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Setting the Standard

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Luncheon Speaker: Carol Hansell, Partner, Davies Ward Phillips & Vineberg LLP

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The Ontario Securities Commission

OSC Bulletin

October 7, 2005

Volume 28, Issue 40

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

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

OCTOBER 7, 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
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

Telephone: 416-597-0681 Telecopier: 416-593-8348

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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	**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
TBA	**Jose L. Castaneda** s.127 T. Hodgson in attendance for Staff Panel: TBA
TBA	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 & 127.1 K. Manarin in attendance for Staff Panel: TBA
October 11, 2005 9:00 a.m.	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** s.127 J. Superina in attendance for Staff Panel: SWJ/RWD/MTM

October 12, 2005	**Christopher Freeman**
10:00 a.m.	s. 127 and 127.1
	P. Foy in attendance for Staff
	Panel: RWD/DLK/CSP
October 27, 2005	**James Patrick Boyle, Lawrence Melnick and John Michael Malone**
2:00 p.m.	s. 127 and 127.1
	Y. Chisholm in attendance for Staff
	Panel: PMM
November 1, 2005 2:00 p.m. to 4:00 p.m.	**Andrew Currah, Colin Halanen, Joseph Damm, Nicholas Weir, Penny Currah and Warren Hawkins**
November 2-4; 7-11; 16; 21-25; 28; 30; December 1; 6-8, 2005 10:00 a.m. to 4:30 p.m.	s.127 J. Waechter in attendance for Staff Panel: PMM/RWD/ST
November 29, 2005 2:30 p.m. to 4:30 p.m.	
November 23 & 24, 2005	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton**
10:00 a.m.	s. 127
	J. Cotte in attendance for Staff
	Panel: DLK/CSP
December 12, 2005	**Olympus United Group Inc.**
10:00 a.m.	s.127
	M. MacKewn in attendance for Staff
	Panel: TBA
December 12, 2005	**Norshield Asset Management (Canada) Ltd.**
10:00 a.m.	s.127
	M. MacKewn in attendance for Staff
	Panel: TBA
December 16, 2005	**Portus Alternative Asset Management Inc., and Portus Asset Management, Inc.**
10:00 a.m.	s. 127
	M. MacKewn in attendance for Staff
	Panel: TBA
April 3 to 7, 2006	**Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison and Malcolm Rogers**
10:00 a.m.	s. 127 and 127.1
	P. Foy in attendance for Staff
	Panel: TBA
10:00 a.m.	**Philip Services Corp. *et al***
February 6 to March 3, 2006 (except Tuesdays)	s. 127 K. Manarin in attendance for Staff
March 6 to April 28, 2006 (except Tuesdays and April 14).	Panel: PMM/RWD/DLK
May 1 to May 19, May 24 to May 26, 2006 (except Tuesdays)	
June 12 to June 30, 2006 (except Tuesdays)	

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 Notice of Commission Approval - Replacement of NI 43-101 Standards of Disclosure for Mineral Projects

NOTICE OF COMMISSION APPROVAL

REPLACEMENT OF
NATIONAL INSTRUMENT 43-101 STANDARDS
OF DISCLOSURE FOR MINERAL PROJECTS

AND

CONSEQUENTIAL AMENDMENT TO
NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS

All of the documents listed below are being published in today's Bulletin:

On **August 23, 2005**, the Commission approved as a rule:

- National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, including Form 43-101F1 *Technical Report* (the New Instrument) as replacement for the existing National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, including Form 43-101F1 *Technical Report*; and

- Amendment Instrument for National Instrument 51-102 *Continuous Disclosure Obligations* (the Consequential Amendment).

The Commission also adopted as a policy Companion Policy 43-101CP to National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (the Policy). The Policy will come into effect on **December 30, 2005**.

Under section 143.3 of the *Securities Act* (Ontario), the New Instrument and the Consequential Amendment were delivered to the Minister of Government Services (the Minister) on **October 6, 2005**. If no action is taken by the Minister, the New Instrument and the Consequential Amendment will come into force on **December 30, 2005**.

The text of the New Instrument, Consequential Amendment and Policy can be found in Chapter 5 of today's Bulletin.

1.1.3 Notice of Correction - NI 45-106, Companion Policy 45-102CP and OSC Rule 13-502 Amendments

NOTICE OF CORRECTION
TO PUBLISHED VERSIONS OF

NATIONAL INSTRUMENT 45-106 PROSPECTUS
AND REGISTRATION EXEMPTIONS

AND

COMPANION POLICY 45-102CP
RESALE OF SECURITIES

AND

AMENDMENT INSTRUMENT AMENDING
OSC RULE 13-502 FEES

There are three corrections to the Ontario Securities Commission Bulletin 2836, Supplement 4 published on September 9, 2005.

Correction to NI 45-106

The last five words of subsection 4.1(4) of National Instrument 45-106 *Prospectus and Registration Exemptions* were inadvertently omitted. The section should read as follows:

> (4) An eligible institutional investor that makes a distribution in reliance on subsection (3) must file a letter within 10 days after the distribution that describes the date and size of the distribution, the market on which it was made and the price at which the securities being distributed were sold.

Correction to Companion Policy 45-102CP Amendments

There is an incorrect reference to "NI 45-106" in the last sentence of subsection 1.3(2) of Companion Policy 45-102CP *Resale of Securities* as set out in paragraph 1.1(d) of the amendments to the Companion Policy 45-102CP. The sentence should read as follows:

> We have added language to Item 3. of subsection 2.5(2) of NI 45-102 to clarify that the legend requirement in NI 45-102 will only apply to securities distributed in Quebec on or after NI 45-106 comes into effect on September 14, 2005.

Correction to OSC Rule 13-502 Amendments

The section numbers in the amendment instrument amending OSC Rule 13-502 *Fees* are incorrectly identified as sections 12, 13, 14 and 15. They should be identified as sections 1, 2, 3 and 4.

1.1.4 Notice and Request for Comment – Application to Vary the Recognition Order of Canadian Trading and Quotation System Inc.

CANADIAN TRADING AND QUOTATION SYSTEM INC.

APPLICATION TO VARY THE RECOGNITION ORDER

NOTICE AND REQUEST FOR COMMENT

The Ontario Securities Commission is publishing for comment the application of Canadian Trading and Quotation System Inc. (CNQ) to vary the recognition order of CNQ dated May 7, 2004 recognizing CNQ as a stock exchange, in connection with its proposed Alternative Market. Certain related changes to CNQ's Rules and Policies are also being published for comment. The application and related documents are published in Chapter 13 of this bulletin. The comment period is open until November 7, 2005.

1.2 Notices of Hearing

1.2.1 Francis Jason Biller

September 26, 2005

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.S.5, AS AMENDED

AND

IN THE MATTER OF
FRANCIS JASON BILLER

AMENDED NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act,* R.S.O. 1990, c. S. 5, as amended (the "Act") at the Commission offices, 20 Queen Street West, 17th Floor, in the Large Hearing Room, Toronto, Ontario commencing on the 29th day of September, 2005 at 10:00 a.m. or as soon thereafter as the hearing can be held, to consider whether it is in the public interest to make an order:

(i) pursuant to s. 127 (1), clause 2 of the Act, that Francis Jason Biller cease trading in securities permanently or for such time as the Commission may direct;

(ii) pursuant to s.127 (1), clause 3 of the Act, that any exemptions contained in Ontario securities law do not apply to Francis Jason Biller permanently or for such time as the Commission may direct;

(iii) pursuant to s.127 (1), clause 7 of the Act, that Francis Jason Biller be required to resign all position that he holds as a director or officer of an issuer;

(iv) pursuant to s. 127(1), clause 8 of the Act, that Francis Jason Biller be prohibited from becoming or acting as a director or officer of an issuer permanently or for such time as the Commission may direct;

(v) pursuant to s. 127.1 of the Act, that Francis Jason Biller pay a portion of the costs of the investigation and of this proceeding; and

(vi) such other order as the Commission may deem appropriate.

BY REASON OF the allegations set out in the Statement of Allegations of Staff and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

AND TAKE FURTHER NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 26th of September, 2005.

"Daisy Aranha"

per: John Stevenson
A/Secretary to the Commission

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.S.5, AS AMENDED

AND

IN THE MATTER OF
FRANCIS JASON BILLER

AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

Background

1. Francis Jason Biller ("Biller") is an individual residing in Ontario and is not registered with the Ontario Securities Commission in any capacity. Biller moved to Ontario from British Columbia in 2003.

2. While resident in British Columbia, Biller was not registered with the British Columbia Securities Commission in any capacity.

3. Biller is a former officer and director of Eron Mortgage Corporation ("Eron Mortgage"), Eron Investment Corporation ("EIC"), Eron Financial Services Ltd. ("Eron Financial") and Capital Productions Inc. ("Capital Productions") (hereinafter collectively referred to as "Eron").

4. Eron solicited investments in its notes and mortgages (the "Eron investments") through the efforts of Biller and Biller's team of mortgage brokers at Eron who employed a variety of marketing techniques to solicit the Eron investments. Through these various marketing efforts, Biller made a number of material misrepresentations with respect to the nature of the Eron investments, the level of risk associated with the Eron investments and the manner in which the investors' funds were being invested.

5. By the fall of 1997, Eron had raised $240 million from investors through the brokering of mortgages and the sale of promissory notes. Following the close of Eron's business in 1997, the court appointed receiver estimated that financial losses to investors would exceed $170 million.

Proceedings at the British Columbia Securities Commission

6. On November 26, 1999, following a 31 day hearing, the British Columbia Securities Commission found that Biller, his former partner and the founder of Eron, Brian Slobogian, and Eron:

a. traded and distributed securities without being registered and without filing a prospectus, contrary to sections 34 and 61 of the *Securities Act*, R.S.B.C. 1996, c.418 (the "*British Columbia Securities Act*");

b. made misrepresentations, contrary to section 50(1)(d) of the *British Columbia Securities Act*;

c. perpetrated a fraud on persons in British Columbia, contrary to section 57(b) of the *British Columbia Securities Act*; and

d. acted contrary to the public interest.

7. In its reasons with respect to sanctions and costs dated February 16, 2000 (the "Reasons"), the British Columbia Securities Commission imposed a 10 year trading ban on Biller. In its Reasons, the British Columbia Securities Commission summarized the Eron matter before it as being one of:

> [M]assive fraud and misplaced trust. Investors were seriously misled about the nature of their investments, the level of risk associated with the investments and how their money was being invested and spent. Eron encouraged investors, many of whom were unsophisticated, to trust Eron and they did so. As is apparent from our Findings, this trust was abused by the respondents, who acted dishonestly, contrary to the public interest and contrary to fundamental provision of the Act. As a result of the respondents' actions, the investors' financial losses will exceed $170 million. The loss of the investors' health, their happiness and the security they expected to enjoy in their retirement years in incalculable.

8. In its Reasons, the British Columbia Securities Commission stated with respect to Biller that:

> [B]iller's conduct contributed significantly to the investors' losses and to the damage to the integrity of the capital markets. In addition, Biller enjoyed substantial enrichment during the relevant period. We found his earnings from Eron to be between $6 million and $7 million.

9. Staff plead and rely upon the British Columbia Securities Commission's findings and reasons in support of its findings.

Criminal Charges and Guilty Plea

10. In April 2002, Biller and Slobogian, were also charged pursuant to the *Criminal Code of Canada*, R.S. 1985, c. C46 ("*Criminal Code*") with respect to their conduct at Eron.

11. On January 21, 2005, Slobogian pled guilty in the British Columbia Supreme Court to five of the fourteen counts with which he was charged and received concurrent sentences for a total sentence of six years' imprisonment.

12. On April 5, 2005, Biller pled guilty in the British Columbia Supreme Court to four counts of fraud contrary to section 380(1) of the *Criminal Code* and one count of misappropriation of funds contrary to section 334(a) of the *Criminal Code* with respect to his conduct at Eron. Biller's sentencing hearing was adjourned and is scheduled to proceed on May 9, 2005.

13. Biller's guilty pleas on the above charges constitute findings by the British Columbia Supreme Court. Staff plead and rely upon the findings arising out of Biller's guilty pleas.

14. On September 8, 2005, Biller was sentenced to three years imprisonment by the British Columbia Supreme Court.

Improper Conduct in Ontario

15. In January 2003, Biller requested a variation to the conditions of his bail imposed by the British Columbia Supreme Court which restricted his residence to the province of British Columbia pending the outcome of the criminal proceedings.

