

The Ontario Securities Commission

OSC Bulletin

April 22, 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)

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 22, 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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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: TBA
TBA			Cornwall et al s. 127 K. Manarin in attendance for Staff Panel: TBA
TBA			Philip Services Corp. et al s. 127 K. Manarin in attendance for Staff Panel: TBA
April 25-29, 2005 May 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*
10:00 a.m.			s. 127
May 19, 2005 1:00 p.m.			M. Britton in attendance for Staff Panel: SWJ/HLM/MTM
			* Settled
April 26, 2005			Andrew Cheung s. 127 Y. Chisholm in attendance for Staff Panel: WSW/ST/CSP
10:00 a.m.			
April 26, 2005			Zoran Popovic & DXStorm.com Inc. s. 127 Y. Chisholm in attendance for Staff Panel: WSW/ST/CSP
10:00 a.m.			

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. Boulbee 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

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 3, 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

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

June 28, 2005
2:30 p.m.

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

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

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 OSC Staff Notice 11-747 - IOSCO and Basel Committee Publish Consultation Document on the Application of Basel II to Trading Activities and the Treatment of Double Default Effects

OSC STAFF NOTICE 11-747

IOSCO AND BASEL COMMITTEE PUBLISH CONSULTATION DOCUMENT ON THE APPLICATION OF BASEL II TO TRADING ACTIVITIES AND THE TREATMENT OF DOUBLE DEFAULT EFFECTS

On April 11, 2005, the Technical Committee of the International Organization of Securities Commissions (IOSCO)¹ and the Basel Committee on Banking Supervision (Basel Committee) published for public comment a Consultation Paper, *The application of Basel II to trading activities and the treatment of double default effects*.

The paper outlines proposed capital requirements for banks' exposures to certain trading-related activities. This includes a treatment for counterparty credit risk. The proposals also contain a solution for double default effects, or the risk that both a borrower and guarantor default on the same obligation. The proposals are intended to improve the sensitivity of the capital rules to the underlying economic risks associated with such exposures in a manner that is compatible with the Basel Committee's revised capital framework for banking organizations. That framework, also known as "Basel II," was endorsed by the central bank governors and the heads of bank supervisory authorities in the Group of Ten countries in June 2004.

As part of the same project, IOSCO and the Basel Committee also published a *Trading Book Survey: Summary of Responses*, which sets out the results of a survey of banks' and investment firms' trading books carried out by IOSCO and the Basel Committee. The Consultation Paper and Trading Book Survey can be downloaded from IOSCO's website at www.iosco.org (Library – Public Documents #196 and 195, respectively) and the Basel Committee's website at www.bis.org (Basel Committee – Publications). They also can be downloaded from the Ontario Securities Commission's website at www.osc.gov.on.ca (International Affairs – Current Consultations) until after the proposals in the Consultation Paper are finalized.

The comment period will remain open until May 27, 2005. Comments can be submitted by e-mail both to mail@oicv.iosco.org and baselcommittee@bis.org. Please include in the subject line of each email "Public Comment on Consultation Paper, *The application of Basel II to trading activities and the treatment of double default effects*". Additional instructions for sending comments by mail or fax are included in the Consultation Paper.

Please do not submit comments to the Commission.

April 22, 2005

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

1.1.3 OSC Staff Notice 11-748 - IOSCO Publishes a Discussion Paper on the Compliance Function at Market Intermediaries

OSC STAFF NOTICE 11-748

**IOSCO PUBLISHES A DISCUSSION PAPER ON
THE COMPLIANCE FUNCTION AT MARKET INTERMEDIARIES**

On April 18, 2005, Standing Committee 3 (SC3)¹ of the Technical Committee of the International Organization of Securities Commission (IOSCO) published a Discussion Paper, *Compliance Function at Market Intermediaries*, for public comment.

Due to the changing nature and importance of the compliance function, SC3 believes it is important to identify and discuss principles that should be considered by all market intermediaries and their regulators. The Discussion Paper reviews the current IOSCO Principles for Market Intermediaries and recent initiatives by some regulators in the area of compliance. It also proposes a number of supplementary principles with measures for implementation designed to help market intermediaries increase the effectiveness of their compliance function. In addition, the Discussion Paper raises issues and questions in areas where SC3 would like specific feedback and input from the industry.

The Discussion Paper can be downloaded from IOSCO's website at www.iosco.org (Library – Public Document #198). It can also be downloaded from the Ontario Securities Commission's website at www.osc.gov.on.ca (International Affairs – Current Consultations) until after the Technical Committee finalizes the recommendations set out in the Discussion Paper.

The Commission encourages the Canadian investment industry to comment on the Discussion Paper. The comment period will remain open until July 15, 2005. Please submit comments by e-mail to mail@oicv.iosco.org. Please include on the subject line of the e-mail "Public Comment on *Compliance Function at Market Intermediaries*."

Please do not submit comments to the Commission.

Questions may be referred to:

Randee Pavalow
Director
Capital Markets
Ontario Securities Commission
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rpavalow@osc.gov.on.ca

Antoinette Leung
Senior Accountant
Market Regulation, Capital Markets
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April 22, 2005

¹ The Commission is a member of IOSCO, the Technical Committee and SC3. More information about IOSCO and the Commission's participation in IOSCO can be found on the Commission's website at www.osc.gov.on.ca (International Affairs – Who's Who).

1.1.4 OSC Staff Notice 11-749 - International Joint Forum Publishes Final Report on Credit Risk Transfer

OSC STAFF NOTICE 11-749

INTERNATIONAL JOINT FORUM PUBLISHES FINAL REPORT ON CREDIT RISK TRANSFER

Background

In October 2004, the International Joint Forum (IJF)¹ published a Consultation Report, *Credit Risk Transfer*. The IJF's work in this area responded to a request by the Financial Stability Forum (FSF)² that the IJF consider:

- whether credit risk transfer (CRT) instruments and transactions accomplish a clean risk transfer from one institution to another;
- the degree to which CRT market participants understand the risks involved;
- whether CRT activities are leading to undue concentrations of credit risk inside or outside the regulated financial sector;
- whether there is a need for enhanced reporting by regulated financial institutions to their supervisors;
- whether there is a need for improved public disclosures by regulated financial institutions; and
- whether there is a need for further information on credit risks that are transferred to unregulated institutions.

The Consultation Report discussed these issues and proposed seventeen recommendations for market participants and their supervisors. These recommendations addressed risk management practices, disclosure and supervisory approaches to CRT activities.

Staff Notice 11-740 about this Consultation Report was published in the OSC Bulletin on October 29, 2004. The Consultation Report was also posted on the website of the International Organization of Securities Commissions (IOSCO) at www.iosco.org (Library – Public Document #174) and the Commission's website at www.osc.gov.on.ca (International Affairs – Current Consultations).

The consultation period closed on January 28, 2005.

IJF Finalizes Report and Recommendations

On 18 March 2005, the IJF published a final report on credit risk transfer. The principal innovation since the Consultation Report was published in October 2004 is the addition of an annex listing questions that supervisors of CRT participants might consider as part of their supervisory activities. This addition reflects industry's request for more information on the approach that supervisory authorities might be expected to take in their assessment of market participants' risk management of CRT activities. The final report also includes a summary of the principal issues raised during the consultation period.

The final report can be downloaded from IOSCO's website at www.iosco.org (Library – Public Document #194). It also can be downloaded from the OSC's website at www.osc.gov.on.ca (International Affairs – Recent Consultations) until the end of 2005.

Questions may be referred to:

Janet Holmes
Manager, International Affairs
Ontario Securities Commission

¹ The Basel Committee on Banking Supervision, the International Association of Insurance Supervisors and the International Organization of Securities Commissions established the International Joint Forum (IJF) in 1996. It focuses on issues of common interest to the three financial sectors. Because it brings together regulators from different financial sectors and countries, the IJF is particularly interested in: (1) identifying core regulatory principles that are common to all three sectors; (2) identifying differences in regulation across the sectors; (3) assessing the potential for these differences to lead to regulatory gaps, or regulatory arbitrage; and (4) examining the supervision of large, complex financial groups, such as financial services firms that operate in several sectors and countries. The Ontario Securities Commission is a member of the IJF, as well as IOSCO. More information about the IJF, IOSCO and the Commission's participation in these organizations can be found on the Commission's website at www.osc.gov.on.ca (International Affairs – Who's Who).

² The FSF was established in 1999 to promote international financial stability through information exchange and international cooperation in financial supervision and surveillance. The FSF brings together on a regular basis national authorities responsible for financial stability in significant financial centres, as well as international financial institutions, sector-specific international groups of regulators and supervisors (such as IOSCO and the International Joint Forum) and committees of central bank experts.

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April 22, 2005

1.1.5 Notice and Request for Comment Application to Amend Recognition Order of TSX Group Inc. and TSX Inc.

NOTICE AND REQUEST FOR COMMENT

APPLICATION TO AMEND RECOGNITION ORDER OF TSX GROUP INC. AND TSX INC.

The Ontario Securities Commission is publishing for comment the application of TSX Group Inc. (TSX Group) and TSX Inc. to amend and restate the recognition order of TSX Group and TSX Inc. dated September 3, 2002 to amend the definition of independent director in paragraphs 1(b) and 8(c). The application and related documents are being published in Chapter 13 of this bulletin. The comment period is open until May 20, 2005.

1.3 News Releases

1.3.1 OSC to Hold Hearing to Consider Argus Application to Vary Hollinger Inc. Management Cease Trade Order

**FOR IMMEDIATE RELEASE
April 13, 2005**

OSC TO HOLD HEARING TO CONSIDER ARGUS APPLICATION TO VARY HOLLINGER INC. MANAGEMENT CEASE TRADE ORDER

TORONTO – Today, the Secretary to the Ontario Securities Commission issued a Notice of Hearing for Thursday, April 21, 2005 in relation to an application by Argus Corp. Ltd. and other applicants. The hearing will be held in the Main Hearing Room of the Commission's offices on the 17th floor, 20 Queen Street West, Toronto.

The Notice of Hearing issued by the OSC and the Application Record filed by Argus and its numbered subsidiaries are made available under the heading "Argus Corporation Limited - Certain Directors, Officers and Insiders" on the following page of the OSC web site: http://www.osc.gov.on.ca/Enforcement/Proceedings/2005/pp_20050411_arguscorp.pdf.

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1.3.2 Canadian Securities Regulators Implement National Registration System

FOR IMMEDIATE RELEASE

CANADIAN SECURITIES REGULATORS IMPLEMENT NATIONAL REGISTRATION SYSTEM

April 18, 2005 – Toronto – The Canadian Securities Administrators (CSA) have launched the National Registration System (NRS), which makes important improvements to the registration regime of individuals and firms by harmonizing and streamlining the process across all jurisdictions.

The NRS allows an individual or firm to apply for registration in multiple jurisdictions and deal with only one regulator – the principal regulator. For their part, investors will continue to have the protection of their home regulator. The NRS will improve the registration process by applying principles of mutual reliance to reduce unnecessary duplication in the analysis and review of registration applications of investment dealers, mutual fund dealers, unrestricted advisers (investment counsel/portfolio managers) and their sponsored individuals.

Under the system, an applicant will be required to meet the “fit and proper” standards of only the principal regulator. Non-principal jurisdictions will generally rely on the principal regulator’s decision to grant registration and will normally grant registration within five days after the principal regulator. The new system will enhance efficiencies by requiring fewer application reviews, streamlining regulatory decision-making and providing applicants with a single point of contact with regulators.

“The National Registration System greatly simplifies the registration process for firms and individuals, and will permit a quicker process for those applicants who want to be registered in multiple jurisdictions,” said Jean St-Gelais, Chief Executive Officer of the Autorité des marchés financiers and Chair of the CSA.

The NRS may be used by members of the Investment Dealers Association (IDA), mutual fund dealers and unrestricted advisers (investment counsel/portfolio managers). The flexibility of the NRS will make it adaptable to current and evolving business models.

The NRS is part of the Registration Reform Project, an ongoing CSA initiative to harmonize registration processes. The Registration Reform Project has consulted extensively with industry stakeholders on its objectives, which include developing registration categories and common proficiency and conduct requirements. Stakeholders will have the opportunity to participate in additional consultations to discuss other important registration issues as the project seeks to achieve its various objectives. Three industry representatives sit on the project’s steering committee, along with representatives of the IDA, Mutual Fund Dealers Association, and securities regulators in British Columbia, Alberta, Ontario and Quebec.

Another key issue for the Registration Reform Project as it moves forward is to work with self-regulatory organizations and other stakeholders on the implementation of the core principles of the earlier proposed Fair Dealing Model, which include: clarity of the investor-adviser relationship and transparency of compensation to advisers and their conflict management systems. These principles are consistent with those of the proposed British Columbia Code of Conduct.

The requirements and procedures under the NRS are set out in National Instrument 31-101 National Registration System, and National Policy 31-201 National Registration System. The Instrument and Policy are made available on the websites of CSA members, and were published in the OSC Bulletin on April 1, 2005.

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
514-940-2176

**1.3.3 OSC Imposes Permanent Trading Ban on
Foreign Capital Corp., Montpellier Group Inc.
and Pierre Alfred Montpellier**

**FOR IMMEDIATE RELEASE
April 18, 2005**

**OSC IMPOSES PERMANENT TRADING BAN ON
FOREIGN CAPITAL CORP., MONTPPELLIER GROUP
INC. AND
PIERRE ALFRED MONTPPELLIER**

Toronto –The Ontario Securities Commission has released its reasons for decision in the matter of Foreign Capital Corp., Montpellier Group Inc. and Pierre Alfred Montpellier. In its reasons for decision, the Commission found that the Respondents had engaged in conduct contrary to the public interest, and imposed a permanent cease trade order in response. In addition, the Commission ordered that Pierre Montpellier be permanently prohibited from becoming or acting as a director or officer of any issuer, and terminated his registration under the Securities Act.

On April 14, 2004, Pierre Montpellier pled guilty to fraud and theft contrary to the Criminal Code of Canada. Specifically, he agreed that he had defrauded 128 investors in Foreign Capital Corporation of \$5,347,300.00 by falsely representing to them that their funds would be invested in private placement programs. At the time of these offences, he was a licensed mutual funds salesman, and was offering investment counselling services through the offices of the Montpellier Group Inc. located in Sudbury, Ontario.

Describing the Respondents' actions as "conspicuously offensive", the Commission found that "Montpellier's egregious conduct goes to the very essence of the duties and responsibilities of a registrant under the Act. His contravention of obligations under the Act is illustrative of a most grave type of failure by a registrant". The Commission concluded that Montpellier's "disregard of the foreseeable consequences of his conduct to marketplace participants and his monetary greed, convinced us that if we do not restrain Montpellier properly, confidence in our markets would be weakened".

Copies of the Commission's reasons for decision in this matter are made available on the Commission's website at (www.osc.gov.on.ca).

For Media Inquiries: Eric Pelletier
Manager, Media Relations
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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

2.1.1 Molson Canada 2005 - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

Ontario Statutes

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

April 14, 2005

McCarthy Tétrault LLP

1170, rue Peel
Montréal, Québec
H3B 4S8

Attention: Mr. Arman J. Kuyumjian

Dear Mr. Kuyumjian:

Re: Molson Canada 2005 (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (collectively, the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
- the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Erez Blumberger"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.2 Sodisco-Howden Group Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities by another issuer.

Applicable Ontario Statutory Provisions

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

March 30, 2005

Mendelsohn

1000 Sherbrooke Street West
27th Floor
Montréal, Québec
H3A 3G4

Attention: Peter Roth

Dear Sir,

**Re: Sodisco-Howden Group Inc. (the “Applicant”
- Application to Cease to be a Reporting Issuer
under the securities legislation of Alberta,
Saskatchewan, Ontario, Québec, New
Brunswick, Nova Scotia and Newfoundland
and Labrador (the “Jurisdictions”)**

The Applicant has applied to the local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions for a decision under the securities legislation (the “Legislation”) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in Regulation entitled National Instrument 21-101, *Marketplace Operation*;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

Le Chef du Service du financement des sociétés,

“Benoit Dionne”

2.1.3 Imperial Capital LLC - ss. 6.1(1) of MI 31-102 and s. 6.1 of Rule 13-502

Headnote

IMPERIAL CAPITAL, LLC

Applicant seeking registration as an international dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1

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

AND

**IN THE MATTER OF
IMPERIAL CAPITAL LLC**

DECISION

**(Subsection 6.1(1) of Multilateral Instrument 31-102
National
Registration Database and section 6.1 of Rule 13-502
Fees)**

UPON the Director having received the application of Imperial Capital LLC (the **Applicant**) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database (MI 31-102)* granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees (Rule 13-502)* in respect of this discretionary relief;

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

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

1. The Applicant is organized under the laws of the State of Delaware in the United States. The Applicant is not a reporting issuer in any province or territory in Canada. The Applicant is seeking registration under the Act as an international dealer. The head office of the Applicant is located in Beverly Hills, California.

2. MI 31-102 requires that all registrants in Canada enrol with CDS INC. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (**electronic funds transfer** or, the **EFT Requirement**).
3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.
4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it has applied for registration.
5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).
6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

- A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;
- B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;
- C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and
- D. is not registered in any jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

April 11, 2005.

