The Ontario Securities Commission

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March 25, 2005

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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)

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MARCH 25, 2005

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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- -

THE COMMISSIONERS

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
Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

TBA **Yama Abdullah Yaqeen**

s. 8(2)

J. Superina in attendance for Staff

Panel: RLS/ST/DLK

TBA **Cornwall *et al***

s. 127

K. Manarin in attendance for Staff

Panel: HLM/RWD/ST

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

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

10:00 a.m.

Panel: SWJ/HLM/MTM

* Sally Daub settled December 14, 2004.

April 15, 2005

10:00 a.m.

Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig

s. 127

J. Waechter in attendance for Staff

Panel: TBA

April 26, 2005

10:00 a.m.

Andrew Cheung

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

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

May 17, 2005
10:00 a.m.
Portus Alternative Asset Management Inc., and Portus Asset Management, Inc.
s. 127
M. MacKewn in attendance for Staff
Panel: TBD

May 18, 2005
9:00 a.m.
Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson
s.127
J. Superina in attendance for Staff
Panel: TBA

May 24-27, 2005
10:00 a.m.
Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani and Syed Kabir
s.127
J. Waechter in attendance for Staff
Panel: RLS/ST/DLK

June 29 & 30, 2005
10:00 a.m.
Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton
s. 127
J. Cotte in attendance for Staff
Panel: PMM/RWD/DLK

May 30, June 1, 2, 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: PMM/RWD/DLK
* David Bromberg settled April 20, 2004
* Lloyd Bruce settled November 12, 2004

June 14, 2005
2:30 p.m.
June 15–30, 2005
10:00 a.m.
In the matter of Allan Eizenga, Richard Jules Fangeat*, Michael Hersey*, Luke John McGee* and Robert Louis Rizzutto* **and In the matter of Michael Tibollo**
s.127
T. Pratt in attendance for Staff
Panel: WSW/PKB/ST
* Fangeat settled June 21, 2004
* Hersey settled May 26, 2004
* McGee settled November 11, 2004
* Rizzutto settled August 17, 2004

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

1.1.2 Speech by David Brown - Keeping the "Mutual" in Mutual Funds

KEEPING THE "MUTUAL" IN MUTUAL FUNDS

Remarks by David A. Brown, Q.C.
Chair, Ontario Securities Commission

Economic Club of Toronto
March 17, 2005

Thank you for that kind introduction.

We all get to make choices. For example, you could have gone down south for March break this week. Or you could have stayed in town, and drowned your winter sorrows today at a St. Patrick's Day bash over lunch. But instead, you came to hear me. I hope I justify your confidence. If not, I'll try to be brief enough that you can drop in to an Irish pub before going back to work.

I don't know if I can actually promise you that, but I can assure you of this: I'm going to focus on a topic that is important to Canadian investors, and to Canadian capital markets – mutual funds.

Today, the Commission is releasing our *Report on Mutual Fund Trading Practices Probe.* It provides the background, description, results and conclusion of our probe into the trading practices of the mutual fund industry, and our proposed policy responses.

I want to talk with you about the report: What we found, what we didn't find, and what actions we've taken.

This is another example of choices that have to be made.

The importance of mutual funds is apparent to anyone who saw a television commercial during RRSP season: They have helped make elite investing a mass activity, providing mainstream investors with ready access to diversification, liquidity and money management services.

But if mutual funds are to continue to drive investing forward, respect for the mutual fund industry must be maintained. The issue of trading abuses threatened to undermine that.

In the face of evidence of abuses in the U.S., the OSC's obligations were clear: We had to make sure that investors can trust mutual funds in the future. The OSC has a public interest jurisdiction to intervene in the marketplace and to blow the whistle when conduct goes offside basic principles.

We launched a probe to determine whether Ontario securities laws were being breached. We recognized that if the activity that had been reported in the U.S. mutual fund industry had taken place in Canada, it would have breached the *Securities Act* in two respects:

One, the Act sets out that mutual fund managers must faithfully and diligently fulfill their duty to fully protect the best interests of their funds and the investors in them.

Two, one of the practices that had come to light in the U.S. was market timing. Under standard practice mutual fund prospectuses in Canada state that the fund does not permit market timing.

Let's recall the circumstances surrounding the launch of the probe.

The issue surfaced in the United States in September 2003, when New York State Attorney General Elliott Spitzer's office got a tip about late trading and market timing in the mutual fund market.

Late trading is when buy or sell orders are received after the close of business but are given that day's prices, rather than the next day's, violating the forward pricing requirement that assures a level playing field for mutual fund investors.

Market timing involves short-term trading of mutual fund securities to take advantage of short-term discrepancies between the stale values of securities within the fund's portfolio and their current market value. A market timer will attempt to take advantage of this information lag by trading in anticipation of these price movements. The market timer will therefore purchase mutual fund securities at a Net Asset Value that reflects the stale price of foreign securities in the portfolio and then sell its investment in the fund shortly thereafter, when foreign prices have risen.

When Attorney General Spitzer looked into the allegations, he found that the fact that funds were engaging in late trading and market timing were the worst-kept secrets on Wall Street. He found numerous incidents of late trading, rampant market timing practices – and worst of all, that insiders of some U.S. funds were engaged in these activities.

The Spitzer probe raised the obvious question in Canada: Were mutual fund investors here being harmed in the same way? Unlike U.S. authorities, we did not have in our possession information from insiders pointing to any wrongdoing by market participants. But given the significance of the mutual fund industry in Canada, and the similarities between the Canadian and U.S. markets and regulatory environments, it made sense to examine our market.

It became apparent from the outset that if either late trading or market timing were being carried on in Canada, they were a well-kept secret on Bay Street.

A thorough probe was needed, but in understanding how we structured it, it is important to keep in mind another important contrast between the United States and Canada: The difference between the OSC's mandate and that of the New York State Attorney General.

The OSC's mandate is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in those markets. In achieving this mandate, enforcement proceedings can be taken pursuant to the *Securities Act of Ontario*. The Supreme Court of Canada has told us that the Commission's jurisdiction in such proceedings is neither remedial nor punitive; it is protective and preventive – aimed at preventing future harm to Ontario's capital markets.

The Attorney General of New York has a very different job: Chief law officer of the state – with responsibility to seek out and punish offenders. Our mission demanded a different approach; and it's important to understand the difference.

We were determined to thoroughly examine the practices of our mutual fund industry. But at the same time, our mandate requires us to balance the interests of various stakeholders. That includes the market as a whole, the funds themselves, the investors as a whole, and of course the consumers who had invested in mutual funds.

Given our mandate – and the fact that we did not have a specific inside tip to act on – we launched a multi-phase probe, the biggest investigation in OSC history. We initiated Phase 1 in November 2003, less than two months after evidence of illegal practices in the U.S. mutual fund market began to emerge.

Throughout our probe, we were not just seeking to find individual cases of potential abuses. We also sought to determine whether there were systemic problems. Early on, we were able to make four clear determinations:

- First, whatever trading abuses had taken place, there were no systemic problems that had to be dealt with.
- Second, there was not a problem regarding late trading – a concern that we chased down early and were able to put to rest.
- Third, unlike the U.S., there was no evidence of insider abuse.
- Fourth, market timing abuses, where they had occurred, had been shut down by the time the probe had been launched.

In the first phase, the prime objective was to gather information from the industry and assess whether Canadian fund managers had effective policies and procedures to detect and prevent trading abuses such as late trading and market timing. We wanted to determine whether the abuses occurring in the United States could also be present in our markets.

While our U.S. counterpart the SEC canvassed only a select group of fund managers, we wrote to all of the fund managers offering open-end retail mutual funds in Ontario, 105 in total. We asked each of them to review their internal trading practices and assess whether improper trading practices were occurring. We also asked them to describe for us the investigative processes they undertook.

We reviewed their responses, and determined whether follow-up was required based on a number of criteria.

This allowed us to get an overall picture of the fund managers, and the processes they had in place. We learned that market timing activities had occurred in some funds. We also learned that many fund managers had taken corrective action to prevent the recurrence of the practice.

The response set the stage for Phase 2. At that point we asked for more detailed information.

Because our probe followed the U.S. investigation, we had the advantage of being able to examine the methods they used and determine whether there was a better way of doing it.

For example, the SEC asked the mutual fund managers they were probing for all documents related to mutual fund trading. What they got back was a huge information dump, so much paper to wade through that it may have set back the investigation more than it advanced it. We provided mutual fund managers with the specific areas in which we were seeking information – carefully designed to produce enough to allow us to proceed, and proceed quickly, without getting drowned in data.

In the second phase, we narrowed our probe to 36 of the 105 fund managers originally surveyed. Some of the fund managers made the list because of frequent suspicious trading activity; others were the result of random selection.

We asked them to submit a significant amount of detailed trading data from over a two-year period up to December 31st 2003. That included information on all round-trip trades exceeding $50,000 – trades that included a purchase or a switch into a fund followed by redemption or a switch out of a fund within five business days. We believed that evidence of such short-term trading could indicate market timing activity.

To assess potential cases of late trading, we focused on transactions that were most susceptible to it by requesting a list of all trades of $50,000 or more that were backdated, manually processed, or processed outside of the normal clearing systems after 4 p.m. on any day in the period under scrutiny.

That underlines another crucial difference between our probe and the investigations conducted in the United States. In the U.S., mutual fund transactions are time-stamped at the dealer level. In Canada the overwhelming majority of mutual fund transactions are processed through the FundSERV system or through Canadian chartered banks, with strict automated time-stamping processes. All orders received through them after 4 p.m. Eastern Time are automatically referred for processing the next day at the next day's price. This is what's known in the industry as a "hard close", firmly dividing one day's trading from the next. This is the kind of standard that many in the U.S. are striving for. Our investigation enabled us to conclude that

Canada's "hard close" system was working. Late trading is not a problem in Canada.

During Phase 2, we received and analyzed $84 billion in trading data. OSC staff examined it closely to find trading patterns, relationships and other indicators that required further follow-up in Phase 3 of the probe.

Of the 36 mutual fund managers that had been called upon for additional information, 20 were examined in Phase 3. They were responsible for over 90 per cent of mutual fund assets under management in Canada. This was the most intensive stage of the probe, including on-site reviews by joint Compliance and Enforcement teams.

We sought to isolate where the worst abuses had occurred. We evaluated the data of the fund managers against factors that would harm investors, focusing on three risk areas – market timers' profits, gross management fees earned by the fund manager from allowing this activity, and volume of redemptions – plus several qualitative factors. Based on detailed testing of select accounts at each fund manager, each of these risk areas was assigned a rating.

That was the basis of determining which fund managers to refer to enforcement. The risk ratings based on the three-phase probe clearly revealed a marked disparity between five fund managers and the rest, based on both degree and impact of frequent trading market timing activity. Those five were referred to enforcement.

Consider the contrasts:

Of the 105 fund managers offering open-end retail mutual funds in the province, 85 showed no evidence of market timing activities. Of the remaining 20, 15 had identified market timing at an early stage and shut it down with negligible harm to investors.

Five fund managers stood out in clear contrast.

- The average risk rating for market timers' profits for those five was three times as high as the rest.
- The average risk rating for gross management fees from allowing this activity earned by those referred was four times as high as the rest.
- The average risk rating for volume of redemptions for them was almost three-and-a-half times as great as the others.
- The average total risk rating was three-and-a-half times as high.

The responses by the remaining 15 fund managers produced markedly different results.

Some took active steps to discourage and ultimately stop all short-term trading, after detecting it in their funds.

Some had policies in place to refer trading activity that was of potential concern to a review committee.

Some used fair valuation techniques to reduce price discrepancies between stale values of securities within a fund's portfolio and the current market value.

As you may know, we entered into settlement agreements with each of the five fund managers to compensate investors who suffered harm from market timing activities in the affected funds. As a result, those five fund managers will distribute to affected investors a total of $205 million. That is by far the largest settlement in OSC history.

These funds will be distributed to investors under the supervision of an independent consultant, in accordance with a distribution plan approved by the OSC.

One of the reasons I have gone through the nature of our probe is because I want to address a point that a few have made. Some argue that this issue, and others like it involving the trust that investors place in market systems, is not all that important. That it is over-dramatized. One of the fund managers says that there was no reason to single some out because, according to him, everybody was doing it.

Remember what your mother used to say when she caught you doing something wrong, and you tried to tell her that "everybody else was doing it"? If your mother was like mine, she said "that doesn't make it right."

In fact, she probably knew that everybody else wasn't doing it.

Our 3-phase probe makes it possible for us to say clearly and confidently that everybody was not doing it. We isolated what the problem was, who the problem was, and when the problem was taking place.

We found that some fund managers effectively solved the problem – others failed to. Some put effective controls in place – others didn't.

The settlement is a reiteration of the fact that mutual fund managers have a duty to act in the best interests of their funds and the investors who have entrusted them with their money. A select group of investors must not be given preferential treatment to the detriment of others.

Some may ask: Why were five fund managers referred to enforcement but not the actual market timers – the account holders?

The OSC is accountable for ensuring that Ontario securities laws are followed. As I pointed out, those laws require mutual fund managers to faithfully and diligently fulfill their duty to fully protect the best interests of their funds and the investors in them.
Mutual fund managers must exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in the circumstances.

Compliance with this duty requires that a mutual fund manager have regard for the potential harm to a fund from investors seeking to employ trading strategies that may be

harmful or disruptive to the fund and its other investors. We believe it is a fund manager's responsibility to put in place policies, procedures and other mechanisms to monitor trading that could be disruptive or harmful to the funds and take reasonable steps to protect the fund. The market timers owe no such duty to the other investors in the funds. They broke no laws.

It's important to keep in mind that this was not a matter where some investors made money because they were able to invest more shrewdly, while others failed to. This was not a case where some investors gained, at no loss to others. It was not a matter of the overall fund growing and all investors getting their share.

No, this was a case where some knowledgeable investors exploited the system to make more money at the expense of others. By taking advantage of the difference between the stale value and an expected price movement of a fund the following day, and trading in anticipation of those price movements, they were able to make gains. Those gains could only come at the expense of every other investor in the fund. Mutual fund managers had a duty to all of them.

We learned a lot through this probe. We've included a number of possible policy responses and suggested best practices in the report. Copies will be available to you as you leave, and will be posted on the OSC website. (osc.gov.on.ca)

One of the things we learned is about how regulators must function. The probe was successful because it was a quick response, and it addressed the issue in its entirety. It brought together all relevant provincial regulators and the two affected self-regulatory organizations – the Investment Dealers Association and the Mutual Fund Dealers Association. And it was given coordinated, priority attention by all branches of the OSC.

I think this is the approach that will increasingly be necessary, as new products and practices are introduced quickly in the fast-paced markets.

The most important lesson is the one that is clear to all in the industry: The investors' interests must be paramount. A lot of people were disadvantaged simply because they did something they had every right to expect to be able to do – trust the mutual fund managers with whom they had placed their nest egg.

That's why we took the U.S. revelations as a clear warning, and thoroughly investigated our industry. We found that the situation in Canada was markedly different – no late trading, no insider abuses, no systemic market timing.

We found some market timing had occurred, but it had been shut down. We ensured that investors will be reimbursed for losses. The case is closed with a fair result, and a clear message.

As I mentioned at the outset, the robustness of our market is based on investors having confidence in our market institutions. That is the most important factor underlying our ability to maintain the robust capital markets critical to growth in the economy and the security of retirement savings.

Mutual funds have been an important element of this process. To ensure their ability to grow, those who participate must be assured of a fair shake. They are entitled to that. The mutual fund probe and settlements demonstrate they will get it.

Thank you.

1.3 News Releases

1.3.1 CSA News Release - Québec Regulator Named New Chair of the Canadian Securities Administrators

FOR IMMEDIATE RELEASE

Québec Regulator Named New Chair of the Canadian Securities Administrators

March 21, 2005 - Calgary - The Canadian Securities Administrators (CSA) have appointed Jean St-Gelais, President and Chief Executive Officer of the Autorité des marches financiers, as the new Chair of the CSA for a two-year term, commencing April 1, 2005.

St-Gelais succeeds Stephen Sibold, the Alberta Securities Commission Chair, who has served as head of the CSA since April 2003. "I am extremely pleased to step into this role, and look forward to working with my colleagues across Canada to continue to make improvements to the regulation of our capital markets," St. Gelais said.

Sibold said that the establishment of a permanent secretariat has helped make the CSA a more structured and effective organization. "I am proud of what we've accomplished at the CSA over the past two years," he added.

Don Murray, Chair of the Manitoba Securities Commission, was named CSA Vice-Chair, succeeding Donne Smith, Chair of the New Brunswick Securities Commission.

"We will continue to deliver on the CSA strategic principles and ongoing efforts to harmonize securities legislation," Murray said.

"It has been a pleasure serving the CSA. I wish my incoming colleagues all the best as they assume their new positions," said Smith.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

For more information:

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Philippe Roy
Autorité des marchés financiers
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Andrew Poon
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604-899-6880

Rick Hancox
New Brunswick Securities Commission
(506) 658-3119

BACKGROUNDER:

Jean St-Gelais
President and Chief Executive Officer, Autorité des marches financiers (Québec)

- Graduated Economics at Laval University (B.A.) and Queen's University (M.A.)
- Appointed President and Chief Executive Officer of the Autorité des marches financiers, the new agency for regulation of Québec financial sector in 2003
- Served Associate Deputy Minister for Taxation, Budgetary Policy and Financial Institutions
- Served as Secretary General and Clerk of the Executive Council of the Government of Québec
- Held several positions at the Québec Ministry of Finance and the Bank of Canada.

Don Murray
Chair, Manitoba Securities Commission

- Graduated from University of Manitoba Law School in 1976
- Practiced Commercial Law for 20 years
- Appointed Chair of The Manitoba Securities Commission in 1997
- Active in CSA work, most recently being a member of the Uniform Securities Legislation Steering Committee and Policy Co-ordination Committee
- Represents Manitoba on the Ministers' Taskforce for securities regulatory reform
- Currently a member of the Board of Directors of the North American Securities Administrators Association
- Been a volunteer board member of several social and charitable agencies
- Former elected School Trustee in Winnipeg

1.3.2 The OSC Commences Proceedings In Respect Of Andrew Cheung

FOR IMMEDIATE RELEASE
March 17, 2005

The Ontario Securities Commission Commences Proceedings In Respect Of Andrew Cheung

Toronto – The Ontario Securities Commission (OSC) has issued a Notice of Hearing and related Statement of Allegations in respect of Andrew Cheung (Cheung). Staff of the OSC allege that Cheung, the President of 01 Communique Laboratory Inc. (01 Communique), a reporting issuer in Ontario, failed to file reports in respect of insider trades. The allegations involve trading in shares of 01 Communique between November 2003 and October 2004. Twenty-one transactions were carried out by Global Genius Investments Limited, a company beneficially owned by Cheung. The hearing will be held on April 26, 2005.

The Cheung matter is the third case brought under the OSC's simplified process. The simplified process was implemented in December 2004 in order to quickly identify, investigate and bring to a hearing those cases involving clear breaches of Ontario securities law. Simplified process cases involve violations of the Ontario *Securities Act* which are easily demonstrable, such as a failure to file or a failure to obtain required registration or certification. Once identified by front-line staff, these cases will be brought swiftly to a hearing.

The Notice of Hearing and Statement of Allegations are made available on the OSC's website (www.osc.gov.on.ca).

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

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

1.3.3 OSC Commences Proceedings in Relation to Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee, and Peter Y. Atkinson

FOR IMMEDIATE RELEASE
March 18, 2005

OSC COMMENCES PROCEEDINGS IN RELATION TO HOLLINGER INC., CONRAD M. BLACK, F. DAVID RADLER, JOHN A. BOULTBEE, AND PETER Y. ATKINSON

Toronto – The Ontario Securities Commission ("Commission") today issued a Notice of Hearing and related Statement of Allegations against Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee, and Peter Y. Atkinson.

The first appearance in this matter will be held at 9:00 a.m. on Wednesday, May 18, 2005 in the small hearing room of the Commission located on the 17th Floor, 20 Queen Street West, Toronto. The purpose of this first appearance is to set a date for the hearing.

A copy of the Notice of Hearing and Statement of Allegations is made available on the Commission's website (www.osc.gov.on.ca).

The Commission acknowledges the assistance and cooperation of the SEC in the investigation of this matter.

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

March 7, 2005

2.1.1 Guyanor Ressources S.A. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from provisions of National Instrument 43-101 Standards of Disclosure for Mineral Projects requiring filer to conduct a site visit and to comply with all form requirements of Form 43-101F1 – Filer to file a technical report that was prepared or supervised by a qualified person who did not inspect the property – Filer has a passive royalty interest in the property and cannot access the property or all the required information about the property – Owner of the property is a senior mining issuer with an established continuous disclosure record published on SEDAR – Filer to file a technical report that otherwise complies with NI 43-101.