16. Biller cited certain sanctions by the British Columbia Securities Commission as the source of his inability to obtain employment in British Columbia and requested that he be permitted to move to Ontario where he had been offered employment.

17. ~~While residing in Ontario, Biller has traded in securities without being registered in accordance with section 25(1)(a) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, by engaging in conduct and carrying out acts in furtherance of trades in securities of Extreme Poker Ltd. ("Extreme Poker"), a non-reporting issuer in the United States whose securities trade on the Pink Sheets under the symbol "EXTP".~~

18. While residing in Ontario, Biller was employed by and was promoting Extreme Poker Ltd. ("Extreme Poker"), a non-reporting issuer in the United States whose securities trade on the Pink Sheets under the symbol "EXTP".

19. Following his sentence, Biller intends to return to Ontario to continue his employment with Extreme Poker.

Conduct Contrary to Public Interest

20. ~~By engaging in the~~ By his criminal conduct in Eron, as described above, Biller acted in a manner contrary to the public interest.

21. It is in the public interest for the Commission to consider the findings of the British Columbia Securities Commission and the findings arising out of Biller's guilty pleas in determining the appropriateness of an order pursuant to section 127 of the Act.

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

DATED AT TORONTO this 26th day of September, 2005

1.3 News Releases

1.3.1 Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule, Robert Waxman and John Woodcroft

FOR IMMEDIATE RELEASE
September 29, 2005

IN THE MATTER OF
PHILIP SERVICES CORP., ALLEN FRACASSI,
PHILIP FRACASSI, MARVIN BOUGHTON,
GRAHAM HOEY, COLIN SOULE,
ROBERT WAXMAN AND JOHN WOODCROFT

TORONTO – Preliminary matters having been dispensed with, the hearing in this matter is scheduled to take place on the following dates:

February 6 to February 10, 2006 (except Tuesday 7)
February 13 to February 17, 2006 (except Tuesday 14)
February 20 to February 24, 2006 (except Tuesday 21)
February 27 to March 3, 2006 (except Tuesday 28)

March 6 to March 10, 2006 (except Tuesday 7)

April 10 to April 13, 2006 (except Tuesday 11 and not Good Friday 14)
April 17 to 21, 2006 (except Tuesday 18)
April 24 to 28, 2006 (except Tuesday 25)

May 1 to May 5, 2006 (except Tuesday 2)
May 8 to May 12, 2006 (except Tuesday 9)
May 15 to May 19, 2006 (except Tuesday 16)
May 24 to May 26, 2006

June 12 to June 16, 2006 (except Tuesday 13)
June 19 to June 23, 2006 (except Tuesday 20)
June 26 to June 30, 2006 (except Tuesday 27)

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

For Media Inquiries: Wendy Dey
Director, Communications and Public Affairs
(416) 593-8120

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

1.3.2 OSC Approves Settlement Agreement Reached with TD Waterhouse Canada Inc.

FOR IMMEDIATE RELEASE
September 30, 2005

OSC APPROVES SETTLEMENT AGREEMENT REACHED WITH TD WATERHOUSE CANADA INC.

TORONTO – At a hearing held today, the Ontario Securities Commission (OSC) approved a Settlement Agreement reached with TD Waterhouse Canada Inc. (TDW).

In the Settlement Agreement, TDW admitted that it failed to comply with its suitability obligation to its clients and failed to comply with its obligation to deal with its clients fairly by failing to disclose to its clients a commission paid to TDW.

The Settlement Agreement arose from allegations made by Staff that a third party, unaffiliated with TDW, engaged in a RRSP/Loan scheme.

TDW acknowledged that the financial information contained in New Client Application Forms revealed that their clients were of modest means and that collapsing their locked-in RRSPs or pensions to invest in a long-term, high-risk investment was unsuitable for TDW's clients.

TDW agreed to make restitution to its clients, to provide Staff with a comfort letter to confirm that it has instituted practices and procedures designed to prevent the facilitation of such action in the future, and to make a settlement payment of $250,000.00. TDW also agreed to be reprimanded by the Commission and to pay costs of $125,000.00.

"This settlement agreement reminds registrants of their obligation to ensure the suitability of their clients' investments and to deal with their clients fairly by disclosing commissions received by them to their clients. The settlement also emphasizes the need to make restitution to clients who have been financially harmed," stated Michael Watson, Director of Enforcement.

Copies of the Settlement Agreement and the Commission's Order approving these agreements are made available on the Commission's website (**www.osc.gov.on.ca**).

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

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

1.3.3 OSC to Establish an Investor Advisory Committee

FOR IMMEDIATE RELEASE
October 4, 2005

OSC TO ESTABLISH AN INVESTOR ADVISORY COMMITTEE

TORONTO – The Ontario Securities Commission will establish an Investor Advisory Committee (IAC) to help identify and address issues affecting investors, and ensure that the views of consumers of financial services are accessible to the Commission, acting Chair Susan Wolburgh Jenah announced today.

"The Commission recognizes the critical importance of consulting directly with investors in carrying out its mandate" said Ms. Wolburgh Jenah. "The IAC will provide advice and guidance on any aspect of the OSC that has an impact on investors, including complaints handling and compliance practices". She said the Commission is acting in response to commitments made at the Town Hall Meeting last May in Toronto.

Investors, representatives of consumer organizations and other interested persons are invited to apply in writing for membership on the IAC, indicating their qualifications and areas of relevant experience. Candidates will be selected based on the following criteria:

- Experience investing in the capital markets;
- Knowledge of issues impacting retail investors;
- Experience working with investors and representing their interests;
- Strong interest in the continual improvement and integrity of the investor marketplace and in making a contribution.

Qualifications include the ability to analyze information and articulate issues, as well as strong interpersonal and team skills. Ontario residency and demographic diversity are also criteria.

Interested parties should submit their application by October 18, 2005 to:

Carolyn Shaw-Rimmington, Project Manager
Ontario Securities Commission
Suite 1900 - 20 Queen Street West
Toronto, Ontario M5H 3S8
cshawrimmington@osc.gov.on.ca

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

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

1.4 Notices from the Office of the Secretary

1.4.1 Francis Jason Biller

FOR IMMEDIATE RELEASE
September 27, 2005

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C. S.5, AS AMENDED

AND

IN THE MATTER OF
FRANCIS JASON BILLER

TORONTO – The Commission issued an Amended Notice of Hearing with Amended Statement of Allegations scheduling a hearing on September 29, 2005 at 10:00 a.m. in the Large Hearing Room in the above named matter.

A copy of the Amended Notice of Hearing and Amended Statement of Allegations is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 BCS Global Networks Inc. - s. 83

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., s. 83.

September 27, 2005

BCS Global Networks Inc.
5025 Orbitor Drive
Bldg. 5
Ste. 300
Mississauga, ON
L4W 4Y5

Attention: Mr. Piero Romani

Re: BCS GLOBAL NETWORKS INC. (the "Applicant") – Application to Cease to be a Reporting Issuer under the securities legislation of Ontario and Alberta

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

The Applicant is relying on CSA Staff Notice 12-307 *Ceasing to be a Reporting Issuer under the Mutual Reliance Review System for Exemptive Relief Applications*

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.

"Charlie MacCready"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.2 Datec Group Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the requirement to include three years of audited financial statements in information circular as part of plan of arrangement transaction – Issuer emerging from bankruptcy.

Ontario Rules

National Instrument 51-102 – Continuous Disclosure Obligations.

September 27, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA,
NEW BRUNSWICK AND ONTARIO
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
DATEC GROUP LTD. ("Datec")

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 for the Filer to provide financial statement disclosure with respect to eLandia Solutions, Inc. ("eLandia") for the years ended December 31, 2002 and December 31, 2003 in the management information circular (the "Information Circular") prepared by the Filer and delivered to the Filer's shareholders in connection with the annual and special meeting of the Filer's shareholders scheduled to be held on October 28, 2005 (the "Requested Relief");

Under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;

The decision evidences the decision of each of the Decision Makers.

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:

1.1 the Filer is a corporation continued under the laws of the Province of New Brunswick and is a reporting issuer in British Columbia, Alberta, Ontario and New Brunswick, and is not in default under the Legislation.

1.2 The authorized share capital of the Filer consists of an unlimited number of common shares ("Datec Common Shares"). As at August 12, 2005, there were 28,801,101 Datec Common Shares issued and outstanding and 2,051,500 convertible securities issued by the Filer which may be exercised, converted or exchanged for 2,051,500 Datec Common Shares (the "Datec Convertible Securities", and collectively with Datec Common Shares, the "Datec Securities").

1.3 Datec Common Shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol "DGL" and are quoted on the "Other OTC" operated by NASDAQ under the symbol "DTGLF"

1.4 According to the shareholder records of the Filer as of August 9, 2005, the Filer has 39 registered shareholders resident in Canada holding a total of 10,229,085 Datec Common Shares (35.5%), and based upon information provided to the Filer by ADP Investor Communications those registered shareholders include intermediaries representing 1,309 beneficial shareholders of the Filer resident in Canada, holding an aggregate of 4,381,758 Datec Common Shares (15.2% of the total issued Datec Common Shares). Such Datec Common Shares are distributed as follows:

Province	Shareholders	Shares Held
British Columbia	263	475,228
Alberta	680	2,427,214
Saskatchewan	21	36,024
Manitoba	16	59,150
Ontario	243	1,165,096
Quebec	61	102,572
Nova Scotia	11	78,574
New Brunswick	5	22,650
Prince Edward Island	7	14,250
Northwest Territories	2	1,000

Holdco

1.5 Datec Pacific Holdings Ltd. (“Holdco”) is a corporation organized under the laws of the British Virgin Islands and is not a reporting issuer or its equivalent in any jurisdiction in Canada and has no present intention of becoming a reporting issuer or its equivalent in any jurisdiction in Canada.

1.6 The authorized share capital of Holdco consists of 50,000,000 common shares with a par value of US$0.01 per share ("Holdco Common Shares"). All of the issued and outstanding Holdco Common Shares are held by the Filer.

1.7 The Holdco Common Shares are not listed or quoted for trading on any stock exchange or marketplace.

eLandia

1.8 eLandia is a corporation incorporated under the laws of Delaware and is not a reporting issuer or its equivalent in any jurisdiction in Canada. Prior to the effective date of the Arrangement eLandia will have less than 300 shareholders and will not be a registrant under the U.S. Securities Exchange Act of 1934, as amended (the "1934 Act").

1.9 Prior to 2004, eLandia (formerly known as Centra Industries, Inc.) and its subsidiaries operated (through a wholly owned subsidiary, Midwest Cable of Arkansas, Inc. ("Midwest")) a construction company specializing in horizontal directional boring technology and aerial installations (see Exhibit “A”– pre-merger corporate structure). Specifically, Midwest replaced and constructed underground cable for telecommunication and cable television providers, water and sewer systems and natural gas pipelines.

1.10 On August 1, 2003, (the "Midwest Petition Date") Midwest filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court (the "Court") for the Western District of Arkansas Fayetteville Division.

1.11 On January 8, 2004 (the "eLandia Petition Date"), eLandia filed a voluntary petition for relief under Chapter 11 of Title 11 of the U.S. Bankruptcy Code in the Court for the Western District of Arkansas, Fayetteville Division.

1.12 On September 10, 2004, the Court issued an order confirming a Joint Plan of Reorganization and granting the debtors’ motion to substantially consolidate the two separate bankruptcy cases.

1.13 On September 14, 2004 (the "Confirmation Date"), the Court entered an order confirming the debtors’ joint Plan of Reorganization in accordance with the provisions of Chapter 11 of the U.S. Bankruptcy Code.

1.14 Essentially, the confirmation date discharged eLandia and Midwest from all pre-confirmation claims and terminated all rights and interest of equity security holders or general partners. During the course of the bankruptcy proceedings all of the employees of eLandia and its subsidiaries were terminated, their headquarters and facilities were closed and abandoned and various business records are impossible to acquire. The historical accounting records for eLandia and Midwest have been destroyed and cannot be reconstructed. An audit of financial results of eLandia for the years ended December 31, 2002 and 2003, consisting of the discontinued operations and assets previously disposed of, presents difficulties for a number of reasons, including the following:

(a) Records – Due to the bankruptcy, lack of proper record oversight and three office moves in an attempt to reduce rent costs, there are many transactions that have no documentation and much underlying invoice and billing data is no longer available to efficiently audit.

(b) Personnel – No one who was a member of management or responsible for accounting in 2002 and 2003 is available to interview regarding what transpired on matters or transactions that are unclear from the incomplete records available to audit.