“David M. Gilkes”

2.1.4 Sam Sustainable Asset Management AG - ss. 6.1(1) of MI 31-102 and s. 6.1 of Rule 13-502

Headnote

SAM SUSTAINABLE ASSET MANAGEMENT AG

Applicant seeking registration status as an international adviser exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1

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

AND

**IN THE MATTER OF
SAM SUSTAINABLE ASSET MANAGEMENT AG**

DECISION

**(Subsection 6.1(1) of Multilateral Instrument 31-102
*National
Registration Database* and section 6.1 of Rule 13-502
Fees)**

UPON the Director having received the application of SAM Sustainable Asset Management AG (the **Applicant**) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database (MI 31-102)* granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees (Rule 13-502)* in respect of this discretionary relief;

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

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

7. The Applicant is organized under the laws of the State of Delaware in the United States. The Applicant is not a reporting issuer in any province or territory in Canada. The Applicant is seeking registration under the Act as an international

dealer. The head office of the Applicant is located in Beverly Hills, California.

8. MI 31-102 requires that all registrants in Canada enrol with CDS INC. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (**electronic funds transfer** or, the **EFT Requirement**).
9. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.
10. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it has applied for registration.
11. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).
12. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

- E. makes acceptable alternative arrangements with CDS for the payment of NRD fees;
- F. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;
- G. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

- H. is not registered in any jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

April 11, 2005.

“David M. Gilkes”

2.1.5 Magnifoam Technology International Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – The acquired business has recently emerged from bankruptcy – Current management of the business and the Filer are denied access to the historical accounting records – Relief granted from the requirement to include certain financial statements with a business acquisition report subject to certain conditions.

Ontario Rules

National Instrument 51-102 – Continuous Disclosure Obligations, Part 8

Ontario Policies

Companion Policy to National Instrument 51-102 – Continuous Disclosure Obligations, section 8.9(4)(b)

April 14, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO AND ALBERTA (the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
MAGNIFOAM TECHNOLOGY INTERNATIONAL 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 from the requirement to include financial statements of an acquired business for two years in a business acquisition report (the BAR) required to be filed under Part 8 of National Instrument 51-102 (NI 51-102) in connection with the Filer's acquisition of all of the assets of the Groendyk division of RBX Industries Inc. (RBX) of Roanoke, Virginia completed on August 30, 2004 (the Acquisition) (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. The Filer was continued under the laws of the Province of Ontario on November 22, 1995.
2. The Filer's head office is located in Mississauga, Ontario.
3. The Filer is engaged in the research, development and production of low-density, flexible silicone foam as well as the design and fabrication of energy management systems using a variety of flexible, cellular materials.
4. The Filer is a reporting issuer in the Provinces of Ontario and Alberta and its common shares are listed and posted for trading on The Toronto Stock Exchange (the TSX) under the symbol "MTI".
5. Except for not filing the BAR, the Filer is not in default of the Legislation in any of the Jurisdictions.
6. The Filer completed the Acquisition on August 30, 2004.
7. Satisfaction of the income test at the 20% level or greater has given rise to the Filer's requirement to file a BAR in connection with the Acquisition.
8. Pursuant to section 8.2 of Part 8 of NI 51-102, the deadline for filing the BAR is 75 days after completion of the Acquisition, which was November 15, 2004 (the Filing Deadline).
9. RBX, and its parent RBX Corporation, had filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code on February 24, 2004 in the U.S. Bankruptcy Court, Western District of Virginia, Roanoke Division.
10. The consolidated financial statements of RBX have not been audited since December 31, 2002.
11. RBX did not historically prepare separate financial statements beyond the plant contribution level for its divisions, including its Groendyk division.
12. In connection with the bankruptcy proceedings and the ensuing windup of RBX, which included the sale to third parties of all six of its divisions,

documents containing financial information relating to RBX and its divisions, including the Groendyk division, were placed into storage in the State of Virginia.

- a) the fact that the business has recently emerged from bankruptcy; and
- b) current management of the business and the Filer are denied access to the historical accounting records.

13. As a result of the difficulty in retrieving the documents necessary to complete the audit of the financial statements of the Groendyk division, and as a result of the loss of certain required documents, the Filer was unable to file the BAR by the Filing Deadline due to the inability of the auditor to complete the audit of the financial statements, whereupon the Principal Regulator noted the Filer to be in default of its continuous disclosure obligations.

“John Hughes”
Manager, Corporate Finance
Ontario Securities Commission

14. As a result of RBX’s lack of financial and human resources available to retrieve certain required documents, the loss of certain required documents, the unavailability of staff of RBX to provide required explanations to the auditor in respect of certain documents, and the lack of preparation of audited financial statements of RBX since December 31, 2002, the auditor has advised the Filer that such audit cannot be completed.

15. The Filer has made every reasonable effort to obtain access to, or copies of, the historical accounting records necessary to audit the financial statements but such efforts have been unsuccessful.

16. Apart from the requirement to include financial statements of the Acquisition, the Filer is otherwise able to prepare and file the BAR in accordance with NI 51-102. The Filer will include in the BAR additional disclosure requirements as set out under section 8.9(4)(b) of the Companion Policy of NI 51-102.

17. The Filer issued a press release in respect of its audited consolidated financial statements for the fiscal year ended December 31, 2004 (the Audited Annual Financial Statements) on February 23, 2005 and filed the Audited Annual Financial Statements and related management’s discussion and analysis on SEDAR on March 9, 2005. The Audited Annual Financial Statements reflect the consolidated financial position and results of the Filer after giving effect to the Acquisition on August 30, 2004.

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 the Filer discloses in the BAR

2.1.6 Psion Canada Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer of exchangeable shares exempted from requirements of NI 51-102 and requirements of MI 52-109, and certain insiders exempted from insider reporting requirements.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 121(2) and 144.

Rules

National Instrument 51-102 – Continuous Disclosure Obligations
Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings

March 31, 2005

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

AND

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

AND

IN THE MATTER OF
PSION CANADA 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 under the securities legislation of the Jurisdictions (the **Legislation**) for:

- (a) the revocation of paragraph 4 of the Original Decision (as defined in paragraph 5 below);
- (b) except in Northwest Territories, an exemption from the application of National Instrument 51-102 – *Continuous Disclosure (NI 51-102)* pursuant to section 13.1 of NI 51-102 and in Québec by a revision of the general order that will provide the

same result as an exemption order, and an exemption from any comparable continuous disclosure requirements under the Legislation that have not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102 (collectively, the **Continuous Disclosure Requirements**);

- (c) except in British Columbia and Québec, an exemption from the application of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109)* pursuant to section 4.5 of MI 52-109; and
- (d) except in Northwest Territories, an exemption from the requirements under the Legislation for an insider of a reporting issuer to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer (the **Insider Reporting Requirements**).

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:

The Filer is a corporation that was incorporated under the *Canada Business Corporations Act*. Its head office is located in Mississauga, Ontario.

- 1. The Filer is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any requirement of the Legislation.
- 2. The Filer is an indirect, wholly-owned subsidiary of PSION P.L.C. (**PSION**), a public company in the United Kingdom whose ordinary shares are listed on The London Stock Exchange (the **LSE**). PSION is subject to the reporting requirements of the LSE and the United Kingdom List Authority (the **UKLA**) and is not a reporting issuer or the equivalent thereof under the Legislation. None of PSION's outstanding securities are registered under the securities legislation of the United States.

3. The Filer was incorporated for the purpose of implementing the merger of PSION with Teklogix International Inc. (a company incorporated under the laws of the province of Ontario) by way of plan of arrangement. Pursuant to the plan of arrangement, the shareholders of Teklogix International Inc. were provided with the opportunity to receive shares of the Filer that are exchangeable into ordinary shares of PSION, subject to certain terms and conditions (the **Exchangeable Shares**). The Exchangeable Shares are listed on the Toronto Stock Exchange and are, in all material respects (without taking into account tax effects), equivalent to PSION's ordinary shares.
4. On September 15, 2000, the Filer obtained a decision from the Decision Makers (the **Original Decision**) which, among other things, exempted the Filer from certain continuous disclosure requirements of the Legislation subject to certain conditions, including that PSION send to all holders of Exchangeable Shares resident in Canada all disclosure material furnished to holders of PSION's ordinary shares resident in the United Kingdom and that PSION file with the local securities regulatory authority or regulator in each of the Jurisdictions copies of all documents required to be filed by it with the LSE and UKLA.
5. Once all of the current holders of Exchangeable Shares exchange such securities for PSION ordinary shares, the current holders of Exchangeable Shares will own less than 0.5% of PSION's outstanding ordinary shares.
6. Since the date of the Original Decision, the Filer has become subject to certain requirements contained in NI 51-102 and MI 52-109 from which the Original Decision does not provide exemption.
7. The Filer cannot rely upon the exemption contained in section 13.3 of NI 51-102 because PSION is not an 'SEC issuer' (as defined in NI 51-102). As a result of the foregoing, the Filer also cannot rely upon the exemption contained in section 4.3 of MI 52-109.

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 Original Decision is amended by deleting paragraph 4 of the decision.

AND THE FURTHER DECISION of the Decision Makers (other than the Decision Maker in Northwest Territories) under the Legislation is that the Insider

Reporting Requirements shall not apply to any insider of the Filer in respect of Exchangeable Shares so long as:

- (a) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning PSION before the material facts or material changes are generally disclosed;
- (b) the insider is not an insider of PSION in any capacity other than by virtue of being an insider of the Filer;
- (c) PSION is the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Filer; and
- (d) the Filer has not issued any securities, other than:
 - (i) the Exchangeable Shares;
 - (ii) securities issued to PSION; or
 - (iii) debt securities issued to PSION or to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions.

"Paul M. Moore"

"Wendell S. Wigle"

AND THE FURTHER DECISION of the Decision Makers (other than the Decision Maker in Northwest Territories) under the Legislation is that the Continuous Disclosure Requirements shall not apply to the Filer provided that:

- (a) PSION remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Filer;
- (b) the Filer does not issue any securities other than (i) Exchangeable Shares; (ii) securities issued, directly or indirectly, to PSION; and (iii) debt securities issued to banks, loan corporations, treasury branches, credit unions, insurance companies or other financial institutions;
- (c) the Filer files copies of all documents that PSION is required to file with the LSE and UKLA at the same time as, or as soon as practicable after, the filing by PSION of those documents with the LSE or UKLA;
- (d) the Filer concurrently sends to all registered and beneficial holders of Exchangeable Shares, in the manner

and at the time required by the laws of the United Kingdom and the requirements of the LSE and UKLA, all disclosure materials that are sent to the holders of PSION's ordinary shares;

- (e) PSION is in compliance with the laws of the United Kingdom and the requirements of the LSE and UKLA in respect of making public disclosure of material information on a timely basis, and immediately issues in Canada and files any news release that discloses a material change in its affairs;
- (f) the Filer issues in Canada a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the Filer's affairs that are not also material changes in PSION's affairs; and
- (g) PSION includes in all mailings of proxy solicitation materials to registered and beneficial holders of Exchangeable Shares a clear and concise statement that (i) explains the reason the mailed material relates solely to PSION; (ii) indicates that the Exchangeable Shares are the economic equivalent to PSION's ordinary shares; and (iii) describes the voting rights associated with the designated exchangeable securities.

AND THE FURTHER DECISION of the Decision Makers (other than the Decision Makers in British Columbia and Québec) under the Legislation is that the requirements of MI 52-109 shall not apply to the Filer provided that the Filer is in compliance with the conditions set out in paragraphs (a) through (g) of the Decision above.

"Cameron McInnis"
Manager, Corporate Finance

2.1.7 Hudson Bay Mining and Smelting Co., Limited and Hudbay Minerals Inc. - s. 13.1 of NI 51-102 and s. 4.5 of MI 52-109

Headnote

Relief from continuous disclosure requirements and certification requirements given to wholly-owned subsidiary of a reporting issuer - subsidiary will become a reporting issuer through filing a short form prospectus in Ontario for a south-bound MJDS offering of exchange notes fully and unconditionally guaranteed by parent - business of the reporting issuer is primarily business of the subsidiary - relief subject to a number of conditions, including parent must provide comparative selected annual and interim financial information regarding subsidiary - relief appropriate in light of applicants' specific circumstances

Ontario Rules

National Instrument 51-102 Continuous Disclosure Obligations
Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings

**IN THE MATTER OF
NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS**

AND

**IN THE MATTER OF
MULTILATERAL INSTRUMENT 52-109
CERTIFICATION OF DISCLOSURE IN
ISSUER'S ANNUAL AND INTERIM FILINGS**

AND

**IN THE MATTER OF
HUDSON BAY MINING AND SMELTING CO., LIMITED
AND HUSBAY MINERALS INC.**

DECISION

(Section 13.1 of NI 51-102 and Section 4.5 of MI 52-109)

WHEREAS the Ontario Securities Commission (the "Commission") has received an application (the "Application") from Hudson Bay Mining and Smelting Co., Limited ("HBMS") and HudBay Minerals Inc. ("HudBay") (together, the "Applicants") for HBMS to be exempt from:

- (a) the requirements in Part 4 (Financial Statements), Part 5 (Management's Discussion & Analysis), Part 6 (Annual Information Form), Part 7 (Material Change Reports), Part 8 (Business Acquisition Report), Part 9 (Proxy Solicitation and Information Circulars), section 11.1, and section 12.2 of National Instrument 51-102 - *Continuous Disclosure Obligations* (collectively, the "Continuous Disclosure Requirements"), subject to certain conditions; and

- (b) the requirements contained in Part 2 (Certification of Annual Filings) and Part 3 (Certification of Interim Filings) in Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the "Certification Requirements"), subject to certain conditions.

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

AND UPON the Applicants having represented to the Commission and the Director that:

1. HudBay is the continuing Ontario corporation resulting from the amalgamation of Pan American Resources Inc. and Marvas Developments Ltd. on January 16, 1996 and the reverse takeover of OntZinc Corporation on March 12, 2002.
2. HudBay is a reporting issuer in each of the Provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Québec and Saskatchewan and, to the best of its knowledge, is not in default of its requirements under the Securities Legislation (as the term is defined in National Instrument 14-101 Definitions) of those jurisdictions.
3. The authorized capital of HudBay consists of an unlimited number of preference shares and an unlimited number of common shares, of which no preference shares and 80,714,692 common shares were issued and outstanding as of March 29, 2005.
4. The common shares of HudBay are listed and posted for trading on the Toronto Stock Exchange.
5. On December 21, 2004, HudBay Mining and Smelting Inc., a wholly-owned subsidiary of HudBay, acquired all of the outstanding shares of 152640 Canada Inc. ("152640") from Anglo American International, S.A. for total consideration valued at approximately \$316 million (the "Acquisition"). At the time of the Acquisition, 152640 held all of the outstanding shares of the Hudson Bay Mining and Smelting Co., Limited ("Pre-amalgamation HBMS").
6. To finance the Acquisition, on December 21, 2004, HudBay Mining and Smelting Inc. issued and sold 9 5/8% senior secured notes (the "original notes") due January 15, 2012 in an aggregate principal amount of US\$175 million pursuant to available exemptions from prospectus and registration requirements.
7. Following the Acquisition, on December 21, 2004, Pre-amalgamation HBMS amalgamated with

HudBay Mining and Smelting Inc. and 152640 under the *Canada Business Corporations Act* (the "Amalgamation"). HBMS is the continuing company from this Amalgamation and is responsible for the debt obligations represented by the Notes.

8. As a result of the Acquisition and the subsequent Amalgamation, HBMS is a wholly-owned subsidiary of HudBay.
9. HBMS is authorized to issue an unlimited number of common shares, of which 132,666,215 common shares are issued, outstanding and held by HudBay.
10. HBMS is engaged in the mining and processing of ore containing copper, zinc, gold and silver, principally in the Provinces of Manitoba and Saskatchewan, and holds approximately 200,000 hectares of exploration properties in the vicinity of its mines and processing plants.
11. In addition to the mines and facilities operated by HBMS, HudBay also holds interests in two development properties and two exploration projects. The business of HudBay is principally the business of HBMS. Moreover, HBMS is responsible for all of the revenue of HudBay, other than interest revenue.
12. Each of the officers and/or directors of HBMS is also an officer and/or director of HudBay.
13. HudBay and HBMS propose to file a preliminary prospectus (the "Preliminary Prospectus") and a final prospectus (the "Final Prospectus") pursuant to National Instrument 44-101, with the objective of registering in the United States up to US\$175 million aggregate principal amount of 9 5/8% senior secured exchange notes due January 15, 2012 (the "exchange notes") (together, the exchange notes and the original notes referred to as the "Notes"), as required under the registration rights agreement between HBMS and Credit Suisse First Boston LLC dated December 21, 2004. Exchange notes will be issued in exchange for the original notes and will have substantially similar terms as the original notes, except that the exchange notes will not be subject to the same transfer restrictions as the original notes and will not be entitled to additional interest in the event of a registration default. The Preliminary Prospectus will be filed in Canada only in the Province of Ontario and will also be filed in the United States under the multi-jurisdictional disclosure system.
14. The Notes are not convertible into other securities of HBMS, HudBay or any other entity.