Instruments Cited

National Instrument 43-101 Standards of Disclosure for Mineral Projects, ss. 4.3, 6.2 and 9.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUÉBEC,
NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND AND
NEWFOUNDLAND AND LABRADOR
(THE JURISDICTIONS)

AND

THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

GUYANOR RESSOURCES S.A.
(THE FILER)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be exempt from the following requirements in respect of the technical report it is required to file regarding the Gross Rosebel mine in connection with its 2005 annual information form (AIF) and that it may refer to in subsequent disclosure documents:

   (a) the requirement in section 6.2 of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) that the qualified person preparing or supervising the preparation of the Filer's technical report must have conducted a site visit to the property; and

   (b) the requirement in section 4.3 of NI 43-101 that the technical report be in the prescribed form, in particular, that the qualified person preparing or supervising the preparation of the technical report must have independently sampled and assayed portions of the deposit which is the subject of the technical report and have reviewed

(i) geological investigations, reconciliation studies, independent check assaying and independent audits,

(ii) estimates and classification of mineral resources and mineral reserves, including the methodologies applied by the mining company in determining such estimates and classifications, such as check calculations, and

(iii) life of mine plan and supporting documentation and the associated technical-economic parameters, including assumptions regarding future operating costs,

(the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the British Columbia Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

2. Defined terms contained in National Instrument 14-101 *Definitions* or NI 43-101 have the same meaning in this decision unless they are defined in this decision.

In this decision,

(a) *Cambior* means Cambior Inc.,

(b) *Cambior report* means the NI 43-101 report dated April, 2001 in respect of the Gross Rosebel mine,

(c) *Filer's technical report* means the report prepared by the Filer on the Gross Rosebel mine,

(d) *Golden Star* means Golden Star Resources Ltd., and

(e) *participation right* means the right to receive payments derived from gold production at the Gross Rosebel mine.

Representations

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

1. the Filer was incorporated under the laws of France on April 20, 1993 and has its head office in French Guyana;

2. the Filer is a reporting issuer in each of the Jurisdictions and is not in default of the Legislation;

3. Cambior owns and operates the Gross Rosebel gold mine in Suriname;

4. under a participation right agreement made as of May 16, 2002, Cambior granted the participation right to Golden Star;

5. under a purchase agreement dated September 30, 2004 (as amended) between Golden Star and the Filer, Golden Star assigned the participation right to the Filer;

6. under NI 43-101 the Filer is required to file a technical report in respect of the Gross Rosebel mine in support of disclosure to be made in its AIF;

7. the participation right does not contain provisions that would enable the Filer to access the Gross Rosebel mine or all of the information held by Cambior relating to the Gross Rosebel mine;

8. Cambior filed the Cambior report on SEDAR;

9. the Filer will file the Filer's technical report authored by an independent qualified person hired by the Filer;

10. the Filer's technical report will reflect all relevant material information concerning the Gross Rosebel mine that has been publicly disclosed by Cambior on SEDAR since the date of the Cambior report;

11. the Filer's technical report and any annual information form, annual report, prospectus or offering memorandum published by the Filer that refers to the Filer's technical report or contains disclosure regarding the participation right will include the following cautionary statement:

> "NI 43-101 contains certain requirements relating to disclosure of technical information in respect of mineral projects. Pursuant to an exemption order granted to the Filer by the Canadian securities regulatory authorities, the

information contained herein with respect to the Gross Rosebel mine is primarily extracted from the Cambior Report as well as general information available in the public domain, including the Filer's complete database of public domain data, Cambior's Annual Reports, Annual Information Forms, information available on Cambior's website and information available on other websites. The Qualified Person did not conduct a site visit, did not independently sample and assay portions of the deposit and did not review the following items prescribed by NI 43-101:

(i) geological investigations, reconciliation studies, independent check assaying and independent audits;

(ii) estimates and classification of mineral resources and mineral reserves, including the methodologies applied by the mining company in determining such estimates and classifications, such as check calculations; or

(iii) life of mine plan and supporting documentation and the associated technical-economic parameters, including assumptions regarding future operating costs, capital expenditures and saleable metal for the mining asset."

Decision

4. 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:

(a) the Filer complies with representation 11; and

(b) the Filer is unable to access the Gross Rosebel mine to conduct a site visit, obtain the samples or review the information that is the subject of the Requested Relief.

"Martin Eady"
Director, Corporate Finance
British Columbia Securities Commission

2.1.2 Syynex Canada Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - clause 104(2)(c) – take-over bid – offer by holder of all the common shares for all outstanding preferred securities – securities have never traded on an organized market – 16 of the 18 holders previously waived right under the preferred securities to convert into common shares – each holder either an accredited investor or employee of offeree - each of the 18 holders voluntarily agreed that receipt of take–over bid materials would be of no assistance in assessing proposed transaction and waived their rights in writing to receive take–over bid materials – Offeror exempted from formal take–over bid requirements.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 93(1)(d), 95-100, 104(2)(c)

February 23, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND QUÉBEC
(THE "JURISDICTIONS")

AND

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

AND

IN THE MATTER OF
SYNNEX CANADA LIMITED

(THE "FILER")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that an offer (the **"Offer"**) by the Filer, or an affiliate, to purchase all of the outstanding First Preference Shares Series A (the "**Series A Shares**") of EMJ Data Systems Ltd. ("**EMJ**"), and any successor, be exempt from the take-over bid requirements under the Legislation (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for the Application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions 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 is a corporation existing under the laws of the Province of Ontario.

2. EMJ is a corporation existing under the laws of the Province of Ontario pursuant to the amalgamation (the "Amalgamation") on December 1, 2004 of a predecessor corporation, also named EMJ Data Systems Ltd. (the "Predecessor"), and Synnex Canada Acquisition Limited, a wholly-owned subsidiary of the Filer.

3. EMJ is a reporting issuer in all provinces and territories of Canada where such status exists and, to the knowledge of the Filer, it is not in default of any of the requirements of the securities legislation of such jurisdictions.

4. As of February 8, 2005, the authorized share capital of EMJ consisted of an unlimited number of common shares (the "EMJ Shares"), an unlimited number of first preference shares, an unlimited number of second preference shares and an unlimited number of class A redeemable preference shares; and as of the close of business on February 8, 2005 there were issued and outstanding 8,801,547 EMJ Shares, 1,056,500 Series A Shares, $11,148,000 aggregate principal amount of convertible unsecured subordinated debentures of EMJ (the "Convertible Debentures"), and 109,500 warrants of EMJ exercisable to acquire Series A Shares and/or Convertible Debentures.

5. The Filer owns all of the outstanding EMJ Shares.

6. Under the Amalgamation, holders of the First Preference Shares Series A of the Predecessor (the "Predecessor Series A Shares") received one Series A Share for each Predecessor Series A Share held. The terms and conditions of the Series A Shares are identical to those of the Predecessor Series A Shares, including the provision that each Series A Share is convertible into one EMJ Share (in lieu of being convertible into one common share of the Predecessor).

7. The initial holders of the Predecessor Series A Shares acquired their securities pursuant to a private placement in September 2003.

8. Under the Articles of EMJ, the Series A Shares carry the right to vote at all meetings of the shareholders of EMJ except for meetings at which only holders of another specified class or series of shares of EMJ are entitled to vote separately as a class or series. Also, each Series A Share is convertible into one EMJ Share.

9. The Predecessor Series A Shares were issued at a price of $8.00 per share, and were each originally convertible into one Predecessor Share.

10. Neither the Predecessor Series A Shares nor the Series A Shares have traded, or are currently trading, on any organized market.

11. Holders of 1,025,250 Series A Shares (16 holders) have agreed with EMJ to waive their conversion rights, leaving 31,250 Series A Shares (two holders) with conversion rights.

12. In consideration for their waiver of conversion rights, all holders of Series A Shares were paid the same amount per underlying share.

13. Of the 18 registered holders of Series A Shares, there is one registered holder in Quebec holding an aggregate of 250 Series A Shares, and one registered holder in British Columbia holding 12,500 Series A Shares. The remaining Series A Shares are held by registered holders in Ontario.

14. It is proposed that under the Offer, the Filer, or an affiliate of the Filer, will purchase for cash all of the issued and outstanding Series A Shares.

15. There was no agreement or understanding between the Filer, EMJ or any of their respective affiliates, on the one hand, and holders of Series A Shares, on the other hand, in respect of the purchase of the Series A Shares in connection with the negotiation and completion of the waiver by such holders of their conversion rights.

16. It is proposed that under the Offer each holder of issued and outstanding Series A Shares will receive the same consideration as the other holders, on the basis that if a holder received consideration for waiving conversion rights, a holder who did not waive the conversion rights will receive an additional amount under the Offer so that the total consideration payable in connection with the waiver of conversion rights and the Offer will be equal for all holders of Series A Shares.

17. The Offer will be a non-exempt take-over bid under the Legislation and must therefore comply with the take-over bid requirements under the Legislation.

18. Each holder of Series A Shares has advised the Filer that (a) the holder is either (i) an "accredited investor" under either (x) Ontario Securities Commission Rule 45-501 (if the holder is resident in the Province of Ontario) or (y) Multilateral Instrument 45-103 (if the holder is resident in any other jurisdiction) or (ii) an employee of EMJ; and (b) in light of the holder being a sophisticated investor and/or knowledgeable about the affairs of EMJ, the holder does not require a take-over bid circular or the other protections relating to take-over bids under the Legislation in connection with the Offer and has consented to the Offer being made without such a circular or protections.

19. EMJ has complied with its continuous disclosure requirements under the Legislation such that current information about the business and affairs of EMJ is in the public domain.

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.

"Paul M. Moore"
Ontario Securities Commission

"Susan Wolburgh Jenah"
Ontario Securities Commission

2.1.3 Hollinger Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer granted relief abridging time period contained in section 2.12 of National Instrument 54-101 pursuant to which meeting materials must be sent to proximate intermediaries from three business days to one business day before the twenty-first day before the date fixed for a meeting of shareholders.

Rules Cited

National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer

March 7, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, YUKON TERRITORY AND NUNAVUT
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
HOLLINGER INC. (THE FILER)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption abridging time period of "three business days" to "one business day" contained in section 2.12 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (**NI 54-101**) pursuant to which an Information Circular and other required materials (the **Meeting Materials**) must be sent to proximate intermediaries (as that term is defined in NI 54-101) before the twenty-first day before the date fixed for a special meeting of shareholders of the Filer (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator of 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 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 is a corporation governed by the *Canada Business Corporations Act*. It is a reporting issuer or its equivalent under the applicable securities laws of each of the provinces and territories of Canada and is a "foreign private issuer" under the applicable federal securities laws of the United States.

2. The authorized capital of the Filer consists of an unlimited number of retractable common shares (the **Common Shares**), an unlimited number of Exchangeable Non-Voting Preference Shares Series I (the **Series I Preference Shares**), an unlimited number of Exchangeable Non-Voting Preference Shares Series II (the **Series II Preference Shares**) and an unlimited number of Retractable Non-Voting Preference Shares Series III (the **Series III Preference Shares**). As at March 1, 2005, 34,945,776 Common Shares, no Series I Preference Shares, 1,701,995 Series II Preference Shares and no Series III Preference Shares are issued and outstanding. The only voting securities of the Filer are the Common Shares.

3. The outstanding Common Shares and Series II Preference Shares are listed on the Toronto Stock Exchange under the symbols "HLG.C" and "HLG.PR.B", respectively.

4. On October 28, 2004, the Filer issued a press release disclosing a proposed business combination/going private transaction involving the Filer by way of a consolidation of the outstanding Common Shares and Series II Preference Shares (the **Proposed Transaction**) and certain enabling transactions (the **Enabling Transactions**) which would permit the Proposed Transaction to be considered by the shareholders of the Filer and to provide the necessary financing to complete the Proposed Transaction should the shareholders of the Filer elect to approve the Proposed Transaction. The Enabling Transactions are effective if, and only if, all necessary corporate, shareholder and regulatory approvals in connection with the Proposed Transaction relating to the outstanding Common Shares have been obtained on or prior to March 31, 2005.

5. Although the Board of Directors of the Filer has not yet determined whether or not to proceed with the Proposed Transaction, in order to preserve the ability of the Filer to convene a special meeting on March 31, 2005, a notice of meeting and record date has been filed on the System for Electronic Document Analysis and Retrieval (**SEDAR**) with respect to a special meeting of shareholders of the Filer to be held on March 31, 2005. The fixing of the meeting date has also been disclosed by way of press release by the Filer.

6. In order to meet the time requirements prescribed in section 2.12 of NI 54-101, the Meeting Materials are required to be sent to beneficial holders by March 10, 2005 and provided to proximate intermediaries by March 7, 2005.

7. On February 25, 2005, the independent directors of the Filer filed a motion (the **Motion**) in the Ontario Superior Court of Justice for advice and direction as to whether the Proposed Transaction should be put to the shareholders of the Filer. The Motion is scheduled to be heard on March 7, 2005.

8. It is the preference of the independent directors of the Filer that the determination as to whether or not to proceed with the Proposed Transaction be made after the Motion is heard on March 7, 2005. Consequently, the Filer will not be able to complete and deliver the Meeting Materials to the proximate intermediaries by March 7, 2005, the date required pursuant to section 2.12 of NI 54-101.

9. The Filer will file the Meeting Materials on SEDAR.

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.

"Margo Paul"
Director, Corporate Finance

2.1.4 Activant Solutions Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - take-over bid – relief from the prohibition against collateral benefits – Rule 61-501 – business combinations - counting tendering security holders' securities as part of minority vote required in connection with subsequent business combination – severance and change of control agreements entered into with senior officers or directors of offeree – most recipients own less than one percent of the offeree's shares – one recipient receiving minimal amount of benefits relative to the consideration to be paid to him for shares tendered under the bid – offeree also paying lump sum amount to terminate consulting agreement with major shareholder – amount paid is minimal relative to consideration to be paid to shareholder for shares tendered under the bid – all the agreements negotiated at arm's length and on commercially reasonable terms - agreements entered into for reasons other than to increase the value of the consideration paid to the selling security holders for their shares - benefits not conditional on support of transaction - agreements may be entered into despite the prohibition against collateral benefits and shares tendered may be counted as part of the minority vote for subsequent business combination.

Statute Cited

Securities Act R.S.O. 1990, c. S.5, as amended, ss. 97(2) and 104(2)(a).

Applicable Ontario Rules

Rule 61-501 – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 1.1, 4.5, 4.6 and 9.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
ACTIVANT SOLUTIONS ACQUISITIONCO LTD.
(OFFEROR)

AND

ACTIVANT SOLUTIONS INC. (ACTIVANT)
(THE FILERS)
AND

SPEEDWARE CORPORATION INC. (SPEEDWARE)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the Severance Agreements, the Polar Termination Agreement, the Change of Control Agreements, the Twining Amending Agreement and the Prelude Agreements were made for reasons other than to increase the value of the consideration paid for those Speedware Shares that are owned or controlled by the parties to such agreements and may be entered into despite the provisions of the Legislation of the Jurisdictions that prohibit an offeror who makes or intends to make a take-over bid from entering into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of greater value than that offered to other holders of the same class of securities (the **Legislation Requested Relief**).

The Decision Maker in each of the Province of Ontario and Quebec has received an application from the Filers for a decision under Ontario Securities Commission Rule 61-501 and Quebec Policy Q-27 (the **Rules)** that the votes attached to the Speedware Shares that are tendered to the Offer by Polar and PCI may be included as votes in a subsequent "going-private transaction" or "business combination" in the determination of whether the requisite minority approval has been obtained (the **Rules Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Autorité des marchés financiers 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 have the same meaning in this decision unless they are defined in this decision.

"**Change of Control Agreements**" means the change of control and non-competition agreements entered into between Enterprise and each of Cary Anderson and Daniel Waters;

"**Earnout**" means an additional earn-out payment of up to U.S.$4 million due under the Prelude Purchase Agreement;

"**Enterprise**" means Enterprise Computer Systems, Inc., an indirect, wholly-owned subsidiary of Speedware;

"**Locked-up Shareholders**" means, collectively, Polar, PEP Inc., Polar Enterprise Partners LP, PCI, Reid Drury, Steve Mulherin, Ian Farquharson, Jean-Pierre Theoret, Richard Vaughn, Andrew Gutman, Nick Cristiano, James Yeates and David Lurie ;

"**Lock-up Agreements**" means the lock-up agreement dated January 24, 2005 between the Offeror and the Locked-up Shareholders;

"**Options**" means options to purchase Speedware Shares granted pursuant to Speedware's stock option plans;
"**PCI**" means Polar Capital Investments Inc.;

"**PEP Inc.**" means Polar Enterprise Partners Inc.;

"**Polar**" means Polar Capital Corporation;

"**Polar Consulting Agreement**" means the existing consulting agreement between Speedware and Polar dated April 24, 2002, as amended;

"**Polar Group**" means collectively, Polar, PCI and PEP Inc.;

"**Polar Termination Agreement**" means the termination and non-competition agreement entered into between Speedware and Polar terminating the Polar Consulting Agreement;

"**Polar Termination Payment**" means a lump sum payment of $250,000 to be made in connection with the Polar Termination Agreement;

"**Prelude**" means Prelude Systems Inc.;

"**Prelude Agreements**" means, collectively, the Prelude Termination Agreement, the Prelude Pledge Amendment,

the Webb Amending Agreement and the Prelude Purchase Amendment;

"**Prelude Pledge Agreement**" means that certain share pledge and escrow agreement, pursuant to which the Prelude Shares were pledged as security for the payments under the Earnout;

"**Prelude Pledge Amendment**" means the amendment to Prelude Pledge Agreement providing for the release of the Prelude Shares;

"**Prelude Purchase Agreement**" means the share purchase agreement pursuant to which a wholly-owned subsidiary of Speedware agreed to acquire 100% of the Prelude Shares;

"**Prelude Purchase Amendment**" means the amendment to the Prelude Purchase Agreement amending the terms of the Earnout;

"**Prelude Shares**" means the common shares of Prelude;

"**Prelude Termination Agreement**" means the termination agreement providing for the termination of the Prelude Undertaking Agreement;

"**Prelude Undertaking Agreement**" means that certain undertaking agreement entered into in connection with Prelude Purchase Agreement which contained specific provisions intended to ensure that the ability to achieve the Earnout would not be adversely affected by certain specific actions of Speedware;

"**Second Step Transaction**" a transaction subsequent to the Offer that results in the Offeror (or an affiliate) acquiring all of the Speedware Shares and all of the holders of Speedware Shares receiving $3.91 in cash for each Speedware Share;

"**Senior Management**" means, collectively, Andrew Gutman, Nick Cristiano and David Lurie;

"**Severance Agreements**" means the severance, bonus and non-competition agreements entered into between Speedware and each of the Senior Management;

"**Speedware Shares**" means the common shares of Speedware Corporation Inc.;

"**Support Agreement**" means the support agreement dated January 24, 2005 between the Offeror and Speedware;

"**Twining Amending Agreement**" means the amending agreement entered into between Enterprise, James Twining and Speedware amending the employment agreement of Mr. Twining;

"**Warrants**" means the outstanding warrants of Speedware to purchase Speedware Shares; and

"**Webb Amending Agreement**" means the amending agreement extending the term of the Webb employment agreement to September 30, 2005.

Representations

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

Activant and the Offeror

1. Activant is a corporation incorporated under the laws of the State of Delaware and has its head office at 804 Las Cimas Parkway, Austin, TX 78746.

2. Activant is subject to periodic reporting requirements of the United States *Securities Exchange Act of 1934*. Activant is not a reporting issuer in any jurisdiction of Canada and no securities of Activant are listed or posted for trading on any stock exchange in Canada.

3. The Offeror has been incorporated as a wholly-owned subsidiary of Activant, under the federal laws of Canada, for the purpose of effecting the Offer. The Offeror carries on no other business.

4. The registered office of the Offeror is Suite 3800, P.O. Box 84, 200 Bay Street, Toronto, Ontario, M5J 2Z4.

5. The Offeror is not a reporting issuer in any jurisdiction of Canada and no securities of the Offeror are listed or posted for trading on any stock exchange in Canada.

6. The Offeror will not become a reporting issuer in any jurisdiction as a result of the Offer.

Speedware

7. Speedware is a corporation incorporated under the federal laws of Canada and has its head office at 9999 Cavendish Blvd, Suite 100, St. Laurent, Quebec, H4M 2X5.

8. Speedware is a reporting issuer in all of the provinces of Canada where such concept exists and the Speedware Shares are listed on the Toronto Stock Exchange.

