respondent are:

- a fine in the amount of \$20,000 and;
- close supervision for 6 months to commence on the effective date of the Settlement Agreement.

The Respondent is also required to pay the Association's costs in the amount of \$8,000.

Summary of Facts

Registration:

At the relevant time the Respondent was a Registered Representative Options in the North York and Woodbridge branch offices of TD. The Respondent entered the industry in 1995 and was registered with TD until the fall of 2004.

Client EB's account:

The investigation was initiated as a result of a complaint made to the Ontario Securities Commission by a client named EB.

EB opened a margin account with the Respondent in January 1999 ("the account"). EB was a 50 year old nurse with a grade 12 education. EB had never had a brokerage account prior to opening the account with the Respondent.

EB told the Respondent that she was seeking \$500 U.S. per month from the investments to provide for an elderly aunt and also that she wanted to preserve the principal amount. The account was funded with a deposit of \$80,000 U.S. which came from a shared inheritance.

The NAAF:

EB's NAAF for the account dated January 7, 1999 ("the NAAF") indicates that EB's annual income was \$50,000 to \$100,000 and that her net worth was \$250,000 to \$500,000. EB signed the NAAF at the time she opened the account. The NAAF also indicates that EB's investment experience was none and that her investment knowledge was limited.

EB's investment objectives on the NAAF were listed as 70% income and 30% long term capital gains. Although EB's risk level on the NAAF was checked off as being high, in fact, her actual risk level was low

to moderate.

Discussion re: account:

The purpose of the account was discussed at the first meeting between the Respondent and EB. The Respondent explained to EB that in order to achieve a payout of U.S. \$500 each month, part of the account would have to be put into investments that had some risk and that the investments would fluctuate in value to some extent. There was no discussion that high risk or very aggressive investments would be required. The discussion of risk was in the context of ensuring that EB understood that the investments would not be of the guaranteed or very low risk variety.

Suitability issue:

As planned, monthly withdrawals of \$500 U.S. were made from EB's account from May 1999 to July 2001. Until October 1999 there was very little trading activity in EB's account.

During 2000 various short term trades were made in EB's account. The securities traded were generally volatile technology related stocks with moderate to high share prices, as well as some small cap technology and resource stocks. Examples of heavily traded stocks were Protein Design Labs, Ariba, JDS Uniphase and Nortel Networks.

The short term trading was unsuitable for EB given the purpose of the account and EB's investment objectives and risk tolerance.

Ariba and Research in Motion:

On November 21, 2000, the Respondent purchased 500 shares of Ariba in EB's account, at a total price of \$40,375 U.S. The Ariba shares declined in value to \$2,140 U.S. by November 30, 2001, for an unrealized loss of \$38,235 U.S.

On February 7, 2001, 500 shares of Research in Motion were purchased in EB's account at a total price of \$47,900. The Research in Motion shares declined in value to \$17,285 by November 30, 2001, for an unrealized loss of \$30,615.

Total cumulative loss:

By July 31, 2001, the combined net equity in the account had declined to \$35,422 U.S., after withdrawals of \$13,500 U.S. The losses sustained by the account were primarily caused by Ariba (U.S. side of the account) and Research in Motion (Canadian side of the account). As of November 2001, the total cumulative loss (unrealized and/or realized) in the account was \$54,602.52. This amount is net of any withdrawals or deposits.

Discretionary trading:

EB had very little contact with the Respondent throughout the operation of her account. She spoke with the Respondent every few months and these calls were generally initiated by her. Their telephone calls were very general in nature, involving an update of her investments.

EB thought that it was the normal course for the Respondent to make trades in her account without confirming the particulars of each trade in advance with her. The first time that EB discovered the particulars of a trade occurred when she received her confirmation slip or monthly statement in the mail. The Respondent did not confirm all of the details of the trades with EB prior to effecting trades in her account.

Other:

The Respondent has no previous disciplinary history and was co-operative with Association staff. At the present time the Respondent is employed by Raymond James Ltd.

Kenneth A. Nason
Association Secretary

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Chapter 25

Other Information

25.1 Exemptions

25.1.1 Barrick Gold Corporation and Barrick Gold Finance Company - s. 6.1 of OSC Rule 13-502

Headnote

Two subsidiaries of issuer exempt from requirement to pay participation fee, subject to conditions.

Statutes Cited

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

Rules Cited

OSC Rule 13-502 Fees (2003), 26 O.S.C.B. 890.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C. S.5, AS AMENDED AND
ONTARIO SECURITIES COMMISSION RULE 13-502
FEES (the "Fee Rule")**

AND

**IN THE MATTER OF
BARRICK GOLD CORPORATION AND
BARRICK GOLD FINANCE COMPANY**

**EXEMPTION
(Section 6.1 of the Fee Rule)**

UPON the Director having received an application (the "Application") from Barrick Gold Corporation (the "Applicant" or "Barrick"), on its own behalf and on behalf of Barrick Gold Finance Company ("BGFC"), seeking a decision pursuant to section 6.1 of the Fee Rule exempting BGFC from the requirement in section 2.2 of the Fee Rule to pay a participation fee;

AND UPON considering the Application and the recommendation of the staff of the Ontario Securities Commission;

AND UPON the Applicant having represented to the Director as follows:

1. BGFC was formed on July 20, 1998 under the laws of the Province of Nova Scotia.
2. The authorized capital of BGFC consists of 100,000,000 common shares. As of August 30, 2004, all of the issued and outstanding common shares of BGFC were held by affiliates of Barrick.

3. BGFC's assets are comprised of shares of other Barrick affiliates, and call rights, support rights and other rights relating to other Barrick affiliates.
4. BGFC proposes to file a short-form base shelf prospectus (the "Shelf Prospectus") which will permit BGFC to issue debt securities that will be unconditionally and irrevocably guaranteed by Barrick.
5. It is presently intended that any debt securities issued by BGFC under the Shelf Prospectus will be offered only in the United States and will not be listed or posted for trading on any exchange. BGFC has no current intention of accessing the Ontario capital markets in the future by offering securities of BGFC to the public in Ontario.
6. Following issuance of a receipt for the Shelf Prospectus, BGFC will be a reporting issuer in the Province of Ontario.
7. BGFC has obtained an order exempting BGFC from National Instrument 51-102 - Continuous Disclosure Obligations (the "BGFC Continuous Disclosure Requirements"), subject to certain conditions.

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 6.1 of the Fee Rule, that BGFC is exempt from the requirement in section 2.2 of the Fee Rule to pay a participation fee for each of its financial years, for so long as:

- (a) BGFC continues to be exempt from the BGFC Continuous Disclosure Requirements,
- (b) all of the equity securities of BGFC continue to be held beneficially, directly or indirectly, by Barrick,
- (c) Barrick is a reporting issuer in Ontario,
- (d) Barrick has paid its participation fee pursuant to section 2.2 of the Fee Rule, and in calculating such fee has included the market value of each class or series of corporate debt of BGFC outstanding at the relevant time, and
- (e) Barrick does not issue any securities of BGFC to the public, except for debt

Other Information

securities issued under the Shelf Prospectus that are (i) offered only in the United States, (ii) unconditionally and irrevocably guaranteed by Barrick, and (iii) and not listed or posted for trading on any exchange (a "Permitted Issuance"),

provided further that upon any further issuance of securities to the public of BGFC (other than a Permitted Issuance), a participation fee shall be immediately paid by BGFC in respect of the financial year during which such securities are issued (such fee to be pro rated to reflect the number of entire months remaining in such financial year) and in respect of subsequent financial years during which such securities remain outstanding.

October 20, 2004.

"Iva Vranic"

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