15. HudBay has fully and unconditionally guaranteed the Notes as to payment of principal, interest and all other amounts due thereunder.
16. In connection with the registration of the Notes in the United States:
- (a) the Preliminary Prospectus and Final Prospectus will include, whether incorporated by reference or otherwise, all material disclosure required by the Securities Legislation concerning HudBay and HBMS;
 - (b) the Preliminary Prospectus and Final Prospectus will incorporate by reference HudBay's current and future public disclosure documents as required by Item 12 of Form 44-101F3 and will state that holders of Notes will not receive separate continuous disclosure information regarding HBMS;
 - (c) HudBay and HBMS propose to include the following financial statement and related disclosure in the Preliminary Prospectus and the Final Prospectus:
 - A. in respect of HudBay:
 - i. an annual information form for the financial year ended December 31, 2004 (the "HudBay AIF"), incorporated by reference,
 - ii. audited consolidated financial statements of HudBay as at December 31, 2004 and 2003 and for the years ended December 31, 2004, 2003 and 2002, incorporated by reference, including, in a note thereto, a U.S. GAAP reconciliation pursuant to Item 18 of Form 20-F of the United States Securities and Exchange Commission ("Form 20-F"),
 - iii. MD&A for the annual comparative financial statements referred to in paragraph ii above, supplemented to include selected results for HBMS's years ended December 31, 2004 and 2003 with an accompanying discussion of those results, incorporated by reference,
 - iv. a pro forma income statement of HudBay to give effect to the Acquisition as if it had taken place at the beginning of fiscal 2004 including an Item 17 U.S. GAAP reconciliation pursuant to Form 20-F in a note thereto, and
 - B. in respect of 152640, the parent of Pre-amalgamation HBMS:
 - (i) audited consolidated financial statements of 152640 as at December 31, 2003 and 2002 and for the years ended December 31, 2003, 2002 and 2001,
 - (ii) unaudited statements of income, retained earnings and cash flows for the most recently completed interim period of 152640 that ended before the date of the Acquisition and the comparable period in the preceding financial year, being September 30, 2004 and 2003,
 - (iii) an Item 18 U.S. GAAP reconciliation pursuant to Item 18 of Form 20-F in respect of the financial statements referred to in paragraphs i and ii in a note thereto, and
 - (iv) MD&A for the financial statements referred to in paragraphs i and ii above.
- (c) HBMS will sign the Preliminary Prospectus and the Final Prospectus as issuer of the Notes and HudBay will sign the Preliminary Prospectus and the Final Prospectus as credit supporter in respect of the Notes; and
- (d) HudBay will continue to file with the Commission all documents required to be filed by it under the Securities Legislation.
17. The Notes will not be offered or sold, directly or indirectly, in Canada or to any resident thereof, except in accordance with applicable exemptions from prospectus and registration requirements. The Preliminary Prospectus and Final Prospectus will contain disclosure that the Notes are not being

offered or sold in Canada under the Preliminary Prospectus and Final Prospectus.

18. HBMS will become a reporting issuer in Ontario upon filing the Final Prospectus and obtaining a receipt for it under the *Securities Act* (Ontario).

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to grant the exemptive relief requested;

THE DECISION of the Director under section 13.1 of NI 51-102 and section 4.5 of MI 52-109 is that the Continuous Disclosure Requirements and the Certification Requirements shall not apply to HBMS, provided that:

1. HudBay directly or indirectly beneficially owns all voting securities of HBMS;
2. either (a) the audited financial statements of HudBay filed in Ontario include as a note thereto a summary of annual comparative selected financial information for HBMS; or (b) HudBay or HBMS file in Ontario, in electronic format, annual comparative selected financial information for HBMS derived from the audited annual financial statements of HudBay from its most recently completed financial year and the financial year immediately preceding such financial year, accompanied by a selected procedures report of the auditors of the respective companies;
3. either (a) the unaudited interim financial statements of HudBay filed in Ontario include as a note thereto a summary of interim comparative selected financial information for HBMS, or (ii) HudBay or HBMS file in Ontario, in electronic format, interim comparative selected financial information for HBMS derived from the unaudited interim financial statements of HudBay for its most recently completed interim period and the comparative interim period for the previous financial year;
4. HudBay remains a reporting issuer in Ontario and complies with all of its reporting issuer obligations;
5. HudBay continues to fully and unconditionally guarantee payment of the principal, interest and other amounts due in respect of the Notes;
6. HBMS files copies of all documents that HudBay is required to file pursuant to the Continuous Disclosure Requirements on HBMS's SEDAR profile at the same time that such documents are required to be

filed by HudBay on its own SEDAR profile;

7. HBMS complies with Part 7 (Material Change Reports) of NI 51-102 in respect of material changes in the affairs of HBMS that are not also material changes in the affairs of HudBay;
8. HBMS complies with section 12.2 of NI 51-102 in respect of contracts of HBMS that would be material to HBMS but not material to HudBay;
9. HBMS complies with Part 8 (Business Acquisition Report) in respect of business acquisitions that would be significant acquisitions to HBMS but not to HudBay;
10. HBMS has not issued to the public any securities, other than debt securities that rank subordinate in priority to the Notes and are guaranteed by HudBay as to payment of principal, interest and all other amounts due thereunder; and
11. HudBay files copies of its own Annual Certificates and Interim Certificates on HBMS's SEDAR profile at the same time as those documents are required to be filed by HudBay on its own SEDAR profile.

April 19, 2005.

"Iva Vranic"

2.1.8 Atlantic Power Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to an issuer of income participating securities (“**IPs**”) from the short form prospectus qualification criteria that the aggregate market value of its equity securities that are listed and posted for trading on an exchange in Canada be equal to or greater than a prescribed monetary threshold on a date within 60 days before the date of filing by the issuer of a preliminary short form prospectus. Instead, the issuer will be permitted to calculate its market capitalization for the purposes of the prescribed monetary threshold based on its issued and outstanding **IPs**. Each **IP** of the issuer is composed of two components: a common share component and a subordinated note component. Holders of **IPs** have the right to separate each **IP** into its respective common share and subordinated note component. The **IPs** also separate automatically on the repurchase, redemption or maturity of the subordinated notes. The **IPs** are listed and posted for trading on the Toronto Stock Exchange (“**TSX**”) and the underlying common shares are listed on the **TSX** but not posted for trading. If a sufficient number of **IPs** are separated to create a public distribution of common shares, the **TSX** will post a market in the common shares as well.

Applicable Ontario Rules

National Instrument 44-101 – Short Form Prospectus Distributions, sections 2.2, 2.3, 2.9 and 15.1

April 11, 2005

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

AND

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

AND

IN THE MATTER OF
ATLANTIC POWER CORPORATION (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**”) for:

- (a) an exemption from the short form prospectus qualification criteria in section 2.2 of National Instrument 44-101 – *Short Form Prospectus Distributions* (“**NI 44-101**”) that the aggregate market value of its equity securities that are listed and posted for trading on an exchange in Canada be \$75,000,000 or more on a date within 60 days before the date of filing by the Filer of a preliminary short form prospectus; and
- (b) an exemption from the short form prospectus qualification criteria in section 2.3 of NI 44-101 that the aggregate market value of its equity securities that are listed and posted for trading on an exchange in Canada be \$300,000,000 or more on a date within 60 days before the date of filing by the Filer of a preliminary short form prospectus,

(collectively, 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:

- (a) The Filer was incorporated on June 18, 2004 and is validly existing under the laws of the Province of Ontario. The Filer’s registered office is located at 250 Yonge Street, Suite 2400, Toronto, Ontario, M5B 2M6.
- (b) The Filer is a reporting issuer in all of the Jurisdictions where such status exists and the Filer’s issued and outstanding income participating securities (“**IPs**”) are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”).

- (c) To the best of its knowledge, the Filer is not in default of any requirement of the Legislation and is not on any list of defaulting reporting issuers maintained pursuant to the Legislation.
- (d) On November 10, 2004, the Filer filed a final prospectus (the "**Prospectus**") for its initial public offering (the "**IPO**") and became a reporting issuer in each of the Jurisdictions where such status exists.
- (e) On November 18, 2004, the Filer completed the IPO and used the proceeds to indirectly acquire interests in the 15 power generation projects described in the Prospectus.
- (f) On the closing of the IPO, the Filer issued 32,000,000 IPSs at a purchase price of \$10 per IPS for total gross proceeds of \$320,000,000. Each IPS of the Filer is comprised of two components: a common share component and a subordinated note component. The value of each of the Filer's IPSs was allocated between the common share component (\$4.233) and the subordinated note component (\$5.767).
- (g) Holders of IPSs have the right, at any time after 45 days of the date of the completion of the IPO, to separate each IPS into its respective common share and subordinated note component. The IPSs also separate automatically on the repurchase, redemption or maturity of the subordinated notes.
- (h) Each common share of the Filer carries one vote and entitles the holder to receive dividends as and when declared by the board of directors of the Filer and to share rateably in the remaining assets of the Filer on a liquidation or dissolution. A separate certificate representing the IPSs was issued on closing and each IPS is held through the book-entry system administered by CDS. The common shares and subordinated notes represented by the IPSs were also issued on closing and are held by the Filer's transfer agent pursuant to the terms of a voting and separation agreement.
- (i) The IPSs are listed and posted for trading on the TSX and the underlying common shares are listed on the TSX but not posted for trading. If a sufficient number of IPSs are separated to create a public distribution of common shares, the

TSX will post a market in the common shares as well.

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) the Filer shall only be exempt from the short form prospectus qualification criteria in section 2.2 of NI 44-101 that the aggregate market value of its equity securities be \$75,000,000 or more on certain dates, if the sum of (i) the aggregate market value of the Filer's unseparated IPSs that are listed and posted for trading on an exchange in Canada and (ii) the aggregate market value of the Filer's equity securities that are listed and posted for trading on an exchange in Canada, is \$75,000,000 or more on a date within 60 days before the date of filing by the Filer of the preliminary short form prospectus;
- (b) the Filer shall only be exempt from the short form prospectus qualification criteria in section 2.3 of NI 44-101 that the aggregate market value of its equity securities be \$300,000,000 or more on certain dates, if the sum of (i) the aggregate market value of the Filer's unseparated IPSs that are listed and posted for trading on an exchange in Canada and (ii) the aggregate market value of the Filer's equity securities that are listed and posted for trading on an exchange in Canada, is \$300,000,000 or more on a date within 60 days before the date of filing by the Filer of the preliminary short form prospectus;
- (c) in all cases, the aggregate market value of the Filer's issued and outstanding IPSs on the relevant date shall be calculated in accordance with section 2.9 of NI 44-101 and all references to "equity securities" in that section shall be deemed to include IPSs for this purpose; and
- (d) in all cases, the Filer otherwise complies with NI 44-101.

"Iva Vranic"
Manager, Corporate Finance Branch
Ontario Securities Commission

2.1.9 Royal Dutch Shell plc - MRRS Decision

Headnote

Mutual Reliance Review System for Applications - take-over bid to offeree security holders resident in Ontario - securities of offeree issuer held in bearer form, so that offeror unable to definitively determine the number of Ontario holders or percentage of securities held by Ontario holders - number of Ontario registered holders and percentage of securities held believed to be de minimis – offer made in compliance with laws of the United States and The Netherlands - bid exempted from requirements of Part XX, subject to certain conditions – offeror also requesting prospectus and registration relief in a number of jurisdictions – relief not required in Ontario due to availability of statutory exemptions – due to extreme urgency, prospectus and registration relief granted in Ontario to facilitate use of the Mutual Reliance Review System for Applications – staff of the view that relief was unnecessary and that the granting of such relief should not to be treated as a precedent for future applications for relief.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 25, 53, 74, 93(1)(e), 95-100 and 104(2)(c).

April 15, 2005

**IN THE MATTER OF THE
SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
QUÉBEC, NOVA SCOTIA, NEW BRUNSWICK, 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
ROYAL DUTCH SHELL plc
(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 following requirements shall not apply to trades made in connection with the proposed offer (the “Royal Dutch Offer”) by the Filer for the outstanding ordinary shares (the “Royal Dutch Shares”) of N.V. Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch Petroleum Company) (“Royal Dutch”): (i) the formal take-over bid requirements contained in the Legislation, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors’ circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the “Take-over Bid Requirements”); (ii) the dealer registration requirements in the Legislation of Ontario, Québec and Prince Edward Island in respect of the issue by the Filer of ‘A’ Shares and ‘A’ ADRs; and (iii) the prospectus requirements in the Legislation of British Columbia, Ontario, Québec and Prince Edward Island (the “Prospectus Requirements”) in respect of the issue by the Filer of ‘A’ Shares and ‘A’ ADRs.

Under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”):

- (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 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 public limited company incorporated under the laws of England and Wales.
2. The Filer's registered office is located at Shell Centre, London, SE1 7NA, UK and its headquarters are at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands.
3. The Filer is not a reporting issuer or the equivalent in any of the Jurisdictions. The Filer's securities are not listed or quoted for trading on any Canadian stock exchange or market.
4. On October 28, 2004, the Royal Dutch Boards and the Board of Shell Transport announced that they had unanimously agreed to propose to their shareholders the unification of Royal Dutch and The "Shell" Transport and Trading Company, public limited company ("Shell Transport") under a single parent company, Royal Dutch Shell plc. The Filer will have 'A' and 'B' shares. Royal Dutch shareholders will be offered 'A' Shares (including in the form of 'A' ADRs for holders of Royal Dutch New York Shares) and Shell Transport ordinary shareholders and holders of Shell Transport bearer warrants will be offered 'B' Shares. Holders of Shell Transport ADRs will be offered 'B' ADRs. The 'A' Shares and the 'B' Shares will have identical rights except that it is intended that holders of 'A' Shares and 'A' ADRs will receive dividends having a Dutch source for tax purposes and it is intended that holders of 'B' Shares and 'B' ADRs will receive dividends that have a UK source for tax purposes. These proposals will be implemented through (i) a public exchange offer by the Filer for the Royal Dutch Shares, and (ii) the acquisition of Shell Transport by the Filer pursuant to a Scheme of Arrangement of Shell Transport (the "Scheme of Arrangement") under section 425 of the *Companies Act of England and Wales 1985, as amended* (collectively, the "Transaction"). Royal Dutch currently owns 60% of the Royal Dutch/Shell Group of Companies (which is described further below) and Shell Transport owns 40%, and the exchange ratios in the Transaction will be set to give effect to this ownership of the economic interest in the Royal Dutch/Shell Group of Companies.
5. Royal Dutch is a corporation incorporated under the laws of The Netherlands, with its shares currently listed on the Euronext Amsterdam, Euronext Paris, London Stock Exchange, New York Stock Exchange, Vienna Stock Exchange, Frankfurt Stock Exchange, Berlin-Bremen Stock Exchange, Munich Stock Exchange, Dusseldorf Stock Exchange, Hamburg Stock Exchange and SWX Swiss Exchange. On October 28, 2004, Royal Dutch announced its intention to delist from Euronext Brussels, Euronext Paris, Luxembourg Stock Exchange, Frankfurt Stock Exchange, Berlin-Bremen Stock Exchange, Munich Stock Exchange, Dusseldorf Stock Exchange, Hamburg Stock Exchange and SWX Swiss Exchange. The Royal Dutch Shares have been delisted from the Luxembourg Stock Exchange (effective February 1, 2005) and delisting has been confirmed by Euronext Brussels (effective March 1, 2005) and the SWX Swiss Exchange (effective March 17, 2005). For the other exchanges where delisting is intended, efforts are underway to ensure an efficient delisting process.
6. The Filer intends to apply for its "A" and "B" shares to be listed and admitted to trading on the London Stock Exchange and Euronext Amsterdam and to apply for its "A" and "B" ADRs to be listed and admitted to trading on the New York Stock Exchange.
7. Royal Dutch is a holding company which, in conjunction with Shell Transport, owns, directly or indirectly, investments in the numerous companies known collectively as the Royal Dutch/Shell Group of Companies. Royal Dutch's sole activity is the ownership of a 60% interest in the Royal Dutch/Shell Group of Companies, of which it is not a part and in whose activities it does not engage. The companies that comprise the Royal Dutch/Shell Group of Companies are engaged in numerous business lines, including Exploration and Production, Gas & Power, Oil Products, Chemicals, and other industry segments including Renewables, Shell Consumer and Shell Hydrogen.
8. Royal Dutch's registered office is at Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands.
9. Royal Dutch's issued and outstanding share capital as at January 31, 2005 consisted of 2,074,400,000 ordinary shares (excluding ordinary shares held by Royal Dutch, which have been repurchased and are awaiting approval for cancellation at the next annual general meeting of Royal Dutch) (the "Royal Dutch Shares"). The Royal Dutch Shares

constitute "equity securities" for the purposes of the definition of "take-over bid" in the Legislation of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia and Newfoundland and Labrador.