9. Speedware's authorized capital consists of an unlimited number of Speedware Shares and an unlimited number of non-voting preferred shares, issuable in series, of which 30,637,383 Speedware Shares and no non-voting preferred shares were issued and outstanding as at January 24, 2005. As at January 24, 2005, there were 1,835,501 outstanding Options and 4,166,667 outstanding Warrants, each exercisable for one

Speedware Share (and no other securities convertible into Speedware Shares).

The Offer

10. The Offeror proposes to acquire all of the Speedware Shares, including all Speedware Shares issued upon the exercise of (i) currently outstanding Options and (ii) currently outstanding Warrants at a price of $3.91 per Speedware Share, payable in cash. Based on the closing price of the Speedware Shares on the Toronto Stock Exchange on January 21, 2005, the Offer represents a premium of 47% over the market price of the Speedware Shares.

11. The Offer will be made by way of take-over bid circular mailed to all holders of Speedware Shares and prepared in accordance with the Legislation of the Jurisdictions.

12. The Offer will be conditional on, among other things, there being validly deposited under the Offer and not withdrawn at the time the Offeror first takes up and pays for the Speedware Shares, at least 66⅔% of the issued and outstanding Speedware Shares on a fully-diluted basis.

13. The Offeror and Speedware have entered into the Support Agreement pursuant to which the Offeror has agreed to make the Offer, subject to certain conditions, and Speedware has agreed to, among other things, recommend that its shareholders deposit their Speedware Shares under the Offer.

14. The Offeror has also entered the Lock-up Agreement with the Locked-up Shareholders pursuant to which the Locked-up Shareholders have agreed to deposit under the Offer, or cause to be deposited under the Offer, all of the Speedware Shares beneficially owned by the Locked-up Shareholders and any Speedware Shares that may be issued on the exercise of all currently outstanding Options, Warrants or other entitlements that the Locked-up Shareholders may have to acquire Speedware Shares.

15. If the Offer is successful, the Offeror intends to acquire any Speedware Shares not deposited under the Offer through a Second Step Transaction. The Offeror intends to effect the Second Step Transaction by exercising the statutory right of compulsory acquisition available under the *Canada Business Corporations Act*, or, if such right is not available, the Offeror currently intends to acquire any such Speedware Shares not so deposited by effecting a "going-private transaction" or "business combination".

16. Speedware has received an opinion from its financial advisor, that the Offer is fair, from a financial point of view, to the holders of Speedware Shares, which opinion shall be included in the Speedware directors' circular prepared in response to the Offer.

Termination of Senior Management and Polar Consulting Agreement

17. As an integral part of the transaction, upon the successful completion of the Offer, the Offeror intends to replace the existing Senior Management and terminate the Polar Consulting Agreement.

18. The Severance Agreements and the Polar Termination Agreement were negotiated between the management of Speedware, on the one hand, and each of the Senior Management and Polar, respectively, on the other hand. Activant was not involved in the negotiation of the amounts payable under these agreements; however, Activant has reviewed the Severance Agreements and the Polar Termination Agreement and has required the inclusion of non-competition and non-solicitation covenants in such agreements. These agreements are commercially reasonable and in accordance with industry practice.

Severance Agreements

19. Mr. Gutman has been a director of Speedware since 2002 and was appointed President and Chief Executive Officer of Speedware in May 2002. Mr. Gutman holds 420,622 Speedware Shares, Options to acquire an additional 505,000 Speedware Shares and Warrants to acquire an additional 124,999 Speedware Shares. The aggregate Speedware Shares held by Mr. Gutman on a fully-diluted basis represent approximately 2.9% of the outstanding Speedware Shares.

20. On January 24, 2005, Speedware entered into a severance, bonus and non-competition agreement with Mr. Gutman. Pursuant to the terms of this agreement Mr. Gutman will receive a lump sum payment plus continue his current health care benefits for a period of 18 months following his termination as a result of completion of the Offer, in return for which he has agreed to release Speedware from any future claims and not to compete with certain of the business of, or solicit any employees of, Speedware for a period of 18 months.

21. Mr. Cristiano was appointed Chief Financial Officer of Speedware in December 1999. Mr. Cristiano holds 59,500 Speedware Shares and Options to acquire an additional 155,000 Speedware Shares. The aggregate Speedware Shares held by Mr. Cristiano on a fully-diluted basis represent approximately 0.6% of the outstanding Speedware Shares.

22. On January 24, 2005, Speedware entered into a severance, bonus and non-competition agreement

with Mr. Cristiano. Pursuant to the terms of this agreement Mr. Cristiano will receive a lump sum payment plus continue his current health care benefits for a period of 12 months following his termination as a result of completion of the Offer, in return for which he has agreed to release Speedware from any future claims and not to compete with certain of the business of, or solicit any employees of, Speedware for a period of 12 months.

23. Mr. Lurie was appointed Director of Acquisitions of Speedware in May 2002. Mr. Lurie holds 119,048 Speedware Shares, Options to acquire an additional 52,500 Speedware Shares and Warrants to acquire an additional 41,667 Speedware Shares. The aggregate Speedware Shares held by Mr. Lurie on a fully-diluted basis represent approximately 0.6% of the outstanding Speedware Shares.

24. On January 24, 2005, Speedware entered into a severance, bonus and non-competition agreement with Mr. Lurie. Pursuant to the terms of this agreement Mr. Lurie will receive a lump sum payment plus continue his current health care benefits for a period of 12 months following his termination as a result of completion of the Offer, in return for which he has agreed to release Speedware from any future claims and not to compete with certain of the business of, or solicit any employees of, Speedware for a period of 12 months.

Polar Termination Agreement

25. Polar owns 90,000 Speedware Shares. In addition, PCI, a subsidiary of Polar, owns 27,135 Speedware Shares and manages PEP Inc. Polar beneficially owns 96% of PCI. Polar's compensation for management services to PEP Inc. includes a fee calculated as a percentage of the net realized income of PEP Inc.

26. PEP Inc. owns 5,828,805 Speedware Shares and Warrants to acquire an additional 2,485,831 Speedware Shares.

27. PCI indirectly owns 30.9% of the equity of PEP Inc.

28. In the aggregate, the Polar Group owns approximately 23% of the outstanding Speedware Shares on a fully-diluted basis.

29. Pursuant to an agreement dated April 24, 2002, Polar provides consulting services to Speedware. The Polar Consulting Agreement renews annually (at the option of Polar) in accordance with its terms.

30. On November 30, 2004, the board of directors of Speedware approved the extension of the term of the Polar Consulting Agreement until April 30, 2006 at a monthly fee of $20,833. In 2004, the monthly fee paid under the Polar Consulting Agreement was $20,833.

31. On December 6, 2004, the board of directors of Speedware authorized Speedware to approve the termination of the Polar Consulting Agreement.

32. On January 24, 2005, Speedware entered into the Polar Termination Agreement terminating the Polar Consulting Agreement for a lump sum payment of $250,000, in return for which Polar has agreed not to compete with certain of the business of, or solicit any employees of, Speedware for a period of 12 months. The Polar Termination Agreement also contained mutual releases.

33. The Polar Termination Payment was determined between Speedware and Polar and represents the amount that would have been payable for the remainder of the term under the Polar Consulting Agreement until April 2006. Other than requiring the inclusion of the non-competition and non-solicitation covenants, Activant was not involved in the negotiation of the Polar Termination Agreement.

34. The benefit granted to Polar is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid for the Speedware Shares tendered to the Offer by Polar.

35. The conferring of the benefit is not, by its terms, conditional on Polar supporting the Offer in any manner.

36. Based on the Speedware Shares held directly by Polar and attributing (i) 96% of the consideration payable to PCI in exchange for the Speedware Shares tendered to the Offer by PCI and (ii) 29.66% of the consideration payable to PEP Inc. in exchange for the Speedware Shares tendered to the Offer by PEP Inc., Polar will receive approximately $10,096,287 as consideration for the Offer.

37. Absent the relief requested herein, the Offeror may not be able to count the 90,000 Speedware Shares tendered to the Offer by Polar and the 27,135 Speedware Shares tendered to the Offer by PCI for the purpose of any required minority approval in a Second Step Transaction pursuant to the Rules.

Change of Control Agreements

38. The Change of Control Agreements were negotiated between management of Speedware and Enterprise, on the one hand, and each of Messrs. Anderson and Waters, respectively, on the other hand. Activant was not involved in the

negotiation of the amounts payable under these agreements; however, Activant has reviewed the Change of Control Agreements and has required the inclusion of non-competition and non-solicitation covenants. These agreements are commercially reasonable and in accordance with industry practice.

39. Mr. Anderson was appointed Senior Vice President, Research & Development of Enterprise in May 2002. Mr. Anderson holds 3,000 Speedware Shares and Options to acquire 73,000 Speedware Shares. The aggregate Speedware Shares held by Mr. Anderson on a fully-diluted basis represent approximately 0.2% of the outstanding Speedware Shares.

40. On January 24, 2005, Speedware entered into a change of control and non-competition agreement with Mr. Anderson providing for a lump sum payment plus continuation of his current health care benefits for one year in the event that he is terminated "without cause" within 12 months of the completion of the Offer, in return for covenants not to compete with the business of, or solicit employees of, Speedware for a period of 12 months.

41. Mr. Waters was appointed Vice President, Sales of Enterprise in August 2002. Mr. Waters holds 107,143 Speedware Shares and 53,000 Options. The aggregate Speedware Shares held by Mr. Waters on a fully-diluted basis represent approximately 0.44% of the outstanding Speedware Shares.

42. On January 23, 2005, Speedware entered into a change of control and non-competition agreement with Mr. Waters providing for a lump sum payment plus continuation of his current health care benefits for one year in the event that he is terminated "without cause" within 12 months of the completion of the Offer, in return for covenants not to compete with the business of, or solicit employees of, Speedware for a period of 12 months.

Twining Amending Agreement

43. Mr. Twining was appointed President of Enterprise and Executive Vice President of Speedware in April 2001. Mr. Twining holds 110,357 Speedware Shares and Options to acquire an additional 250,000 Speedware Shares. The aggregate Speedware Shares held by Mr. Twining on a fully-diluted basis represent approximately 0.98% of the outstanding Speedware Shares.

44. On November 30, 2004, the board of directors of Speedware authorized Speedware to enter into an amendment to Mr. Twining's employment agreement in the event of his termination within one year following a change of control resulting from the completion of the Offer.

45. On January 24, 2005, Enterprise entered into the Twining Amending Agreement providing for a lump sum payment plus continuation of his current health care benefits for 12 months, in the event that Mr. Twining is terminated "without cause" within 6 months of the completion of the Offer and a lump sum payment plus continuation of his current health care benefits for 12 months in the event that he is terminated "without cause" between 6 and 12 months following the completion of the Offer, in return for covenants from Mr. Twining not to voluntarily terminate his employment for a period of 6 months from the date of completion of the Offer. Additionally, if Mr. Twining remains employed with Enterprise for a period of 6 months following completion of the Offer, he will be guaranteed a bonus entitlement with respect to the current fiscal year.

46. The Twining Amending Agreement was negotiated between the management of Speedware and Enterprise, and Mr. Twining. Activant was not involved in the negotiation of the amounts payable under this agreement. The Twining Amending Agreement is commercially reasonable and in accordance with industry practice.

Prelude Agreements

47. On July 19, 2004, Speedware acquired 100% of the Prelude Shares.

48. Under the terms of the Prelude Purchase Agreement, a wholly-owned subsidiary of Speedware agreed to acquire 100% of the Prelude Shares for U.S.$9.765 million in cash (subject to certain adjustments) plus the Earnout due in July 2005. The Earnout was subject to Prelude achieving certain revenue and profitability based performance targets.

49. Don Webb, President, founder and principal shareholder of Prelude, remained President of Prelude after closing of the acquisition, and in connection with the Prelude Purchase Agreement subscribed for 224,611 Speedware Shares (at a price of CDN $2.95, for an aggregate of U.S.$500,000).

50. In connection with the Prelude Purchase Agreement, certain other agreements were entered into with, or on behalf of, the vendors of Prelude Shares, including the Prelude Undertaking Agreement and the Prelude Pledge Agreement.

51. Prior to signing the Support Agreement, Activant required that Speedware take such actions as is required to terminate the Undertaking Agreement,

modify the Prelude Pledge Agreement to provide for the release of the Prelude Shares, subject to certain conditions, on September 30, 2005, amend the Prelude Purchase Agreement to change the terms and conditions upon which the Earnout is paid, and amend the existing employment agreement with Mr. Webb to extend the employment term from June 30, 2005 until September 30, 2005, with each of the foregoing to become effective concurrently with the completion of the Offer.

52. On January 24, 2005 Speedware entered into the Prelude Agreements.

53. Under the Prelude Agreements, the aggregate amount of the Earnout remains unchanged at U.S.$4 million; however, Speedware has assured the payment of U.S.$3 million regardless of financial performance, as a result, in part, of actual results to date, with such U.S.$3 million to be paid in three equal instalments on March 31, 2005 (or, if later, following completion of the Offer), June 30, 2005, and September 30, 2005. The remaining U.S.$1 million of the Earnout remains subject to financial performance and becomes payable after December 31, 2005. The final two payments of the Earnout (totalling U.S. $2 million) will be held in an escrow account pending determination of certain indemnification claims under the Prelude Purchase Agreement.

54. Mr. Webb owns in the aggregate 224,611 Speedware Shares which constitutes approximately 0.6% of the outstanding Speedware Shares on a fully-diluted basis. Mr. Webb is not one of the Locked-up Shareholders.

55. Particulars of each of the Severance Agreements, the Polar Termination Agreement, the Change of Control Agreements, the Twining Amending Agreement and the Prelude Agreements will be disclosed in the take-over bid circular and the directors' circular with respect to the Offer.

56. The Severance Agreements, the Polar Termination Agreement, the Change of Control Agreements, the Twining Amending Agreement and the Prelude Agreements have been entered into for legitimate business reasons that are unrelated to the holdings of Speedware Shares, Options or Warrants of the parties thereto and are not for the purposes of (i) conferring an economic or collateral benefit on Messrs. Gutman, Cristiano, Lurie, Twining, Anderson, Waters or Webb or Polar that the other holders of Speedware Shares do not enjoy, nor (ii) providing a consideration of greater value than that offered to the other holders of Speedware Shares.

Decisions

Each of the relevant Decision Makers is satisfied that the tests contained in the Legislation and the Rules that provide the Decision Maker with the jurisdiction to make the decisions have been met.

The decision of the Decision Makers in each of the Jurisdictions under the Legislation is that the Legislation Requested Relief is granted.

February 18, 2005.

"Daniel Laurion"
Surintendant de la Direction de l'encadrement des marchés des valeurs

The decision of the Decision Makers in each of the Province of Quebec and Ontario under the Rules is that the Rules Requested Relief is granted.

February 18, 2005.

"Daniel Laurion"
Surintendant de la Direction de l'encadrement des marchés des valeurs

2.1.5 Brownstone Investment Planning Inc. and Capital Investment Management Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from certain filing requirements of MI 33-109 in connection with a bulk transfer of business locations and registered and non-registered individuals under an internal reorganization.

Applicable Rule

MI 33-109 – Registration Information.

March 14, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA AND ONTARIO

AND

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

AND

IN THE MATTER OF
BROWNSTONE INVESTMENT PLANNING INC. (BIP)
AND
CAPITAL INVESTMENT MANAGEMENT CORP. (CIM)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filers for a decision pursuant to Part 7 of Multilateral Instrument 33-109 *Registration Information* (the **Legislation**) exempting the Filers from certain requirements of the Legislation so as to permit CIMC and BIPI to bulk transfer to the new business, Brownstone Investment Planning, Inc. (**BIPI Amalco**) the registered and non-registered individuals that are associated on the National Registration Database (**NRD**) with the branch office locations involved in the wind-up of CICM and BIPI into BIPI Amalco (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* 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 Filers:

1. BIPI is currently a mutual fund dealer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (and limited market dealer in Ontario) and a member of the Mutual Fund Dealers Association (the MFDA).

2. BIPI is a corporation incorporated under the laws of Ontario with its head office located in Toronto, Ontario.

3. CIMC is a corporation incorporated under the laws of Alberta and is a member of the MFDA. CIMC is also a registered mutual fund dealer with the Alberta Securities Commission.

4. BIPI amalgamated with CIMC on December 31, 2004 to form BIPI Amalco, and all representatives are to be transferred accordingly. The compliance systems, procedures and policies of each BIPI and CIMC will continue to apply for a transition period (the **Transition Period**) as if each of BIPI and CIMC were divisions of BIPI Amalco. The Transition Period is expected to end on March 31, 2005.

5. These transactions are internal restructuring transactions and do not involve any third parties. BIPI Amalco will carry on the active securities business of CIMC and BIPI in a substantially similar manner with the same directors and salespeople of the combined BIPI and CIMC.

6. Given the sheer volume of representatives of CIMC and BIPI, it would be difficult to transfer each individual to BIPI Amalco as per the requirements set out in the MI 33-109.

7. Within two months of the date of Restructuring, the Filers will complete the bulk transfer of all affected individuals and locations.

Decision

Each of the Decision Makers is satisfied that the test contained in MI 33-109 that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted and that the following requirements of the Legislation shall not apply to the Filers in respect of the registered and non-registered

individuals that will be transferred from CIMC and BIPI to BIPI Amalco:

(a) the requirement to submit a notice regarding the termination of each employment, partner or agency relationship under section 4.3 of the Legislation;

(b) the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of the Legislation;

(c) the requirement to submit a Form 33-109F4 for each non-registered individual under section 3.3 of the Legislation.

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Susan Wolburgh Jenah"
Commissioner
Ontario Securities Commission

2.1.6 Qwest Energy 2005 Flow-Through Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the registration and prospectus requirements in respect of the first trade by a limited partnership to its limited partners of warrants to purchase flow-through shares of resource companies.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1)
Multilateral Instrument 45-102 Resale of Securities, s.2.5

February 25, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND AND LABRADOR
(THE JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
QWEST ENERGY 2005 FLOW-THROUGH LIMITED PARTNERSHIP
(THE FILER)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the registration requirement and prospectus requirement in the Legislation (the Registration and Prospectus Requirements) do not apply to the first trade of Warrants (defined below) by the Filer to the limited partners (the Limited Partners) of the filer (the Non-Exempt Trades).