(c) Bankruptcy Transactions – The amount and nature of many of the claims asserted by vendors during the bankruptcy case did not correspond to the records of eLandia (as they existed). Because the plan of reorganization provided for an aggregate amount of cash to be paid and a limited amount of stock to be issued in respect of such claims (amounting to approximately 2% of the total claims), eLandia chose to conserve its cash and did not dispute any of the claims. This discrepancy was settled as of September 14, 2004, in the confirmation of the plan, but the ability to report events in accordance with generally accepted accounting principals for periods prior to 2004 is in question.

1.15 Prior to the eLandia Petition Date, Stanford Venture Capital Holdings, Inc. ("Stanford") agreed to provide up to $2,000,000 in debtor-in-possession financing in the form of a secured,

super-priority line of credit in accordance with the Bankruptcy Code. During April 2004, Stanford loaned an additional $2,500,000 under the same terms as the original debtor-in-possession financing.

1.16 Pursuant to the Plan of Reorganization, on the Confirmation Date, eLandia issued the equivalent of 7,250,000 (representing 97%) shares of common stock to Stanford in satisfaction of the original principal portion of the super priority claims along with other Stanford secured claims and 200,000 (representing 3%) shares of common stock to the holders of allowed unsecured claims.

1.17 Effective December 31, 2004, eLandia merged with eLandia Technologies, Inc. ("Technologies") (and its subsidiary eLandia Wireless Solutions, LLC), which operated a Wifi business, i.e., setting up wireless internet capabilities in major hotels and apartment complexes. The merger of Technologies with eLandia was accounted for as a common control merger, since Stanford owned 97% of eLandia and 67% of Technologies. The business of Technologies was discontinued during the first quarter of 2005 due to the high competition in the wireless market. For U.S. accounting purposes, the financial statements of Technologies will be consolidated with those of eLandia retroactive to the Confirmation Date, which is the earliest date of common control.

1.18 Commencing the first quarter of 2005, eLandia committed to a plan for disposing of essentially all of its Wifi/construction business in order to focus its business affairs on companies in the telecommunications industry, which would allow it to leverage the expertise of new management and the wireless licenses it currently owns.

1.19 As at the date hereof, the authorized share capital of eLandia consists of 50,000,000 common shares with a par value of US$0.00001 per share (the "eLandia Common Shares") and there were 9,427,344 eLandia Common Shares issued and outstanding.

1.20 The eLandia Common Shares are not listed or quoted for trading on any stock exchange or marketplace.

Holdings

1.21 Elandia South Pacific Holdings, Inc. (“Holdings”) is a corporation incorporated under the laws of Delaware and is not a reporting issuer or its equivalent in any jurisdiction in Canada and has no present intention of becoming a reporting issuer or its equivalent in any jurisdiction in Canada.

1.22 The authorized share capital of Holdings consists of 1,000 common shares with a par value of US$0.001 per share (the "Holdings Common Shares") and 1,000 Series A Preferred Shares with no par value. All of the issued and outstanding Holdings Common Shares and Preferred Shares are held by eLandia.

1.23 The Holdings Common Shares are not listed or quoted for trading on any stock exchange or marketplace.

Acquisition Co.

1.24 Elandia Datec Acquisition, Inc. (“Acquisition Co.”) is a corporation incorporated under the laws of Delaware and is not a reporting issuer or its equivalent in any jurisdiction in Canada and has no present intention of becoming a reporting issuer or its equivalent in any jurisdiction in Canada.

1.25 The authorized share capital of Acquisition Co. consists of 50,000 common shares with a par value of US$1.00 per share ("Acquisition Co. Common Shares"). All of the issued and outstanding Acquisition Co. Common Shares are held by Holdings.

1.26 The Acquisition Co. Common Shares are not listed or quoted for trading on any stock exchange or marketplace.

The Arrangement

1.27 It is proposed that the Filer and Holdco will enter into an Arrangement Agreement and a Plan of Arrangement (collectively, the "Arrangement") with eLandia, Holdings, and Acquisition Co.

1.28 Subject to the approval of not less than two-thirds of the votes cast by holders of Datec Securities (on a fully-diluted basis) and a final order (the "Final Order") of the Court of Queen's Bench of New Brunswick approving the Arrangement, effective 12:01 a.m. on the date (the "Effective Date") shown on the Certificate of Arrangement issued under the *Business Corporations Act* (New Brunswick):

(a) eLandia shall make a capital contribution and issue 6,808,542 eLandia Common Shares to Holdings and, immediately upon receipt of such shares, Holdings shall make a capital contribution and transfer the 6,808,542 eLandia Common Shares to Acquisition Co.;

(b) the Filer shall transfer and assign all of the Offshore Assets to Holdco in exchange for Holdco Common Shares;

(c) the Filer shall permit the holders of securities that are exchangeable into or provide the right to acquire Common

Shares of the Filer ("Datec Convertible Securities") (the "Datec Common Shares" and the "Datec Convertible Securities" are together referred to as the "Datec Securities') to convert the Datec Convertible Securities into, or exchange them for or exercise the rights provided thereunder to purchase or otherwise acquire, Datec Common Shares. If the conversion or other rights under the Datec Convertible Securities are not exercised at the time when same is permitted therefor, the holders of any unconverted or unexercised Datec Convertible Securities shall receive the distribution described in Section 1.28(f) below;

(d) the Filer's articles shall be amended to create New Datec Common Shares;

(e) the Datec Common Shares (other than Datec Common Shares held by Dissenting Shareholders) shall be automatically cancelled and, in exchange therefor, the holders of Datec Common Shares shall receive (i) the same number of New Datec Common Shares; and (ii) a pro rata amount of all outstanding Holdco Common Shares, less any Holdco Common Shares to be distributed to holders of Datec Convertible Securities;

(f) the Datec Convertible Securities that have not been exercised within the time permitted therefor shall be automatically cancelled and, in exchange therefor, the holders of Datec Common Shares shall receive (i) the same number of Convertible Securities ("New Datec Convertible Securities") having the same terms and conditions as the Datec Convertible Securities have by such holders except that the securities to be issued upon the exercise of the New Datec Convertible Securities shall be New Datec Common Shares and the exercise price for each New Datec Common Share issuable thereunder shall be $0.10 (in Canadian funds); and (ii) the number of Holdco Common Shares determined in the manner prescribed in the Arrangement;

(g) Acquisition Co. shall deposit with Computershare Trust Company of Canada (the "Escrow Agent") certificates evidencing 6,808,542 eLandia Common Shares registered in the names of the holders of Holdco Common Shares;

(h) all of the outstanding Holdco Common Shares shall be automatically exchanged with Acquisition Co. for (i) a pro rata amount of the 6,808,542 eLandia Common Shares; and

(i) the Escrow Agent will hold the certificates for the 6,808,542 eLandia Common Shares in escrow and release them over time as set forth in an escrow agreement (the "Escrow Agreement").

1.29 Pursuant to the terms of the Escrow Agreement between the Filer, eLandia and shareholders of the Filer, all eLandia Common Shares registered in the names of shareholders of the Filer will be held in escrow and released upon the following terms:

(a) at the rate of twenty five percent (25%) thirty days following the listing of eLandia Common Shares, with the written approval of the Board of Directors of eLandia, on the NASDAQ small cap or National Market system, the AMEX or the OTC Bulletin Board, and twenty five percent (25%) every three months thereafter until fully released;

(b) if no listing of shares of common stock of eLandia on the NASDAQ small cap or National Market system, the AMEX or the OTC Bulletin Board with the written approval of the Board of Directors of eLandia has been made within a year of the Effective Date, then all of the Shares shall be released on such date; or

(c) at any earlier time in the sole discretion of eLandia, in whole or in part.

1.30 Prior to the Effective Date of the Arrangement, eLandia expects to complete a common control merger and acquire a majority interest in AST Telecom, L.L.C. ("AST"), a wireless telephone and internet services company located in Nuu'uli, American Samoa. Following this acquisition, on a pro-forma basis, the Offshore Assets of Datec and the assets of AST will represent approximately 66% and 12%, respectively, of the consolidated assets of eLandia. None of eLandia's assets will be located in Canada.

1.31 Immediately following the Effective Date of the Arrangement, Stanford will own or control, directly or indirectly, 9,777,513 eLandia Common Shares and holders of Datec Securities will own or control, directly or indirectly, 6,808,542 eLandia Common Shares, representing 43.8% and 30.5%, respectively, of the total number of issued and outstanding eLandia Common Shares.

1.32 Immediately following the Effective Date of the Arrangement it is expected that residents of Canada will own or control, directly or indirectly,

approximately 1,628,538 eLandia Common Shares representing approximately 7.3% of the total number of the issued and outstanding eLandia Common Shares. The exact number of eLandia Common Shares held by Canadian residents is subject to variation based upon changes in the shareholders of the Filer and the exercise of Datec Convertible Securities.

1.33 From and after the Effective Date, none of the executive officers or directors of eLandia will be resident in Canada and the business of eLandia will continue to be administered principally from the United States.

1.34 Pursuant to the terms of the Arrangement Agreement, within 30 days of the Effective Date, eLandia will file a registration statement or a Form 10 promulgated under section 12 of the 1934 Act, to register eLandia Common Shares thereunder.

1.35 Following acceptance of the registration statement or the Form 10 by U.S. Securities and Exchange Commission (the "SEC"), eLandia will be subject to the reporting requirements under Section 12 of the 1934 Act.

1.36 Pursuant to the Arrangement Datec shall issue securities only to its existing securityholders as at the date Effective Date.

1.37 On completion of the Arrangement Datec shall have substantially the same shareholders as immediately prior to the Effective Date.

1.38 Pursuant to the Arrangement the assets of Datec shall effectively be sold to eLandia in exchange for shares of eLandia representing approximately 30.5% of the total outstanding shares of eLandia at that time.

1.39 Following completion of the Arrangement Datec shall remain a reporting issuer in Alberta, British Columbia , Nova Scotia and Ontario.

1.40 Following completion of the Arrangement eLandia will be a reporting issuer in Alberta and British Columbia.

1.41 None of Holdco, Holdings or Acqusitionco will be a reporting issuer in any jurisdiction as a result of the Arrangement.

Decision

Each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decision Maker with the Jurisdiction to make the Decision has been met.

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

1. The Information Circular contain:

(a) audited financial statements for eLandia, in respect of the predecessor corporation, for the period from January 1, 2004 until September 14, 2004 and, in respect of the successor corporation subsisting after the Confirmation Date, for period from September 15, 2004 until December 31, 2004 (which includes the results of Technologies on consolidated basis), together with unaudited interim financial statements of eLandia for the six-month period ended June 30, 2005, which statements will be expressed in United States dollars and prepared in accordance with United States GAAP and will include a note providing a reconciliation to Canadian GAAP;

"Agnes Lau", CA
Deputy Director, Capital Markets
Alberta Securities Commission

2.1.3 Purcell Energy Ltd. and Prairie Schooner Petroleum Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the requirement to provide three years of audited financial statements for businesses that constitute significant acquisitions in an information circular, provided that acceptable alternative disclosure is provided.

Applicable Rules

National Instrument 44-101 Short Form Prospectus Distributions.
National Instrument 51-102 Continuous Disclosure.
CSA Staff Notice 42-303 Prospectus Requirements.

Citation: Purcell Energy Ltd. and Prairie Schooner Petroleum Ltd., 2005 ABASC 789

September 26, 2005

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

AND

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

AND

IN THE MATTER OF
PURCELL ENERGY LTD. AND PRAIRIE SCHOONER PETROLEUM LTD.

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from Purcell Energy Ltd. ("**Purcell**") on behalf of itself, Prairie Schooner Petroleum Ltd. ("**Prairie**") and a new corporation yet to be incorporated ("**TenakaCo**") (collectively, the "**Filers**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that each of the Filers be exempt from the requirements contained in the Legislation which requires each of the Filers to include three years of audited financial statements in an information circular in respect of significant acquisitions (the "**Requested Relief**");

2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission is the principal regulator for this application;

Interpretation

3. Unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions*;

4.

Representations

5. The Filers have represented to the Decision Makers that:

   4.1 Purcell was incorporated under the laws of the Province of Alberta and Purcell's head office is located in Calgary, Alberta;

   4.2 Purcell is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia, and Newfoundland and Labrador.

   4.3 Purcell's common shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "PEL".

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

   4.5 Prairie was incorporated under the laws of the Province of Alberta and Prairie's head office is located in Calgary, Alberta;

   4.6 Prairie is a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia.

   4.7 Prairie's common shares are listed for trading on the TSX under the symbol "PSL".

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

   4.9 Purcell has entered into asset sale agreements with Prairie and a third party regarding the disposition of certain of its oil and gas properties (the "**Assets**") and the Filers are entering into a plan of arrangement (the "**Arrangement**") whereby the business of Purcell will be reorganized, the Assets will be transferred and Purcell will be

reorganized into a new public company (TenakaCo) and new Purcell ("**New Purcell**").