10. Royal Dutch is not a reporting issuer or equivalent in any of the Jurisdictions. Royal Dutch's securities are not listed or quoted for trading on any Canadian stock exchange or market.
11. The Filer currently holds none of the outstanding Royal Dutch Shares and has no rights to purchase any of the outstanding Royal Dutch Shares.
12. The Royal Dutch Offer is being made, and the Dutch offer document, listing particulars and a U.S. offer document (collectively, the "Royal Dutch Offer Documents") reflecting the terms of the Royal Dutch Offer is being prepared, in accordance with the laws of (i) The Netherlands and, in particular, in compliance with the Dutch *1995 Act on the supervision of the securities trade*, and the Dutch *1995 Decree on the supervision of the securities trade*, each as amended; and (ii) the federal securities laws of the United States.
13. Drafts of the Dutch offer document have been submitted to the Dutch regulator, The Netherlands Authority for the Financial Markets ("AFM"), for review on December 10, 2004 and February 28, 2005. Further drafts are planned to be submitted to the AFM prior to receipt of final approval, which is currently expected to be granted in May 2005. The first draft of the listing particulars was submitted to the relevant listing authorities on February 28, 2005 and it is expected that the listing particulars will be approved by such authorities in May 2005. In accordance with Dutch law and practice, the Royal Dutch Offer Documents will be available on the Internet under www.euronext.com (for Dutch residents) and www.shell.com, and a public announcement in a daily national Dutch newspaper, the daily official list of Euronext Amsterdam N.V. and daily national newspapers in other jurisdictions to which the Royal Dutch Offer is extended (where required) will specify where and how the shareholders may obtain a copy of the Royal Dutch Offer Documents free of charge.
14. Drafts of the U.S. offer document (the "F-4") were submitted to the U.S. securities regulator, the Securities and Exchange Commission (the "SEC"), on December 10, 2005, January 27, 2005 and March 11, 2005, respectively. It is expected that the U.S. Prospectus which forms part of the F-4 will also be approved by the SEC in May 2005. In accordance with U.S. law and practice, the F-4 will be available on the Internet under www.sec.gov. The F-4 will be able to be downloaded from the Filer's website under www.shell.com and will be posted to U.S. holders of Royal Dutch Shares and holders of Royal Dutch Shares registered on the New York Register, where their addresses are known to the Filer.
15. The Scheme of Arrangement will be subject to English law and subject to the approval of the High Court of Justice in England and Wales and applicable securityholder approvals at a Court meeting and at an extraordinary general meeting to be convened by Shell Transport. The Scheme of Arrangement is subject to disclosure requirements under applicable English law, including the preparation of a circular which is being disseminated to securityholders of Shell Transport.
16. As permitted by Dutch law, Royal Dutch has issued ordinary shares in bearer form as well as registered form. As at December 31, 2004 the majority of the Royal Dutch Shares (approximately 75%) were held in bearer form. Due to the form in which these shares are held, the Filer is not able to ascertain, with any degree of certainty, the country of residency of the majority of the shareholders of Royal Dutch.
17. Based on an active shareholder survey of only institutional investors in November 2004 (which covered approximately 70% of the shareholder base), the Filer estimates that no more than approximately 1.3% of the Royal Dutch Shares (only Royal Dutch Shares in bearer form) are held by institutions located in Canada. The Filer is unable to definitively confirm the accuracy of the shareholder survey or provide such information broken down by province.
18. An investigation of the Hague Register of Royal Dutch carried out in January 2005 showed that, as at January 19, 2005, there were seven holders of Royal Dutch Shares resident in Canada, holding 13,647 Royal Dutch Shares representing approximately 0.0007% of the total Royal Dutch Shares. An investigation of beneficial holders (other than those beneficial holders who have indicated that they do not wish to receive reports from Royal Dutch) carried out in February 2005 of the New York Register of Royal Dutch Shares (which represents approximately 25% of the Royal Dutch Shares) showed that, as at February 9, 2005, there were 7,509 beneficial holders of Royal Dutch Shares resident in Canada, holding 4,943,786 Royal Dutch Shares representing approximately 0.24% of the total Royal Dutch Shares. The following sets out the provinces in which the Filer believes these shareholders were residing:

Province	New York Register (beneficial holders)	Hague Register	Total
Alberta	828	1	829
British Columbia	1,002	1	1,003
Manitoba	106	0	106
Newfoundland	33	0	33
New Brunswick	44	0	44
Northwest Territories	7	0	7
Nova Scotia	111	0	111
Ontario	3,784	5	3,789
Prince Edward Island	36	0	36
Québec	1,440	0	1,440
Saskatchewan	106	0	106
Yukon Territory	2	0	2
Unknown Canadian	10	0	10
Total	7,509	7	7,516

19. If any material relating to the Royal Dutch Offer is sent by the Filer or its exchange agent to a holder of Royal Dutch Shares registered on the Hague Register residing in The Netherlands, such material (which will be in English or an English translation will be provided) will also be sent to any holder of Royal Dutch Shares registered on the Hague Register residing in the Jurisdictions (if addresses are known), and will be concurrently filed with the Decision Makers. If any material relating to the Royal Dutch Offer is sent by the Filer or its exchange agent to a holder of Royal Dutch Shares registered on the New York Register residing in The Netherlands, such material (which will be in English or an English translation will be provided) will also be sent to any holder of Royal Dutch Shares registered on the New York Register residing in the Jurisdictions (if addresses are known), and will be concurrently filed with the Decision Makers. Should a holder of Royal Dutch Shares in bearer form residing in the Jurisdictions request material relating to the Royal Dutch Offer, such material (which will be English or an English translation will be provided) will be concurrently filed with the Decision Makers and will be the same as the material sent to a holder of Royal Dutch Shares in bearer form residing in The Netherlands who requests such material. Any materials sent to holders of Royal Dutch Shares in Quebec will be accompanied by a copy of the French public announcement described below.
20. A public announcement in English in a national Canadian newspaper and in French in a newspaper that is widely circulated within Quebec, made at the same time as the public announcement in a daily national Dutch newspaper or as soon as practicable after receipt of the order requested hereby, will specify where and how all Canadian shareholders may obtain a copy of the Royal Dutch Offer Documents. This will include a toll-free phone number, which will be established to permit shareholders of Royal Dutch who are resident in Canada to call to request a copy of the Royal Dutch Offer Documents free of charge.
21. All of the holders of the Royal Dutch Shares to whom the Royal Dutch Offer is made will be treated equally.
22. An exemption from the Registration Requirements is not available in Québec and Prince Edward Island for trades made in connection with the Royal Dutch Offer.
23. An exemption from the Prospectus Requirements is not available in British Columbia, Québec and Prince Edward Island for trades made in connection with the Royal Dutch Offer.
24. If the requested relief is not granted, holders of the Royal Dutch Shares resident in the Jurisdictions will not have the opportunity to participate in the Royal Dutch Offer.

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:

- A. the Filer is exempt from the Take-over Bid Requirements in making the Royal Dutch Offer to the holders of Royal Dutch Shares or ADRs who are resident in the Jurisdictions, provided that:

- (i) the Royal Dutch Offer and all amendments to the Royal Dutch Offer are made in compliance with the laws of The Netherlands and the federal securities laws of the United States, and
 - (ii) any material relating to the Royal Dutch Offer that is sent to the holders of the Royal Dutch Shares in The Netherlands (which will be in English or an English translation will be provided) will be sent to the holders of the Royal Dutch Shares resident in the Jurisdictions whose addresses are known to the Filer and copies thereof filed with the Decision Maker in each Jurisdiction;
- B. the Registration Requirements shall not apply to trades made in connection with the Royal Dutch Offer; and
- C. the Prospectus Requirements shall not apply to trades made in connection with the Royal Dutch Offer provided that the first trade in shares and ADRs issued by the Filer in connection with the Royal Dutch Offer shall be a distribution or primary distribution to the public unless, in all the Jurisdictions other than Québec, the conditions of subsection (1) of section 2.14 of Multilateral Instrument 45-102 are satisfied, and in Québec, the alienation (first trade) of the shares and ADRs issued by the Filer in connection with the Royal Dutch Offer are executed through the facilities of an exchange or market outside Canada.

“Paul M. Moore”
Ontario Securities Commission

“Wendell S. Wigle”
Ontario Securities Commission

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Revoke
AFM Hospitality Corporation	08 Apr 05	20 Apr 05	20 Apr 05	
International Utility Structures Inc.	13 Apr 05	25 Apr 05		
Unisphere Waste Conversion Ltd.	05 Apr 05	15 Apr 05	15 Apr 05	

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	20 Apr 05	
Golden Queen Mining Co. Ltd.	12 Apr 05	25 Apr 05			
Guyanor Ressources S.	12 Apr 05	25 Apr 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		
Kinross Gold Corporation	01 Apr 05	14 Apr 05	14 Apr 05		
Mamma.com Inc.	01 Apr 05	14 Apr 05	14 Apr 05		
MDC Partners Inc.	05 Apr 05	18 Apr 05		20 Apr 05	
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		
Stelco Inc.	01 Apr 05	14 Apr 05		14 Apr 05	
Thistle Mining Inc.	05 Apr 05	18 Apr 05	18 Apr 05		
Timminco Limited	01 Apr 05	14 Apr 05	14 Apr 05		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

<u>Transaction Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Total Purchase Price (\$)</u>	<u>Number of Securities</u>
31-Mar-2005	TMB Directories Inc.	ACEE III Co-Investment Fund LP - LP Interest	0.00	0.00
31-Mar-2005	TMB Directories Inc.	Advent Central & Eastern European III LP - LP Interest	0.00	0.00
31-Mar-2005	3 Purchasers	Aurizon Mines Ltd. - Common Shares	5,458,332.00	3,638,888.00
31-Mar-2005	NCE Diversified Flow-Through (05) LP CMP 2005 Resource LP	Aurizon Mines Ltd. - Flow-Through Shares	14,049,999.00	7,805,555.00
29-Mar-2005	George Salamis York Trafalgar Properties Inc.	Butler Developments Corp. - Units	40,000.00	400,000.00
09-Mar-2005	12 Purchasers	Caldwell New York LP - LP Units	1,400,000.00	140,000.00
05-Apr-2005	5 Purchasers	Canadian Golden Dragon Resources Ltd. - Units	106,250.00	850,000.00
05-Apr-2005	3 Purchasers	CareVest Blended Mortgage Investment Corporation - Preferred Shares	87,022.00	87,022.00
05-Apr-2005	8 Purchasers	CareVest First Mortgage Investment Corporation - Preferred Shares	221,000.00	221,000.00
05-Apr-2005	Keith Cowen Ben Niu	CareVest Second Mortgage Investment Corporation - Preferred Shares	11,000.00	11,000.00
30-Mar-2005	Glen Wright	Cell-Loc Location Technologies Inc. - Units	15,000.00	81,081.00
08-Apr-2005	12 Purchasers	Cellbucks Payments Networks Inc. - Units	971,002.75	353,091.00
11-Apr-2005	Flynn Amico Canada Inc	Chartwell Master Care LP - LP Units	999,999.58	69,541.00
28-Feb-2005	Derwing Capital Corp. Fairy Financial Corp.	Credit Suisse First Boston, New York Branch - Units	1,216,900.00	2.00
14-Apr-2005	7 Purchasers	Cytochroma Inc. - Convertible Debentures	9,297,871.00	9,297,871.00
14-Mar-2005	James W. Welkoff	Davis-Rea Ltd. - Units	200,000.00	20,000.00
31-Mar-2005	21 Purchasers	Delphi Energy Corp. - Common Shares	10,263,880.00	2,332,700.00
31-Mar-2005	Burnac Corporation	DEPFA ACS Bank - Units	1,000,000.00	1,000,000.00
31-Mar-2005	135 Purchasers	Falcon Oil & Gas Ltd. - Common Shares	49,500,000.00	165,000,000.00
18-Mar-2005	Ross & Yvonne Rahn	Fisgard Capital Corporation - Common Shares	40,000.00	40,000.00
01-Apr-2005	2063227 Ontario Inc.	Goldman Sachs Global Tactical Trading III plc - Shares	8,601,610.51	87,903.00
01-Apr-2005	3 Purchasers	Gryphon Gold Corporation - Units	639,600.00	984,000.00
05-Apr-2005	18 Purchasers	Guinor Gold Corporation - Special Warrants	34,520,373.30	32,876,546.00
31-Dec-2004	Campbell Drummond Company Inc. Peter Loach	Healthcare Properties Real Estate Investment Trust - Units	24,000.00	2,400.00
29-Jan-2004 to 31-Mar-2005	11 Purchasers	Healthcare Properties Real Estate Investment Trust - Units	12,748,110.00	1,293,093.00
29-Mar-2005	Northwater Capital Management Inc.	iShares, Inc. - Units	11,081.31	100.00

Notice of Exempt Financings

14-Apr-2005	3 Purchasers	Iciena Ventures Inc. - Units	301,000.00	2,508,333.00
07-Apr-2005	4 Purchasers	Info Touch Technologies Corp. - Promissory note	2,100,000.00	4.00
31-Mar-2005	3 Purchasers	Instituto de Credito Oficial - Notes	45,500,000.00	45,500,000.00
07-Apr-2005	Sun Life Assurance Co. of Canada	Irving Oil Limited - Notes	10,000,000.00	10,000,000.00
05-Apr-2005	Credit Risk Advisor	KCS Energy, Inc. - Notes	2,453,995.29	2,000,000.00
31-Mar-2005	26 Purchasers	Liponex Inc. - Units	1,243,172.90	1,775,961.00
31-Mar-2005	20 Purchasers	Loon Energy Inc. - Common Shares	5,392,200.00	5,676,000.00
08-Apr-2005	Business Development Bank of Canada The VenGrowth Advanced Life Sciences Fund Inc.	LymphoSign Inc. - Preferred Shares	4,510,730.96	9,021,462.00
31-Mar-2005	4 Purchasers	Nederlandse Waterschapsbank N.V. - Notes	71,000,000.00	71,000,000.00
31-Mar-2005	Barbara Atlas 1359292 Ontario Ltd.	Newport Alternative Income Fund - Units	200,000.00	214.00
04-Apr-2005	8 Purchasers	Niagara Cellars Inc. - Common Shares	2,003,125.00	8,902,777.00
05-Apr-2005	4 Purchasers	North American Tungsten Corporation Ltd. - Flow-Through Shares	1,127,500.00	2,255,000.00
05-Apr-2005	6 Purchasers	North American Tungsten Corporation Ltd. - Units	1,955,000.00	3,910,000.00
01-Apr-2005	71 Purchasers	Northcastle Trust - Trust Units	8,849,000.00	884,900.00
08-Apr-2005	H. Wolynetz Investments Ltd. NCE Diversified Flow-Through (05) LP	Paradym Ventures Inc. - Flow-Through Shares	786,060.00	4,367,000.00
08-Apr-2005	Glenn McHerg	Paradym Ventures Inc. - Non-Flow-Through Shares	4,500.00	30,000.00
08-Apr-2005	16 Purchasers	R2D TO Limited Partnership - LP Units	200,023.00	39.00
01-Apr-2005	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	14,128.32	2,057.00
07-Apr-2005	10 Purchasers	Redsky Energy Ltd. - Common Shares	2,496,000.00	832,000.00
07-Apr-2005	20 Purchasers	Ridgeback Exploration Ltd. - Common Shares	7,772,500.00	5,954,000.00
06-Apr-2005	5 Purchasers	Saxon Energy Services Inc. - Stock Option	1,187,500.00	250,000.00
06-Apr-2005	Dynamic Power Canadian Growth Fund	Saxon Energy Services Inc. - Stock Option	1,900,000.00	400,000.00
08-Apr-2005	3 Purchasers	SIPQuest Inc. - Preferred Shares	7,359,654.00	4,311,338.00
07-Apr-2005	20 Purchasers	Sonomax Hearing Healthcare Inc. - Units	1,156,959.00	3,856,530.00
07-Apr-2005	Lorain Group Inc.	Sonomax Hearing Healthcare Inc. - Warrants	0.00	666,667.00
01-Apr-2005	Robert Bondy Peter George	Sonora Gold Corp. - Units	70,000.00	700,000.00
18-Feb-2005	ICICI Bank Canada	Space Limited - Notes	6,169,000.00	5.00
31-Mar-2005	4 Purchasers	Stacey RSP Fund - Trust Units	612,479.00	59,287.00
06-Apr-2005	Philip S. Orsino	Stile Holding Corp. - Common Shares	9,157,500.00	1,500,000.00
29-Mar-2005	15 Purchasers	The Royal Bank of Scotland plc - Subordinated Note	700,000,000.00	700,000,000.00
01-Apr-2005	15 Purchasers	Tower Hedge Fund L.P. - Units	295,167.00	24,783.00
06-Apr-2005	Brian Vyner	Tri-Gold Resources Corp. - Units	100,000.00	400,000.00
18-Mar-2005	Sonya and/or John Fisher	Trident Global Opportunities Fund - Shares	130,000.00	1,090.00
18-Mar-2005	Bradley Markle	Trident Global Opportunities Fund - Shares	23,300.00	195.00
18-Mar-2005	Jim Brown	Trident Global Opportunities Fund - Shares	65,000.00	544.00

Notice of Exempt Financings

18-Mar-2005	Edith Somers	Trident Global Opportunities Fund - Shares	150,000.00	1,358.00
18-Mar-2005	Charles Best	Trident Global Opportunities Fund - Shares	110,000.00	996.00
07-Apr-2005	Rodger Gray	Triumph Gold Corp. - Units	17,000.00	100,000.00
17-Mar-2005	Credit Risk Advisors LP Bank of Montreal	Truststreet Properties, Inc. - Notes	9,021,000.00	7,500.00
31-Mar-2005	Brian Doner Renata De Hooge	Van Arbor Canadian Advantage Fund - Units	38,894.94	3,008.00
22-Mar-2005	24 Purchasers	Vena Resources Inc. - Units	899,749.95	1,999,444.00
22-Mar-2005	24 Purchasers	Vena Resources Inc. - Units	1,000,474.68	2,084,322.00
30-Mar-2005	Jayvee & Co. Willy Kruh	Verena Minerals Corporation - Units	305,950.08	2,185,358.00
07-Apr-2005 to 11-Apr-2005	12 Purchasers	Western Prospector Group Ltd. - Common Shares	7,521,000.00	2,180,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Altus Group Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated April 15, 2005
Mutual Reliance Review System Receipt dated April 15, 2005

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation

Promoter(s):

The Altus Group Inc.
Derbyshire Viceroy Consultants Limited
1493319 Ontario Inc.
951510 Ontario Inc.
Project #765868

Issuer Name:

Fidelity Canadian Dividend & Income Fund
Fidelity Canadian Income Trust Fund
Fidelity Diversified High Income Fund
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated April 12, 2005
Mutual Reliance Review System Receipt dated April 13, 2005

Offering Price and Description:

Series T and S Units

Underwriter(s) or Distributor(s):

Fidelity Investments Canada Limited

Promoter(s):

Fidelity Investments Canada Limited
Project #752945

Issuer Name:

Hubble Capital Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated April 15, 2005
Mutual Reliance Review System Receipt dated April 15, 2005

Offering Price and Description:

Minimum Offer: 2,500,000 Units - \$1,250,000.00; Maximum Offer: 8,000,000 Units - \$4,000,000.00 Price \$0.50 per Unit

Underwriter(s) or Distributor(s):

CTI Capital Inc.