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the British Columbia 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* 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 is a limited partnership formed under the laws of British Columbia on December 22, 2004 under the *Partnership Act* (British Columbia) to provide Limited Partners with a tax-assisted investment in a diversified portfolio of flow-through shares issued by resource issuers whose principal business is oil and gas/mineral exploration, development and/or production or energy generation, with a view to achieving capital appreciation and profits;

2. the Filer's head office is located in British Columbia;

3. the Filer is authorized to issue an unlimited number of limited partnership units (the Units), of which one Unit is currently issued and outstanding;

4. the Filer is not currently a reporting issuer or the equivalent in any jurisdiction in Canada;

5. Qwest Energy 2005 Flow-Through Management Corp. (the General Partner) is the general partner of the Filer and manages the business and affairs of the Filer;

6. the Filer is conducting a financing in the Jurisdictions by way of an initial public offering under a prospectus filed in the Jurisdictions;

7. in traditional flow-through limited partnership unit offerings (Traditional Flow-Through Offerings), a limited partnership is organized to invest in flow-through shares issued by resource issuers which are usually listed on a Canadian stock exchange and whose principal business is oil and gas/mineral exploration, development and/or production or energy generation; such Traditional Flow-Through Offerings are usually blind pool offerings;

8. following the closing of a Traditional Flow-Through Offering, the limited partnership will enter into agreements to subscribe for common shares from the treasury of resource issuers (Resource Cos) under flow through investment subscription agreements (the Flow-Through Agreements); under the Flow-Through Agreements, each Resource Co in question will typically incur and renounce Canadian Exploration Expense (CEE) or Canadian Development Expense (CDE) to the partnership in an amount equal to the subscription price of the Resource Co's common shares; that CEE and CDE is then flowed through the partnership to the limited partner investors;

9. traditional Flow-Through Offerings commonly provide that the general partner may propose a liquidity mechanism to the limited partners 18 to approximately 24 months after closing of an initial public offering; such liquidity mechanisms typically involve terminating the partnership after exchanging partnership assets for securities of a mutual fund corporation or other investment vehicle on a tax-deferred basis; under some Traditional Flow-Through Offerings, such liquidity mechanism is subject to approval by the limited partners at a special meeting; under other Traditional Flow-Through Offerings, no such approval is required;

10. if a liquidity mechanism is not implemented, the limited partners in a Traditional Flow-Through Offering receive a *pro rata* share of the net assets of the partnership, including the common shares of Resource Cos held by the partnership, on the dissolution of the partnership;

11. in the flow-through offering structure proposed by the Filer (the Proposed Flow-Through Offering), an additional investment in a single-purpose financing vehicle will be added to the Traditional Flow-Through Offering structure;

12. investors who have passed a credit evaluation will have the opportunity to first make an RRSP or RRIF-eligible investment in bonds issued by a single-purpose financing entity, Qwest Energy 2005 Financial Corp. (Financial Corp.), a wholly-owned subsidiary of a TSX Venture Exchange listed company, Knightswood Financial Corp.;

13. accordingly, an investor, his or her registered retirement savings plan (RRSP), his or her registered retirement income fund (RRIF) or the RRSP or RRIF of the investor's spouse or child, or a private corporation existing under the Canada Business Corporations Act or the laws of any of the Jurisdictions, as applicable, will purchase bonds of Financial Corp. maturing on December 31, 2014 which bear cumulative interest at a rate of 5.0% per annum (the Bonds); the Bonds will be sold by way of an initial public offering using an prospectus in each of the Jurisdictions;

14. Financial Corp. will then loan (a Loan) the net proceeds from each investor's or RRSP's or RRIF's or corporation's purchase of Bonds to that investor (an RRSP Investor); each Loan will bear interest at a fixed cumulative interest rate of 7.85% per annum and repayment of principal will be due on December 31, 2014; each Loan will be secured by a pledge of Units of the Filer acquired by the RRSP Investor (with proceeds from the

Loan) and any Warrants, Flow-Through Shares or Mutual Fund Shares (as defined below) registered in the name of the RRSP Investor along with the RRSP Investor's interest in the Investment Portfolio (as defined below) at any time before or after the Filer's dissolution;

15. RRSP Investors will be required by the terms of the Loan to purchase non-transferable Units of the Filer;

16. the Units will be sold by way of an initial public offering in each of the Jurisdictions using a prospectus; in addition to being sold to RRSP Investors, Units will also be sold to conventional purchasers of Flow-Through Shares, other than RRSP Investors, although these purchasers will not receive the same overall tax benefit as an RRSP Investor whose beneficially-owned RRSP or RRIF or whose spouse's or child's beneficially-owned RRSP or RRIF, as applicable, has invested in Bonds; the gross proceeds of the offering of Units (the Funds) will be deposited in a bank account of the General Partner;

17. the limited partnership agreement (the Partnership Agreement) governing the Filer:

    (a) includes standard provisions governing: the formation of the Filer; partnership capital; sales of Units; allocation of income gain and loss; distributions; liabilities of partners; function and powers of the limited partners and the general partner; accounting and reporting; and partnership meetings;

    (b) sets out the investment objectives, strategy and guidelines pursuant to which the Partnership's investment activities will be conducted;

    (c) requires the Filer to be dissolved, without any approval or other action by the Limited Partners on December 31, 2005, or such earlier date on which the Filer disposes of all of its assets, or a date authorized by an extraordinary resolution of the Limited Partners;

    (d) provides that as soon as practicable following the Filer's acquisition of, any Warrants (as defined below) to purchase flow-through shares of Resource Cos, and in any event not later than upon the dissolution of the Filer, such Warrants will be distributed among the Limited Partners of the Filer pro rata along with Funds sufficient to permit the exercise of such Warrants;

    (e) grants to the General Partner an irrevocable power of attorney, which will survive the dissolution of the Filer, to exercise Warrants to purchase flow-through shares of Resource Cos on behalf of the Limited Partners of the Filer and enter into Investment Agreements (as defined below) with Resource Cos; and

    (f) grants the General Partner the authority, which will survive the dissolution of the Filer, as agent for each Limited Partner, to direct payment of the Funds to Resource Cos upon exercise of Warrants to purchase flow through shares of Resource Cos by the Limited Partners;

18. certificates representing the Units will be issued under the book-based system and registered in the name of CDS & Co.; Financial Corp. will hold a security interest in Units beneficially owned by RRSP Investors pursuant to the terms of a pledge contained in the Loan documentation;

19. from time to time throughout 2005, the Filer, as principal, will enter into agreements to subscribe for warrants, rights or options (the Warrants) issued by Resource Cos to purchase their flow-through shares (and possibly other incidental securities, such as share purchase warrants that are comprised in a unit with a flow-through share) (collectively, the Flow-Through Shares) from treasury; the Filer will pay nominal consideration to Resource Cos for these Warrants;

20. the Filer anticipates that it will acquire the Warrants under the registration and prospectus exemptions contained in the Legislation applicable to purchases of securities made by "accredited investors" in Ontario and under Multilateral Instrument 45-103 *Capital Raising Exemptions* in other jurisdictions, as a non-redeemable investment fund that distributes its securities under a prospectus;

21. the Warrants will:

    (a) set the exercise price to purchase the Flow-Through Shares, based on negotiation between the General Partner and the Resource Cos;

    (b) be exercisable for a brief period of time (not to exceed 45 days);

    (c) be transferable to the Limited Partners of the Filer at any time during their term;

    (d) be distributable to the Limited Partners of the Filer as soon as practicable and in no event later than upon the dissolution of the Filer;

(e) in the case of Warrants distributed to RRSP Investors, be pledged to Financial Corp. as security for Loans;

(f) require the execution of an Investment Agreement (defined below) by the Resource Cos and the General Partner, as attorney for each of the Limited Partners, at the time of exercise of the Warrants and before the issuance of the Flow-Through Shares to the Limited Partners;

22. the Investment Agreement and the Warrants will require that the Resource Cos use 70% or more of the proceeds received by them on the purchase of the Flow-Through Shares following the exercise of the Warrants to incur CEE or qualifying CDE, which will be renounced to the holders of the Flow-Through Shares effective on December 31, 2005; the balance of such proceeds will be required to be used to incur non-qualifying CDE, which will be renounced to the holders of the Flow-Through Shares effective no later than December 31, 2006;

23. the Loan documentation between Financial Corp. and each RRSP Investor will require each RRSP Investor's Warrants (and any Flow-Through Shares received on exercise thereof and interest in the Investment Portfolio (as defined below)) to be pledged as security for his or her Loan; the share certificates representing the Flow-Through Shares, together with the cash from, or other securities obtained with any proceeds from, the sale of the Flow-Through Shares or such other securities (the Investment Portfolio) will be held by an escrow agent (the Escrow Agent), which will be a Trust Company, for the benefit of the Limited Partners; the escrow agreement governing the conduct of the Escrow Agent will provide that if an RRSP Investor defaults on his or her Loan and fails to rectify the default within 15 days of receiving notice of such default, the Escrow Agent will release such RRSP Investor's interest in the Investment Portfolio to Financial Corp. to allow for execution against such pledged security;

24. throughout 2005, the Resource Cos who grant Warrants to the Filer will require funding; accordingly, it will become appropriate for the Warrants to be exercised and Flow-Through Shares purchased with some of the Funds; the Filer will distribute from the Funds the exercise price of the Warrants to the Limited Partners *pro rata*; such Funds will be held by the General Partner as agent on behalf of the Limited Partners;

25. the General Partner, acting on behalf of the Limited Partners, will notify the Resource Cos that the Limited Partners have elected to exercise their Warrants to purchase Flow-Through Shares and, as attorney on behalf of each Limited Partner, will enter into subscription agreements (the Investment Agreements) with Resource Cos, under which each Limited Partner, in his or her personal capacity and not in his or her capacity as Limited Partner, will exercise and subscribe for Flow-Through Shares issued by the Resource Cos under the terms of each Limited Partner's Warrants; the Investment Agreements will contain the same terms as are included in conventional flow-through share subscription agreements, including the requirement for the Resource Cos to use 70% or more of the proceeds received by them from the purchase of the Flow-Through Shares to incur CEE or qualifying CDE which will be renounced to the holders of the Flow-Through Shares effective on December 31, 2005; the balance of such proceeds will be required to be used to incur non-qualifying CDE, which will be renounced to the holders of the Flow-Through Shares effective no later than December 31, 2006;

26. concurrently with the execution of the Investment Agreements, the General Partner, as agent for each Limited Partner, will direct payment to the Resource Cos of the exercise price for the Flow-Through Shares from the Funds; certificates representing Flow-Through Shares will be issued and registered in the name of the Escrow Agent for the benefit of the Limited Partners;

27. some of the Flow-Through Shares will be qualified by a prospectus and, therefore will be freely tradeable; however, some of the Flow-Through Shares (the Restricted Flow-Through Shares) may be issued on a private placement basis and accordingly subject to hold periods;

28. on or immediately prior to December 31, 2005, the Filer will be dissolved; it is anticipated that all Warrants will have been transferred to the Limited Partners and exercised and the vast majority of the Funds will have been expended to purchase Flow-Through Shares before the dissolution of the Filer;

29. immediately before the dissolution, any remaining Funds will be distributed by the Filer to the Limited Partners *pro rata* in proportion to the number of Units held by each Limited Partner;

30. the Investment Portfolio will be held by the Escrow Agent and will be managed on an ongoing basis by a registered portfolio manager;

31. the former Limited Partners will grant contractual discretion to sell Flow-Through Shares (respecting any seasoning periods attached thereto) and other securities comprising the former Limited Partner's Investment Portfolio and to reinvest the net proceeds from such dispositions in securities of resource issuers whose principal business is oil and gas, mining, certain energy production, pulp and paper, forestry, or a related resource

business, such as a pipeline or service company or utility on the directions of a registered portfolio manager;

32. between February 28, 2007 and June 30, 2007, the General Partner may implement a transaction to provide for liquidity and long-term growth of capital, which may involve exchanging each former Limited Partner's Investment Portfolio for redeemable securities (Mutual Fund Shares) of a mutual fund corporation or other investment vehicle (the Mutual Fund) on a tax-deferred basis (a Liquidity Transaction); any such liquidity rollover will be subject to obtaining all necessary regulatory approvals and must occur on or before June 30, 2007; the General Partner may, in its sole discretion, call a meeting of the former Limited Partners to approve a Liquidity Transaction and no Liquidity Transaction proposed for approval will be implemented if such former Limited Partners holding a majority of the interests in the Investment Portfolio represented at such meeting vote against a proceeding with the Liquidity Transaction;

33. each RRSP Investor's interest in the Investment Portfolio will be held by the Escrow Agent for the benefit of such RRSP Investor under the escrow agreement until the earlier of a Liquidity Transaction and December 31, 2007; if a Liquidity Transaction closes on or prior to June 30, 2007, the Escrow Agent will release and deliver each RRSP Investor's interest in the Investment Portfolio to the Mutual Fund and the Mutual Fund Shares will be delivered by the Mutual Fund to Financial Corp. and held by Financial Corp. as security for that RRSP Investor's Loan under the terms of a pledge contained in the Loan documentation; if a Liquidity Transaction does not occur on or prior to June 30, 2007, on December 31, 2007 each RRSP Investor's interest in the Investment Portfolio will be released to Financial Corp. and held by Financial Corp. as security for that RRSP Investor's Loan under the terms of a pledge contained in the Loan documentation;

34. each non-RRSP Investor's interest in the Investment Portfolio will be held by the Escrow Agent for the benefit of such non-RRSP Investors under the escrow agreement, until the earlier of a Liquidity Transaction and December 31, 2007; if a Liquidity Transaction is closed on or prior to June 30, 2007, each non-RRSP Investor's interest in the Investment Portfolio will be released and delivered by the Escrow Agent to the Mutual Fund in exchange for Mutual Fund Shares which will delivered to each non-RRSP Investor; if a Liquidity Transaction is not closed on or prior to June 30, 2007, on December 31, 2007 each non-RRSP Investor's interest in the Investment Portfolio will be released by the Escrow Agent to such non-RRSP Investor;

35. on December 31, 2014, the Loans will become due; the Loans, however, may also be repaid in full on the last day of each month beginning on the earlier of June 30, 2007 and the last business day of the month in which a Liquidity alternative closes and ending on November 30, 2014 upon written notice given no later than the 15th day of such month and no earlier than 60 days prior to the last day of such month; upon repayment in full of each Loan, the RRSP Investors' interest in the Investment Portfolio or Mutual Fund Shares held by or on behalf of Financial Corp. as security for the Loan will be released to the appropriate RRSP Investor; if a Liquidity Transaction is not closed on or prior to June 30, 2007, the earliest date that such release will occur will be December 31, 2007;

36. the principal received by Financial Corp. from repayment of the Loans will be distributed to owners of Bonds as a repayment of principal and it is anticipated that Financial Corp. will wind-up within the six months after repayment of the Bonds;

37. for tax purposes, in order to allow the full amount of the renounced CEE and qualifying CDE to be available to the RRSP Investors, the Limited Partners must be the persons who exercise the Warrants and acquire the Flow-Through Shares, rather than the Filer itself, accordingly, for tax purposes, the Warrants must be transferred to the RRSP Investors before they are exercised;

38. the Filer cannot rely on the registration and prospectus exemptions in the Legislation relating to the distribution of securities as part of a winding-up to distribute all of the Warrants to the Limited Partners because the formal winding-up of the Filer is not scheduled to occur until the end of December of 2005; the Filer could structure the Proposed Flow-Through Offering to include multiple limited partnerships that could be wound-up whenever Warrants had to be distributed; however, this would increase administrative time, expense and complexity and the likelihood of investor confusion;

39. due to the structure of the Proposed Flow-Through Offering, the Flow-Through Shares will be subject to contractual restrictions on transfer by the Limited Partners under an escrow agreement until at least June 30, 2007, restrictions that are similar to those that would typically occur in Traditional Flow-Through Offerings.

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 Registration and Prospectus Requirements do not apply to the Non-Exempt Trades, provided that the first trade in a Warrant (other than a Non-Exempt Trade) or a Restricted Flow-Through Share issued upon exercise of a Warrant is deemed to be a distribution or a primary distribution to the public unless the conditions in sections 2.5(2) and (3) of MI 45-102 *Resale of Securities* are satisfied.

"Martin Eady", CA
Director, Corporate Finance
British Columbia Securities Commission

2.1.7 Delta Systems, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – transaction that takes the form of a takeover bid and a share consolidation is, in substance, a continuance into Canada – Bid is an indirect issuer bid and an insider bid – Bid and consolidation both exempted from the formal valuation requirement; there is no investment decision being made, the shares of the new issuer are the economic equivalent of the old issuer – New issuer deemed to be a reporting issuer - Relief from the seasoning period also granted. Absent such relief shareholders will lose their liquidity.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 25, 53, 74(1) and 81.1(1).

Rules Cited

Multilateral Instrument 45-102 - Resale of Securities 24 OSCB 7029, as amended.
Ontario Securities Commission Rule 61-501- Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions 23 O.S.C.B. 971, as amended.

March 8, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, MANITOBA,
ONTARIO, QUÉBEC
AND NEW BRUNSWICK (THE "JURISDICTIONS")

AND

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

AND

IN THE MATTER OF
DELTA SYSTEMS, INC. (THE "FILER")

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

1. In all of the Jurisdictions other than New Brunswick, the requirement to obtain a formal valuation will not apply in connection with the proposed securities exchange take-over bid (the "Bid") to be made by a wholly-owned subsidiary of the Filer ("New Delta") for all of the issued and

outstanding securities of the Filer (the "Valuation Relief"),

2. In Ontario and Quebec, the formal valuation requirement will not apply to the Filer's proposed second step business combination (or going private transaction in Quebec) to be completed as a share consolidation (the "Second Step Relief"),

3. In all of the Jurisdictions other than Manitoba and Quebec, the prospectus requirement will not apply to the first trade of securities of New Delta received pursuant to the Bid, subject to certain conditions (the "Resale Relief"), and

4. In Ontario and Alberta, New Delta will be deemed to be a reporting issuer as of the date securities deposited under the Bid are first taken up and paid for by New Delta (the "Reporting Issuer Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission (the "OSC") is the principal regulator for this application, and

(b) the MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* 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 is a corporation incorporated under the laws of the State of Arkansas and is a reporting issuer in Ontario, British Columbia, Alberta and Québec. The Filer has securityholders resident in each of the Jurisdictions. None of the Filer's securities have been registered under the *United States Securities Act of 1933, as amended*. The Filer's headquarters are located in Rogers, Arkansas.

2. The Filer is authorized to issue 250,000,000 shares of common stock ("Shares") with a par value of US$0.001 per share, of which 20,292,831 Shares are currently outstanding. The Filer also has outstanding options ("Options") granted under its employee stock option plan (the "Existing ESOP") to acquire up to 2,819,000 Shares and outstanding warrants ("Warrants") to acquire up to 2,805,693 Shares. The Shares are listed on Tier 2 of the TSX Venture Exchange (the "Exchange").

3. The board of directors of the Filer believes that the Filer's current structure imposes significant complexity and compliance costs, adversely affects trading in the Shares and acts as an impediment to its ability to efficiently raise capital for the following reasons:

   (a) under United States securities laws, the Filer is a "domestic issuer" and U.S. persons face restrictions in purchasing Shares through the Exchange. These securities laws also impose additional compliance burdens on the Filer, including the legending of certificates and the use of a ".s" suffix on the trading symbol of the Shares on the Exchange;

   (b) pursuant to the *Income Tax Act* (Canada), the Shares are considered "foreign content" for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans (collectively, "Plans") in Canada; and

   (c) in accordance with Arkansas corporate law, the Filer prepares and issues its financial statements in accordance with United States generally accepted accounting principles and, in accordance with applicable Canadian securities laws, reconciles these financial statements to Canadian generally accepted accounting principles.

4. The board of directors of the Filer has determined that it is in the best interests of the Filer and its securityholders to cause the Filer to reorganize and re-domicile itself under the laws of Canada so that (a) New Delta will be considered a "foreign private issuer" for purposes of United States securities laws, (b) the securities of New Delta are not considered "foreign content" for trusts governed by Plans, and (c) New Delta can prepare and issue its financial statements under Canadian generally accepted accounting principles.

5. Although a continuance under the *Canada Business Corporations Act* could accomplish the Filer's objectives, it would not be desirable in these circumstances because a continuance will have significant adverse tax consequences to the Filer.

6. The Filer proposes to incorporate a new wholly-owned subsidiary under the *Canada Business Corporations Act* with authorized capital consisting of one special share (the "Special Share"), an unlimited number of common shares ("New Shares") and an unlimited number of preference shares issuable in series. The Special Share will be a voting share that will be automatically

redeemed for a nominal amount concurrently with the issuance of any New Shares. The Special Share will be issued to the Filer immediately after incorporation. The directors and officers of New Delta will be identical to the directors and officers of the Filer.

7. New Delta will prepare and mail a securities exchange take-over bid circular (the "TOB Circular") to all securityholders of the Filer offering to purchase (the "Bid") each outstanding Share, Option and Warrant held by them. The consideration offered by New Delta under the Bid for each:

   (a) Share will consist of one New Share;

   (b) Option will consist of an option (a "New Option") to acquire an equivalent number of New Shares pursuant to an employee stock option plan to be established by New Delta on substantially the same terms and conditions as the Existing ESOP; and

   (c) Warrant will consist of a warrant (a "New Warrant") to acquire an equivalent number of New Shares on substantially the same terms and conditions as the certificate representing the Warrant.

8. The TOB Circular will include the information prescribed by the Issuer Bid Circular and Take-over Bid Circular forms prescribed by the Legislation, modified as appropriate, and the information required by the form of prospectus applicable to the Filer and New Delta, including:

   (a) a *pro forma* balance sheet and income statement of New Delta after giving effect to the exchange of securities as at the date of the most recent balance sheet of New Delta that is included in the TOB Circular based on the information in the most recent audited financial statements of the Filer;

   (b) a description of the basis of preparation of the *pro forma* financial statements; and

   (c) the basic and fully-diluted (if applicable) earnings per share based on the *pro forma* financial statements.

9. The board of directors of the Filer will prepare and mail a directors' circular to all securityholders of the Filer concurrently with the preparation and mailing of the TOB Circular.

10. One of the conditions of the Bid will be that securityholders of the Filer holding in excess of 99% of the outstanding Shares (on a fully-diluted basis) tender their securities to the Bid (the "Minimum Tender Condition").

11. Following the expiry of the Bid, New Delta will take up and pay for the Shares, Options and Warrants and issue New Shares, New Options and New Warrants, respectively, if the Minimum Tender Condition is met or waived by New Delta.

12. Contemporaneously with the issuance of the New Shares in exchange for the Shares, the Special Share will automatically be redeemed for a nominal amount in accordance with its terms.

13. New Delta has received conditional approval of the Exchange for a substitutional listing of the New Shares (including any New Shares issuable on the exercise of the New Options or the New Warrants). At the time of the listing of the New Shares, the Shares will cease to be listed on the Exchange.