4.10 Following completion of the sale of the Assets and the Arrangement, Prairie will own all of Purcell's Alberta oil and gas assets, TenakaCo will own the Tenaka, B.C. production, reserves and undeveloped acreage near Adsett, B.C. previously owned by Purcell, along with all of Purcell's other undeveloped exploration lands in northeast B.C and New Purcell's significant remaining asset will be a Fort Liard natural gas property located in the southwest Northwest Territories. In addition to the Fort Liard property, New Purcell will retain an extensive seismic database in the N.W.T. and Alberta. Also, New Purcell will retain several minor producing and undeveloped properties in Alberta and B.C.

4.11 As part of the Arrangement, the shareholders of Purcell will receive, for each common share held, approximately $0.40 in cash, 0.0556 of a Prairie common share and 0.20 of a TenakaCo common share, and shareholders will retain their Purcell common shares, which will be consolidated on a one-for-five basis.

4.12 The acquisition of the Assets by each of Prairie and TenakaCo will constitute "significant acquisitions" under the Legislation for each of these entities.

4.13 The Filers are preparing an information circular (the "**Information Circular**") in connection with a meeting of its shareholders which is expected to be held on October 25, 2005. At the shareholders' meeting, Purcell's shareholders will be given the opportunity to vote on the Arrangement, which includes the Asset dispositions.

4.14 The Information Circular will contain, among other things, prospectus level disclosure of the business and affairs of each of Purcell, Prairie and TenakaCo, the particulars of the Arrangement, as well as a fairness opinion of an independent financial advisor.

4.15 Pursuant to Section 14.2 of Form 51-102F5 under National Instrument 51-102, because the Asset acquisitions are "significant acquisitions" the Filers are required to include certain annual and interim financial statement disclosure in the Information Circular in respect of the Arrangement, including financial statements for each of the three most recently completed financial years of the Assets which are being acquired (the "**Annual Disclosure Requirements**").

4.16 The Assets are interests in oil and gas properties, financial statements do not exist for the Assets, the acquisition of the Assets by Tenakaco and Prairie (the "**Acquisitions**") do not constitute a reverse take-over, the Assets did not constitute a "reportable segment" of the vendor immediately prior to the completion of the Acquisitions and the information required in a business acquisition report under paragraphs (e) and (f) of section 8.10 of NI 51-102 for the Assets will be included in the Information Circular.

4.17 The Filers propose to include in the Information Circular certain annual financial information, including audited schedules of revenues, royalties and operating statements for the two years ended December 31, 2004 and 2003, along with unaudited schedules of revenues, royalties and operating statements for the six months ended June 30, 2005 in respect of the properties to be transferred to Prairie, and exclusively unaudited schedules of revenues, royalties and operating statements for the six months ended June 30, 2005 in respect of the properties to be transferred to TenakaCo, as those assets began production in late March 2005, all in accordance with Sections 8.5 and 8.10 of National Instrument 51-102 in respect of the Acquisitions (the "**Alternative Dis-losure**").

6. The Alternative Disclosure will comply with National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*.

7. CSA Staff Notice 42-303 references that CSA staff is generally prepared to recommend that relief be granted if an issuer requests relief from the financial statements required to be included in a prospectus, on the condition that the issuer applies the significance tests set out in Item 8.3 of NI 51-102 and provides the financial statements specified in item 8.5 of NI 51-102.

Decision

8. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the

Decision Makers with the jurisdiction to make the Decision has been met.

9. The Decision of the Decision Makers under the Legislation for the purposes of the Information Circular is that, provided that the representation contained in section 4.16 remains true at the time the Information Circular is filed, the Annual Disclosure Requirements shall not apply to the Filers, provided that the Filers include the Alternative Disclosure in the Information Circular.

"Mavis Legg", CA
Manager, Securities Analysis

2.1.4 Comnetix Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for relief from certain requirements of a business acquisition report to be filed in connection with a significant acquisition – seeking permission to substitute certain audited and pro forma financial statements for statements that would otherwise be required.

Applicable Rules

National Instrument 51-102 Continuous Disclosure.

September 29, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, NEW BRUNSWICK,
NOVA SCOTIA AND NEWFOUNDLAND
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
COMNETIX INC. (the "Filer")

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator **(the "Decision Maker")** in each of the Jurisdictions has received an application from the Filer under the securities legislation of the Jurisdiction **(the "Legislation")** for an exemption **(the "Requested Relief")** from certain requirements of National Instrument 51-102 – Continuous Disclosure **("NI 51-102")** with respect to the Business Acquisition Report **("BAR")** required to be filed by the Filer in connection with its acquisition **(the "Acquisition")** of Paragon Total Solutions Inc. **("Paragon")** which Acquisition was completed on August 5, 2005. In particular, the Filer is seeking permission to substitute audited financial statements for Paragon as at May 31, 2005 and pro forma financial statements for the Filer as at May 31, 2005 for the financial statements that would otherwise be required under the Legislation.

2. Under the Mutual Reliance Review System for Exemptive Relief Applications **("MRRS")**:

(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

3. Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

4. This Decision is based on the following facts represented by the Filer:

(a) The Filer was formed by Articles of Incorporation under the *Canada Business Corporations Act* on March 29, 2004;

(b) The Filer is a reporting issuer in each province in Canada and its common shares trade on the Toronto Stock Exchange;

(c) The authorized capital consists of an unlimited number of common shares of which 14,348,627 are issued and outstanding following the completion of the Acquisition;

(d) The Filer's year end is August 31;

(e) Paragon was a corporation formed under the laws of the State of Georgia on July 6, 1998;

(f) Paragon's authorized capital consisted of 1,000,000 shares of common stock of which 100,000 were designated as voting and 900,000 were designated as non-voting. Paragon's outstanding capital at the time of the Acquisition consisted of 5,000 voting shares of common stock held by four shareholders. The principal shareholder **(the "PS")** held 3,500 common shares representing 70% of the outstanding capital of Paragon;

(g) Paragon had a year end of December 31;

(h) Paragon has never prepared financial statements in accordance with U.S. generally accepted accounting principles. It only prepared internal management statements and calculated net income/loss for tax purposes;

(i) Pursuant to an Agreement and Plan of Merger dated July 25, 2005 as amended on August 4, 2005, Paragon merged with a wholly-owned subsidiary of Comnetix, PTS Acquisition Corp., formed under the laws of the State of Delaware. Articles of Merger were filed in Delaware and Georgia on August 5, 2005 which is being deemed the closing date for the purposes of the Acquisition;

(j) The consideration for the Acquisition was the payment of US$1,548,850 in cash and the issuance of 789,900 common shares of Comnetix priced at $2.31 per share. 650,218 of these common shares are subject to a voluntary escrow for one year with 105,726 of these escrowed shares subject to a further one year escrow;

(k) In addition, Comnetix has the right to reacquire all of the shares issued pursuant to the Acquisition and still held in escrow for $1.00 if the PS ceases to be an employee of Comnetix;

(l) The Acquisition has been determined to be significant in accordance with section 8.3(2)(b) of NI 51-102 at the 20% but not the 40% threshold and continues to be significant at the 20% level but not the 40% level when recalculated in accordance with section 8.3(4)(b);

(m) Under the Legislation, the Filer is required to include in the BAR (i) audited financial statements for Paragon for the year ended December 31, 2004 and unaudited interim financial statements for Paragon for the period ended June 30, 2005, (ii) unaudited interim financial statements for the Filer for the period ended May 31, 2005 and (iii) pro forma financial statements;

(n) The Filer will be conducting an audit of Paragon as at May 31, 2005 which will have a qualification for opening and closing inventory of Paragon, and will prepare audited financial statements for Paragon for the twelve (12) month period ended May 31, 2005, including unaudited 2004 comparative financial information **(the "Paragon Audited Statements")**;

(o) The Filer has prepared audited financial statements for the year ended August 31, 2004 and unaudited interim statements for the period ended May 31, 2005 **(the "Filer Interim Statements")**;

(p) The Filer will prepare pro forma financial statements **(the "Pro Formas")** based upon the unaudited financial results for the Filer for the twelve (12) month period ending May 31, 2005 and the Paragon Audited Statements; and

(q) Providing the Paragon Audited Statements, the Filer Interim Statements, the Pro Formas and an audited balance sheet for Paragon as at August 5, 2005 with no qualification of opinion relating to inventory as at that date **(the "Closing Inventory Balance Sheet")** in the BAR instead of the financial statements required under the Legislation would result in more complete and relevant information about the business conducted by Paragon.

Decision

5. 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.

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted and the financial statement disclosure requirements of the Legislation will be satisfied provided that the Filer includes the Paragon Audited Statements, the Filer Interim Statements, the Pro Formas and the Closing Inventory Balance Sheet in the BAR required to be filed by the Filer in connection with its acquisition of Paragon.

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

2.1.5 Charterhouse PSI Investment Corporation - s. 83

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., s. 83.

September 20, 2005

Peter Rizakos
Charterhouse PSI Investment Corporation
229 Yonge Street, Suite 308
Toronto, ON M5B 1N9

Dear Sir:

Re: Charterhouse PSI Investment Corporation (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick 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,

- 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

2.1.6 Metro Label Company Ltd. - s. 83

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., s. 83.

September 20, 2005

Chitiz Pathak LLP
Suite 500
154 University Avenue
Toronto, Ontario M5H-3Y9

Attention: Mr. Manoj Pundit, Partner

Dear Sir,

Re: Metro Label Company Ltd. (the "Applicant") – Application to cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, 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 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 a 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.

"Erez Blumberger"
Assistant Manager, Corporate Finance

2.1.7 KIngsway Linked Return of Capital Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer is a special purpose entity established by a financial services company (the underlying issuer) as part of a financing structure involving a public offering of a derivative security linked to debt of the underlying issuer – in connection with this financing, the Issuer has made a public offering (the offering) under a prospectus of units (the trust units) – Issuer used the net proceeds of the offering to subscribe for limited partnership units of a newly created limited partnership, which, in turn, used the proceeds of such subscription to pre-pay its purchase obligations under a forward securities purchase agreement (the purchase agreement) with a Canadian bank (the counterparty) – the purchase agreement provides exposure to certain debt issued by a newly created general partnership and unconditionally guaranteed as to payments of principal, interest and other amounts by the underlying issuer and a wholly owned subsidiary of the underlying issuer – the payment of the distributions on the trust units and the repayment of the subscription price therefor on redemption will be primarily dependent on the payment of amounts due under the underlying issuer debt – an investor's investment decision in relation to the trust units will be based primarily on the financial condition of the underlying issuer and the subsidiary rather than the trust – underlying issuer is a reporting issuer – application for relief by the Issuer from the requirements contained in National Instrument 51-102 – Continuous Disclosure Obligations (NI 51-102) to file interim financial statements and to deliver such statements to the holders of the trust units; file interim MD&A of the financial condition and results of operation of the Issuer and send such interim MD&A to the unitholders; and file material change reports and issue and file press releases related to the Issuer where such requirement relates solely to a material change in the affairs of the underlying issuer and which is the subject of a filing by the underlying issuer – Corresponding application from the requirements contained in Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109) relating to the filing of interim certificates by the Issuer – Relief granted on certain terms and conditions including the conditions that the Issuer carry on no business or activities except as contemplated by the offering; the Issuer issue no securities other than trust units; the underlying issuer remain a reporting issuer; the Issuer files a notice directing unitholders to the underlying issuer's continuous disclosure filings; and the underlying issuer sends, or causes the Issuer to send, its interim financial statements, annual audited financial statements, and other continuous disclosure to unitholders at the same time and in the same manner as if the holders were security holders of the underlying issuer.

Ontario Rules

National Instrument 51-102 Continuous Disclosure Obligations.

Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109).

September 21, 2005

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

AND

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

AND

**IN THE MATTER OF
KINGSWAY LINKED RETURN OF CAPITAL TRUST
(THE TRUST)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Trust for a decision under the securities legislation of the Jurisdictions (the Legislation) that, subject to the terms and conditions described below, the requirements contained in National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102) to:

(a) file interim financial statements with the Decision Makers and to deliver such statements to the holders of the Trust Units (as defined below) (the Holders);

(b) file interim management's discussion and analysis (MD&A) of the financial condition and results of operation of the Trust with the Decision Makers and send such interim MD&A to the Holders; and

(c) file material change reports and issue and file press releases related to the Trust, only where such requirement relates solely to a material change in the affairs of Kingsway (as defined below) and which is the subject of a filing by Kingsway;

(collectively the Requested NI 51-102 Relief) shall not apply to the Trust subject to certain terms and conditions.