Promoter(s):

-

Project #765774

Issuer Name:

Southern Arc Minerals Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated April 15, 2005
Mutual Reliance Review System Receipt dated April 19, 2005

Offering Price and Description:

\$ 2,000,000.00 - 8,000,000 Common Shares Price: \$0.25 per share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

John G. Proust
Project #766726

Issuer Name:

Uranium Participation Corporation
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated April 14, 2005
Mutual Reliance Review System Receipt dated April 15, 2005

Offering Price and Description:

Minimum \$60,000,000.00 - (* Units); Maximum \$80,000,000.00 - (* Units) Price: \$ * per Unit

Underwriter(s) or Distributor(s):

Sprott Securities Inc.
Dundee Securities Corporation
TD Securities Inc.
National Bank Financial Inc.
Canaccord Capital Corporation

Promoter(s):

E. Peter Farmer
James R. Anderson

Project #756733

Issuer Name:

Voxcom Income Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated April 13, 2005
Mutual Reliance Review System Receipt dated April 13, 2005

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.

Promoter(s):

Voxcom Incorporated

Project #764903

Issuer Name:

Crescent Point Energy Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated April 14, 2005
Mutual Reliance Review System Receipt dated April 14, 2005

Offering Price and Description:

\$75,063,000.00 - 3,930,000 Trust Units Price: \$19.10 per Trust Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Market Inc.
FirstEnergy Capital Corp.
RBC Dominion Securities Inc.
GMP Securities Ltd.
Orion Securities Inc.
Canaccord Capital Corporation

Promoter(s):

-

Project #762906

Issuer Name:

Emerald Canadian Short Term Investment Fund
Emerald Canadian Bond Index Fund
Emerald Global Government Bond Index Fund
Emerald Balanced Fund
Emerald Canadian Equity Index Fund
Emerald U.S. Market Index Fund
Emerald International Equity Index Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated April 12, 2005
Mutual Reliance Review System Receipt dated April 13, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #749463

Issuer Name:

Golden Credit Card Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated April 13, 2005
Mutual Reliance Review System Receipt dated April 13, 2005

Offering Price and Description:

(1) \$1,146,000,000.00 - 4.047% Credit Card Receivables-Backed Senior Notes, Series 2005-1 Expected Final Payment Date of June 15, 2010; (2) \$54,000,000.00 - 4.567% Credit Card Receivables-Backed Subordinated Notes, Series 2005-1 Expected Final Payment Date of June 15, 2010

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Laurentian Bank Securities Inc.

Promoter(s):

-

Project #762296

Issuer Name:

Livingston International Income Fund
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated April 19, 2005
Mutual Reliance Review System Receipt dated April 19, 2005

Offering Price and Description:

\$22,165,000.00 - 1,100,000 Units PRICE \$20.15 PER UNIT

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.

Promoter(s):

-

Project #764323

Issuer Name:

Mackenzie Maxxum Pension Fund
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated April 11, 2005 to Final Simplified Prospectus and Annual Information Form dated December 9, 2004

Mutual Reliance Review System Receipt dated April 14, 2005

Offering Price and Description:

Series A, F, I, O and T Units

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.

Promoter(s):

Mackenzie Financial Corporation

Project #699699

Issuer Name:

Madacy Entertainment Income Fund
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated April 12, 2005
Mutual Reliance Review System Receipt dated April 13, 2005

Offering Price and Description:

C\$75,400,000.00 - 7,540,000 Units Price: C\$10.00 per Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Associates Investments Inc.
Westwind Partners Inc.

Promoter(s):

Madacy Entertainment Group, Limited

Project #748273

Issuer Name:

NORCO CAPITAL INC.
Principal Regulator - Quebec

Type and Date:

Final CPC Prospectus dated April 7, 2005
Mutual Reliance Review System Receipt dated April 13, 2005

Offering Price and Description:

Minimum Offering \$750,000.00 or 5,000,000 Common Shares; Maximum Offering: \$1,275,000.00 or 8,500,000 Common Shares Price: \$0.15 per Common Share

Underwriter(s) or Distributor(s):

Investpro Securities Inc.

Promoter(s):

Richard Dumais

Project #731722

Issuer Name:

Renaissance Tactical Allocation Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated April 8, 2005 to Final Simplified Prospectus and Annual Information Form dated November 24, 2004
Mutual Reliance Review System Receipt dated April 14, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

CIBC Asset Management Inc.

Project #697495

Issuer Name:

Russell Global Equity Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated April 12, 2005
Mutual Reliance Review System Receipt dated April 14, 2005

Offering Price and Description:

Class B Units

Underwriter(s) or Distributor(s):

Frank Russell Canada Limited

Promoter(s):

Frank Russell Canada Limited

Project #745577

Issuer Name:

Saskatchewan Wheat Pool Inc.
Principal Regulator - Saskatchewan

Type and Date:

Final Short Form Prospectus dated April 14, 2005
Mutual Reliance Review System Receipt dated April 14, 2005

Offering Price and Description:

\$150,106,270.00 - 35,071,559 rights to purchase 46,762,078 common shares at a purchase price of \$3.21 per share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Genuity Capital Markets
National Bank Financial Inc.

Promoter(s):

-

Project #736376

Issuer Name:

Schooner Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated April 15, 2005
Mutual Reliance Review System Receipt dated April 18, 2005

Offering Price and Description:

\$375,700,000.00 (approximate) Schooner TrustTM (Issuer) COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES,SERIES 2005-3

Underwriter(s) or Distributor(s):

TD Securities Inc.

Promoter(s):

-

Project #762228

Issuer Name:

Sentry Select Canadian Resource Fund Ltd.
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated April 6, 2005
Mutual Reliance Review System Receipt dated April 15, 2005

Offering Price and Description:

Mutual fund shares at net asset value

Underwriter(s) or Distributor(s):

Sentry Select Capital Corp.
Sentry Select Capital Corp.

Promoter(s):

Sentry Select Capital Corp.

Project #741867

Issuer Name:

Strategic Energy Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated April 8, 2005 to Final Prospectus dated March 18, 2005
Mutual Reliance Review System Receipt dated April 13, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

First Associates Investments Inc.

Promoter(s):

Petro Assets Inc.

Project #742760

Issuer Name:

ZoomMed inc.
Principal Regulator - Quebec

Type and Date:

Final CPC Prospectus dated April 13, 2005
Mutual Reliance Review System Receipt dated April 13, 2005

Offering Price and Description:

Minimum Offering: \$1,000,000.00 or 5,000,000 Common Shares; Maximum Offering: \$1,700,000.00 or 8,500,000 Common Shares Price: \$0.20 per common share

Underwriter(s) or Distributor(s):

Dlouhy Merchant Group

Promoter(s):

Pietro Perrino
Lawrence Noreyko

Project #746903

Issuer Name:

Advent/Claymore Enhanced Distribution & Growth Trust
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Prospectus dated February 24th, 2005
Withdrawn on March 30, 2005

Offering Price and Description:

\$ * - * Units Price: \$25.00 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

Claymore Investments, Inc.

Project #742365

Issuer Name:

Stressgen Biotechnologies Corporation
Principal Regulator – British Columbia

Type and Date:

Amended and Restated Preliminary Prospectus dated
February 22, 2005
Withdrawn on April 13, 2005

Project #694839

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Imperial Capital, LLC	International Dealer	April 19, 2005
New Registration	Markets Securities Inc.	Investment Dealer	April 19, 2005
New Registration	Quadrant Asset Management	Extra-Provincial Investment Counsel and Portfolio Manager	April 12, 2005
New Registration	M Partners Inc.	Investment Dealer	April 14, 2005
New Registration	Helvea Inc.	Limited Market Dealer	April 13, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Notice of Hearing Regarding Anthony McPhail

**IN THE MATTER OF
A DISCIPLINARY HEARING PURSUANT TO
SECTIONS 20 AND 24 OF BY-LAW NO. 1
OF THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

Re: ANTHONY MCPHAIL

NOTICE OF HEARING

NOTICE is hereby given that a first appearance in this hearing will take place by teleconference before a Hearing Panel (the "Hearing Panel") of the Regional Council of the Ontario Region of the Mutual Fund Dealers Association of Canada (the "MFDA"), in the hearing room located at 121 King Street West, Suite #1000, Toronto, Ontario on Wednesday, May 11, 2005, at 2:00 p.m. (EST) or as soon thereafter as the hearing can be held, concerning a disciplinary proceeding commenced by the MFDA against Anthony McPhail (the "Respondent").

DATED at Toronto, Ontario this 29th day of March, 2005.

"Gregory J. Ljubic"
Corporate Secretary

Mutual Fund Dealers Association of Canada
121 King St. West, Suite 1000
Toronto, ON
M5H 3T9
Telephone: (416) 943-5836
E-mail: gljubic@mfdca.ca

NOTICE is further given that the MFDA alleges the following violations of the By-laws, Rules, Regulations or Policies of the MFDA:

Allegation #1 Commencing March 16, 2004, the Respondent failed to produce for inspection and provide copies of documents requested by the MFDA for the purpose of an investigation of the Respondent's conduct, contrary to s. 22.1(b) of MFDA By-law No. 1.

Allegation #2 Commencing August 24, 2004, the Respondent failed to attend at the offices of the MFDA to give information respecting the matters under investigation, contrary to s. 22.1(c) of By-law No. 1.

PARTICULARS

NOTICE is further given that the following is a summary of the facts alleged that the MFDA intends to rely upon at the hearing:

Registration History

1. From October 1, 1996 to September 30, 2001, the Respondent was registered in Ontario as a mutual fund salesperson for Regal Capital Planners Ltd.
2. From October 1, 2001 to August 29, 2003, the Respondent was registered in Ontario as a mutual fund salesperson for Cartier Partners Financial Services Inc. ("Cartier") and was approved as the branch manager of Cartier's branch in Chatham, Ontario (the "Chatham Branch"). Cartier became a Member of the MFDA on May 15, 2002.
3. Effective August 29, 2003, the Respondent resigned following an investigation of the Chatham branch by Cartier. The Respondent has not been registered in the securities industry in any capacity since August 29, 2003.

Requests for Documents and to Attend and Give Information

4. In September 2003, the Respondent applied to transfer his registration as a mutual fund salesperson to Optifund Investments Inc. ("Optifund").
5. By letter dated February 18, 2004, the MFDA notified the Respondent that it had commenced an investigation of the circumstances giving rise to the Respondent's resignation from Cartier. Pursuant to s. 23.1 of By-law No. 1 (now, s. 22.1), the MFDA requested that the Respondent provide the MFDA with copies of bank statements and cleared cheques for any account in which he held a direct or indirect interest or over which he had signing authority, including any line of credit, during the period September 1, 1998 to August 31, 2003 (the "Requested Documents"). The Respondent was directed to provide the Requested Documents to the MFDA on or before March 4, 2004.
6. On March 4, 2004, the Respondent left a voicemail message requesting additional time to provide the Requested Documents to the MFDA.
7. By letter dated March 5, 2004, the MFDA granted the Respondent an extension to March 16, 2004.
8. The Respondent did not provide the Requested Documents to the MFDA by March 16, 2004 or at any time thereafter, save for those documents described in paragraph 11 below.
9. As of April 2004, the Respondent was licensed to deal in insurance with an affiliate of Optifund, at premises in Chatham, Ontario where a sub-branch of Optifund was also located. The MFDA became aware of this in April 2004 and contacted the Respondent at the Chatham location and asked him again to produce the Requested Documents. At that time, regulatory approval of the Respondent's application to transfer his registration to Optifund was still pending due to the on-going investigation by the MFDA of the Respondent's business conduct at Cartier. On May 13, 2004, Optifund withdrew its sponsorship of the Respondent. However, the insurance affiliate of Optifund continued to employ the Respondent to sell insurance products until October 25, 2004.
10. By letter dated April 23, 2004, the MFDA requested, pursuant to s. 22.1 (c) of By-law No. 1, that the Respondent attend at the offices of the MFDA to give information respecting the matters under investigation. The Respondent was invited to select a date in May 2004 on which to be examined. The MFDA also requested that the Respondent provide the Requested Documents by May 7, 2004.
11. By letter dated May 3, 2004, the Respondent provided the MFDA with copies of bank statements from one TD-Canada Trust bank account for the periods January 1, 2001 to August 30, 2002 and September 30, 2002 to May 30, 2003. The Respondent advised the MFDA that he had ordered the rest of the Requested Documents (the "Outstanding Documents") from his bank and agreed to provide the Outstanding Documents to the MFDA when he received them from the bank. The Respondent did not respond to the MFDA's request that he select a date in May 2004 on which to be examined.
12. By letter dated June 2, 2004, the MFDA requested that the Respondent provide copies of the Outstanding Documents on or before June 18, 2004.
13. The Respondent did not provide the Outstanding Documents to the MFDA by June 18, 2004, or at any time thereafter.
14. By letter dated June 30, 2004, the MFDA requested, pursuant to s. 22.1(c) of By-law No. 1, that the Respondent attend at the offices of the MFDA on a date in August 2004 to be agreed upon and give information respecting the matters under investigation. The MFDA directed the Respondent to schedule the date for his examination on or before July 16, 2004.
15. By e-mail dated July 15, 2004, the Respondent agreed to be examined on August 24, 2004 and to deliver the Outstanding Documents to the MFDA in advance of the examination.
16. By letter and by e-mail dated July 16, 2004, the MFDA confirmed that an examination of the Respondent would be conducted on August 24, 2004 and that the MFDA would accept delivery of the Outstanding Documents from the Respondent prior to the examination.
17. By e-mail dated August 18, 2004, the Respondent advised the MFDA that he would not be providing the MFDA with the Outstanding Documents in advance of his examination on August 24, 2004.
18. By e-mail dated August 20, 2004, the Respondent advised the MFDA that he would not be attending the examination scheduled for August 24, 2004. The Respondent was informed that the examination could be rescheduled to proceed

on any date up to and including Thursday, September 2, 2004. The Respondent did not provide a reason for failing to provide the Outstanding Documents or canceling the examination and thereafter failed to contact the MFDA.

19. The Respondent has still not provided the Outstanding Documents to the MFDA, contrary to the requests made by the MFDA pursuant to s. 22.1(b) of By-law No. 1.
20. The Respondent has still not attended at the offices of the MFDA to give information respecting the matters under investigation, contrary to the requests made by the MFDA pursuant to s. 22.1(c) of By-law No. 1.

NOTICE is further given that the Respondent shall be entitled to appear and be heard and be accompanied by counsel or agent at the hearing and to call, examine and cross-examine witnesses.

NOTICE is further given that MFDA By-laws provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with the MFDA;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;
- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

the Hearing Panel has the power to impose any one or more of the following penalties:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
 - (i) \$5,000,000.00 per offence; and
 - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
- (c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;
- (d) revocation of the authority of such person to conduct securities related business;
- (e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time;
- (f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel;

NOTICE is further given that the Hearing Panel may, in its discretion, require that the Respondent pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

NOTICE is further given that the Respondent has twenty (20) days from the date of service of this Notice of Hearing, to serve a **Reply** upon:

Mutual Fund Dealers Association
121 King St. West, Suite 1000
Toronto, ON, M5H 3T9
Attention: Shelly Feld, Enforcement Counsel.