14. When New Delta first takes up and pays for securities under the Bid, New Delta will become a reporting issuer in Quebec and British Columbia.

15. Following the expiry of the Bid, the Filer will hold a special meeting (the "Special Meeting") of its shareholders to approve a consolidation of the Shares (the "Consolidation"). Immediately following the Special Meeting, the Shares will be consolidated by filing articles of amendment pursuant to the *Arkansas Business Corporation Act of 1987* (the "Arkansas Act").

16. The only securityholders of the Filer at the time of the Special Meeting will be New Delta and those persons that did not tender to the Bid. Pursuant to the Consolidation, the total number of outstanding Shares will be changed to the number obtained by dividing (a) the number of Shares outstanding on the date of the Special Meeting, by (b) the number of Shares held by New Delta. As a result of the Consolidation, New Delta will own 1 Share and all other securityholders will own fractional interests in a Share.

17. In lieu of receiving fractional Shares, each holder of a fractional interest will receive an amount in cash or other immediately available funds equal to the number of Shares the holder owned immediately prior to the Consolidation multiplied by the weighted average closing price of the Shares on the Exchange over the 10 trading days immediately preceding the expiry of the Bid (including any extensions). The Arkansas Act requires Delta to pay in money the value of fractions of a Share.

18. The implementation of the Consolidation will entitle holders of Shares to dissent rights under the Filer's governing corporate statute, the Arkansas Act. If the Consolidation becomes

effective and a holder of Shares properly dissents in accordance with the Arkansas Act, the shareholder will be entitled to be paid by the Filer the fair value of the Shares held by that shareholder.

19. Upon completion of the proposed transactions, the current securityholders of the Filer (other than those that dissent under the Arkansas Act or that are paid cash pursuant to paragraph 18 above) will become securityholders of New Delta and the Filer will be a wholly-owned subsidiary of New Delta.

20. The Filer will then apply to cease to be a reporting issuer, or will voluntarily surrender its reporting issuer status, in all Jurisdictions.

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:

1. in all of the Jurisdictions other than New Brunswick, under the applicable Legislation is that the Valuation Relief is granted, and

2. in Ontario and Quebec under the applicable Legislation is that the Second Step Relief is granted.

"Ralph Shay"
Director,
Take-over/Issuer Bids, Mergers & Acquisitions

The further decision of the Decision Makers is that:

3. the Resale Relief is granted in all of the Jurisdictions other than Manitoba and Quebec under the applicable Legislation provided that on the date of the trade,

   (a) New Delta is a reporting issuer in a jurisdiction of Canada,

   (b) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade,

   (c) the trade is not a control distribution as defined in Multilateral Instrument 45-102 – *Resale of Securities*,

   (d) no extraordinary commission or consideration is paid to a person or company in respect of the trade, and

   (e) if the selling security holder is an insider or officer of New Delta, the selling security holder has no reasonable grounds to believe that New Delta is in default of securities legislation, and

4. in Ontario and Alberta under the applicable Legislation is that the Reporting Issuer Relief is granted.

"Paul Moore"
Ontario Securities Commission

"Lorne Morphy"
Ontario Securities Commission

2.1.8 Avenir Diversified Income Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from requirement to include 3 years audited financial statements in take-over bid circular provided 2 years are included

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 104(2)(c) and Form 32

Citation: Avenir Diversified Income Trust, 2005 ABASC 171

February 25, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, ONTARIO AND NOVA SCOTIA
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
AVENIR DIVERSIFIED INCOME TRUST

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision (the Decision), under the securities legislation of the Jurisdictions (the Legislation), that the Filer be exempt from item 15(a) of Form 31 – Take-Over Bid Circular (Form 31) of the ASC Rules (and equivalent take-over bid circular rules in each of the other Jurisdictions, respectively), which prescribes that the Filer include, among other things, certain financial information required by the applicable prospectus disclosure requirements (the Requested Relief).

1. Under the Mutual Reliance Review System for Exemptive Relief Applications:

   1.1 the Alberta Securities Commission is the principal regulator for this application; and

   1.2 this MRRS Decision Document evidences the decision of each Decision Maker.

Interpretation

2. Unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101 – *Definitions*.

Representations

3. The Filer has represented to the Decision Makers that:

   3.1 The Filer has been duly formed under the laws of the Province of Alberta and the Filer's head office is located in Calgary, Alberta.

   3.2 The Filer is a reporting issuer in each of British Columbia, Alberta, Ontario and Nova Scotia.

   3.3 The trust units of the Filer (the Units) are listed and posted for trading on the Toronto Stock Exchange under the trading symbol “AVF.UN”.

   3.4 To its knowledge, the Filer is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer.

   3.5 In December, 2004, the Filer purchased certain properties (the Properties) from an arm's length oil and gas producer for total consideration of $30 million, subject to certain closing adjustments. The acquisition was funded through existing bank facilities.

   3.6 The acquisition of the Properties by the Filer constitutes a “significant acquisition” under the Legislation.

   3.7 A take-over bid circular (the Circular) detailing a new proposed acquisition is anticipated to be mailed to securityholders of the Filer in February 2005 for a special meeting to be held on in March or April, 2005. The Circular will include, subject to the Requested Relief herein, the appropriate financial disclosure of the Filer and for the Properties.

   3.8 With respect to take-over bids, section 15(a) of Form 31 requires disclosure as prescribed by the appropriate prospectus form in any instance where securities of the issuer are being included as consideration for the take-over bid. Accordingly, the financial statements of the Filer and for the Properties to be included in the Circular must comply with

section 15(a) of Form 31 which prescribes that the Circular include the financial information required by their applicable form of prospectus. In the present circumstances, the Filer would elect to take advantage of ASC Rule 41-501 which permits the use of OSC Rule 41-501 by the Filer and that requires the following:

3.8.1 for the Filer:

3.8.1.1 audited annual statements of income, retained earnings and cash flow for each of the 3 most recently completed financial years;

3.8.1.2 audited annual balance sheets for the two most recently completed financial years;

3.8.1.3 comparative interim statements of income, retained earnings and cash flow for the most recently completed interim period (that ended more than 60 days before the date of the Circular); and

3.8.1.4 a balance sheet for the interim period referred to in 4.8.1.3 above.

3.8.2 For the Properties (as a "significant acquisition" of the Filer):

3.8.2.1 audited annual statements of income, retained earnings and cash flow for each of the 3 most recently completed financial years;

3.8.2.2 audited annual balance sheets for the two most recently completed financial years;

3.8.2.3 comparative interim statements of income, retained earnings and cash flows for the most recently completed interim period of the Properties that ended before the date of the acquisition and more than 60 days before the date of the Circular; and

3.8.2.4 a balance sheet for the interim period referred to in 4.8.2.3 above for the Filer.

3.8.3 pro forma financial statements for the Filer and the Properties in accordance with sections 6.2 and 6.5 of OSC Rule 41-501.

3.9 A combination of the following factors render the audit of operating statements relating to the Properties for the 2001 year impracticable to conduct:

3.9.1 in 2001 the Properties were purchased by Calpine Resources Inc. (Calpine); prior thereto they were owned by a separate third party vendor;

3.9.2 in September, 2004 Prime West Energy Inc. (PrimeWest) purchased the properties from Calpine and at such time obtained sufficient information to prepare audited financial statements relating to the Properties for the periods ending December 31, 2002 and 2003 but not for any periods prior thereto;

3.9.3 since the purchase of the Properties by PrimeWest in September 2004, Calpine has ceased to exist;

3.9.4 PrimeWest was able to obtain basic source documentation relating to the Properties for the periods ending December 31, 2002 and 2003, however, it would be extremely difficult if not impossible to locate the necessary source documentation for the financial period ending December 31, 2001 in sufficient detail to prepare audited financial statements, relating to the Properties for the financial period ending December 31, 2001, nor would it be possible to obtain any detailed supporting analysis; and

3.9.5 management and staff of Calpine who would have been involved with the Properties for the 2001 financial year and would be sufficiently familiar with the Properties are not available to answer auditor's questions or help reconstruct related supporting information.

3.10 The Filer proposes to include in the Circular the following financial statements:

3.10.1 the Filer's financial statements and the pro forma financial statements for the Filer and the Properties all in accordance with sections 6.2 and 6.5 of OSC Rule 41-501 as follows:

3.10.1.1 audited annual statements of income, retained earnings and cash flow for each of the 3 most recently completed financial years;

3.10.1.2 audited annual balance sheets for the two most recently completed financial years;

3.10.1.3 comparative interim statements of income, retained earnings and cash flow for the most recently completed interim period (that ended more than 60 days before the date of the Circular);

3.10.1.4 a balance sheet for the interim period referred to in 4.10.1.3 above; and

3.10.1.5 pro forma financial statements for the Filer and the Properties.

3.10.2 the following alternative financial statements for the Properties (the Alternate Financial Statements):

3.10.2.1 audited annual statements of income, retained earnings and cash flow for the periods ending December 31, 2002 and 2003;

3.10.2.2 audited annual balance sheets for the two most recently completed financial years;

3.10.2.3 comparative interim statements of income, retained earnings and cash flows for the most recently completed interim period of the Properties that ended before the date of the acquisition and more than 60 days before the date of the Circular; and

3.10.2.4 a balance sheet for the interim period referred to in 4.10.2.3 above for the Filer.

4. 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.

5. The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Filer shall include in the Circular the Alternate Financial Statements.

February 25, 2005.

"Glenda A. Campbell", Q.C.
Vice-Chair
Alberta Securities Commission

"Stephen P. Sibold", Q.C.
Chair
Alberta Securities Commission

2.1.9 MSP 2005 Resource Limited Partnership - MRRS Decision

Headnote

Exemption from the requirement to deliver an amendment to a prospectus in connection with the distribution of units of a resource limited partnership.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c. S.5., as am., ss. 57, 71 and 147.

March 16, 2005

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

AND

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

AND

IN THE MATTER OF
MSP 2005 RESOURCE LIMITED PARTNERSHIP (MSP 2005)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from MSP 2005 for a decision under the securities legislation of the Jurisdictions (the Legislation) that the obligation contained in the Legislation to deliver Amendment No. 1 dated March 3, 2005 to the final prospectus of MSP 2005 dated February 24, 2005 (the Amendment) not apply to MSP 2005 (the Requested Relief) in connection with distribution of units of MSP 2005.
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* 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 MSP 2005:

1. MSP 2005 is a limited partnership established under the laws of the Province of Ontario.

2. MSP 2005 GP Inc. (GP), the general partner of MSP 2005, is a corporation established under the laws of the Province of Ontario.

3. On February 24, 2005, MSP 2005 filed a final prospectus (the Prospectus) for a distribution of up to 1,600,000 units at a price of $25 per unit. The net proceeds from the offering are to be used to invest in a diversified portfolio of flow-through shares of resource issuers so that limited partners will be entitled to claim certain deductions and non-refundable investment tax credits for income tax purposes for the 2005 taxation year.

4. Following the issuance of a receipt for the Prospectus, the GP became aware that Finances Québec had recently published a Schedule that illustrated that certain proposals announced in the 2004 Québec budget would restrict the deductibility of certain deductions by a limited partner resident or liable to tax in Québec (the Budget Proposals).

5. Following discussions with its counsel, the agents to the offering and agents' counsel, on March 8, 2005 MSP 2005 filed the Amendment which described the effect of the Budget Proposals on a Québec taxpayer.

6. On March 11, 2005, the Ministère des Finances (Québec) published an Information Bulletin entitled "Changes to the Issuance limit imposed on the deductibility of investment expenses" which indicates that the Budget Proposals which were the subject of the Amendment would not apply to the deductibility of investment expenses by Québec taxpayers investing in units of MSP 2005.

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 a letter is filed on SEDAR under project number 735667 explaining

why the Amendment is inapplicable to investors and is not being delivered.

"S. Wolburgh Jenah"
Vice Chair
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.1.10 Hewlett-Packard Company - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from registration and prospectus requirements for first trades of securities acquired by eligible employees and permitted transferees pursuant to equity compensation plan – Exemptions would be available but for the fact that issuer is a reporting issuer in Quebec as a result of previous merger transaction – Issuer has *de minimis* Canadian presence.

Ontario Statutes Cited

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

Instruments Cited

Multilateral Instrument 45-102, Resale of Securities, s. 2.14.
Multilateral Instrument 45-105, Trades to Employees, Senior Officers, Directors, and Consultants, s. 3.2.

March 2, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, NOVA SCOTIA,
NEW BRUNSWICK AND
NEWFOUNDLAND AND LABRADOR (THE
JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
HEWLETT-PACKARD COMPANY (HP OR THE FILER)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application (the Application) from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the requirements contained in the Legislation to be registered to trade in a security (the Registration Requirements) and to file and obtain a receipt for a preliminary prospectus and a prospectus (the Prospectus Requirements) shall not apply to first trades by Award Eligible Employees (defined below), former such employees, or the legal representatives, beneficiaries or other permitted transferees of any of the foregoing, of common shares (the Common Shares) in the capital of the

Filer acquired pursuant to options for Common Shares and stock awards granted in connection with the HP 2004 Stock Incentive Plan (the HP 2004 Plan), including first trades effected through agents (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 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. HP is a corporation incorporated under the laws of Delaware and is not a reporting issuer in any jurisdiction in Canada except Quebec. HP is subject to the reporting requirements of the United States Securities Act of 1933, as amended, and the United States Securities Exchange Act of 1934, as amended. The Common Shares are listed and posted for trading on the New York Stock Exchange, Inc., the Pacific Exchange and the NASDAQ National Market.

2. The authorized share capital of HP consists of 9,600,000,000 Common Shares with a par value of US$0.01 each and 300,000,000 shares of preferred stock with a par value of US$0.01 each. As at December 31, 2004, there were 2,910,039,823 Common Shares and no shares of preferred stock of HP issued and outstanding.

3. Hewlett-Packard (Canada) Ltd. (HP Canada), currently a wholly-owned subsidiary of HP, is a corporation incorporated under the federal laws of Canada. HP Canada is not a reporting issuer or its equivalent in any jurisdiction in Canada and has no present intention of becoming a reporting issuer or its equivalent in any jurisdiction in Canada.

4. Options to acquire Common Shares (HP Options) are awarded pursuant to the HP 2004 Plan to various employees of HP and its affiliated entities eligible to participate (Award Eligible Employees). In addition, stock awards, including restricted stock units payable in Common Shares, and cash awards may be granted under the HP 2004 Plan. The HP 2004 Plan was approved by the shareholders of HP on March 17, 2004.

5. Participation in the HP 2004 Plan is voluntary and the Award Eligible Employees will not be granted HP Options or stock or cash awards under the HP 2004 Plan or induced to exercise HP Options by expectation of employment or continued employment with HP, HP Canada or any other affiliated entity of HP.

6. Unless determined otherwise by the administrator of the HP 2004 Plan, HP Options or stock or cash awards granted under the HP 2004 Plan are non-transferable during an Award Eligible Employee's life, other than by beneficiary designation, will or by the laws of descent or distribution. An Award Eligible Employee's beneficiary, the executor or administrator of such employee's estate or, if none, the person(s) entitled to exercise the HP Options under such employee's will or the laws of descent or distribution, may exercise such HP Options in full within one year following the Award Eligible Employee's death. Upon the death of an Award Eligible Employee with an outstanding stock award, such employee's beneficiary, the executor or administrator of such employee's estate or, if none, the person(s) entitled to the stock award under such employee's will or the laws of descent or distribution, will be entitled to receive a prorated portion of Common Shares pursuant to the stock award.

7. Award Eligible Employees in Canada who are granted HP Options or stock or cash awards under the HP 2004 Plan will be provided with all the disclosure documentation that HP employees resident in the United States who receive HP Options or stock or cash awards under the HP 2004 Plan are entitled to receive.

8. HP uses the services of agents (each as listed or as replaced, an Agent, and collectively, the Agents) in connection with the HP 2004 Plan. The current Agents under the HP 2004 Plan are Fiserv Investor Services, Inc., Morgan Stanley, Smith Barney and Computershare Investor Services. The Agents are, and, if replaced will be, corporations registered under applicable U.S. securities legislation and have been or will be authorized to provide services under the HP 2004 Plan.

9. Because there is no market for the Common Shares in Canada and none is expected to develop, any trades of the Common Shares by Award Eligible Employees, former such employees, their legal representatives or permitted transferees or any Agent will be effected through the facilities of and in accordance with the rules of one of the exchanges or markets outside of Canada on which the Common Shares are traded.

10. As at December 3, 2004, residents of Canada did not own, directly or indirectly, more than 10% of

the outstanding Common Shares and did not represent in number more than 10% of the total number of owners, directly or indirectly, of Common Shares.

11. An exemption from the Registration Requirements is not available in the Jurisdictions for resale of the Common Shares acquired pursuant to HP Options and stock awards granted under the HP 2004 Plan, including trades effected through Agents. Such an exemption would be available pursuant to section 3.2 of Multilateral Instrument 45-105 *Trades to Employees, Senior Officers, Directors and Consultants* but for the fact that HP is a reporting issuer in Quebec.

12. The exemption from the Prospectus Requirements contained in section 2.14 of Multilateral Instrument 45-102 *Resale of Securities* (MI 45-102) is not available in the Jurisdictions for resale of the Common Shares acquired pursuant to HP Options and stock awards granted under the HP 2004 Plan, including trades effected through Agents, since HP is a reporting issuer in Quebec.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the conditions in subsection 2.14(1) of MI 45-102, other than the requirements of paragraph 2.14(1)(a), are satisfied.

"Paul M. Moore, Q. C."

"Wendell S. Wigle, Q. C.

2.1.11 RBC Dominion Securities Inc. and Royal Bank of Canada - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Registered investment dealer exempted from section 228 of the Regulation for recommendations in respect of securities of its parent bank, subject to conditions – Decision permits the registrant to make recommendations in the circumstances contemplated by subsection 228(2) of the Regulation, but without having to comply with the requirement for (comparative) information, similar to that set forth in respect of the bank, for a substantial number of other persons or companies that are in the industry or business of the bank, to the extent that such comparative information is not known, or ascertainable, by the registrant – In incorporating other requirements from subsection 228(2), the decision also provides that the space and prominence restrictions in clause 228(2)(d) relate to the information for which there is such comparative information.

Applicable Ontario Statutory Provisions

Ontario Regulation 1015, R.R.O. 1990, as am., ss. 228 and 233.

March 18, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, NOVA SCOTIA, AND
NEWFOUNDLAND AND LABRADOR (THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
RBC DOMINION SECURITIES INC. (THE FILER) AND
ROYAL BANK OF CANADA (THE BANK)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation (the **Legislation**) of the Jurisdiction that the provisions (the **Recommendation Prohibition**) in the Legislation which provide that no registrant shall, in any medium of communication, recommend, or cooperate with any person [or company] in the making of any recommendation, that the securities of the registrant, or a related issuer of the registrant, or, in the course of a distribution, the securities of a connected issuer of the

registrant, be purchased, sold or held, shall not, in certain circumstances, apply to the Filer, in respect of securities of its parent bank, the Bank;

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* have the same meaning in this decision unless they are defined in this decision.

Representations

1. The Filer, a corporation incorporated under the laws of Canada, has its head office in Ontario.

2. The Bank is a Canadian chartered bank named in Schedule I of the Bank Act (Canada).

3. The Filer is a wholly-owned subsidiary of the Bank and, as such, the Bank is a "related issuer" of the Filer for the purposes of the Recommendation Prohibition.

4. The Filer is registered under the Legislation of each of the Jurisdictions as a dealer in the category of "investment dealer".

5. The Filer acts as a full-service investment dealer.

6. The Filer provides equity research report coverage on a very large number of issuers, including the Bank and all of the other banks currently named in Schedule I of the Bank Act (Canada).

7. As a member of the Investment Dealers Association of Canada (the **IDA**), the Filer is obliged to comply with the IDA Policy 11 -- Research Restrictions and Disclosure Requirements (**IDA Policy 11**).

8. Guideline No. 3 of IDA Policy 11 states:

> Members should adopt standards of research coverage that include, at a minimum, the obligation to maintain and publish current financial estimates and recommendations on securities followed, and to revisit such estimates and recommendations within a reasonable time following the release of material information by an issuer or the occurrence of other relevant events.