In addition, the Decision Maker in each of the Jurisdictions has received an application from the Trust for a decision under the Legislation that the provisions of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (MI 52-109) concerning the filing of interim certificates (the Requested MI 52-109 Relief) shall not apply to the Trust, subject to certain terms and conditions.

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 Trust:

The Trust

1. The Trust is an investment trust established under the laws of the Province of Ontario on May 12, 2005. The principal office of the Trust is located in Toronto, Ontario.

2. The Trust is a special purpose entity formed in connection with the Offering (as defined below). The operating activity of the Trust consists of subscribing for and purchasing the LP Units (as defined below) for the purpose of making distributions to the Holders. As a special purpose entity, the Trust's declaration of trust prohibits it from carrying on any business or other activity not related to the foregoing.

3. The Trust is a reporting issuer or its equivalent in all Jurisdictions that provide for a reporting issuer regime.

4. The Trust was receipted on June 30, 2005 for a (final) long form prospectus dated June 29, 2005 (the Prospectus), in connection with the initial public offering (the Offering) of preferred, retractable, redeemable, cumulative units (Trust Units).

5. The Trust's Offering closed on July 14, 2005. Following the completion of the Offering, the Trust's authorized capital consists of 3,120,000 Trust Units.

Kingsway Financial Services Inc.

6. Kingsway Financial Services Inc. (Kingsway) is a corporation incorporated under the laws of the Province of Ontario. The principal office of Kingsway is located in Mississauga, Ontario.

7. Kingsway is a reporting issuer or its equivalent in each of the provinces of Canada that provides for a reporting issuer regime. Kingsway is eligible to file a short form prospectus under National Instrument 44-101 *Short Form Prospectus Distributions*.

8. Kingsway is listed on the New York Stock Exchange and The Toronto Stock Exchange (TSX) and trades under the symbol "KFS". As of closing on August 16, 2005, Kingsway had a quoted market value on the TSX of $1,220,178,850 with 56,463,621 issued and outstanding shares.

9. Kingsway's long-term debt is currently rated BBB by Dominion Bond Rating Service.

Details of the Offering

10. In order to achieve its investment objectives, the Trust used the net proceeds of the Offering to subscribe for and purchase all of the limited partnership units (the LP Units) of KL Limited Partnership (KL LP), a newly created limited partnership organized under the laws of the Province of Ontario, which, in turn, used the proceeds of such subscription to pre-pay its purchase obligations under a forward securities purchase agreement (the Purchase Agreement) dated as of July 14, 2005 with The Bank of Nova Scotia (BNS).

11. The Purchase Agreement provides exposure to a note (the Kingsway Note) issued by Kingsway Delaware ROC GP, a newly created general partnership organized under the laws of the State of Delaware (Kingsway ROCGP) and unconditionally guaranteed as to payments of principal, interest and other amounts by Kingsway and by Kingsway America Inc., a corporation incorporated under the laws of the State of Delaware and a wholly-owned subsidiary of Kingsway (Kingsway America). The guarantee of the Kingsway Note is not a guarantee of the Trust Units or the distributions thereunder and Holders of Trust Units have no recourse against Kingsway or Kingsway America or any of their respective affiliates in the event of default on the Kingsway Note or in the event that Kingsway or Kingsway America fail to honour their guarantee of the Kingsway Note. The Kingsway Note is owned by Kingsway Note Trust, a newly created investment trust established under the laws of the Province of Ontario (KN Trust). The initial holder of all of the outstanding units of KN Trust is BNS.

12. Under the Purchase Agreement, BNS delivers to KL LP, on the redemption date (Redemption Date), a specified portfolio (the Portfolio) consisting of securities (the Portfolio Securities) of certain specified Canadian public companies listed on the TSX with a value related to the redemption proceeds paid by KN Trust to holders of its units in connection with the repayment on maturity of the Kingsway Note by Kingsway ROCGP. KL LP distributes proceeds from the sale of the Portfolio Securities to holders of LP Units.

13. In order to permit the Trust to make quarterly distributions on the Trust Units, the Purchase Agreement will be partially settled each quarter by BNS delivering to Scotia Capital Inc. (in such capacity, the Administrator), on behalf of KL LP, Portfolio Securities which will be sold by the Administrator on behalf of KL LP and the proceeds therefrom will be used to make distributions on the LP Units.

14. The Trust distributes the amounts received by it from KL LP to the Holders. The Holders are exposed, by virtue of the Purchase Agreement and the Trust's holding of LP Units, to the credit risk of Kingsway, Kingsway America, Kingsway ROCGP, BNS (as counterparty to the Purchase Agreement) and KL LP.

15. The Administrator has been retained to act as administrator for the Trust, KL LP and KN Trust and is responsible for providing, or arranging for the provision of, administrative services required by the Trust, KL LP and KN Trust. The Administrator is responsible for entering into the Purchase Agreement for and on behalf of KL LP. The Administrator is also responsible for arranging the sale of Portfolio Securities delivered to it, on behalf of KL LP, under the Purchase Agreement by BNS, as required to make proceeds available to KL LP in order for it to make distributions on the LP Units, which is to be used by the Trust to fund the quarterly distributions to the Holders, retractions (to the extent applicable) and the payments due to the Holders on the Redemption Date or upon an early redemption.

Rationale for the Requested Relief

16. The Trust has made this application for the Requested NI 51-102 Relief and the Requested MI 52-109 Relief on the basis of the following rationale.

17. The operating activity of the Trust consists of holding the LP Units for the purpose of making distributions to the Holders. The payment of the distributions on the Trust Units and the repayment of the subscription price therefor on the Redemption Date or upon earlier redemption will be dependent on the payment of amounts due under the Kingsway Note, which is unconditionally guaranteed as to payment of principal, interest and other amounts by Kingsway and Kingsway America (the financial condition and results of which are consolidated in the financial statements of Kingsway).

18. As a result of the foregoing, a Holder's investment decision in relation to the Trust Units will be based primarily on the financial condition of Kingsway and Kingsway America rather than the Trust.

19. Kingsway has undertaken to provide to the Trust, and file, on the Trust's behalf under the Trust's SEDAR profile, the unaudited consolidated interim financial statements and audited consolidated annual financial statements and accompanying management's discussion and analysis of Kingsway, its management information circular, its annual information form, any material change reports and other documents which may be required to be filed by Kingsway under applicable securities laws to meet its continuous disclosure obligations.

20. The Trust will continue to file its AIF, annual audited financial statements and management's discussion and analysis thereon with the Decision Makers in accordance with the Legislation. The Trust will mail a copy of its annual audited financial statements to a Holder upon request.

21. The Trust will issue press releases and file material change reports in accordance with the requirements of the Legislation in respect of material changes in its affairs which do not relate solely to the affairs of Kingsway and which have not been the subject of a filing by Kingsway.

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 each of the Decision Makers under the Legislation is that the Requested NI 51-102 Relief is granted provided that and for so long as:

(i) the Trust carries on no business or activities other than those set out in paragraph 2;

(ii) the Trust does not issue any securities other than Trust Units;

(iii) the Trust complies with paragraphs 20 and 21 of this MRRS Decision Document;

(iv) Kingsway remains a reporting issuer under the Legislation;

(v) The Trust, prior to relying on an exemption contained in this MRRS Decision Document, files with the Decision Makers, in electronic format under the Trust's SEDAR profile, a Notice to Holders that

(A) advises Holders that the Trust has obtained an exemption from certain continuous disclosure requirements, makes reference to this MRRS Decision Document and explains how Holders can obtain a copy of this MRRS Decision Document;

(B) advises Holders that, in accordance with the exemption, the Trust intends to rely on the continuous disclosure filings of Kingsway to satisfy certain of its continuous disclosure requirements and explains to Holders where the Kingsway continuous disclosure filings may be found on SEDAR; and

(C) is duly authorized by a representative of Kingsway and a representative of the the Trust; and

(vi) Kingsway sends, or causes the Trust to send, its interim financial statements, annual audited financial statements, Information Circular, Annual Report, AIF and MD&A to Holders at the same time and in the same manner as if the Holders were security holders of Kingsway;

And provided further that this MRRS Decision Document shall expire within thirty (30) days of a material adverse change in the affairs of the Trust.

It is further the decision of the Decision Makers under the Legislation that the Trust is exempted from the requirements of MI 52-109 concerning the filing of interim certificates, provided that and for so long as the Trust remains eligible for the Requested NI 51-102 Relief pursuant to the exemption contained in this Decision.

"Charlie MacCready"
Assistant Manager,
Ontario Securities Commission

2.1.8 Aquest Energy Ltd. - s. 83

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., s. 83.

Citation: Aquest Energy Ltd., 2005 ABASC 795

September 30, 2005

Bennett Jones LLP
4500, 855 - 2 Street SW
Calgary, AB T2P 4K7

Attention: Beth Riley

Dear Madam:

Re: Aquest Energy Ltd. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Ontario and Québec (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 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 a 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 in the Jurisdictions.

Relief requested granted on the 30th of September, 2005.

"Blaine Young"
Director, Legal Services & Policy Development
Alberta Securities Commission

2.1.9 KCC International plc - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Filer granted exemption from the standards of disclosure respecting the preparation, standards, use and filing of technical reports for mineral projects respecting the disclosure made in and in connection with an offering memorandum for a private placement – Relief subject to conditions that offering is de minimis, provision of opinion by consultant in offering memorandum, and all Canadian investors being "accredited investors".

Applicable Rules

National Instrument 43-101 Standards of Disclosure for Mineral Projects.

September 28, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ONTARIO AND QUEBEC (the Jurisdictions)

AND

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

AND

IN THE MATTER OF
KCC INTERNATIONAL PLC (TO BE RENAMED KAZAKHMYS 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) for an exemption from the standards of disclosure respecting the preparation, standards, use, and filing of technical reports for mineral projects as set forth in the Legislation (the Requested Relief), respecting the disclosure made in and in connection with the Canadian Offering Memorandum (as defined below) prepared by the Filer for the Canadian Offering (as defined below).

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 is a company incorporated pursuant to the laws of England & Wales with its head office in Middlesex, England.

2. The Filer is based in Kazakhstan and is the holding company of a group involved in the mining, processing, smelting, refining and sale of copper cathodes and copper rods and other copper products carried on by its main subsidiary, TOO Kazakhmys (Kazakhmys).

3. The Filer is not a reporting issuer or its equivalent in any of the Jurisdictions, nor are any of its securities listed or posted for trading on any stock exchange in Canada. The Filer has no present intention of becoming a reporting issuer or its equivalent in any of the Jurisdictions or of becoming listed in Canada.

4. Certain banks, on behalf of the Filer, intend to offer new Ordinary Shares and certain shares held by certain current Shareholders of the Filer (the Selling Shareholders) (together, the Offered Shares) in an offering to institutional shareholders in the United Kingdom (the UK) pursuant to a prospectus (the Prospectus) to be filed with and approved by the UK Financial Services Authority (the FSA) and to private placement purchasers outside of the UK, including an offering to the "accredited investors" (as defined in the Legislation) resident in the Jurisdictions (the Canadian Offering), the United States, Australia, Asia and Europe (together, the Offering)

5. Pursuant to the listing and disclosure requirements of the FSA, the Filer will be submitting the Prospectus for approval to the FSA, which Prospectus will comply with the listings requirements of the FSA (the Listings Requirements). A report regarding the reserves and resources of mining and mineral interests of the Filer in Zhezkagan, Balkhash, the East region, and Karaganda in Kazakhstan has been prepared (the Geological Report) and will be included in its entirety in the Prospectus.

6. The Geological Report is prepared by IMC Group Consulting Ltd, which employs J. S. Warwick, a "qualified person" who is independent of the Filer within the meaning of the Legislation. The report has been prepared under the supervision of Mr. Warwick. Mr. Warwick has 28 years of experience

in the coal, base metals and industrial minerals mining industry and 4 years of directing competent persons' reports.