A **Reply** may either:

- (i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or

- (ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

NOTICE is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the MFDA in the Notice of Hearing that are not specifically denied in the **Reply**.

NOTICE is further given that if the Respondent fails:

- (a) to serve a **Reply**; or
- (b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a **Reply** may have been served,

the Hearing Panel may proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without any further notice to and in the absence of the Respondent, and the Hearing Panel may accept the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing as having been proven and may impose any of the penalties described in the By-Laws.

13.1.2 Notice and Request for Comment - Application to Amend Recognition Order of TSX Group Inc. and TSX Inc.

NOTICE AND REQUEST FOR COMMENT

APPLICATION TO AMEND RECOGNITION ORDER OF TSX GROUP INC. AND TSX INC.

Background

TSX Group Inc. (TSX Group) and TSX Inc. have applied to the Commission to amend and restate the recognition order of TSX Group and TSX Inc. dated September 3, 2002 (Recognition Order) to amend the definition of independent director in paragraphs 1(b) and 8(c).

The Commission is publishing for comment the application of TSX Group and TSX Inc. We are seeking comment on all aspects of the application and related documents.

Current definition of independent director in Recognition Order

Currently, an independent director is defined in paragraphs 1(b) (for TSX Group) and 8(c) (for TSX Inc.) of the Recognition Order. The current definition in paragraph 1(b) (which is substantially identical to paragraph 8(c)) is:

An independent director is a director that is not:

- associated with an entity desiring access to the trading facilities of TSX whose application is accepted by TSX (Participating Organization) within the meaning of TSX Group's by-laws;
- an officer or employee of TSX Group or its affiliates or an associate of such officer or employee;
- a person who owns or controls, directly or indirectly, over 10% of TSX Group; or
- an associate, director, officer or employee of any person or company who owns or controls, directly or indirectly, over 10% of TSX Group.

Proposed amendment

TSX Group and TSX Inc. propose that the definition of independent director in paragraphs 1(b) and 8(c) of the Recognition Order be deleted and replaced with the definition of independent director set out in section 1.4 of Multilateral Instrument 52-110 *Audit Committees* and the requirement that the board of directors adopt standards for determining when a director could be considered independent.

The proposed board standards would identify classes of individuals who are considered to have a material relationship with TSX Group or TSX Inc. and therefore are not considered to be independent. For example, an individual who is an employee, associate (within the meaning of the *Securities Act* (Ontario)), or executive officer of a Participating Organization is considered to have a material relationship with TSX Group and TSX Inc. and is therefore considered not to be independent. However, the board of directors may determine that an individual who at first instance is considered to have a material relationship is nonetheless independent if the board of directors is satisfied that the relationship will not reasonably interfere with the exercise of the individual's independent judgment. If the board of directors makes this determination, it must notify the Commission.

Comment Process

You are asked to provide your comments in writing and delivered on or before May 20, 2005 addressed to the attention of the Secretary of the Commission, Ontario Securities Commission, 20 Queen Street West, Suite 1901, Toronto, Ontario, M5H 3S8.

We request that you submit a diskette containing an electronic copy of your submission. The confidentiality of submissions cannot be maintained as a summary of written comments received during the comment period will be published.

Following the comment period, staff will consider the comments received. Subject to comments received, Staff will recommend that an amended and restated recognition order be granted to TSX Group and TSX Inc. generally in the same form set out in the materials.

Questions may be referred to:

Cindy Petlock
Manager, Market Regulation
(416) 593-2351
cpetlock@osc.gov.on.ca

Susan Greenglass
Assistant Manager, Market Regulation
(416) 593-8140
sgreenglass@osc.gov.on.ca

April 22, 2005

April 20, 2005

DELIVERED AND VIA EMAIL

Ms Cindy Petlock
Manager, Capital Markets
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, ON M5H 3S8

Dear Ms Petlock:

Re: Application to Amend Recognition Order of TSX Group Inc. and TSX Inc.

A. Relief Sought

Pursuant to section 144 of the *Securities Act* (Ontario), TSX Group Inc. (TSX Group) and TSX Inc. hereby make application to amend and restate the recognition orders of TSX Group and TSX Inc. dated September 3, 2002 to amend the definition of an independent director in paragraphs 1(b) and 8(c).

B. Submissions

TSX Group and TSX Inc. propose that paragraphs 1(b) and 8(c) be deleted and replaced with the definition of an independent director as set out in Multilateral Instrument 52-110 - Audit Committees (MI 52-110), and the requirement that the board of directors adopt standards for determining when a director can be considered independent. We propose that the board of directors of TSX Group and TSX Inc. will initially adopt the standards set out in Schedules "B" and "C", respectively. These standards may be amended from time to time with the prior approval of the Commission.

TSX Inc.'s original recognition order was obtained in the context of the demutualization of the Toronto Stock Exchange and has been amended and restated to reflect various subsequent events. With recent and proposed changes to corporate governance policies and rules, and changes arising as a result of TSX Group becoming a reporting issuer, TSX Group and TSX Inc. have reviewed the terms and conditions of their recognition orders to consider changes to be made to reflect their business reality of operating a diversified business and the changing governance environment. We attach a draft amended and restated recognition order as Schedule "A". The proposed changes are blacklined in Schedule "A" and are discussed below.

In addition to complying with its recognition order, as a reporting issuer, TSX Group is currently also required to comply with the following director independence requirements when selecting directors and appointing committee members:

- (a) its articles and by-laws;
- (b) MI 52-110;
- (c) the Toronto Stock Exchange Company Manual; and
- (d) the *Business Corporations Act* (Ontario).

Upon their coming into force, TSX Group will, in addition to the requirements in the Toronto Stock Exchange Company Manual become subject to:

- (a) proposed National Instrument 58-101 - Disclosure of Corporate Governance Practices; and
- (b) proposed National Policy 58-201 - Corporate Governance Guidelines.

With the additional independence requirements imposed by their recognition orders, TSX Group and TSX Inc. are facing overlapping requirements which are causing practical difficulties in engaging qualified individuals to serve as directors. We submit that these overlapping requirements are contrary to the best interests of these corporations and potentially conflict with the general principles of fair representation on their boards prescribed in the recognition orders. So far as we are aware, no other public company in Canada has this additional and more restrictive layer of regulation respecting the independence of its directors.

It is a basic and fundamental principle of corporate law that TSX Group and TSX Inc. directors have an overriding duty to act honestly, fairly and with a view to the best interests of TSX Group and TSX Inc., respectively. In discharging this duty, directors

are obliged to put the interests of TSX Group or TSX Inc. first and to make decisions independent of any personal interests with which they may be associated. In assessing the best interests of TSX Group and TSX Inc., their directors must consider a multitude of factors relevant to their business. The recognition orders are foremost of these as it is only by compliance with them that TSX Group and TSX Inc. are permitted to operate their business.

TSX Group's recognition order requires it to ensure that the functions of TSX Inc. are carried out in a manner that is consistent with the public interest. The discipline for TSX Group and TSX Inc. to ensure that the public interest is protected exists because the failure to do so would result in a loss of confidence in our capital markets. Investor confidence is central to the success of Canadian capital markets. Accordingly, it is in the best interests of TSX Group and TSX Inc., as the operator of Canada's primary stock markets, to protect the public interest. All directors must accordingly act and be motivated in discharging their fiduciary obligations to act in a manner which preserves the public interest.

We believe that the MI 52-110 independence standard coupled with the proposed board standards is a better test for independence than the test that is currently applied under the existing recognition orders. The proposed board standards identify classes of individuals who are considered to have a material relationship with the corporation and are therefore considered not to be independent. For example, an individual who is an employee, associate (within the meaning of the *Securities Act* (Ontario)), or executive officer of a Participating Organization is considered to have a material relationship with the corporation and therefore considered not to be independent. The board of directors may, however, determine that certain individuals who at first instance are considered to have a material relationship with the corporation (under section 4 of the board standards) are nonetheless independent if the board of directors is satisfied that the material relationship will not reasonably interfere with the exercise of the individual's independent judgment. This process provides the flexibility that may be necessary in certain cases.

C. Enclosures

We enclose the following:

- (a) the draft amended and restated recognition orders of TSX Group Inc. and TSX Inc. (blacklined to show the proposed changes) attached as Schedule "A";
- (b) proposed board standards on the independence of directors for TSX Group as attached as Schedule "B"; and
- (c) proposed board standards on the independence of directors for TSX Inc. attached as Schedule "C".

Yours very truly,

"original signed by Sharon Pel"

Sharon C. Pel
SCP/gd
Encls.

cc: Susan Greenglass, OSC
Wayne Fox, *TSX Group Inc.*
Richard Nesbitt, *TSX Group Inc.*
Lang Evans, *BCSC*
Patty Johnston, *ASC*
Jacinthe Bouffard, *AMF*

Schedule "A"

IN THE MATTER OF

THE SECURITIES ACT, R.S.O. 1990, CHAPTER S.5,

AS AMENDED (the "Act")

and

IN THE MATTER OF

TSX GROUP INC. AND TSX INC.

AMENDMENT TO RECOGNITION ORDER

(Section 144)

WHEREAS the Commission issued an order dated April 3, 2000 granting and continuing the recognition of The Toronto Stock Exchange Inc. ("TSE") as a stock exchange pursuant to section 21 of the Act;

AND WHEREAS the Commission issued an amended and restated order dated January 29, 2002 to reflect that the TSE retained Market Regulation Services Inc. ("RS Inc.") to perform its market regulation functions (~~"Previous Order"~~);

AND WHEREAS the Commission ~~has determined that it is not prejudicial to the public interest to issue an order that amends and restates the Previous Order~~ issued an amended and restated order dated September 3, 2002 to reflect the name change of TSE to TSX Inc. ("TSX") and a reorganization under which TSX ~~will become~~ became a wholly-owned subsidiary of TSX Group Inc., a newly formed holding company ("TSX Group") ("TSX Group"), a holding company, and granted TSX Group recognition as a stock exchange pursuant to section 21 of the Act, in each case effective on the closing of the reorganization ("Previous Order");

AND WHEREAS the Commission has determined that it is not prejudicial to the public interest to issue an order that amends and restates the Previous Order to reflect changes to the definition of an independent director;

IT IS ORDERED, pursuant to section 144 of the Act that the Previous Order be amended and restated as follows:

IN THE MATTER OF

THE SECURITIES ACT, R.S.O. 1990

CHAPTER S. 5, AS AMENDED (the "Act")

AND

IN THE MATTER OF

TSX GROUP INC. AND TSX INC.

RECOGNITION ORDER

(Section 21)

WHEREAS the Commission granted and continued the recognition of The Toronto Stock Exchange Inc. ("TSE") as a stock exchange on April 3, 2000 following the continuance of the TSE under the Business Corporations Act (Ontario);

AND WHEREAS the Commission granted the TSE an amended and restated recognition order dated January 29, 2002 to reflect that the TSE retained Market Regulation Services Inc. ("RS Inc.") as a regulation services provider ("RSP") under National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules ("ATS Rules");

AND WHEREAS ~~the TSE has changed its name to TSX Inc. ("TSX");~~ **AND WHEREAS** TSX will complete Commission granted the TSE an amended and restated recognition order dated September 3, 2002 to reflect the name change of TSE to TSX and a reorganization under which TSX will become became a wholly-owned subsidiary of TSX Group Inc., a newly formed holding company ("TSX Group");

AND WHEREAS the Commission has determined that it is not prejudicial to the public interest to issue an order that amends and restates the Previous Order to reflect changes to the definition of an independent director;

AND WHEREAS following the reorganization, TSX Group intends to conduct an initial public offering;

~~AND WHEREAS the Commission has received certain representations and acknowledgements from TSX and TSX Group in connection with TSX's application for continued recognition as a stock exchange and TSX Group's application for recognition as a stock exchange; AND WHEREAS the Commission considers it appropriate to set out in an order the terms and conditions of TSX's continued recognition as a stock exchange~~each of TSX's and TSX Group's continued recognition as a stock exchange, which terms and conditions are set out in Schedule "A" attached;

AND WHEREAS TSX and TSX Group have agreed to the terms and conditions applicable to each of them set out in Schedule "A";

AND WHEREAS the Commission has determined that continuing to recognize TSX and ~~recognizing~~ TSX Group ~~are~~is not prejudicial to the public interest;

The Commission hereby amends ~~the TSE~~each of TSX's and TSX Group's recognition as a stock exchange so that the recognition pursuant to section 21 of the Act continues with respect to TSX and ~~grants~~ TSX Group ~~recognition as a stock exchange pursuant to section 21 of the Act~~, in each case effective ~~on the closing of the reorganization~~, subject to the terms and conditions attached as Schedule "A", on the date hereof.

April 3, 2000, as amended on January 29, ~~2002 and~~2002, on September 3, ~~2002, 2002,~~ and on ~~•~~, 2005.

"Howard Wetston" _____ "Paul Moore"

SCHEDULE "A"

TERMS AND CONDITIONS

PART I--TSX GROUP

1. CORPORATE GOVERNANCE

(a) TSX Group's governance structure shall provide for:

(i) Fair and meaningful representation on its board of directors and any governance committee thereof, having regard to, among other things, TSX Group's ownership of TSX;

(ii) Appropriate representation of independent directors on TSX Group's committees; and

(iii) Appropriate qualifications, remuneration, conflict of interest provisions and limitation of liability and indemnification protections for directors and officers and employees of TSX Group generally.

~~(b) TSX Group shall ensure that at least fifty per cent (50%) of its directors shall be independent. An independent director is a director that is not, on an annual basis and each time that an individual joins the board of directors, that at least fifty per cent (50%) of its directors are independent. For purposes of this recognition order, a director is independent if he or she is independent within the meaning of section 1.4 of Multilateral Instrument 52-110--Audit Committees, as amended from time to time. The board of directors will adopt standards which may be amended from time to time with the prior approval of the Commission, setting out criteria to determine whether individuals are independent, including criteria to determine whether an individual has a material relationship with TSX Group and is therefore considered not to be independent. These standards will be made available on the TSX website.~~

~~(i) associated with an entity desiring access to the trading facilities of TSX whose application is accepted by TSX ("Participating Organization") within the meaning of TSX Group's by-laws;~~

~~(ii) an officer or employee of TSX Group or its affiliates or an associate of such officer or employee;~~

~~(iii) a person who owns or controls, directly or indirectly, over 10% of TSX Group; or~~

~~(iv) an associate, director, officer or employee of any person or company who owns or controls, directly or indirectly, over 10% of TSX Group.~~

In the event that at any time TSX Group fails to meet such requirement, it shall promptly remedy such situation.

2. FITNESS

TSX Group will take reasonable steps to ensure that each officer or director of TSX Group is a fit and proper person and the past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

3. ALLOCATION OF RESOURCES

(a) TSX Group will, subject to paragraph 3(b) hereof and for so long as TSX carries on business as a stock exchange, allocate sufficient financial and other resources to TSX to ensure that TSX can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of Part II of this Schedule "A".

(b) TSX Group will notify the Commission immediately upon becoming aware that it is or will be unable to allocate sufficient financial and other resources to TSX to ensure that it can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of Part II of this Schedule "A".

4. FINANCIAL INFORMATION

TSX Group will file with the Commission unaudited quarterly consolidated financial statements of TSX Group within 60 days of each quarter end and audited annual consolidated financial statements of TSX Group within 90 days of each year, or such shorter periods as are mandated for reporting issuers to file such financial statements under the Act.

5. COMPLIANCE

TSX Group will carry out its activities as a stock exchange recognized under section 21 of the Act. TSX Group will do everything within its control to cause TSX to carry out its activities as a stock exchange recognized under section 21 of the Act and to comply with the terms and conditions in Part II of this Schedule "A".

6. ACCESS TO INFORMATION

(a) TSX Group will and will cause its subsidiaries to permit the Commission to have access to and to inspect all data and information in its or their possession that is required for the assessment by the Commission of the performance of TSX of its regulation functions and the compliance of TSX with the terms and conditions in Part II of this Schedule "A".

(b) TSX Group will permit the Commission to have access to and to inspect all data and information in its possession that is required for the assessment by the Commission of the compliance of TSX Group with the terms and conditions in Part I of this Schedule "A".

7. SHARE OWNERSHIP RESTRICTIONS

The restrictions on share ownership set out in section 21.11(1) of the Act, as amended from time to time by regulation, shall apply to the voting shares of TSX Group, and the articles of TSX Group shall contain the share ownership restrictions and provisions respecting the enforcement of such restrictions which, without limiting the foregoing, may provide for the filing of declarations, the suspension of voting rights, the forfeiture of dividends, the refusal of the issue or registration of voting shares and the sale or redemption of voting shares held contrary to the restrictions and payment of the net proceeds of the sale or redemption to the person entitled thereto.

PART II--TSX

8. CORPORATE GOVERNANCE

(a) To ensure diversity of representation, TSX will ensure that the composition of its board of directors provides a proper balance between the interests of the different entities using its services and facilities.