9. In each of the Jurisdictions, the Legislation provides an exemption (the **Statutory Exemption**) from the Recommendation Prohibition for a recommendation (a **Recommendation**) to purchase, sell or hold securities of an issuer, that is contained in a circular, pamphlet or similar publication (a **Report**) that is published, issued or sent by a registrant and is of a type distributed with reasonable regularity in the ordinary course of its business, provided that the Report:

   (a) includes in a conspicuous position, in type not less legible than that used in the body of the Report

      (i) a full and complete statement (a **Relationship Statement**) of the relationship or connection between the registrant and the issuer of the securities; and

      (ii) a full and complete statement of the obligations of the registrant under the Recommendation Prohibition and the Statutory Exemption;

   (b) includes information (**Comparative Information**) similar to that set forth in respect of the issuer for a substantial number of other persons or companies (**Competitors**) that are in the industry or business of the issuer; and

   (c) does not give materially greater space or prominence to the information set forth in respect of the issuer than to the information set forth in respect of any other person or company described therein.

10. So long as the Filer remains a related issuer of the Bank, the Filer cannot rely on the Statutory Exemption from the Recommendation Prohibition, to publish in a Report any Recommendation with respect to securities of the Bank, including a revision to a previous Recommendation, in response to:

   (a) the release of interim financial statements of the Bank or information concerning such financial statements, or

   (b) the release of information, or the occurrence of an event, that might reasonably be interpreted to have, or possibly have, a significant effect on the value of any securities issued by the Bank, or the continued validity of previously published financial estimates or recommendation issued by the Filer in

respect of any securities issued by the Bank,

unless, at the relevant time, the Filer has been able to ascertain, and is able to include in the Report, Comparative Information for a substantial number of Competitors of the Bank, and also satisfy the requirements of the Statutory Exemption relating to space and prominence of information, referred to in paragraph 9(c), above.

11. The Filer will be precluded from including in any Report Comparative Information for a substantial number of Competitors of the Bank if, at the relevant time:

(a) there is no Comparative Information for any Competitors that is known, or ascertainable, by the Filer, or

(b) there is no Comparative Information for a substantial number of Competitors of the Bank that is known, or ascertainable, by the Filer.

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 Recommendation Prohibition shall not apply to Recommendations of the Filer in respect of securities of the Bank that are made by the Filer in a Report, in response to:

(i) the release of interim financial statements of the Bank or information concerning such financial statements, or

(ii) the release of information, or the occurrence of an event, that might reasonably be interpreted to have, or possibly have, a significant effect on the value of any securities issued by the Bank, or the continued validity of previously published financial estimates or recommendation issued by the Filer in respect of any securities issued by the Bank,

if, at the relevant time, Comparative Information for a substantial number of Competitors of the Bank is not known, or ascertainable, by the Filer, provided that:

(A) the Report includes in a conspicuous position in a type not less legible than that used in the body of the Report:

(i) a Relationship Statement concerning the relationship or connection between the Filer and the Bank; and

(ii) a full and complete statement of the obligations of the Filer under the Recommendation Prohibition and this Decision;

(B) for any information in respect of the Bank that is included in the Report, for which there is Comparative Information for any Competitors that is known, or ascertainable, by the Filer, the Report includes such Comparative Information;

(C) for the information referred to in paragraph (B) above, the Report does not give greater prominence to the information in respect of the Bank than to the Comparative Information for any of the Competitors of the Bank that is included in the Report; and

(D) the decision shall terminate on the day that is two years after the date of this decision.

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

2.1.12 Barclays Global Investors Canada Limited et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from requirement to obtain specific and informed written consent from discretionary management clients once in each twelve-month period with respect to certain funds – subject to conditions.

Applicable Ontario Legislation

Ontario Regulation 1015, R.R.O. 1990, sec. 227(2)(b), 233.

March 18, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO, ALBERTA, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR (the Jurisdictions)

AND

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

AND

IN THE MATTER OF
BARCLAYS GLOBAL INVESTORS CANADA LIMITED
DAVIS-REA LTD.
FOYSTON GORDON & PAYNE INC.
HILLSDALE INVESTMENT MANAGEMENT INC.
SCEPTRE INVESTMENT COUNSEL LIMITED
CRANSTON, GASKIN, O'REILLY & VERNON
(INDIVIDUALLY A FILER AND COLLECTIVELY, THE FILERS)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the requirement that a registrant acting as an adviser and exercising discretionary authority with respect to the investment portfolio or account of a client (in each case, a **Client**) not purchase or sell securities of a related issuer, or in the course of an initial distribution or a distribution (depending on the Jurisdiction) securities of a connected issuer, of the registrant, unless it provides certain disclosure to the Client and obtains the requisite specific and informed written consent of the Client once in each 12 month period (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 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 each Filer:

1. Each of the Filers has an office, carries on business in Ontario and is registered as an adviser in Ontario. Where a Filer is not currently registered as an adviser in any of Alberta, Nova Scotia or Newfoundland and Labrador, it expects that it will become registered in such provinces once it is clear that there will be clients retaining it.

2. Each Filer manages some of its clients' assets on a discretionary basis and may trade in the securities of one or more mutual funds or pooled funds managed or to be managed by the Filer or an affiliate or associate of the Filer (collectively, the **Funds**) for its Clients' accounts;

3. Discretionary management clients of the Filer enter into a discretionary investment management account agreement with the Filer. Each discretionary management Client specifically consents in writing to the Filer investing in one or more of the applicable Funds.

4. Securities of the applicable Funds may be offered on a continuous basis and will be acquired by residents of the Jurisdictions either under a prospectus filed by the Fund or on a private placement basis.

5. All Clients of the Filer receive a statement of policies which lists the related issuers of the Filer. In the event of a significant change in its Statement of Policies, the Filer will provide to each of its Clients a copy of the revised version of, or amendment to, the Statement of Policies.

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 pursuant to the Legislation is that the Requested Relief is granted to each Filer provided that the Filer has secured the specific and informed consent of the discretionary management Client

in advance of the exercise of discretionary authority in respect of the applicable Funds.

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

2.1.13 Storm Exploration Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the requirement to file financial statements for the year ended October 31, 2003 as part of issuer's continuous disclosure obligations and in any prospectus or other filing requiring prospectus level disclosure, where such statements cannot not be prepared due to the destruction of accounting data of a predecessor company.

Applicable National Instrument

National Instrument 51-102 - Continuous Disclosure Obligations

Citation: Storm Exploration Inc., 2005 ABASC 231

March 17, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, BRITISH COLUMBIA,
ONTARIO AND QUÉBEC

AND

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

AND

IN THE MATTER OF
STORM EXPLORATION INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Alberta, British Columbia, Ontario and Québec (the "**Participating Jurisdictions**") has received an application from Storm Exploration Inc. ("**Storm**"), which application:

   1.1.1 requests relief from the requirements in the securities legislation of Alberta, British Columbia and Ontario requiring Storm to:

      1.1.1.1 file with the applicable securities regulatory authorities and regulators and deliver to its shareholders

         (i) an income statement, a statement of retained earnings and a cash flow statement for the year ended October 31, 2003, and

(ii) a balance sheet as at October 31, 2003 (collectively, the "Comparative Financial Statements"); and

1.1.1.2 include the Comparative Financial Statements in any prospectus of Storm, or other document requiring prospectus level disclosure in respect of Storm, filed with the securities regulators or regulatory authorities on or before March 31, 2006; and

1.1.2 in Quebec, requests a revision to the general order that will provide the same result as the exemption order set forth above.

2. **AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "**MRRS**"), the Alberta Securities Commission is the principal regulator for this application.

3. **AND WHEREAS**, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Securities Commission Notice 14-101.

4. **AND WHEREAS** Storm has represented to the Decision Makers that:

4.1 Storm was incorporated as Alterna Technologies Group Inc. ("**Alterna**") under the *Business Corporations Act* (Alberta) in 1996 and continued under the *Canada Business Corporations Act* in 1998.

4.2 Alterna was previously engaged in the development of treasury management software. From 1998 to 2003, Alterna incurred substantial losses in the operation of its business. In December 2003, Alterna's software development business was sold to a third party. At the time of the Arrangement (as defined below), Alterna had no employees and its business activities consisted solely of settling outstanding accounts receivable and accounts payable.

4.3 Pursuant to a plan of arrangement (the "**Arrangement**") involving Storm Energy Ltd. ("**Old Storm**"), Harvest Energy Trust, Alterna, Harvest Operations Corp.("**Harvest Operations**") and the shareholders of Old Storm(the "**Shareholders**"), which was completed on June 30, 2004,: (a) Old Storm transferred certain of its assets, including oil and gas exploration prospects (the "**Storm Assets**"), to Alterna; (b) Harvest Operations acquired all of the issued and outstanding common shares of Old Storm; (c) Shareholders ultimately received for each common share of Old Storm held (i) either one common share of Alterna or cash in the amount of $2.00, (ii) either 0.281 of a Trust Unit of Harvest Energy Trust, 0.281 of an Exchangeable Share of Harvest Operations Corp. or cash in the amount of $4.15, and (iii) 0.053 of a share of Rock Energy Inc; and (d) Alterna changed its name to Storm Exploration Inc.

4.4 The head office of Storm is located at 3300, 205 – 5th Avenue S.W., Calgary, Alberta, T2P 2V7.

4.5 Storm is currently a reporting issuer in British Columbia, Alberta, Ontario and Québec and its common shares are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "SEO".

4.6 Prior to 2004, the financial year end of Storm was October 31. Following the completion of the Arrangement, Storm changed its year end to December 31.

4.7 Storm is a reporting issuer or the equivalent thereof in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. Storm has filed all the information that it has been required to file as a reporting issuer in each of the Provinces of British Columbia, Alberta, Manitoba, Ontario and Quebec and is not in default of the Legislation in any of these jurisdictions.

4.8 As a result of the destruction of certain of Alterna's accounting data and the departure of certain key employees, it is not possible for Storm to prepare audited financial statements for the year ended October 31, 2003.

4.9 In connection with the Arrangement, Mr. Mark A. Butler, previously the Chief Operating Officer of Alterna and currently a director of Storm, submitted a letter, dated April 27, 2004, to the Alberta Securities Commission stating that:

4.9.1 upon the sale of its software business, all of the data from Alterna's computer system, including accounting records, was transferred to a server at the site of the purchaser of the business;

4.9.2 subsequent to such transfer, the purchaser's server experienced a power surge and accounting data relating to Alterna was lost; and

4.9.3 as a result of the loss of data, it was not possible to generate audited annual financial statements of Alterna for the year ended October 31, 2003.

4.10 In a subsequent letter from Mr. Butler to the Alberta Securities Commission, dated February

25, 2005, Mr. Butler states that, subsequent to April 27, 2004, efforts have been made to recover the financial records of Alterna but that the completeness, accuracy, measurability and verifiability of the recovered information cannot be established.

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

6. **AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the securities legislation of the Participating Jurisdictions (the "**Legislation**") that provides the Decision Maker with the jurisdiction to make the Decision has been met.

7. **THE DECISION** of the Decision Makers pursuant to the Legislation is that:

7.1 the requirements contained in the Legislation to:

7.1.1 file with the applicable securities regulatory authorities and regulators and deliver to its shareholders:

7.1.1.1 an income statement, a statement of retained earnings and a cash flow statement for the year ended October 31, 2003; and

7.1.1.2 a balance sheet as at October 31, 2003 (collectively, the "Comparative Financial Statements"); and

7.1.2 include the Comparative Financial Statements in any prospectus of Storm, or other document requiring prospectus level disclosure in respect of Storm, filed with the securities regulators or regulatory authorities on or before March 31, 2006;

shall not apply to Storm, provided that Storm shall include in the notes to its audited financial statements for the year ended December 31, 2004 an audited statement of revenues and operating expenses for the year ended December 31, 2003 in respect of the Storm Assets.

March 17, 2005.

"Mavis Legg", CA
Manager, Securities Analysis

2.2 Orders

2.2.1 Kensington Apartments Limited - s. 83 and s. 1(6) of the OBCA

Headnote

Owner of apartment building deemed to have ceased to be a reporting issuer under the Securities Act (Ontario) and deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario) - Occupants of apartments must purchase shares and enter into occupancy agreement - Shares not quoted or listed on a marketplace - Primary reason to own shares is to secure personal living space and not for investment purpose.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.
Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

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

AND

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT
R.S.O. 1990, CHAPTER B.16, AS AMENDED (the OBCA)

AND

IN THE MATTER OF
KENSINGTON APARTMENTS LIMITED

ORDER

UPON the application of Kensington Apartments Limited (the Applicant) to the Ontario Securities Commission (the Commission) for an order pursuant to section 83 of the Act that the Applicant be deemed to have ceased to be a reporting issuer under the Act, and for an order pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purposes of the OBCA;

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

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

1. The Applicant is a corporation existing under the OBCA and was incorporated on September 4, 1970.

2. The Applicant was incorporated for the purpose of taking title to, and holding as bare trustee for the beneficial owners, the lands, premises and apartment building erected at 21 Dale Avenue, Toronto, Ontario (the Building).

3. The Applicant became a reporting issuer in Ontario on November 20, 1970 as a result of filing a prospectus qualifying the initial distribution of its shares to apartment occupants (the Original Prospectus).

4. The Applicant is not a reporting issuer in any other jurisdiction in Canada.

5. The authorized capital of the Applicant is fixed at 2,452 shares without par value (the Kensington Shares). There are currently 2,452 Kensington Shares issued and outstanding.

6. The Applicant originally offered all 2,452 authorized Kensington Shares pursuant to the Original Prospectus. The Applicant sold 1,862 Kensington Shares in this initial offering. The Applicant sold the remaining 590 Kensington Shares pursuant to an amended prospectus dated October 26, 1973 (the Amended Prospectus). As a result, all 2,452 authorized Kensington Shares were issued pursuant to offerings under either the Original Prospectus or the Amended Prospectus.

7. Other than the Kensington Shares, the Applicant does not have any securities, including debt securities, outstanding.

8. The Building is made up of 225 suites (the Apartment Suites). The Applicant maintains the common elements and provides common services for the benefit of owner occupants of the Apartment Suites (the Owner Occupants). The beneficial ownership of the Apartment Suites and the common elements are vested in the holders of the Kensington Shares, being the Owner Occupants.

9. There are currently 224 shareholders holding Kensington Shares, each of whom is an Owner Occupant of one of the 225 Apartment Suites. The Applicant holds eleven shares in trust, and as a result retains control over a two-bedroom suite which is occupied by the Superintendent of Kensington Towers.

10. The Applicant does not intend to seek financing by way of a future offering of securities of the Applicant.

11. The Kensington Shares are not quoted or listed on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

12. There is no market for the Kensington Shares in and of themselves, and any market for the Kensington Shares is incidental to the real estate value associated with the right to occupy the Apartment Suites. The Applicant does not anticipate any market for the Kensington Shares themselves developing.

13. Pursuant to the standard form occupancy agreement entered into between each Owner Occupant and the Applicant (the Occupancy Agreement), the Owner Occupants covenant that they will not allow any person other than their own immediate family to use and enjoy the Apartment Suite. The Owner Occupants further agree to be bound by and comply with regulations established by the Applicant from time to time (the Regulations).

14. The Regulations place strict limits on the ability of Owner Occupants to assign or lease their Apartment Suites. Section 13 of the Regulations states that assignments of the right to occupy an Apartment Suite will only be permitted in exceptional circumstances, and empowers the Board of Directors to approve occupancy by someone other than the Owner Occupant where such occupancy is for a specific period of time and for a justifiable purpose. Such approval is rarely given, but has been given in the past, for example, where an individual is taking sabbatical leave from work and will be living away from the Building for a specific period of time. The purchase of the Kensington Shares by Owner Occupants is to secure personal living space, and not for the purpose of investment.

15. Secondary trades in Kensington Shares occur only in the event that that an Owner Occupant transfers his or her right to occupy an Apartment Suite to a new occupant. Purchasers of Kensington Shares, therefore, are restricted to those persons who will be Owner Occupants of an Apartment Suite. Consequently, the purchase price paid by the subsequent purchasers reflects the value of the right to occupy an Apartment Suite and is, therefore, essentially an investment in real estate. Pursuant to the Occupancy Agreement an Owner Occupant cannot assign, sell or pledge his or her Kensington Shares unless such Owner Occupant also assigns to the purchaser of such Kensington Shares the rights and obligations under the Occupancy Agreement. Pursuant to clause 10 of the Occupancy Agreement, in order to assign his or her rights and obligations under an Occupancy Agreement, the Owner Occupant must, among other things, obtain the consent of the majority of Directors of the Applicant.

16. In the event that an existing Owner Occupant chooses to sell his or her Apartment Suite, the Owner Occupant will market the Apartment Suite privately, likely through a real estate agent. Once the existing Owner Occupant has entered into an agreement of purchase and sale with a potential Owner Occupant, two members of the Board of Directors meet with the potential Owner Occupant to pre-approve the potential Owner Occupant. If the potential Owner Occupant is granted pre-approval, a Board meeting is called at which the

Board of Directors may grant approval to the sale of the Apartment Suite to the potential Owner Occupant, and pass a resolution approving the transfer of Kensington Shares from the existing Owner Occupant to the potential Owner Occupant. At the closing of the purchase and sale transaction: (a) the existing Owner Occupant and potential Owner Occupant enter into an assignment agreement pursuant to which the potential Owner Occupant acquires all of the rights and obligations of the existing Owner Occupant; (b) the potential Owner Occupant executes an Occupancy Agreement; and (c) the existing Owner Occupant endorses his/her Kensington Shares and returns them to Kensington. Upon completion of the transaction, Kensington makes the required changes to the share register and issues a share certificate in respect of the transferred Kensington Shares in the name of the new Owner Occupant.

17. Kensington acknowledges that all secondary trades of Kensington Shares must be made either in reliance upon a registration exemption or through a registered dealer, and that the Owner Occupants are responsible for ensuring that subsequent trades are made in compliance with the Act.

18. Kensington will provide every Owner Occupant with a copy of this Order, and will draw the attention of the Owner Occupants to paragraph 17 of the Order, such that all Owner Occupants are aware that it is their responsibility to ensure that secondary trades of Kensington Shares are made either in reliance upon a registration exemption or through a registered dealer.

19. Pursuant to the Applicant's corporate by-laws, and as described in the Original Prospectus and Amended Prospectus, the Applicant is run as a non-profit cooperative. The anticipated yearly expenses of the Apartment Suites, including all taxes, insurance premiums, janitor wages, repairs to common elements, reserves, etc. are determined by the Board of Directors. Thereafter, the Board of Directors sets monthly carrying charges to be paid by the Owner Occupants in an amount sufficient to cover the anticipated yearly expenses. The Applicant carries on no other business activity other than the asset management of the Building and has no other sources of revenue other than the carrying charges paid by Owner Occupants.

20. Pursuant to subsection 22(3) of the OBCA, the holders of the Kensington Shares have the right to vote at all meetings of shareholders, and the right to receive the remaining property of the Applicant upon dissolution.

21. Pursuant to the OBCA, the Applicant is subject to various disclosure obligations in respect of its shareholders, including the obligation:

    (a) to hold annual shareholders' meetings pursuant to subsection 94(1) of the OBCA;

    (b) to provide the shareholders with financial statements, prior to any annual shareholders' meeting, pursuant to subsection 154(1) of the OBCA; and

    (c) to allow the shareholders to examine the Applicant's records, including its articles and by-laws, minutes of meetings and resolutions of shareholders, the register of directors and securities register, pursuant to subsection 145(1) of the OBCA.

22. The Applicant is in default of the requirements of the Act or rules and regulations made thereunder. In particular the Applicant:

    (a) has not filed certain interim certificates pursuant to Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* or certain MD&A pursuant to securities legislation; and

    (b) has not filed all interim financial statements as required by National Instrument 51-102 *Continuous Disclosure Obligations*.

23. Except as disclosed to the Commission by the Applicant in the representations, the Applicant is not in default of any requirement of the Act or the rules and regulations made thereunder.

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

IT IS ORDERED, pursuant to section 83 of the Act, that the Applicant is deemed to have ceased to be a reporting issuer under the Act.

AND IT IS ORDERED, pursuant to subsection 1(6) of the OBCA, that the Applicant is deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

February 18, 2005.

"Paul Moore" "David Knight"

2.2.2 Brandes Investment Partners, L.P. - s. 147

Headnote

International adviser exempted from the requirements in subsections 21.10(3) and 21.10(4) of the Act, and section 139 of the Regulation, to file, or deliver, annual audited financial statements.

Statutes Cited

Securities Act, R.S.O. 1990 c. S.5, as am., ss. 21.10(3), 21.10(4) and 147.

Regulation Cited

Ontario Regulation 1015, R.R.O. 1990, as am., s. 139.

Rules Cited

Ontario Securities Commission Rule 35-502 Non-Resident Advisers, Part 4.

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

AND

IN THE MATTER OF
REGULATION 1015, R.R.O. 1990,
AS AMENDED (the "Regulation")
MADE UNDER THE ACT

AND

IN THE MATTER OF
BRANDES INVESTMENT PARTNERS, L.P.