7. IMC Group Consulting Ltd has reviewed the practice and estimation methods undertaken by Kazakhmys for reporting reserves and resources in accordance with the Former Soviet Union (the FSU) "Classification and Estimation Methods for Reserves and Resources" last revised in 1981. This procedure establishes the nature of evidence required to ensure compliance with the FSU Classification. IMC Group Consulting Ltd has reviewed the reserves and resources statements of the individual units compiled by Kazakhmys and has restated the reserves and resources in compliance with the Prospectus Directive and Prospectus Rules of the European Union in conjunction with the recommendations of the Committee of European Securities Regulations' and in accordance with the criteria for internationally recognised reserves and resource categories of the "Australian Code for Reporting Mineral Resources and Ore Reserves (2004) published by the Joint Ore Reserves Committee (JORC) of the Australian Institute of Mining & Metallurgy, Australian Institute of Geoscientists, and the Minerals Council of Australia.

8. In connection with the Offering, the Filer intends to distribute a Canadian offering memorandum containing the Prospectus and any additional disclosure required pursuant to the laws of the Jurisdictions in which marketing will occur, including, among other things, prospectus and registration exemptions, statutory rights of action and exchange rate information (the Canadian Offering Memorandum).

9. Upon completion of the Offering, residents of Canada will beneficially hold less than 10% of the issued and outstanding Ordinary Shares.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

1. less than 10% of the Ordinary Shares will be held by residents of Canada after the Offering;

2. IMC Group Consulting Ltd will provide an opinion, to be set out in the Canadian Offering Memorandum, that (i) the definitions and standards of JORC are substantively similar to the definitions and standards of the Canadian Institute of Mining, Metallury and Petroleum (the CIM Standards) which are recognized by the Legislation; and (ii) a reconciliation of the Mineral Resources and Ore Reserves as restated in compliance with JORC would not result in materially different Mineral Resources and Mineral Reserves as prepared in compliance with the CIM Standards; and

3. all Canadian investors will be "accredited investors" pursuant to the Legislation.

"Iva Vranic"
Manager, Corporate Finance

2.1.10 BMO Nesbitt Burns Inc. and BMO Nesbitt Burns Ltee/Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Registered dealer exempted from the requirements of section 36 of the Act, subject to certain conditions, to send trade confirmations for trades that the dealer executes on behalf of client where: client's account is fully managed by the dealer; account fees paid by the client are based on the amount of assets, and not the trading activity in the account; trades in the account are only made on the client's adviser's instructions; the client agreed in writing that confirmation statements will not be delivered to them; confirmations are provided to the client's adviser; and, the client is sent monthly statements that include the confirmation information.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 36, 147.

September 26, 2005

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

AND

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

AND

IN THE MATTER OF
BMO NESBITT BURNS INC. AND BMO NESBITT
BURNS LTEE/LTD.

MRRS DECISION DOCUMENT

Background

1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from BMO Nesbitt Burns Inc. (the Ontario Filer) and BMO Nesbitt Burns Ltee/Ltd. (the Québec Filer, and together with the Ontario Filer, the Filer) for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement in the Legislation:

(a) except in Ontario and Québec, to be registered as an adviser for certain portfolio managers (the Sub-Advisers) who provide investment counselling and portfolio management services to the Filer for the benefit of the Ontario Filer's clients (the Clients) who are resident in Jurisdictions where the Sub-Advisers are not registered (the Registration Relief); and

(b) that a registered dealer send to its clients a written confirmation of any trade in securities for transactions that the Filer conducts on behalf of its Clients with respect to transactions under the Filer's managed account programs (the Programs) (the Confirmation Relief).

Under the System

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

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

Interpretation

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

Representations

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

1. the Ontario Filer is an investment dealer, or equivalent, registered under the Legislation, is a member of the Investment Dealers Association of Canada (IDA) and has its the head office in Toronto, Ontario;

2. the Québec Filer is registered as an unrestricted practice dealer under the Legislation in the province of Québec, is a member of the IDA and has its head office in Montreal, Québec;

3. the Filer is authorized to act as an adviser, without registering as an adviser, under exemptions in the Legislation;

4. the Filer offers to its Clients, from time to time, Programs that fall into two categories:

(a) accounts that will be fully managed by a portfolio manager of the Ontario Filer (the

Internally Managed Programs), and

(b) accounts that will be managed by a Sub-Adviser that has entered into a sub-advisory agreement with the Filer whereby the Filer has given that Sub-Adviser discretionary authority to manage all or a portion of a Client's account (the Externally Managed Programs);

5. to participate in the Filer's Programs, the Client:

(a) enters into a written agreement (the Managed Account Agreement) with the Filer establishing an account and setting out the terms and conditions and the respective rights, duties and obligations of the Client and the Filer; and

(b) with the assistance of the Filer, completes an investment policy statement that outlines the Client's investment objectives and level of risk tolerance;

6. under the Managed Account Agreement:

(a) the Client grants full discretionary trading authority to the Filer and the Filer is authorized to make investment decisions and to trade in securities on behalf of the Client's account without obtaining the specific consent of the Client to individual trades;

(b) the Client participating in an Externally Managed Program authorizes the Filer to contract with Sub-Advisers to give the Sub-Advisers discretionary authority to manage all or a portion of the Client's account;

(c) the Client agrees to pay a fee calculated on the basis of the assets in the Client's account, which will be payable monthly or quarterly in arrears and will not be based on transactions effected in the Client's account; and

(d) unless otherwise requested, the Client waives receipt of trade confirmations as required under the Legislation;

7. the Filer selects Sub-Advisers based on a variety of different criteria developed by the Filer for determining their suitability to manage Clients' accounts under the Externally Managed Programs;

8. in retaining the Sub-Advisers in respect of the Externally Managed Programs, the Filer complies with the requirements of section 7.3 of Ontario Securities Commission Rule 35-502 Non-Resident Advisers and accordingly:

(a) the obligations and duties of each Sub-Adviser are set out in a written agreement between the Sub-Adviser and the Filer;

(b) he Filer contractually agrees with each Client on whose behalf investment counselling or portfolio management services are to be provided by a Sub-Adviser to be responsible for any loss that arises out of the failure of the Sub-Adviser:

(i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Filer and the Client(s) for whose benefit the investment counselling or portfolio management services are to be provided, or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; and

(c) the Filer cannot be relieved by its Clients from its responsibility for loss under paragraph 8(b) above;

9. Sub-Advisers may or may not be resident in Canada; each Sub-Adviser that is resident in a province or territory of Canada will be registered as an adviser under the securities legislation of that province or territory; each Sub-Adviser that is not resident in Canada will be licensed or otherwise legally permitted to

provide investment advice and portfolio management services under the applicable laws of the jurisdiction in which it resides;

10. it is not anticipated that there will typically be direct contact between a Client and a Sub-Adviser with respect to the Programs; in those circumstances where such contact occurs the registered representative of the Filer responsible for the Client's account will be present at all times in person or by telephone;

11. a Sub-Adviser that provides investment counselling or portfolio management services to the Filer for the benefit of its Clients is considered to be acting as an "adviser" under the Legislation; and, in the absence of the Registration Relief or an existing exemption, a Sub-Adviser would be subject to the adviser registration requirement;

12. Sub-Advisers who are not registered in Ontario will not be required to register as advisers under the Securities Act (Ontario) as they can rely on the exemption from registration in section 7.3 of Ontario Rule 35-502 Non-Resident Advisers;

13. no registration relief is needed for the Sub-Advisers in Quebec since the Sub-Advisers are not required to register as advisers in Quebec so long as the Filer is authorized to act as an adviser in Quebec and the relationships between the Sub-Advisers, the Filer and the Clients are as described in this Decision Document;

14. the Filer will send each Client participating in its Programs, who has waived receipt of trade confirmations, a statement of account not less than once a month;

15. the monthly statement of account will identify the assets being managed on behalf of that Client, including for each trade made during that month the information that the Filer would otherwise have been required to provide to that Client in a trade confirmation in accordance with the Legislation, except for the following information (the Omitted Information):

    (a) the day and the stock exchange or commodity futures exchange upon which the trade took place;

    (b) the fee or other charge, if any, levied by any securities regulatory authority in connection with the trade;

    (c) the name of the salesman, if any, in the transaction;

    (d) the name of the dealer, if any, used by the Filer as its agent to effect the trade; and

    (e) if acting as agent in a trade upon a stock exchange the name of the person or company from or to or through whom the security was bought or sold; and

16. the Filer will maintain the Omitted Information with respect to a Client in its books and records and will make the Omitted Information available to the Client on request.

Decision

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

The decision of the Decision Makers under the Legislation is that

(a) except in Ontario and Québec, the Registration Relief is granted provided that:

    (i) the obligations and duties of the Sub-Adviser are set out in a written agreement between the Sub-Adviser and the Ontario Filer;

    (ii) the Ontario Filer contractually agrees with each Client on whose behalf investment counselling or portfolio management services are to be provided by a Sub-Adviser to be responsible for any loss that arise out of the failure of the Sub-Adviser:

        (1) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Filer and the Client(s) for whose benefit the investment counselling

or portfolio management services are to be provided, or

(2) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

(iii) the Ontario Filer is not relieved by its Clients from its responsibility for loss under paragraph (ii) above;

(iv) each Sub-Adviser that is resident in a province or territory of Canada will be registered as an adviser under the securities legislation of that province or territory;

(v) each Sub-Adviser that is not resident in Canada will be licensed or otherwise legally permitted to provide investment advice and portfolio management services under the applicable laws of the jurisdiction in which it resides;

(vi) a Sub-Adviser will not have any direct and personal contact with a Client residing in New Brunswick if the Sub-Adviser is not registered under the securities legislation of New Brunswick;

(vii) in Manitoba, the Registration Relief is available only to Sub-Advisers who are not registered in any Canadian jurisdiction; and

(b) the Confirmation Relief is granted provided that

(i) the Client has previously informed the Filer that the Client does not wish to receive trade confirmations for the Client's accounts under the Programs; and

(ii) in the case of each trade for an account under the Programs, the Filer sends to the Client the corresponding statement of account that includes the information referred to in paragraph 15.

"L.E. Evans", CA
Director

2.1.11 TD Waterhouse Investor Services, Inc. - MRRS Decisions

Headnote

A decision amending and restating a decision of the securities regulatory authority or regulator in each of the provinces dated July 26, 2002 that permitted TDWIS and its agents to continue dealing with individuals referred to in section 2.1 of National Instrument 35-101 Conditional exemption from registration for United States broker-dealers and agents, notwithstanding the establishment of a call centre in London, Ontario. This decision also accommodates the transfer of the TDWIS call centre support services from a TDWIS call centre located in San Diego, California to the call centre in London, Ontario.

In addition, TDWBank was granted an order (the **Amendment Order**) exempting its deposit-taking activities from the dealer, adviser, and underwriter registration requirements as well as the prospectus requirements.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74(1), 144(1).

Instruments Cited

National Instrument 35-101 Conditional exemption from registration for United States broker-dealers and agents.

August 5, 2005

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

AND

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

AND

IN THE MATTER OF
TD WATERHOUSE INVESTOR SERVICES, INC.
(TDW or the Filer)

AMENDED AND RESTATED
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) to revoke a decision granted to the Filer dated July 26, 2002 (the Original Decision) and to amend and restate that decision as set out below.

The Original Decision exempted TDW and its agents from the dealer, adviser and underwriter registration requirements (the Registration Requirements) and the prospectus requirement (the Prospectus Requirement) contained in the Legislation so as to permit TDW and its agents to deal with the individuals (NI 35-101 Clients) referred to in section 2.1 of National Instrument 35-101 – Conditional Exemption from Registration for United States Broker-Dealers and Agents (NI 35-101) provided that such dealings are conducted in accordance with all terms and conditions of NI 35-101 save and except for the requirement that TDW has no office or physical presence in any jurisdiction of Canada.

TDW wishes to vary the Original Decision to reflect certain recent developments involving the call centre located in London, Ontario (the London Call Centre) which TDW operates through TD Waterhouse Canadian Call Center Inc. (TDWCCC), a wholly-owned subsidiary of TDW incorporated under the laws of Ontario.

TDW also wishes to vary the Original Decision to exempt TDWCCC from the Registration Requirements that would otherwise be applicable to any trading activity that may be conducted by it when TDW and its agents deal with NI 35-101 Clients.

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. TDW is a corporation incorporated under the laws of the State of New York, U.S.A. and is a wholly owned indirect subsidiary of The Toronto-Dominion Bank (TD Bank), a bank listed on Schedule I of the Bank Act (Canada).

2. The head office of TDW is in New York, New York, U.S.A.

3. TDW is registered as a broker-dealer with the United States Securities and Exchange Commission pursuant to Section 15(b) of the Securities Exchange Act of 1934 as amended, to carry on business as a broker-dealer in the U.S.A.