(b) TSX's governance structure shall provide for:

(i) Fair and meaningful representation on its board of directors and any governance committee thereof, in the context of the nature and structure of TSX;

(ii) Appropriate representation of independent directors on TSX's committees; and

(iii) Appropriate qualifications, remuneration, conflict of interest provisions and limitation of liability and indemnification protections for directors and officers and employees of TSX generally.

~~(c) In recognition that the protection of the public interest is a primary goal of TSX, TSX shall ensure, on an annual basis and each time that an individual joins the board of directors, that at least fifty per cent (50%) of its directors shall be independent. An independent director is a director that is not:~~ For purposes of this recognition order, a director is independent if he or she is independent within the meaning of section 1.4 of Multilateral Instrument 52-110--Audit Committees, as amended from time to time. The board of directors will adopt standards which may be amended from time to time with the prior approval of the Commission, setting out criteria to determine whether individuals are independent, including criteria to determine whether an individual has a material relationship with TSX and is therefore considered not to be independent. These standards will be made available on the TSX website.

~~(i) associated with a Participating Organization within the meaning of TSX's by-laws;~~

~~(ii) an officer or employee of TSX or its affiliates or an associate of such officer or employee;~~

~~(iii) a person who owns or controls, directly or indirectly, over 10% of TSX; or~~

~~(iv) an associate, director, officer or employee of any person or company who owns or controls, directly or indirectly, over 10% of TSX (other than a director of TSX Group).~~

In the event that at any time TSX fails to meet such requirement, it shall promptly remedy such situation.

9. FEES

(a) Any and all fees imposed by TSX on its Participating Organizations shall be equitably allocated. Fees shall not have the effect of creating barriers to access and shall be balanced with the criteria that TSX have sufficient revenues to satisfy its responsibilities.

(b) TSX's process for setting fees shall be fair and appropriate.

10. ACCESS

(a) The requirements of TSX shall permit all properly registered dealers that are members of a recognized self-regulatory organization and that satisfy TSX's criteria to access the trading facilities of TSX.

(b) Without limiting the generality of the foregoing, TSX shall:

(i) establish written standards for granting access to trading on its facilities;

(ii) not unreasonably prohibit or limit access by a person or company to services offered by it; and

(iii) keep records of:

(A) each grant of access including, for each entity granted access to its trading facilities, the reasons for granting such access; and

(B) each denial or limitation of access, including the reasons for denying or limiting access to any applicant.

11. FITNESS

TSX will take reasonable steps to ensure that each officer or director of TSX is a fit and proper person and the past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

12. FINANCIAL VIABILITY

(a) TSX shall maintain sufficient financial resources for the proper performance of its functions.

(b) TSX shall maintain: (i) a liquidity measure greater than or equal to zero; (ii) a debt to cash flow ratio less than or equal to 4.0/1; and (iii) a financial leverage ratio less than or equal to 4.0/1. For this purpose:

(i) liquidity measure is:

(working capital + borrowing capacity)

- 2 (adjusted budgeted expenses + adjusted capital expenditures - adjusted revenues)

where:

(A) working capital is current assets minus current liabilities,

(B) borrowing capacity is the principal amount of long term debt available to be borrowed under loan or credit agreements that are in force,

(C) adjusted budgeted expenses are 95% of the expenses (other than depreciation and other non-cash items) provided for in the budget for the current fiscal year,

(D) adjusted capital expenditures are 50% of average capital expenditures for the previous three fiscal years, and

(E) adjusted revenues are 80% of revenues plus 80% of investment income for the previous fiscal year,

(ii) debt to cash flow ratio is the ratio of total debt to EBITDA (or earnings before interest, taxes, depreciation and amortization) for the most recent 12 months, and

(iii) financial leverage ratio is the ratio of total assets to shareholders' equity,

in each case as calculated on a consolidated basis and consistently with the consolidated financial statements of TSX.

(c) On a quarterly basis (along with the financial statements required to be filed pursuant to paragraph 17), TSX shall report to the Commission the monthly calculation of the liquidity measure and debt to cash flow and financial leverage ratios, the appropriateness of the calculations and whether any alternative calculations should be considered.

(d) If TSX fails to maintain any of the liquidity measure, the debt to cash flow ratio or the financial leverage ratio in any month, it shall immediately report to the Commission or its staff.

(e) If TSX fails to maintain any of the liquidity measure, the debt to cash flow ratio or the financial leverage ratio for a period of more than three months, its Chief Executive Officer will immediately deliver a letter advising the Commission or its staff of the reasons for the continued ratio deficiencies and the steps being taken to rectify the problem, and TSX will not, without the prior approval of the Director, make any capital expenditures not already reflected in the financial statements, or make any loans, bonuses, dividends or other distributions of assets to any director, officer, related company or shareholder until the deficiencies have been eliminated for at least six months.

(f) TSX shall not enter into any agreement or transaction either (i) outside the ordinary course of business or (ii) with TSX Group or any subsidiary or associate of TSX Group if it expects that, after giving effect to the agreement or transaction, TSX is likely to fail to maintain the liquidity measure, the debt to cash flow ratio or the financial leverage ratio.

13. REGULATION

(a) TSX shall continue to retain RS Inc. as an RSP to provide, as agent for TSX, certain regulation services which have been approved by the Commission. TSX shall provide to the Commission, on an annual basis, a list outlining the regulation services provided by RS Inc. and the regulation services performed by TSX. All amendments to those listed services are subject to the prior approval of the Commission.

(b) In providing the regulation services, as set out in the agreement between RS Inc. and TSX (Regulation Services Agreement), RS Inc. provides certain regulation services to TSX as the agent of TSX pursuant to a delegation of TSX's authority in accordance with Section 13.0.8(4) of the Toronto Stock Exchange Act and will be entitled to exercise all the authority of TSX with respect to the administration and enforcement of certain market integrity rules and other related rules, policies and by-laws.

(c) TSX shall provide the Commission with an annual report with such information regarding its affairs as may be requested from time to time. The annual report shall be in such form as may be specified by the Commission from time to time.

(d) TSX shall continue to perform all other regulation functions not performed by RS Inc. TSX shall not perform such regulation functions through any other party, including its affiliates or associates. For greater certainty, any outsourcing of a business function that is done in accordance with paragraph 23 does not contravene this paragraph.

(e) Management of TSX (including the Chief Executive Officer) shall at least annually assess the performance by RS Inc. of its regulation functions and report thereon to the Board of TSX, together with any recommendations for improvements. TSX shall provide the Commission with copies of such reports and shall advise the Commission of any proposed actions arising therefrom.

14. SYSTEMS

For each of its systems that support order entry, order routing, execution, data feeds, trade reporting and trade comparison, capacity and integrity requirements, TSX shall:

(a) on a reasonably frequent basis, and in any event, at least annually,

(i) make reasonable current and future capacity estimates;

(ii) conduct capacity stress tests of critical systems on a reasonably frequent basis to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;

(iii) develop and implement reasonable procedures to review and keep current the development and testing methodology of those systems;

(iv) review the vulnerability of those systems and data centre computer operations to internal and external threats including physical hazards and natural disasters;

(v) establish reasonable contingency and business continuity plans;

(b) annually, cause to be performed an independent review and written report, in accordance with established audit procedures and standards, of its current systems technology plans and whether there are appropriate processes in place to manage the impact of changes in technology on the exchange and parties interfacing with exchange systems. This will include an assessment of TSX's controls for ensuring that each of its systems that support order entry, order routing, execution, data fees, trade reporting and trade comparisons, capacity and integrity requirements is in compliance with paragraph (a) above. Senior management will conduct a review of a report containing the recommendations and conclusions of the independent review; and

(c) promptly notify the Commission of material systems failures and changes.

15. PURPOSE OF RULES

(a) TSX shall, subject to the terms and conditions of this Recognition Order and the jurisdiction and oversight of the Commission in accordance with Ontario securities laws, through RS Inc. and otherwise, establish such rules, policies and other similar instruments ("Rules") that are necessary or appropriate to govern and regulate all aspects of its business and affairs.

(b) In particular, TSX shall ensure that:

(i) the Rules are designed to:

(A) ensure compliance with securities legislation;

(B) prevent fraudulent and manipulative acts and practices;

(C) promote just and equitable principles of trade;

(D) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities; and

(E) provide for appropriate discipline;

(ii) the Rules do not:

(A) permit unreasonable discrimination among clients, issuers and Participating Organizations; or

(B) impose any burden on competition that is not reasonably necessary or appropriate; and

(iii) the Rules are designed to ensure that TSX's business is conducted in a manner so as to afford protection to investors.

16. RULES AND RULE-MAKING

(a) TSX shall comply with the existing protocol between TSX and the Commission, as it may be amended from time to time, concerning Commission approval of changes in its Rules.

(b) All Rules of general application, and amendments thereto, adopted by TSX must be filed with the Commission.

17. FINANCIAL STATEMENTS

TSX shall file unaudited quarterly financial statements (consolidated and unconsolidated) within 60 days of each quarter end and audited annual financial statements (consolidated and unconsolidated) within 90 days of each year end or such shorter period as is mandated for reporting issuers to file such financial statements under the Act.

18. SANCTION RULES

TSX shall ensure, through RS Inc. and otherwise, that its Participating Organizations and its listed issuers are appropriately sanctioned for violations of the Rules. In addition, TSX will provide notice to the Commission of any violations of securities legislation of which it becomes aware in the ordinary course operation of its business.

19. DUE PROCESS

TSX shall ensure that the requirements of TSX relating to access to the trading and listing facilities of TSX, the imposition of limitations or conditions on access and denial of access are fair and reasonable, including in respect of notice, an opportunity to be heard or make representations, the keeping of a record, the giving of reasons and the provisions for appeals.

20. INFORMATION SHARING

TSX shall co-operate by the sharing of information and otherwise, with the Commission and its staff, the Canadian Investor Protection Fund and other Canadian exchanges, recognized self-regulatory organizations and regulatory authorities responsible for the supervision or regulation of securities firms and financial institutions, subject to the applicable privacy or other laws about the sharing of information and the protection of personal information.

21. LISTED COMPANY RULES

TSX shall ensure, through RS Inc. and otherwise, that it has appropriate review procedures in place to monitor and enforce issuer compliance with the Rules.

22. SELF-LISTING CONDITIONS

TSX shall be subject to the terms and conditions relating to the listing on TSX of TSX Group as are set out in the attached Appendix I, as amended from time to time.

23. OUTSOURCING

In any material outsourcing of any of its business functions with parties other than TSX Group or an affiliate or associate of TSX Group, TSX shall proceed in accordance with industry best practices. Without limiting the generality of the foregoing, TSX shall:

(a) establish and maintain policies and procedures that are approved by its board of directors for the evaluation and approval of such material outsourcing arrangements;

(b) in entering into any such material outsourcing arrangement:

(i) assess the risk of such arrangement, the quality of the service to be provided and the degree of control to be maintained by TSX; and

(ii) execute a contract with the service provider addressing all significant elements of such arrangement, including service levels and performance standards;

(c) ensure that any contract implementing such material outsourcing arrangement that is likely to impact on TSX's regulation functions provide in effect for TSX, its agents and the Commission to be permitted to have access to and to inspect all data and information maintained by the service provider that TSX is required to share under paragraph 20 or that is required for the assessment by the Commission of the performance of TSX of its regulation functions and the compliance of TSX with the terms and conditions in Part II of this Schedule "A"; and

(d) monitor the performance of the service provided under any such material outsourcing arrangement.

24. RELATED PARTY TRANSACTIONS

Any material agreement or transaction entered into between TSX and TSX Group or any subsidiary or associate of TSX Group shall be on terms and conditions that are at least as favourable to TSX as market terms and conditions.

25. CLEARING AND SETTLEMENT

The Rules impose a requirement on Participating Organizations to have appropriate arrangements in place for clearing and settlement through a clearing agency recognized by the Commission.

APPENDIX I

Listing-Related Conditions

1. UNDERLYING PRINCIPLES

- 1.1. TSX carries on the business of the Toronto Stock Exchange.
- 1.2. TSX Group proposes to become a listed company on TSX, which will be wholly-owned by TSX Group.
- 1.3. TSX will report to the Director (the "Director") of the Ontario Securities Commission ("OSC") or other members of the staff of the OSC certain matters provided for in this Appendix I (the "Listing-Related Procedures") with respect to TSX Group or certain other TSX-listed issuers that raise issues of conflict of interest or potential conflict of interest for TSX.
- 1.4. The purpose of this reporting process is to ensure that TSX follows appropriate standards and procedures with respect to the initial and continued listing of TSX Group and Competitors, to ensure that TSX Group is dealt with appropriately in relation to, and Competitors are treated fairly and not disadvantaged by, TSX Group's listing on TSX. For purposes of these Listing-Related Procedures, "Competitor" means any person, the consolidated business and operations or the disclosed business plans of which are in competition, to a significant extent, with the listing functions, trading functions, market data services or other material line of business of TSX Group or its affiliates.

2. INITIAL LISTING ARRANGEMENTS

- 2.1. TSX will review, in accordance with its procedures, the TSX Group initial listing application. A copy of the application will be provided by TSX to the OSC's Director, Corporate Finance at the same time that the application is filed with TSX.
- 2.2. Upon completing its review of the application and after allowing TSX Group to address any deficiencies noted by TSX, TSX will provide a summary report to the OSC's Director, Corporate Finance, with its recommendation for listing approval, if made. The summary report will provide details of any aspects of the application that were atypical as well as any issues raised in the process that required the exercise of discretion by TSX. Any related staff memoranda, analysis, recommendations and decisions not included in the summary report will be attached for review by the OSC's Director, Corporate Finance. A copy of TSX's current listing manual will also be provided to the OSC's Director, Corporate Finance.
- 2.3. The OSC's Director, Corporate Finance will have the right to approve or disapprove the listing of the TSX Group shares. In the event of disapproval, TSX Group will have the opportunity to address the concerns of the OSC's Director, Corporate Finance and may resubmit an amended application for listing, or amended parts thereof, to TSX, which will provide a revised summary report and any new materials to the OSC's Director, Corporate Finance in accordance with section 2.2, along with a copy of the amended application.

3. CONFLICTS COMMITTEE

- 3.1. TSX will establish a committee (the "Conflicts Committee") that will review any matters brought before it regarding a conflict of interest or potential conflict of interest relating to the continued listing on TSX of TSX Group or the initial listing or continued listing of Competitors (each, a "Conflict of Interest"). Without limiting the generality of the above sentence, continued listing matters include the following:
 - (a) matters relating to the continued listing of TSX Group or a Competitor or of a listing of a different class or series of securities of TSX Group or a Competitor than a class or series already listed;
 - (b) any exemptive relief applications of, or approvals applied for by, TSX Group or a Competitor;
 - (c) any other requests made by TSX Group or a Competitor that require discretionary involvement by TSX; and
 - (d) any listings matter related to a TSX-listed issuer or listing applicant that asserts that it is a Competitor.
- 3.2. Notwithstanding section 3.1, where a Competitor certifies to TSX that information required to be disclosed to the Conflicts Committee or TSX in connection with an initial listing or continued listing matter of the Competitor is competitively sensitive and the disclosure of that information would in its reasonable view put it at a competitive disadvantage with respect to TSX Group, TSX will refer the matter to the Director, requesting that the Director review issues relating to the competitively sensitive information. The Conflicts Committee shall consider all other aspects of the matter in accordance with the procedures set out in section 3.8. In addition, at any time that a Competitor believes that it is not being treated fairly by TSX as a result of TSX being in a conflict of interest position, TSX will refer the matter to the Director.

3.3. In any initial listing or continued listing matter of a Competitor, the Competitor may waive the application of these Listing-Related Procedures by providing a written waiver to TSX and the Director. Where a waiver is provided, TSX will deal with the initial listing or continued listing matter in the ordinary course as if no Conflict of Interest exists.

3.4. The Conflicts Committee will be composed of: the Chief Executive Officer of TSX, the general counsel of TSX (the "Committee Secretary"), the senior officer responsible for listings of each of TSX and TSX Venture Exchange Inc., the senior officer responsible for trading operations of TSX, a senior management representative of Market Regulation Services Inc. and two other persons who shall be independent of TSX (as independent is defined in paragraph 1(a) of Schedule "A" of the terms and conditions of the recognition order). At least one such independent member must participate in meetings of the Conflicts Committee, in order for there to be a quorum.

3.5. TSX shall use its best efforts to instruct senior management and relevant staff at TSX, and relevant senior management and staff at RS, in order that they are alerted to, and are able to identify, Conflicts of Interest which may exist or arise in the course of the performance of their functions. Without limiting the generality of the foregoing:

3.5.1. TSX shall provide instruction that any matter concerning TSX Group that is brought to the attention of staff at TSX must be immediately brought to the attention of the Committee Secretary.

3.5.2. TSX shall maintain a list in an electronic format, to be updated regularly and in any event at least monthly and reviewed and approved by the Conflicts Committee at least monthly, of all Competitors that are TSX-listed issuers, and shall promptly after the above-noted approval by the Conflicts Committee provide the current list to managers at TSX and RS who supervise departments that (i) review continuous disclosure; (ii) review requests/applications for exemptive relief; (iii) perform timely disclosure and monitoring functions relating to TSX-listed issuers; and (iv) otherwise perform tasks and/or make decisions of a discretionary nature. In maintaining this list, TSX shall ensure that senior executives in the issuer services division of TSX regularly prepare and review and update the list and provide it promptly to the Conflicts Committee.