ORDER
(Section 147 of the Act)

UPON the application (the "Application") of Brandes Investment Partners, L.P. ("Brandes") to the Ontario Securities Commission (the "Commission") for an order, pursuant to section 147 of the Act, exempting Brandes from the provisions (collectively, the "Financial Statements Submission Requirements") in subsections 21.10(3) and 21.10(4) of the Act and section 139 of the Regulation, that require a registrant that is registered under the Act as an adviser to file with, or deliver to, the Commission its annual financial statements together with an auditor's report thereon;

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

AND UPON Brandes having represented to the Commission that:

1. Brandes is a limited liability partnership organized under the laws of the State of Delaware, in the United States of America (the "USA"), having its principal place of business in California.

2. Brandes is registered under the Act as an adviser, in the category of "international adviser (investment counsel and portfolio manager)".

3. Brandes is registered as an investment adviser with the United States Securities and Exchange Commission under the *Investment Advisers Act of 1940* of the U.S.A.

4. Brandes is not able to apply to the Commission for an exemption from the requirement in subsection 21.10(3) of the Act that it file annual audited financial statements, in accordance with the procedure to apply for such an exemption provided for in Part 4 of Ontario Securities Commission Rule 35-502 *Non-Resident Advisers* (the "Rule"), because, now that the Rule has been in force for more than one year, the procedure is only available to applicants for registration as an international adviser, that are not registered, and are not applying for registration, in any other category of registration.

5. Brandes has been registered under the Act as an "international adviser" since before the Rule came into force.

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

IT IS ORDERED, pursuant to section 147 of the Act, that Brandes is exempt from the Financial Statement Submission Requirements, provided that this exemption shall terminate upon Brandes being registered under the Act in any other category of registration other than international adviser.

March 15, 2005.

"Susan Wolburgh Jenah" "Suresh Thakrar"

2.2.3 Cline Mining Corporation - ss. 83.1(1)

Headnote

Subsection 83.1(1) – Issuer deemed to be a reporting issuer in Ontario – Issuer already a reporting issuer in Alberta and British Columbia – Issuer's securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in Alberta and British Columbia substantially the same as those in Ontario – Significant connection to Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83.1(1).

IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990.,
CHAPTER S. 5, AS AMENDED (THE ACT)

AND

IN THE MATTER OF
CLINE MINING CORPORATION

ORDER
(Subsection 83.1(1))

UPON the application of Cline Mining Corporation (the **Issuer**) for an order, pursuant to subsection 83.1(1) of the Act, deeming the Issuer to be a reporting issuer for the purposes of Ontario securities law;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the **Commission**);

AND UPON the Issuer representing to the Commission as follows:

1. The Issuer is a corporation governed by the *Business Corporations Act* (British Columbia) and was incorporated in British Columbia on January 14, 1983, as "*Cline Development Corporation*". On September 2, 1993, the Issuer changed its name to "*Consolidated Cline Development Corporation*" pursuant to a share consolidation and on November 29, 1996, changed its name to "*Cline Mining Corporation*". The Issuer is registered as an extra-provincial corporation in Ontario.

2. The Issuer's registered office is located at Suite 2550, 555 West Hastings Street, P.O. Box 12077, Vancouver, British Columbia, V6B 4N5, and its head office is located at 530 La Salle Boulevard, Sudbury, Ontario, P3A 1W9.

3. The Issuer is a resource company involved in the acquisition, exploration and development of coal properties in British Columbia.

4. The authorized share capital of the Issuer consists of 100,000,000 common shares (the **Common Shares**) without par value and 2,000,000 preferred shares with a par value of $5.00 each, of which 47,143,925 Common Shares are currently issued and outstanding.

5. The Issuer's Common Shares were listed on the Vancouver Stock Exchange (a predecessor of the TSX Venture Exchange) on January 14 1983, continue to be listed on the TSX Venture Exchange and trade under the symbol "CMK".

6. The Issuer became a reporting issuer under the *Securities Act* (British Columbia) (the **BC Act**) on May 31, 1984 by way of prospectus, and became a reporting issuer under the *Securities Act* (Alberta) (the **Alberta Act**) on November 29, 1999 pursuant to the amalgamation of the Alberta Stock Exchange and the Vancouver Stock Exchange.

7. The Issuer has a significant connection to Ontario in that the Issuer's head office is located in Ontario, the Issuer's principal mind and management is located in Ontario and residents of Ontario beneficially hold more than 10% of the Issuer's issued and outstanding Common Shares.

8. Other than British Columbia and Alberta, the Issuer is not a reporting issuer or public company under the securities legislation of any other jurisdiction in Canada.

9. The Issuer is not in default of any requirements contained in the BC Act or the Alberta Act, or any of the rules and regulations thereunder, and is not on the lists of defaulting reporting issuers maintained pursuant to the BC Act and the Alberta Act.

10. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.

11. The materials filed by the Issuer as a reporting issuer in the Provinces of British Columbia and Alberta since January 1, 1997 are available on the System for Electronic Data Analysis and Retrieval.

12. Neither the Issuer nor any of its directors or officers nor, to the knowledge of the Issuer and its directors and officers, any controlling shareholder of the Issuer, has:

    (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority,

    (b) entered into a settlement agreement with a Canadian securities regulatory authority, or

(c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13. Neither the Issuer nor any of its directors or officers nor, to the knowledge of the Issuer and its directors and officers, any controlling shareholder of the Issuer, has been subject to:

(a) any known ongoing or concluded investigations by:

(i) a Canadian securities regulatory authority; or

(ii) a court or regulatory body, other than a Canadian securities regulatory authority,

that would be likely to be considered important to a reasonable investor making an investment decision; or

(b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the preceding ten (10) years.

14. None of the directors or officers of the Issuer nor, to the knowledge of the Issuer and its directors and officers, any controlling shareholder of the Issuer, is or has been at the time of such event, an officer or director of any other issuer which is or has been subject to:

(a) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than thirty (30) consecutive days, within the preceding ten (10) years; or

(b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the preceding ten (10) years.

15. The Issuer will remit all participation fees due and payable by it pursuant to Ontario Securities Commission Rule 13-502 *Fees* by no later than two (2) business days from the date of this Order.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that the Issuer be deemed to be a reporting issuer for the purposes of Ontario securities law.

February 25, 2005.

"Charlie MacCready"
Assistant Manager
Corporate Finance

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Chapter 4

Cease Trading Orders

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
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
CFM Corporation	16 Feb 05	01 Mar 05	01 Mar 05		
Hollinger Canadian Newspapers, Limited Partnership	21 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 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (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

Transaction Date	Purchaser	Security	Total Purchase Price ($)	Number of Securities
07-Mar-2005	38 Purchasers	AADCO Automotive Inc. - Common Shares	555,523.00	5,934,635.00
07-Mar-2005	Quorum P.I.P.E. Trust	AADCO Automotive Inc. - Convertible Debentures	1,050,000.00	1.00
01-Mar-2005	4 Purchasers	ABC American -Value Fund - Units	600,000.00	68,616.00
01-Mar-2005	36 Purchasers	ABC Fundamental - Value Fund - Units	7,012,517.00	358,513.00
30-Dec-2004	12 Purchasers	Adroit Resources Inc. - Common Shares	333,699.80	1,906,856.00
28-Feb-2005	Wolfgang H. Kyser Paul Miller	Airesurf Networks Holdings Inc. - Units	50,000.00	500,000.00
07-Mar-2005	BMO Nesbitt Burns	Allied Waste Industries, Inc. - Convertible Preferred Stock	1,536,625.00	5,000.00
28-Feb-2005	3 Purchasers	Amanta Resources Ltd. - Units	66,000.00	220,000.00
02-Mar-2005	7 Purchasers	Amarillo Gold Corporation - Units	105,000.00	525,000.00
27-Jan-2005	Credit Risk Advisors LP	AMR Holdco, Inc. /EmCare HoldCo., Inc, - Subordinated Note	619,850.00	500.00
25-Jan-2005	6 Purchasers	ARSystems International Inc. - Common Shares	999,998.00	9,999,980.00
17-Sep-2004	6 Purchasers	ARSystems International Inc. - Common Shares	432,469.00	432,469.00
02-Oct-1995 to 25-May-2001	74 Purchasers	Australia SSgA World Fund - Units	915,605.00	31,389.00
02-Oct-1995 to 18-Jul-2001	31 Purchasers	Austria SSgA World Fund - Units	68,944.00	2,562.00
03-Mar-2005	4 Purchasers	AVR Debenture Corp - Debentures	59,816.00	6.00
02-Oct-1995 to 04-Apr-2001	45 Purchasers	Belgium SSgA World Fund - Units	319,406.00	9,144.00
13-Feb-2004 to 18-Jun-2004	4 Purchasers	BluMont Hirsch Long/Short Fund - Units	175,632.00	1,293.00

25-Feb-2005	6 Purchasers	Breaker Energy Ltd. - Shares	5,774,600.00	1,888,000.00
28-Feb-2005	Covington Fund II Inc. Brascan Technology Fund Inc.	Business Propulsion Systems Inc. - Preferred Shares	1,500,000.00	1,500,000.00
28-Feb-2005	21 Purchasers	Caldwell New York Limited Partnership - Limited Partnership Units	3,200,000.00	320,000.00
10-Mar-2005	CWT Investments Limited	Calloway Real Estate Investment Trust - Rights	0.00	225,000.00
11-Mar-2005	Sprott Asset Management Inc. Lillian Campbell	Canadian Spirit Resources Inc. - Units	4,083,750.00	605,000.00
28-Feb-2005	8 Purchasers	Canadian Trading and Quotation System Inc. - Common Shares	2.35	2,350,000.00
01-Mar-2005	55 Purchasers	Canfirst Capital Industrial Partnership III L.P. - Limited Partnership Units	14,911,000.00	14,911.00
01-Mar-2005	CIRF Trustee Inc. CanFirst Capital Industrial Partnership IIILP	CanFirst Industrial Realty Fund III L.P. - Limited Partnership Units	54,911,000.00	54,911.00
01-Jun-2004 to 01-Jul-2004	Royal Bank of Canada	Cantillon Technology Ltd. - Shares	3,211,645.00	23,500.00
01-Jun-2004 to 01-Aug-2004	Royal Bank of Canada	Cantillon U.S. Low Volatility Ltd. - Shares	6,556,210.00	48,000.00
01-May-2004	Royal Bank of Canada	Cantillon World Ltd. - Shares	411,210.00	3,000.00
08-Mar-2005	6 Purchasers	CareVest Blended Mortgage Investment Corporation - Preferred Shares	70,677.00	70,677.00
08-Mar-2005	13 Purchasers	CareVest First Mortgage Investment Corporation - Preferred Shares	396,925.00	396,925.00
08-Mar-2005	Rohanie Manna David Cooke	CareVest Second Mortgage Investment Corporation - Preferred Shares	95,986.00	95,986.00
14-Mar-2005	4 Purchasers	Ceduna Capital Corp. - Promissory note	189,000.00	540,000.00
10-Mar-2005	Spectrum Seniors Housing Development LP	Chartwell Master Care LP - Limited Partnership Units	29,100,000.00	2,000,000.00
28-Feb-2005	Michael Stastny Select Living (1999) Limited	Chartwell Master Care LP - Units	12,733,500.00	975,000.00
04-Mar-2005	6351352 Canada Inc.	ClearOne Communications of Canada Inc - Common Shares	1,794,165.00	100.00
10-Mar-2005	15 Purchasers	Coastal Contacts Inc. - Common Shares	6,747,400.00	134,000.00

02-Mar-2005	Mike Mazarakis	Consolidated Global Minerals Ltd. - Units	16,000.00	40,000.00
08-Mar-2005	3 Purchasers	Conundrum Residential Property Income Fund - Promissory note	2,880,000.00	3.00
08-Mar-2005	3 Purchasers	Conundrum Residential Property Income Fund - Units	720,000.00	7,200.00
26-Apr-2004	Robert Mitchell	Deans Knight Equity Growth Fund - Trust Units	100,000.00	58.00
03-Mar-2005	38 Purchasers	Defiant Resources Corporation - Common Shares	2,131,800.00	836,000.00
09-Mar-2005	5 Purchasers	Dexia Municipal Agency - Notes	200,000,000.00	200,000,000.00
28-Feb-2005	Wabi Development Corp	DynaMotive Energy Systems Corporation - Common Shares	48,851.00	79,220.00
01-Nov-2004	Royal Trust Corporation	D.E. Shaw Oculus International Fund - Trust Units	4,892,005.00	400.00
14-Mar-2005	Elliot Strashin	East West Resource Corporation - Units	25,000.00	200,000.00
17-Mar-2005	E2 Venture Fund Inc. VentureLink Brighter Future (Equity) Fund Inc.	Encelium Technologies Inc. - Promissory note	100,000.00	2.00
04-Mar-2005	John Eidt	Everton Resources Inc. - Common Share Purchase Warrant	49,000.00	200,000.00
01-Mar-2005	4 Purchasers	Evton Real Estate Fund I Limited Partnership - Units	9,445,864.00	944,586.00
15-Mar-2005	1219410 Ontario Limited.	Excalibur Limited Partnership - Limited Partnership Units	1,000.00	0.00
15-Mar-2005	Credit Risk Advisors LP	Exide Technologies - Notes	2,407,200.00	2,000.00
01-Feb-2005	13 Purchasers	FactorCorp. - Debentures	1,675,000.00	1,675,000.00
08-Mar-2005	Rockwater Capital Corporation	Fairway Capital Management Corp. - Common Shares	500,000.00	1,847,657.00
07-Mar-2005 Units	Jonathan D. Essa	First Integrated Enterprises Ltd. -	10,000.00	40,000.00
25-Feb-2005 Units	33 Purchasers	Formation Capital Corporation -	3,278,800.00	8,197,000.00
10-Mar-2005	4 Purchasers	FraserPapers - Notes	24,684,050.00	24,684,050.00
14-Jan-2005	1216752 Ontario Inc.	Genetic Diagnostics Inc. - Shares	976,000.00	976,000.00
14-Jan-2005	23 Purchasers	Genetic Diagnostics Inc. - Shares	330,943.20	899,726.00
14-Jan-2005	9 Purchasers	Genetic Diagnostics Inc. - Shares	1,725,663.00	3,578,138.00
14-Jan-2005	4 Purchasers	Genetic Diagnostics Inc. - Shares	2,498,561.00	2,498,561.00

12-Nov-2004	1 Purchaser	Genuity Capital Markets - Debt	758,125.00	1.00
13-Oct-2004	1 Purchaser	Genuity Capital Markets - Units	1,600,000.00	1,600.00
12-Nov-2004	5 Purchasers	Genuity Capital Markets - Units	5,957,003.00	5,960.00
12-Nov-2004	4 Purchasers	Genuity Financial Group - Units	5,606,375.00	5,606.00
26-Oct-2004	1 Purchaser	Genuity Financial Group - Units	750,000.00	750.00
13-Oct-2004	1 Purchaser	Genuity Financial Group - Units	2,060,000.00	2,060.00
28-Feb-2005	Gary Bishop	Golden Hat Resources Inc. - Common Share Purchase Warrant	5,000.00	200,000.00
07-Mar-2005	Ernest Holmes Gilliatt	Goldeye Explorations Limited - Units	75,000.00	500,000.00
03-Mar-2005	CPP Investment Board Private Holdings Inc.	GPE IV CPP Investment Board Co-Investment Limited Partnership - Limited Partnership Interest	121,000,000.00	121,000,000.00
18-Nov-2004	26 Purchasers	Gulf & Pacific Equities Corp. - Units	2,300,000.00	2,300.00
01-Nov-2004	Marc Hyatt Albert Imbrogno	Helius Canada Limited Partnership - Limited Partnership Interest	366,900.00	304.00
01-Nov-2004	Helius Canada Limited Partnership	Helius (Bermuda) L.P. - Limited Partnership Interest	366,900.00	300,000.00
10-Mar-2005	Statutory Fixed Income Fund Commonwealth Managed Invests	Host Marriott, L.P. - Notes	610,000.00	610,000.00
22-Feb-2005 to 01-Mar-2005	3 Purchasers	IMAGIN Diagnostic Centres, Inc. - Common Share Purchase Warrant	35,000.00	35,000.00
25-Feb-2005	43 Purchasers	Innovative Water & Sewer Systems Inc. - Common Shares	1,597,559.00	2,852,784.00
01-Mar-2005	6 Purchasers	International Kirkland Minerals Inc. - Units	290,000.00	14,500,000.00
08-Mar-2005	7 Purchasers	International Securities Exchange, Inc. - Shares	946,125.00	43,500.00
01-Jan-2005	John Dunn	Internet Identity Presence Co. - Common Shares	4,000.00	200,000.00
28-Mar-2005	EPIC Limited Partnership and EPIC Limited Partnership II	InterOil Corporation - Common Shares	1,000,000.00	1,000,000.00
01-Sep-2004 to 29-Oct-2004	5 Purchasers Partnership Interest	JT Performance Fund, LP - Limited	180,000.00	180,000.00
07-Mar-2005	Paul Batho	KBSH Enhanced Income Fund - Units	62,679.00	5,065.00

07-Mar-2005	Paul Batho	KBSH Private - Canadian Equity Fund - Units	62,679.00	3,683.00
01-Mar-2005	3996701 Canada Inc.	KBSH Private - Money Market Fund - Units	1,000,000.00	100,000.00
28-Feb-2005	Ronald N. Little	Kilgore Minerals Ltd. - Units	14,000.00	50,000.00
01-Apr-2004 to 01-Sep-2004	Royal Bank of Canada	King Street Capital, Ltd. - Shares	5,287,849.50	17,152.00
01-Nov-2004	BMO Nesbitt Burns Inc.	King Street Capital, Ltd. - Shares	11,980,000.00	41,843.00
28-Feb-2005	Barbara Wolfe	Kingwest Avenue Portfolio - Units	500,000.00	20,664.00
28-Feb-2005	Lancaster Balanced Fund II Hunter Graham Investments	Lancaster Fixed Income Fund II - Trust Units	5,508,296.71	441,688.00
09-Mar-2005	7 Purchasers	Largo Resources Ltd. - Units	180,000.00	4,000,000.00
08-Mar-2005	6 Purchasers	Lemontonic Inc. - Shares	103,375.00	689,166.00
24-Feb-2005	3 Purchasers	Life Trust Limited Partnership - Limited Partnership Units	340,000.00	340.00
07-Mar-2005	29 Purchasers	Madison Grant Limited Partnership IX - Units	2,010,000.00	2,010.00
01-Mar-2005 to 09-Mar-2005	5 Purchasers	Magenta II Mortgage Investment Corporation - Shares	147,100.00	147,100.00
01-Mar-2005 to 09-Mar-2005	3 Purchasers	Magenta Mortgage Investment Corporation - Shares	90,000.00	9,000.00
10-Mar-2005	Kyla Morishita	Matador Exploration Inc. - Units	30,000.00	80,000.00
28-Feb-2005	John Pepperell	MAPLE KEY Market Neutral LP - Limited Partnership Units	201,840.00	160,000.00
08-Mar-2005	Ron Lutka	Mill Bay Ventures Inc. - Units	15,000.00	125,000.00
10-Mar-2005	9 Purchasers	Mississauga Oakville Veterinary Emergency Hospital Professional Corporation - Common Shares	180,000.00	9.00
08-Mar-2005	N-Brook Lender Services Inc.	N-Brook Funding Trust - Subordinated Note	1,350,000.00	1.00
04-Mar-2005	Blair Franklin Capital	Nasdaq-100 Trust - Shares	562,131.00	15,000.00
02-Mar-2005	4 Purchasers	Newcastle Minerals Ltd. - Units	60,000.00	300,000.00
02-Jan-2004 to 31-Dec-2004	57 Purchasers	Nexus North American Balanced Fund - Trust Units	9,733,297.00	846,373.00
02-Jan-2004 to 31-Dec-2004	10 Purchasers	Nexus North American Equity Fund - Trust Units	579,000.00	51,193.00