4. The London Call Centre is currently dedicated to responding to inbound phone calls from clients of TDW who are not residents of Canada (Non-Canadian Clients) and NI 35-101 Clients. Representatives of TDW who work in the London Call Centre (TDW Representatives) respond to market and account activity inquiries received from Non-Canadian Clients and NI 35-101 Clients and provide them with information on market activities and developments, TDW products and services, customer account information, technical support, Web access support and stock market quotes. TDW Representatives who are registered under U.S. securities laws may also accept and route, but not execute, trading orders on behalf of Non-Resident Clients.

5. TD Bank operates two call centres located in Markham, Ontario and Edmonton, Alberta (the TD Bank Call Centres). Employees of TD Bank located in the TD Bank Call Centres act as representatives of TD Waterhouse Bank, N.A. (TDWBank) for the purpose of answering inbound phone calls from holders of TDWBank accounts who are resident in both the United States (U.S. Customers) and Canada (Canadian Customers) and who access the TD Bank Call Centres through the use of a toll-free line.

6. TDWBank is chartered as a national bank under the United States National Bank Act. It is a virtual bank that carries on the business of banking in the United States. It is an indirect wholly-owned subsidiary of TD Bank and its head office is located in Jersey City, New Jersey, U.S.A.

7. It is proposed to transfer the TD Bank Call Centres to the London Call Centre (the Call Centre Transfer) for the purpose of improving customer service and reducing the costs associated with the operation of three distinct call centres by consolidating the three call centres into a single call centre and by having the TDW Representatives act as representatives for both TDW and TDWBank.

8. It is also proposed to consolidate, and to thereby reduce the cost of conducting, TDW's call centre operation by transferring (the Support Services Transfer) certain TDW call centre support services (the Support Services) from a TDW call centre that is currently located in San Diego, California to the London Call Centre where the Support Services will become part of the TDW call centre platform that is currently operating within the London Call Centre.

9. Following the Call Centre Transfer, the London Call Centre will continue to respond to inbound phone calls from Non-Canadian Clients and NI 35-101 Clients, and it will begin responding to inbound phone calls from U.S. Customers and Canadian Customers, all of whom will gain access to the London Call Centre through the use of a toll-free line. In addition to acting as representatives of TDW, TDW Representatives will respond to account inquiries from, execute account transactions for, and offer a limited range of TDWBank financial products and services to, U.S. Customers and Canadian Customers. Financial products and services that will be available to U.S. Customers through the London Call Centre comprise U.S. certificates of deposit (CDs), U.S. interest bearing chequing accounts, overdraft protection, mortgages, a home equity line of credit, an unsecured line of credit and VISA credit cards. Financial products and services that will be available to Canadian Customers through the London Call Centre comprise CDs, U.S. interest bearing chequing accounts, overdraft protection, an unsecured line of credit and VISA credit cards.

10. Following the Support Services Transfer, TDW Representatives will also review for approval all Non-Canadian and NI 35-101 Client orders that are placed via the internet or a touch-tone telephone system. They will receive and respond to all email inquiries received by TDW. They will address technical problems encountered by Non-Canadian and NI 35-101 Clients when using electronic services that are available through TDW and they will monitor and supervise Non-Canadian and NI 35-101 Client accounts.

11. TDW does not establish accounts for, or trade securities with, or on behalf of, persons or companies who are resident in Canada except to the extent that it establishes accounts for, conducts trading in Canada with, NI 35-101 Clients in accordance with NI 35-101 other than the requirement that TDW have no office or physical presence in any jurisdiction of Canada.

12. Following the Call Centre Transfer and the Support Services Transfer, TDWBank will not trade securities with, or on behalf of, persons or companies who are resident in Canada save and except for CDs and U.S. interest bearing accounts that will be made available to Canadian Customers in reliance upon exemptions from applicable dealer registration and prospectus requirements that have been granted to, among others, TDWBank pursuant to an MRRS Decision Document issued by Canadian securities regulatory authorities.

13. The London Call Centre is, and will continue to be, operated in accordance with all applicable rules established by various U.S. regulatory authorities.

14. Within the London Call Centre, TDW's call centre operation is, and will continue to be, conducted in accordance with all applicable rules established by the SEC and the New York Stock Exchange (NYSE) and it is, and will continue to be, subject to the same procedures that apply to TDW's existing U.S. business. TDW's call centre operation is, and will continue to be, examined at least annually by representatives from TDW's compliance staff in New York and it is, and will continue to be, supervised by one or more properly qualified individuals acceptable to the NYSE.

15. TDWBank is subject to regulation, examination and supervision by the Office of the Comptroller of the Currency, its chartering agency, and the Federal Deposit Insurance Corporation, its deposit insurer.

16. TDW, TDWBank, TDWCCC and TDW Representatives who work in the London Call Centre on behalf of TDW and TDWBank will comply with all registration and other requirements of applicable U.S. securities legislation in respect of trades conducted with, or on behalf of, Non-Canadian Clients, NI 35-101 Clients, U.S. Customers and Canadian Customers.

17. The London Call Centre will continue to be an opaque presence, inaccessible to any person or company other than Non-Canadian Clients, NI 35-101 Clients, U.S. Customers, Canadian Customers and persons or companies who direct email inquiries to TDW.

18. The Ontario Securities Commission (the OSC) has issued a ruling and order (the Ontario Ruling) pursuant to subsections 74(1) and 144(1) of the Act providing that

    (a) the TDW Representatives working in the London Call Centre shall not be subject to the requirements of paragraph 25(1)(a) of the Act where the TDW Representatives act on behalf of TDW or TDWBank in respect of trades in securities with or on behalf of Non-Canadian Clients or U.S. Customers, respectively, provided that the TDW Representatives comply with all registration and other requirements of applicable securities legislation in the U.S.A.; and

    (b) each of TDW, TDWCCC and TDWBank shall not be subject to the requirements of paragraph 25(l)(a) of the Act with respect to trading conducted by it through the London Call Centre in securities with or on behalf of Non-Canadian Clients or U.S. Customers, respectively, provided that:

        (i) a TDW Representative working in the London Call Centre acts on behalf of either TDW or TDW Bank in respect of such trading; and

        (ii) TDW and TDWBank comply with all registration and other requirements of applicable securities legislation in the U.S.A.

19. TDW currently relies on the Original Decision for the purposes of dealing with NI 35-101 Clients.

20. As a consequence of the trading activity that is accommodated by the Ontario Ruling, TDW is unable to rely on NI 35-101 as it may be argued that TDW has an office or other physical presence in Canada as a result of its call centre operations located in the London Call Centre.

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:

1. the Original Decision is revoked;

2. the Registration Requirements and the Prospectus Requirement shall not apply to TDW and its agents so as to permit them to deal with NI 35-101 Clients provided:

    (a) such dealings are conducted in accordance with all terms and conditions of NI 35-101 save and except for the requirement that TDW has no office or physical presence in any jurisdiction of Canada; and

    (b) the only office or physical presence that TDW has in Canada is the London Call Centre; and

3. the Registration Requirements shall not apply to TDWCCC in respect of any trading activity that is conducted by it when TDW and its agents deal with NI 35-101 Clients through the London Call Centre in the manner contemplated by this decision.

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission

August 5, 2005

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

AND

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

AND

**IN THE MATTER OF
TD WATERHOUSE BANK, N.A.
TD WATERHOUSE CANADIAN CALL CENTRE INC.
TD WATERHOUSE INVESTOR SERVICES INC.
(the Filers)**

MRRS DECISION DOCUMENT

Background

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

(a) TDWBank and its authorized agents from the dealer, adviser and underwriter registration requirements contained in the Legislation (the Registration Requirements) and the prospectus requirement contained in the Legislation (the Prospectus Requirement) to permit TDWBank and its authorized agents to distribute U.S. dollar denominated certificates of deposit and U.S. interest bearing chequing accounts offered by TD Waterhouse Bank, N.A. (TDWBank) (collectively, the Deposits) to residents of the Jurisdictions; and

(b) TD Waterhouse Canadian Call Centre Inc. (TDWCCC), TD Waterhouse Investor Services Inc. (TDW) and their authorized agents from the Registration Requirements that would otherwise be applicable to them when TDWBank offers and sells Deposits to residents of the Jurisdictions through a call centre that is located in London, Ontario (the London Call Centre) in the manner described below.

Under the Mutual Reliance Review System for Exemptive Relief Applications

(i) the Ontario Securities Commission is the principal regulator for this application, and

(ii) 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 of TDWBank

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

1. TDWBank is an indirect wholly-owned subsidiary of The Toronto-Dominion Bank (TD Bank).

2. TD Bank is a Canadian chartered bank that is listed in Schedule 1 to the Bank Act (Canada) (the Bank Act).

3. TDWBank is a virtual bank which carries on the business of banking in the United States.

4. The head office of TDWBank is located in Jersey City, New Jersey, U.S.A.

5. TDWBank is not a bank for purposes of the Bank Act and the Deposits are therefore securities for purposes of the Legislation.

6. Although TDWBank is not a bank for purposes of the Bank Act, it is chartered as a national bank under the United States National Bank Act and it is therefore subject to regulation, examination and supervision by the Office of the Comptroller of the Currency (OCC), TDWBank's chartering agency, and the Federal Deposit Insurance Corporation (FDIC), TDWBank's deposit insurer.

7. Each of the OCC and the FDIC (collectively, the U.S. Regulatory Authorities) is a regulatory authority created under the federal laws of the United States. It has been granted extensive discretionary authority to assist it with the fulfillment of its supervisory and enforcement obligations and it exercises such authority for the purpose of conducting periodic examinations of TDWBank's compliance with various regulatory requirements, including minimum capital requirements, and to establish policies respecting the classification of assets and the establishment of loan loss reserves for regulatory purposes.

8. TDWBank is required to file reports with the U.S. Regulatory Authorities concerning its activities and financial condition and it must obtain the approval of the U.S. Regulatory Authorities before entering into certain transactions, such as mergers with, or acquisitions of, other financial institutions.

9. The Deposits are insured by the FDIC under the United States Federal Deposit Insurance Act, as amended, and the regulations promulgated thereunder, for up to U.S. $100,000 for each insured account holder, the maximum currently permitted by law. TDWBank and other United States federally insured depository institutions are required to pay premiums for this deposit insurance. The deposit insurance provided by the FDIC is backed by the full faith and credit of the United States government.

10. TDWBank is therefore subject to a comprehensive scheme of regulation and supervision that is comparable to regulatory requirements governing Schedule I and Schedule II banks pursuant to the Bank Act and the supervisory responsibilities of the Office of the Superintendent of Financial Institutions.

Representations of the Filers

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

11. TDWBank proposes to offer and sell Deposits to residents of the Jurisdictions through, among other things, the London Call Centre.

12. TD Waterhouse Investor Services Inc. (TDW) operates the London Call Centre through TD Waterhouse Canadian Call Centre Inc. (TDWCCC), an affiliate of TDW that is incorporated under the laws of Ontario.

13. TDW is a corporation incorporated under the laws of the State of New York, U.S.A. and is an indirect wholly-owned subsidiary of the Toronto-Dominion Bank, a bank listed on Schedule I of the Bank Act (Canada) (the Bank Act). TDW is registered as a broker-dealer with the United States Securities and Exchange Commission (SEC) pursuant to Section 15(b) of the Securities Exchange Act of 1934, as amended, to carry on business as a broker-dealer in the U.S.A. Its head office is located in New York, New York, U.S.A.

14. Within the London Call Centre, individuals who will represent both TDW and TDWBank (the TDW Representatives) will offer a limited range of financial products and services to the customers of each Filer.

15. When acting as a representative of TDW, a TDW Representative will respond to market and account activity inquiries received from clients of TDW who are not residents of Canada (Non-Canadian Clients) and individuals (NI-35-101 Clients) that are referred to in Section 2.1 of National Instrument 35-101 Conditional Exemption from Registration for United States Broker-Dealers and Agents (NI 35-101). A TDW Representative will also review for approval all Non-Canadian and NI 35-101 Client Orders that are placed via the internet or a touch-tone telephone system; receive

and respond to all email inquiries received by TDW; address technical problems encountered by Non-Canadian and NI 35-101 Clients when using electronic services that are available through TDW; and monitor and supervise Non-Canadian and NI 35-101 Client accounts. A TDW Representative that is registered under U.S. securities laws will also accept and route, but not execute, trading orders on behalf of Non-Canadian Clients and NI 35-101 Clients.