3.5.3. TSX shall provide instruction to staff at TSX that any initial listing or continued listing matter or a complaint of a Competitor or of any TSX-listed issuer or listing applicant that asserts that it is a Competitor must be immediately brought to the attention of the Committee Secretary.

3.5.4. TSX shall provide to staff who review initial listing applications and to senior executives in the issuer services division of TSX a summary of the types of businesses undertaken to a significant degree by TSX Group or its affiliates and shall update the list as these businesses change, in order that initial listings staff and senior executives in the issuer services division of TSX may recognize a Competitor.

3.6. The Committee Secretary shall convene a meeting of the Conflicts Committee to be held no later than one business day after a Conflict of Interest has been brought to his or her attention. The Committee Secretary or any member of the Conflicts Committee may also convene a meeting of the Conflicts Committee whenever he or she sees fit, in order to address any conflict issues that may not be related to any one specific matter or issuer.

3.7. TSX shall, at the time a Conflicts Committee meeting is called in response to a Conflict of Interest, immediately notify the OSC's Manager of Market Regulation that it has received notice of a Conflict of Interest and shall provide with such notice: (i) a written summary of the relevant facts; and (ii) an indication of the required timing for dealing with the matter.

3.8. The Conflicts Committee will consider the facts and form an initial determination with respect to the matter. The Conflicts Committee will then proceed as follows depending on the circumstances:

3.8.1. If the Conflicts Committee determines that a conflict of interest relating to the continued listing on TSX of TSX Group or the initial or continued listing of a Competitor on TSX does not exist and is unlikely to arise, it will notify the OSC's Manager of Market Regulation of this determination. If the OSC's Manager of Market Regulation approves such determination, TSX will deal with the matter in its usual course. When it has dealt with the matter, a brief written record of such determination with details of the analysis undertaken, and the manner in which the matter was disposed of, will be made by TSX and provided to the OSC's Manager of Market Regulation. If the OSC's Manager of Market Regulation does not approve the determination and provides notice of such non-approval to TSX, TSX will follow the procedures set out in section 3.8.2.

3.8.2. If the Conflicts Committee determines that a conflict of interest relating to the continued listing on TSX of TSX Group or the initial or continued listing of a Competitor on TSX does exist or is likely to arise or if TSX is provided non-approval notice from the OSC's Manager of Market Regulation under section 3.8.1, TSX shall: (i) formulate a written recommendation of how to deal with the matter; and (ii) provide its recommendation to the OSC's Manager of Market Regulation for his or her approval, together with a summary of the issues raised and details of any analysis undertaken. If the OSC's Manager of Market Regulation approves the recommendation, TSX will take steps to implement the terms of its recommendation.

3.9. Where the OSC's Manager of Market Regulation has considered the circumstances of an issue based on the information provided to him or her by the Conflicts Committee under section 3.8.2, and has determined that he or she does not agree with TSX's recommendation (i) and has requested that TSX reformulate its recommendation, TSX shall do so; or (ii) the OSC's Manager of Market Regulation may direct TSX to take such other action as he or she considers appropriate in the circumstances.

3.10. Where the OSC's Manager of Market Regulation or the Director is requested to review a matter pursuant to section 3.9 or 3.2, respectively, TSX shall provide to the OSC's Manager of Market Regulation or the Director any relevant information in its possession and, if requested by the OSC's Manager of Market Regulation or the Director, any other information in its possession, in order for the OSC's Manager of Market Regulation or the Director to review or, if appropriate, make a determination regarding the matter, including any notes, reports or information of TSX regarding the issue, any materials filed by the issuer or issuers involved, any precedent materials of TSX, and any internal guidelines of TSX. TSX shall provide its services to assist the matter, if so requested by the OSC's Manager of Market Regulation or by the Director.

3.11. TSX will provide to the OSC's Manager of Continuous Disclosure a copy of TSX Group's annual questionnaire and any other TSX Group disclosure documents that are filed with TSX but not with the OSC's Continuous Disclosure department. TSX will conduct its usual review process in connection with TSX Group's annual questionnaire and all prescribed periodic filings of TSX Group. Any deficiencies or irregularities in TSX Group's annual questionnaire or other TSX-issuer prescribed filings will be communicated to the OSC's Manager of Continuous Disclosure and brought to the attention of the Conflicts Committee which shall follow the procedures outlined in this section 3.

4. TIMELY DISCLOSURE AND MONITORING OF TRADING

4.1. TSX shall use its best efforts to ensure that RS at all times is provided with the current list of the TSX-listed issuers that are Competitors.

5. MISCELLANEOUS

5.1. Information provided by a Competitor in connection with an initial listing or continued listing matter to the Conflicts Committee will not be used by TSX for any purpose other than addressing Conflicts of Interest. TSX will not disclose any confidential information obtained under these Listing-Related Procedures to a third party other than the OSC unless:

- (a) prior written consent of the other parties is obtained;
- (b) it is required or authorized by law to disclose the information; or
- (c) the information has come into the public domain otherwise than as a result of its breach of this clause.

5.2. TSX will provide disclosure on its website and in the TSX Company Manual to the effect that an issuer can assert that it is a Competitor and will outline the procedures for making such an assertion, including appeal procedures.

Schedule "B"

TSX Group Inc.

Board of Directors Independence Standards

The Board of Directors has adopted these standards to determine whether individual members of the Board are independent from TSX Group Inc. These standards are derived from the rules of the Ontario Securities Commission and the Canadian Securities Administrators and the Recognition Order of TSX Group Inc. and TSX Inc. The Board will update these standards from time to time as required. These standards were reviewed and approved by the Board on ■, 2005.

1. Composition

At least fifty per cent (50%) of members of the Board shall be independent within the meaning of and as required by Multilateral Instrument 52-110—Audit Committees ("MI 52-110"). In addition, TSX Group will take steps to ensure that each member of the Board is a fit and proper person and the past conduct of the member affords reasonable grounds for belief that the member will perform his or her duties with integrity.

2. Determination by Board

A director is considered independent only where the Board affirmatively determines that the director has no material relationship with TSX Group.¹ A "material relationship" is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgement.² The Board shall make a determination concerning the independence of a director each year at the time the Board approves director nominees for inclusion in TSX Group's information circular. Where a director joins the Board mid-year, the Board will make a determination at that time.

3. General Independence Standards

In determining whether a director is independent, the following individuals are considered to have a material relationship with TSX Group and are therefore considered NOT to be independent:

- (a) an individual who is, or has been within the last three years, an employee or executive officer³ of TSX Group or any of its affiliates;
- (b) an individual whose immediate family member⁴ is, or has been within the last three years, an executive officer of TSX Group or any of its affiliates (past or present employment of the individual or immediate family member, on a part-time basis, as the chair or vice-chair of the board or any board committee does not disqualify the individual from being independent);
- (c) an individual who:
 - (i) is a partner of a firm that is the internal or external auditor of TSX Group or any of its affiliates,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the audit of TSX Group or any of its affiliates within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the internal or external auditor of TSX Group or any of its affiliates,

¹ MI 52-110, section 1.4(1).

² MI 52-110, section 1.4(2).

³ "Executive officer" means a chair, vice-chair, president, any vice-president in charge of a principal business unit, division or function (including sales, finance or production), any officer of the company or its subsidiaries who performs a policy-making function, or any other individual who performs a policy-making function.

⁴ "Immediate family member" means an individual's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of the individual or the individual's immediate family member) who shares the individual's home.

- (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the audit of TSX Group or any of its affiliates within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the current executive officers of TSX Group or its affiliates serves or served at that same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of TSX Group or any of its affiliates received, more than \$75,000 in direct compensation from TSX Group or any of its affiliates during any 12 month period within the last three years (other than director or board committee fees and retirement plan payments or other deferred compensation for prior service, provided the compensation is not contingent in any way on continued service).

4. Additional TSX Group Independence Standards

In determining whether a director is independent, the following individuals are considered to have a material relationship with TSX Group and are therefore considered NOT to be independent:

- (a) an individual who is an employee, associate (within the meaning of the *Securities Act* (Ontario)), or executive officer of an entity that is a Participating Organization⁵; and
- (b) an individual who is an employee, associate (within the meaning of the *Securities Act* (Ontario)), or executive officer of an entity that has a Participating Organization as a significant affiliate⁶, who is responsible for or is actively or significantly engaged in the day-to-day operations or activities of the Participating Organization.

5. Determination by the Board and Review by the Ontario Securities Commission

- (a) The Board may determine that an individual who is considered to have a material relationship under Section 4 is nonetheless independent, if the Board is satisfied that the material relationship under Section 4 will not, in the view of the Board, reasonably interfere with the exercise of the individual's independent judgment.
- (b) If the Board makes the determination referred to in clause 5(a), TSX Group must disclose in a written statement in its management information circular delivered to shareholders in connection with its annual meeting of shareholders:
 - (i) the nature of the relationship of the individual with TSX Group; and
 - (ii) the explanation of the Board's determination as to why the individual should be considered independent.
- (c) TSX Group will notify the Manager of Market Regulation for the Ontario Securities Commission in writing of the Board's intention to make the determination referred to in clause 5(a) as soon as practicable, and in any event no less than 15 business days before the written statement in clause 5(b) is made.

⁵ A "Participating Organization" is an entity desiring access to the trading facilities of Toronto Stock Exchange whose application is accepted by Toronto Stock Exchange.

⁶ A Participating Organization is a "significant affiliate" of another entity if the Participating Organization is an affiliate of that entity (as defined in the *Business Corporations Act* (Ontario)) and if the annual revenues of the Participating Organization for its most recently completed fiscal year represent more than 10% of the consolidated revenues of its group parent.

Schedule "C"

TSX Inc.

Board of Directors Independence Standards

The Board of Directors has adopted these standards to determine whether individual members of the Board are independent from TSX Inc. These standards are derived from the rules of the Ontario Securities Commission and the Canadian Securities Administrators and the Recognition Order of TSX Group Inc. and TSX Inc. The Board will update these standards from time to time as required. These standards were reviewed and approved by the Board on ■, 2005.

1. Composition

At least fifty per cent (50%) of members of the Board shall be independent within the meaning of and as required by Multilateral Instrument 52-110—Audit Committees ("MI 52-110"). In addition, TSX Inc. will take steps to ensure that each member of the Board is a fit and proper person and the past conduct of the member affords reasonable grounds for belief that the member will perform his or her duties with integrity.

2. Determination by Board

A director is considered independent only where the Board affirmatively determines that the director has no material relationship with TSX Inc.¹ A "material relationship" is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgement.² The Board shall make a determination concerning the independence of a director each year at the time the Board approves director nominees for inclusion in TSX Group's information circular. Where a director joins the Board mid-year, the Board will make a determination at that time.

3. General Independence Standards

In determining whether a director is independent, the following individuals are considered to have a material relationship with TSX Inc. and are therefore considered NOT to be independent:

- (a) an individual who is, or has been within the last three years, an employee or executive officer³ of TSX Inc. or any of its affiliates;
- (b) an individual whose immediate family member⁴ is, or has been within the last three years, an executive officer of TSX Inc. or any of its affiliates (past or present employment of the individual or immediate family member, on a part-time basis, as the chair or vice-chair of the board or any board committee does not disqualify the individual from being independent);
- (c) an individual who:
 - (i) is a partner of a firm that is the internal or external auditor of TSX Inc. or any of its affiliates,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the audit of TSX Inc. or any of its affiliates within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the internal or external auditor of TSX Inc. or any of its affiliates,

¹ MI 52-110, section 1.4(1).

² MI 52-110, section 1.4(2).

³ "Executive officer" means a chair, vice-chair, president, any vice-president in charge of a principal business unit, division or function (including sales, finance or production), any officer of the company or its subsidiaries who performs a policy-making function, or any other individual who performs a policy-making function.

⁴ "Immediate family member" means an individual's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of the individual or the individual's immediate family member) who shares the individual's home.

- (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
- (iii) was within the last three years a partner or employee of that firm and personally worked on the audit of TSX Inc. or any of its affiliates within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the current executive officers of TSX Inc. or its affiliates serves or served at that same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of TSX Inc. or any of its affiliates received, more than \$75,000 in direct compensation from TSX Inc. or any of its affiliates during any 12 month period within the last three years (other than director or board committee fees and retirement plan payments or other deferred compensation for prior service, provided the compensation is not contingent in any way on continued service).

4. Additional TSX Inc. Independence Standards

In determining whether a director is independent, the following individuals are considered to have a material relationship with TSX Inc. and are therefore considered NOT to be independent:

- (c) an individual who is an employee, associate (within the meaning of the *Securities Act* (Ontario)), or executive officer of an entity that is a Participating Organization⁵; and
- (d) an individual who is an employee, associate (within the meaning of the *Securities Act* (Ontario)), or executive officer of an entity that has a Participating Organization as a significant affiliate⁶, who is responsible for or is actively or significantly engaged in the day-to-day operations or activities of the Participating Organization.

5. Determination by the Board and Review by the Ontario Securities Commission

- (a) The Board may determine that an individual who is considered to have a material relationship under Section 4 is nonetheless independent, if the Board is satisfied that the material relationship under Section 4 will not, in the view of the Board, reasonably interfere with the exercise of the individual's independent judgment.
- (b) If the Board makes the determination referred to in clause 5(a), TSX Group must disclose in a written statement in its management information circular delivered to shareholders in connection with its annual meeting of shareholders:
 - (i) the nature of the relationship of the individual with TSX Inc.; and
 - (ii) the explanation of the Board's determination as to why the individual should be considered independent.
- (c) TSX Inc. will notify the Manager of Market Regulation for the Ontario Securities Commission in writing of the Board's intention to make the determination referred to in clause 5(a) as soon as practicable, and in any event no less than 15 business days before the written statement in clause 5(b) is made.

⁵ A "Participating Organization" is an entity desiring access to the trading facilities of Toronto Stock Exchange whose application is accepted by Toronto Stock Exchange.

⁶ A Participating Organization is a "significant affiliate" of another entity if the Participating Organization is an affiliate of that entity (as defined in the *Business Corporations Act* (Ontario)) and if the annual revenues of the Participating Organization for its most recently completed fiscal year represent more than 10% of the consolidated revenues of its group parent.

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Chapter 25

Other Information

25.1 Consents

25.1.1 Galantas Gold Corporation - ss. 4(b) of the Regulation under the OBCA

Headnote

Consent given to OBCA corporation to continue under the Canada Business Corporations Act

Applicable Ontario Statutory Provisions

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181

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

Ontario Regulations

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

April 19, 2005

**IN THE MATTER OF
THE REGULATION MADE UNDER
THE BUSINESS CORPORATIONS ACT, R.S.O. 1990,
C.B.16, AS AMENDED (THE OBCA)**

ONTARIO REG. 289/00 (THE REGULATION)

AND

**IN THE MATTER OF
GALANTAS GOLD CORPORATION (THE FILER)**

CONSENT

(Subsection 4(b) of the Regulation)

Background

The Filer has applied to the Ontario Securities Commission (the Commission) requesting a consent from the Commission for the Filer to continue into another jurisdiction (the Continuance) under subsection 4(b) of the Regulation.

Representations

The Filer has represented to the Commission that:

1. The Filer was amalgamated under the OBCA on September 20, 1996 and its registered office is located at 56 Temperance Street, 4th Floor, Toronto, Ontario, M5H 3V5.

2. The Filer has an authorized share capital consisting of an unlimited number of common and preference shares issuable in series, of which 114,635,189 common shares were issued and outstanding as at April 5, 2005.
3. The Filer's outstanding common shares are listed and posted for trading on the TSX Venture Exchange.
4. The Filer intends to apply (the Application for Continuance) to the Director under the OBCA for authorization to continue under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the CBCA), pursuant to section 181 of the OBCA.
5. Pursuant to subsection 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.
6. The Filer is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the Act). The Filer is also a reporting issuer in the Provinces of British Columbia and Alberta.
7. Following the Continuance, the Filer intends to remain a reporting issuer in Ontario and in the other jurisdictions where it is a reporting issuer.
8. The Filer is not in default of any of the provisions of the Act or the regulations or rules made thereunder and is not in default under the securities legislation of any other jurisdiction where it is a reporting issuer.
9. The Filer is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the Act.
10. The Filer's shareholders authorized the continuance of the Filer as a corporation under the CBCA by special resolution at an annual and special meeting of shareholders held on June 15, 2004.
11. The OBCA requires a majority of a corporation's directors be resident Canadians whereas the CBCA requires, subject to certain exceptions, only one-quarter of directors need be resident Canadians. The continuance of the Filer under the CBCA has been proposed as the Filer believes it

Other Information

to be in its best interest to conduct its affairs in accordance with the CBCA.

12. Other than the difference in director residency requirements, the material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those of a corporation governed by the OBCA.

Consent

The Commission is satisfied that granting this consent would not be prejudicial to the public interest.

The Commission consents to the continuance of the Filer as a corporation under the CBCA.

“Wendell S. Wigle, Q.C.”
Commissioner
Ontario Securities Commission

“Suresh Thakrar, FICB”
Commissioner
Ontario Securities Commission

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