02-Jan-2004 to 31-Dec-2004	63 Purchasers	Nexus North American Income Fund - Trust Units	15,235,358.00	1,450,986.00
10-Mar-2005	Business Development Bank of Canada	NETISTIX TECHNOLOGIES CORPORATION - Convertible Debentures	750,000.00	750,000.00
01-Mar-2005 to 08-Mar-2005	Sun Life Assurance Company of Canada	Nissan Motor Acceptance Corporation - Notes	2,429,833.00	2,000,000.00
07-Mar-2005	7 Purchasers	N.V. Bank Nederlandse Gemeenten - Notes	200,000,000.00	200,000,000.00
04-Mar-2005	4 Purchasers	O'Donnell Emerging Companies Fund - Units	50,591.00	6,033.00
11-Mar-2005	7 Purchasers	O'Donnell Emerging Companies Fund - Units	192,233.00	23,555.00
04-Mar-2005	7 Purchasers	Optional Geomatics Inc. - Common Shares	279,000.00	1,116,000.00
24-Feb-2005	15 Purchasers	Orleans Energy Ltd. - Common Shares	14,000,001.00	4,666,667.00
08-Mar-2005	10 Purchasers	Pacific Stratus Ventures Ltd. - Units	764,750.00	3,059,000.00
24-Feb-2005	Lawrence Venture Fund The K2 Principal Fund	Pan Orient Energy Ltd. - Common Shares	999,999.00	1,333,332.00
21-Feb-2005	Ajay Jain	Pebble Creek Resources Ltd. - Common Shares	30,845.00	50,000.00
10-Mar-2005	Canadian Medical Discoveries Fund Inc.	Perception Raisonnement Action en Medecine SA - Warrants	1.00	191,556.00
11-Mar-2005	7 Purchasers	Petrolifera Petroleum Limited - Units	920,000.00	920,000.00
07-Jan-2005	Stalwart Resources LP	Photon Control Inc. - Units	752,500.00	2,150,000.00
01-Mar-2005	3 Purchasers	PointShot Wireless Inc. - Convertible Debentures	677,437.00	677,437.00
10-Mar-2005	Canadian Medical Discoveries Fund Inc.	Praxim Corporation - Shares	5,000,000.00	191,556.00
11-Aug-2004	18 Purchasers	Precious Metal Capital Corp. - Units	147,463.00	655,393.00
01-Mar-2005 to 04-Mar-2005	3 Purchasers	Premiere Canadian Mortgage Corp. - Shares	70,502.00	70,502.00
12-Feb-2004 to 02-Jul-2004	8 Purchasers	RBC US Money Market - Units	19,305,626.00	1,930,562.00
31-Dec-2004	5 Purchasers	RDO Limited Partnership - Limited Partnership Units	195,000.00	195.00

04-Mar-205	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	20,596.00	2,846.00
11-Mar-2005	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	8,461.42	698.00
03-Mar-2005	10 Purchasers	Resource Holdings & Investments Inc. - Subscription Receipts	2,600,000.00	2,080,000.00
04-Mar-2005	18 Purchasers	RHEO Therapeutics Inc. - Common Shares	2,049,493.50	455,443.00
01-Mar-2005	Marc Gruehl	Romios Gold Resources Inc. - Flow-Through Shares	45,000.00	300,000.00
28-Feb-2005	297241 Ontario Limited Standard Broadcasting Corporation Ltd.	ROW Entertainment Income Fund - Units	7,297,709.00	626,950.00
04-Mar-2005	Fidelity Investments Canada Ltd.	Rural/Metro Operating Company, LLC - Subordinated Note	123,260.00	100,000.00
24-Feb-2005	36 Purchasers	Saxon Energy Services Inc. - Units	26,155,440.00	8,718,480.00
02-Mar-2005	Natcan Investment Management Inc. and Ralph Zacks	Soho Resources Corp. - Common Shares	250,000.00	500,000.00
02-Mar-2005	Ontario Teachers' Pension Plan EdgeStone Capital Venture Fund II Nominee Inc.	Solace Systems, Inc. - Preferred Shares	11,350,000.00	9,869,565.00
08-Mar-2005	Hy-Drive Technologies Ltd.	Sparta Capital Ltd. - Common Shares	401,004.63	3,208,037.00
09-Mar-2005	6359507 Canada Inc.	Speedware Corporation Inc. - Common Shares	5,266,801.28	1,347,008.00
01-Mar-2005	Diane M. Daniel and Jeffrey D.Stacey & Associates Ltd.	Stacey Investment Limited Partnership - Limited Partnership Units	155,043.00	4,670.00
23-Feb-2005	13 Purchasers	Stratacom Technology Inc. - Units	1,110,000.00	555,000.00
21-Feb-2005	8 Purchasers	Strathmore Minerals Corp. - Units	4,896,550.50	3,264,367.00
25-Feb-2005	36 Purchasers	Street Resources Inc. - Subscription Receipts	1,388,000.00	3,470,000.00
02-Oct-1995 to 03-May-2001	72 Purchasers	Switzerland SSgA World Fund - Units	1,682,726.00	34,430.00
28-Feb-2005	12 Purchasers	Sylogist Ltd. - Common Shares	2,652,000.00	2,210,000.00
28-Feb-2005	Front Street FT 2005 - 1 LP	Terra Energy Corp. - Common Shares	4,000,000.20	2,857,143.00
28-Feb-2005	5 Purchasers	The McElvaine Investment Trust - Trust Units	246,483.00	11,325.00

02-Jan-2004 to 23-Dec-2004	National Life Assurance Company of Canada	The Vanguard Group, Inc. - Units	196,087.74	12,078.00
28-Feb-2005	Business Development Bank of Canada	Third Brigade Inc. - Preferred Shares	1,900,000.00	2,895,116.00
08-Mar-2005	13 Purchasers	Tiomin Resources Inc. - Units	1,340,000.00	3,350,000.00
18-Feb-2005	Veld Holdings	Trident Global Opportunities Fund - Units	200,000.00	1,745.00
21-Jan-2005	Lynn Wilhelm	Trident Global Opportunities RSP Fund - Units	50,000.00	488.00
09-Feb-2005	Fannie E. Blachut &/or T.J. Blachut	UBS (CH) Strategy Fund Yield USD - Units	52,205.19	438.00
01-Mar-2005	William Pasichnyk Craig Naughty	United Bolero Development Corp. - Common Shares	52,500.00	500,000.00
28-Feb-2005	Gloria Chow Taylor Battye	Van Arbor Canadian Advantage Fund - Trust Units	60,000.00	5,759.00
28-Feb-2005	14 Purchasers	Vertex Fund - Trust Units	1,548,329.00	65,566.00
04-Mar-2005	15 Purchasers	Volcanic Metals Exploration Inc. - Units	297,000.00	1,188,000.00
03-Mar-2005	9 Purchasers	Walloper Gold Resources Ltd. - Units	678,000.15	1,506,667.00
31-Dec-2004	Michael Churchill Paul Pathak	Washmax Corp. - Common Shares	130,000.00	2,600,000.00
31-Dec-2004	3 Purchasers	Waterfall Tipping Point L.P. - Limited Partnership Units	300,000.00	300.00
31-Dec-2004	Tor Williams Consulting David Lizoain	Waterfall Tipping Point L.P. - Limited Partnership Units	175,000.00	175.00
28-Feb-2005	7 Purchasers	Waterfall Vanilla L.P. - Limited Partnership Units	2,230,000.00	2,230.00
31-Dec-2004	10 Purchasers	Waterfall Vanilla L.P. - Limited Partnership Units	3,025,000.00	3,025.00
31-Jan-2005	5 Purchasers	Waterfall Vanilla L.P. - Limited Partnership Units	880,000.00	880.00
25-Feb-2005	3 Purchasers	Western Financial Group Inc. - Subordinated Note	840,000.00	1,000.00
31-Dec-2004	13 Purchasers	YSV Ventures Inc. - Common Shares	164,630.00	1,646,300.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
ACE Aviation Holdings Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated March 21, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
C$ * - * Class A Variable Voting Shares and/or Class B Voting Shares Price: $ * per Offered Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
Citigroup Global Markets Canada Inc.
Deutsche Bank Securities Limited
Merrill Lynch Canada Inc.
Genuity Capital Markets
Canaccord Capital Corporation
Desjardins Securities Inc.
Dloughy Merchant Group Inc.
Raymond James Ltd.
Research Capital Corporation
Westwind Partners Inc.
Promoter(s):
-
Project #751622

Issuer Name:
ACE Aviation Holdings Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated March 21, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
$* - * % Convertible Senior Notes Due 2035 Price: 100%
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Merrill Lynch Canada Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Citigroup Global Markets Canada Inc.
Deutsche Bank Securities Limited
TD Securities Inc.
Genuity Capital Markets
Promoter(s):
-
Project #751623

Issuer Name:
AIM Trimark Dialogue Growth Portfolio
AIM Trimark Dialogue Growth with Income Portfolio
AIM Trimark Dialogue Income Portfolios
AIM Trimark Dialogue Income with Growth Portfolio
AIM Trimark Dialogue Long-Term Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated March 18, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
Series A, F and I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIM Funds Management Inc.
Project #751316

Issuer Name:
European Minerals Corporation
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated March 18, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
Minimum Offering: Units *- $ *; Maximum Offering: Units * - $* Price: $ * per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Haywood Securities Inc.
Pacific International Securities Inc.
Promoter(s):
-
Project #743984

Issuer Name:
Frontenac Mortgage Investment Corporation
Type and Date:
Amended and Restated Preliminary Prospectus dated March 16, 2005
Receipted on March 17, 2005
Offering Price and Description:
Qualifying for Distribution An unlimited number of Common Shares Price: $ 30.00 per Common Share (Initial Issuance Only)
Underwriter(s) or Distributor(s):
-
Promoter(s):
W.A. Robinson & Associates Ltd.
Project #724524

Issuer Name:
Gabriel Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 18, 2005
Mutual Reliance Review System Receipt dated March 18, 2005
Offering Price and Description:
$25,000,000.00 - 12,500,000 Units Price: $2.00 per Unit
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
BMO Nesbitt Burns Inc.
Dundee Securities Corporation
CIBC World Markets Inc.
GMP Securities Ltd.
Canaccord Capital Corporation
TD Securities Inc.
Promoter(s):
-
Project #751327

Issuer Name:
Powerstar International Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated March 16, 2005
Mutual Reliance Review System Receipt dated March 17, 2005
Offering Price and Description:
MAXIMUM OFFERING: $1,742,500.00 (8,712,500 Common Shares); MINIMUM OFFERING: $1,200,000.00 (6,000,000 Common Shares) PRICE: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Jennings Capital Inc.
Promoter(s):
G. Steven Price
Project #750794

Issuer Name:
BlackRock Ventures Inc
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 21, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
$101,250,000.00 - 9,000,000 Common Shares Price: $11.25 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities Inc.
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
Sprott Securities Inc.
Promoter(s):
-
Project #749354

Issuer Name:
Brascan Power Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 16, 2005
Mutual Reliance Review System Receipt dated March 18, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brascan Power Inc.
Project #730054

Issuer Name:
Canam Group Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated March 18, 2005
Mutual Reliance Review System Receipt dated March 18, 2005
Offering Price and Description:
$40,250,000.00 - 7,000,000 Subordinate Voting Shares Price: $5.75 per Subordinate Voting Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #747729

Issuer Name:
Cardiome Pharma Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Base PREP Prospectus dated March 17, 2005
Mutual Reliance Review System Receipt dated March 17, 2005
Offering Price and Description:
US$51,000,000.00 - 8,500,000 Common Shares Price: US$6.00 per Common Share
Underwriter(s) or Distributor(s):
USB Securities Canada Inc.
CIBC World Markets Inc.
GMP Securities Ltd.
First Associates Investments Inc.
Orion Securities Inc.
Promoter(s):
-
Project #743974

Issuer Name:
Cen-ta Real Estate Ltd.
Gro-Net Financial Tax & Pension Planners Ltd.
Type and Date:
Final Prospectus dated March 16, 2005
Receipted on March 16, 2005
Offering Price and Description:
CONDOMINIUM INVESTMENT UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #738950/738944

Issuer Name:
Clarington Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 18, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
$80,600,000.00 - 6,200,000 Common Shares Price: $13.00 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
Wellington West Capital Inc.
Promoter(s):
-
Project #738738

Issuer Name:
Croft Enhanced Income Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 9, 2005 to Final Simplified Prospectus and Annual Information Form dated November 1, 2004
Mutual Reliance Review System Receipt dated March 16, 2005
Offering Price and Description:
Retail Class Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
R N Croft Financial Group Inc.
Project #691073

Issuer Name:
Croft Enhanced Income Fund
Croft Select Securities Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 9, 2005 to Final Simplified Prospectuses and Annual Information Forms dated November 1, 2004
Mutual Reliance Review System Receipt dated March 16, 2005
Offering Price and Description:
Class A Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
R N Croft Financial Group Inc.
Project #691080

Issuer Name:
Emissary Canadian Equity
Emissary Canadian Fixed Income
Emissary U.S. Growth
Emissary U.S. Value
Emissary U.S. Small/Mid Cap
Emissary International Equity (EAFE)
Emissary Global Equity (RSP)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 17, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Opus 2 Financial Inc.
Opus 2 Financial Inc.
Promoter(s):
-
Project #736330

Issuer Name:
FMF Capital Group Ltd.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 16, 2005
Mutual Reliance Review System Receipt dated March 16, 2005
Offering Price and Description:
Cdn$197,500,000.00 - 19,750,000 Income Participating Securities™ Price: Cdn$10.00 per IPS
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
First Associates Investments Inc.
Sprott Securities Inc.
Promoter(s):
Michigan fidelity Acceptance Corporation
Project #739659

Issuer Name:
Renaissance Talvest China Plus Fund
Renaissance Talvest Global Health Care Fund
Renaissance Talvest Millenium High Income Fund
Talvest Renaissance Canadian Balanced Fund
Talvest Renaissance Canadian Balanced Value Fund
Talvest Renaissance Canadian Core Value Fund
Talvest Renaissance Canadian Real Return Bond Fund
Talvest Renaissance U.S. Basic Value Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 15, 2005
Mutual Reliance Review System Receipt dated March 16, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
CIBC Asset Management Inc.
Project #732067

Issuer Name:
Retirement Residences Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 21, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
$200,000,000.00 - 5.50% Convertible Unsecured Subordinated Debentures, due March 31, 2015
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #745221

Issuer Name:
Roadrunner Capital Corporation
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated March 11, 2005
Mutual Reliance Review System Receipt dated March 16, 2005
Offering Price and Description:
Minimum Offering: $550,000.00 or 2,200,000 Common Shares; Maximum Offering: $750,000.00 or 3,000,000 Common Shares Price: $0.25 per Common Share
Underwriter(s) or Distributor(s):
Wellington West Capital Inc.
Promoter(s):
John R. Ing
Shawn McReynolds
Harold M. Wolkin
Project #738781

Issuer Name:
Rogers Sugar Income Fund
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 21, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
$50,000,000.00 - Second Series 6.00% Convertible Unsecured Subordinated Debentures Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #749256

Issuer Name:
Shore Gold Inc.
Principal Regulator - Saskatchewan
Type and Date:
Final Short Form Prospectus dated March 16, 2005
Mutual Reliance Review System Receipt dated March 16, 2005
Offering Price and Description:
$116,600,000.00 - 21,200,000 Common Shares Price: $5.50 per Common Share
Underwriter(s) or Distributor(s):
Genuity Capital Markets
GMP Securities Ltd.
Orion Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Loewen, Ondaatje, McCutcheon Limited
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #746072

Issuer Name:
Sterling Leaf Income Trust
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated March 10, 2005
Mutual Reliance Review System Receipt dated March 17, 2005
Offering Price and Description:
Minimum Offering: 250,000 Units ($2,500,000.00);
Maximum Offering: 1,000,000 Units ($10,000,000.00)
Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
Investpro Securities Inc.
Promoter(s):
Mount Real Financial Management Services Corporation
Mount Real Corporation
Project #733688

Issuer Name:
Stone Total Return Unit Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 18, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
$75,000,000.00 - Maximum: 7,500,000 Units @ $10 per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Scotia Capital Inc.
TD Securities Inc.
Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Berkshire Securities Inc.
IPC Securities Corporation
Research Capital Corporation
Richardson Partners Financial Limited
Promoter(s):
Stone Asset Management Limited
Project #735003

Issuer Name:
Strategic Energy Fund (formerly NCE Strategic Energy Fund)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 18, 2005
Mutual Reliance Review System Receipt dated March 21, 2005
Offering Price and Description:
1,110,456 Units @ $12 per Unit
Underwriter(s) or Distributor(s):
First Associates Investments Inc.
Promoter(s):
Petro Assets Inc.
Project #742760

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	From: Arquebus Capital Inc. To: Alchemy Capital Inc.	Investment Counsel and Portfolio Manager	March 4, 2005
Change in Category	Cockfield Porretti Cunningham Investment Counsel Inc.	From: Investment Counsel and Portfolio Manager To: Limited Market Dealer and Investment Counsel and Porfolio Manager	March 16, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA News Release - MFDA Hearing Panel Makes Findings Against Robert Roy Parkinson

For immediate release

MFDA Hearing Panel Makes Findings Against Robert Roy Parkinson

March 17, 2005 (Toronto, Ontario) - A Hearing Panel of the Ontario Regional Council of the Mutual Fund Dealers Association of Canada (MFDA) made findings today against Robert Roy Parkinson. The Hearing Panel found that the three allegations set out by MFDA staff in the Notice of Hearing dated January 17, 2005, summarized below, had been established:

- Allegation #1: Between November 2000 and February 2003 inclusive (the "material time"), Parkinson engaged in business conduct which was unbecoming and detrimental to the public interest by soliciting and accepting from clients a total of $337,000, more or less, and failing to return or otherwise account for these monies, contrary to MFDA Rule 2.1.1.

- Allegation #2: During the material time, Parkinson provided false account statements and order forms to clients, contrary to MFDA Rule 2.1.1.

- Allegation #3: On or about February 26, 2003, Parkinson engaged in business conduct which was unbecoming and detrimental to the public interest by abandoning his business as a mutual fund salesperson without notice to his clients or to his mutual fund dealer thereby frustrating the ability of the mutual fund dealer and the MFDA to investigate his conduct, contrary to MFDA Rule 2.1.1.

The Hearing Panel advised that it would issue written reasons and its decision on appropriate sanction in due course.

A copy of the Notice of Hearing is available on the MFDA web site at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 183 members and their approximately 70,000 representatives with a mandate to protect investors and the public interest.

For further information, please contact:
Gregory J. Ljubic
Corporate Secretary and Director of Regional Councils
(416) 943-5836 or gljubic@mfda.ca

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Chapter 25

Other Information

25.1 Consents

25.1 Jonpal Explorations Limited - cl. 4(b) of Regulation 289/00 of the BCA

Headnote

Consent given to an offering corporation under the OBCA to continue under the BCBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am.
Business Corporations Act, S.B.C. 2002, c. 57
Securities Act, R.S.O. 1990, c. S.5., as am.

Regulation Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s.4(b)

IN THE MATTER OF
THE REGULATION MADE UNDER
THE BUSINESS CORPORATIONS ACT, R.S.O. 1990,
c. B.16, AS AMENDED (the OBCA)
R.R.O. 1990, REGULATION 289/00 (THE REGULATION)

AND

IN THE MATTER OF
JONPOL EXPLORATIONS LIMITED

CONSENT
(CLAUSE 4(B) OF THE REGULATION)

UPON the application (the **Application**) of Jonpol Explorations Limited (the **Company**) to the Ontario Securities Commission (the **Commission**) requesting a consent from the Commission to continue into another jurisdiction pursuant to clause 4(b) of the Regulation;

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

AND UPON the Company having represented to the Commission that:

1. The Company is a corporation existing under the provisions of the OBCA. The registered office of the Company is located at 200 King St. W. 20th Floor, Toronto, Ontario M5H 3W5.

2. The Company is authorized to issue an unlimited number of common shares (the **Common Shares**) and an unlimited number of special shares of which 99,632,074 Common Shares are issued and outstanding as of March 1, 2005.

3. The Company is proposing to submit an application to the Director under the OBCA for authorization to continue into British Columbia as a corporation under the *Business Corporations Act* (British Columbia) (**BCBCA**) pursuant to section 181 of the OBCA (the **Application for Continuance**).

4. Pursuant to clause 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent from the Commission.

5. The Company is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act*, (the **Act**). The Company is also a reporting issuer in the provinces of British Columbia and Alberta. The Common Shares are listed for trading on the Toronto Stock Exchange under the symbol "JON".

6. The Company is not in default of any of the provisions of the Act or the regulations or rules made under the Act and is not in default under the securities legislation of any jurisdiction where it is a reporting issuer.

7. Under the Act, the Company will remain a reporting Issuer in Ontario.

8. The Company is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the Act.

9. The continuance under the laws of British Columbia has been proposed so that the Company may amalgamate with Elgin Resources Inc., an entity existing under the laws of British Columbia.

10. Holders of Common Shares will vote on the Amalgamation at a meeting to be held on March 31, 2005.

11. The material rights, duties and obligations of a corporation incorporated under the BCBCA are substantially similar to those under the OBCA.

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

THE COMMISSION hereby consents to the continuance of the Company as a corporation under the BCBCA.

March 15, 2005.

"Susan Wolburgh Jenah"

"Suresh Thakrar"

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