16. When acting as a representative of TDWBank, a TDW Representative will respond to account inquiries from, execute account transactions for, and offer a limited range of TDWBank financial products and services to holders of TDWBank accounts who are resident in both the United States (U.S. Customers) and Canada (Canadian Customers) and who access the London Call through the use of a toll-free line. Financial products and services that will be available to U.S. Customers through the London Call Centre comprise Deposits, overdraft protection, mortgages, a home equity line of credit, an unsecured line of credit and VISA credit cards. Financial products and services that will be available to Canadian Customers through the London Call Centre Comprise Deposits, overdraft protection, an unsecured line of credit and VISA credit cards.

17. TDW will not establish accounts for, or trade securities with, or on behalf of, persons or companies who are resident in Canada except to the extent that it establishes accounts and conducts trading in Canada in accordance with the dealer registration and prospectus exemptions that are available pursuant to NI 35-101.

18. TDWBank will not trade in any securities other than Deposits with or on behalf of persons or companies who are resident in Canada.

19. TDW, TDWBank, TDWCCC and TDW Representatives will comply with all registration and other requirements of applicable U.S. securities legislation in respect of trades conducted with, or on behalf of, Non-Canadian Clients and U.S. Customers.

20. TDW, TDWBank, TDWCCC and TDW Representatives will comply with the requirements of applicable U.S. banking legislation when offering and selling Deposits to Canadian Customers and U.S. Customers.

21. Without this MRRS Decision Document, TDWBank would be unable to satisfy the Registration Requirements and the Prospectus Requirements that would otherwise be applicable to its offering and sale of Deposits to residents of the Jurisdictions and TDW, TDWBank, TDWCCC and TDW Representatives would be unable to satisfy the Registration Requirements that would otherwise be applicable to them when TDWBank offers and sells Deposits to residents of the Jurisdictions through the London Call Centre.

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) TDWBank continues to be subject to regulation, examination and supervision by the U.S. Regulatory Authorities;

(b) the Deposits are insured by the FDIC up to a maximum of at least U.S. $100,000 regardless of the residence or citizenship of the holder of a Deposit; and

(c) details of the FDIC insurance coverage in respect of the Deposits are disclosed to each prospective holder of a Deposit prior to trading any Deposit with the prospective holder.

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission

2.1.12 United Financial Corporation et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application – Extension of distribution beyond lapse date for certain funds until the effective date of the mergers of the funds.

Applicable Statutory Provisions

Securities Act R.S.O. 1990, c. S.5, as am., s. 147.

September 9, 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,
YUKON AND NUNAVUT
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
UNITED FINANCIAL CORPORATION
(the Filer)

AND

ARTISAN RSP GROWTH PORTFOLIO
ARTISAN RSP HIGH GROWTH PORTFOLIO
ARTISAN RSP MAXIMUM GROWTH PORTFOLIO
(collectively, the RSP Funds)

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 that the time limits pertaining to the distribution of units of the RSP Funds under the simplified prospectus and annual information form dated July 26, 2004 of the RSP Funds, as amended from time to time, (collectively, the RSP Funds Prospectus), be extended to permit the continued distribution of units of the RSP Funds until September 23, 2005 (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) The Manitoba 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. Each RSP Fund currently distributes its units in each province and territory of Canada pursuant to the RSP Funds Prospectus. The RSP Funds Prospectus was previously filed with the CSA as SEDAR project no 650920.

2. Each RSP Fund is a reporting issuer as defined in the securities legislation of each province and territory of Canada and is not in default of any of the requirements of such legislation.

3. By virtue of a previous decision of the Decision Makers, the earliest lapse date of the RSP Funds Prospectus under the Legislation is September 9, 2005.

4. On June 29, 2005, the foreign property rules contained in the *Income Tax Act* (Canada) were repealed with the result that the RSP Funds have become redundant and the Filer has decided to merge and terminate each RSP Fund on or before September 23, 2005.

5. A further extension of the lapse date of the RSP Funds Prospectus has been requested in order that the merger and termination of each RSP Fund can coincide with other mergers of mutual funds managed by the Filer which are scheduled to occur on September 23, 2005, and thereby minimize the disruption to back office operations of the Filer and the dealers with clients invested in units of the RSP Funds.

6. There have been no material changes in the affairs of any RSP Fund since the filing of the RSP Funds Prospectus other than those for which amendments have been filed. Accordingly, the RSP Funds Prospectus represents current information regarding each RSP Fund.

7. The requested lapse date extension will not affect the accuracy of the information in the RSP Funds Prospectus and therefore will not be prejudicial to the public interest.

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.

"R.B. Bouchard"
Director, Corporate Finance
The Manitoba Securities Commission

2.1.13 Artisan RSP Portfolio - ss. 62(5), 147

Headnote

Application pursuant to s.6.1 of OSC Rule 13-502 Fees - exemption from requirement to pay activity fee of $5,500 in connection with an application brought under s.147 of the Act because the application is in substance an application for a lapse date extension under s.62(5) of Act to which an activity fee of only $1,500 should apply.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5 as am., ss. 62(5), 147.

Rules Cited

Ontario Securities Commission Rule 13-502 Fees, Appendix C, Items F(1) and F(3).

September 12, 2005

McCarthy Tétrault LLP
Box 48, Suite 4700
Toronto Dominion Bank Tower
Toronto, Ontario
M5K 1E6

Attention: John Kruk

Dear Sirs/Mesdames:

Re: Artisan RSP Portfolios
Application under s. 6.1 of OSC Rule 13-502– Fees ("Rule 13-502")
App. No. 597/05

By letter dated August 18, 2005 (the "Application"), you applied on behalf of United Financial Corporation ("United Financial"), the manager and trustee of the Artisan RSP Growth Portfolio, Artisan RSP High Growth Portfolio and Artisan RSP Maximum Growth Portfolio (the "RSP Funds"), to the Canadian securities regulatory authorities under section 147 of the *Securities Act* (Ontario) (the "Act") and its equivalent provision in the securities legislation in each of the other provinces and territories of Canada for a further extension of the time limits pertaining to the distribution of units under the simplified prospectus and annual information form of the RSP Funds dated July 24, 2004, as amended from time to time, (the "Artisan Prospectus").

By letter dated August 19, 2005 (the "Fee Application"), you additionally applied to the Director on behalf of United Financial for the following:

(i) an exemption, pursuant to subsection 6.1 of Rule 13-502 (the "Fee Exemption"), from the requirement to pay an activity fee of $5,500 in connection with the Application in accordance with item F(1) of Appendix C of Rule 13-502, on the condition that fees be paid on the basis that the Application be treated as an application for other

regulatory relief under item F(3) of Appendix C of Rule 13-502; and

(ii) an exemption from the requirement to pay an activity fee of $1,500 in connection with the Fee Exemption application.

From our review of the Application, the Fee Application and other information communicated to staff, we understand the relevant facts and representations to be as follows:

1. Each RSP Fund is a reporting issuer in each of the provinces and territories of Canada (the "Jurisdictions") and is not in default of any filing requirements under the securities legislation of any of the Jurisdictions.

2. The units of the RSP Funds are qualified for distribution in each of the Jurisdictions by means of the Artisan Prospectus that was prepared and filed in accordance with Canadian securities regulatory requirements.

3. In the Application, United Financial requested a further extension of the time limits pertaining to the distribution of the units of the RSP Funds under the Artisan Prospectus. Item F(1) of Appendix C of Rule 13-502 specifies that applications under section 147 of the Act pay an activity fee of $5,500.

4. If United Financial were renewing the Artisan Prospectus rather than merging the RSP Funds, it could have sought an extension of the lapse date applicable to the Artisan Prospectus pursuant to subsection 62(5) of the Act. The activity fee for such an application would be $1,500 in accordance with item F(3) of Appendix C of Rule 13-502.

Decision

This letter confirms that, based on the information provided in the Application, the Fee Application and the facts and representations above, and for the purposes described in the Fee Application, the Director hereby exempts United Financial and the RSP Funds from:

(a) paying an activity fee of $5,500 in connection with the Application, provided that the RSP Funds pay an activity fee on the basis that the Application be treated as an application for other regulatory relief under item F(3) of Appendix C to Rule 13-502; and

(b) paying an activity fee of $1,500 in connection with the Fee Application under item F(3) of Appendix C to Rule 13-502.

Yours truly,

"Leslie Byberg"
Manager, Investment Funds

2.1.14 Sterling Shoes Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-102, s. 13.1 Continuous Disclosure Obligations – BAR – An issuer requires relief from the requirement to include certain financial statements in a business acquisition report - The issuer filed a prospectus that included the financial information for the acquisition as a probable significant acquisition; the financial information in the prospectus is for a period that ended less than one interim period before the financial information that would be required under Part 8 of NI 51-102; the issuer will include the financial information that was in the prospectus in the BAR

Applicable Ontario Provisions

National Instrument 51-102, ss. 8.4(3), 13.1

September 26, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO (THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
STERLING SHOES INCOME FUND (THE FILER)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement to include certain financial statements in the business acquisition report (the BAR) to be filed by the Filer in connection with an acquisition it completed on July 12, 2005 (the Requested Relief).

Application of Principal Regulator System

2. Under Multilateral Instrument 11-101 P*rincipal Regulator System* (MI 11-101) and the Mutual Reliance Review System for Exemptive Relief Applications (the System)

   (a) the British Columbia Securities Commission is the principal regulator for the Filer,

   (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in each of the provinces in Canada except British Columbia and Ontario, and

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

Interpretation

3. Defined terms in National Instrument 14-101 *Definition*s have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

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

   1. the Filer is an unincorporated, open-ended, limited–purpose trust established under the laws of British Columbia by a declaration of trust;

   2. the Filer's head office is in Richmond, British Columbia,

   3. the Filer is a reporting issuer, where such status exists, in each of the provinces of Canada;

   4. the trust units of the Filer are listed and posted for trading on the Toronto Stock Exchange;

   5. on June 30, 2005, the Filer filed a final prospectus in each of the provinces of Canada for its initial public offering;

   6. the Filer disclosed in the prospectus that

      (a) it was established to acquire and hold units and series 1 trust notes of SS Holdings Trust;

      (b) SS Holdings Trust was established to acquire and hold Class C Limited Partner Units of Sterling Shoes Limited Partnership, representing an 80% indirect interest in Sterling Shoes Limited Partnership; and

      (c) Sterling Shoes Limited Partnership was created to acquire and hold substantially all of the assets of, and carry on the foot-

wear retail business (the Business) previously carried on by, Sterling Shoes Inc. (the Acquisition);

7. the Filer completed the Acquisition on July 12, 2005;

8. because the Acquisition is a "significant acquisition" by the Filer for the purposes of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), the Filer must file a BAR by September 26, 2005;

9. OSC Rule 41-501 *General Prospectus Requirements* (Rule 41-501) sets out the financial statements required to be included in a prospectus, including financial statements relating to "significant acquisitions";

10. under Rule 41-501, the Filer's prospectus included the following financial statements (the Prospectus Financial Statements):

    (a) for Sterling Shoes Inc.,

        (i) audited balance sheets as at January 31, 2005 and 2004 and an unaudited balance sheet as at April 30, 2005, and

        (ii) audited statements of operations and retained earnings and cash flows for the years ended January 31, 2005, 2004 and 2003 and unaudited statements of operations and retained earnings and cash flows for the three-month periods ended April 30, 2005 and 2004; and

    (b) for the Filer,

        (i) an audited balance sheet, and notes thereto, as at May 31, 2005,

        (ii) an unaudited pro forma consolidated balance sheet as at April 30, 2005,

        (iii) unaudited pro forma consolidated statements of operations for the year ended January 31, 2005 and for the three months ended April 30, 2005, and

        (iv) a compilation report on the unaudited pro forma balance sheet as at April 30, 2005 and the unaudited pro forma consolidated statements of operations for the year ended January 31, 2005 and for the three months ended April 30, 2005;

11. under NI 51-102, the Filer is required to include in its BAR for the Acquisition certain financial statements, including

    (a) audited financial statements for Sterling Shoes Inc. for the years ended January 31, 2005 and January 31, 2004;

    (b) interim financial statements for Sterling Shoes Inc. for the three month period ended April 30, 2005 together with comparative interim financial statements for the three month period ended April 30, 2004;

    (c) an unaudited pro forma consolidated balance sheet of the Filer as at June 30, 2005;

    (d) unaudited pro forma consolidated statements of operations for the year ended January 31, 2005 and for the five months ended June 30, 2005; and

    (e) a compilation report on the unaudited pro forma balance sheet as at June 30, 2005 and the unaudited pro forma consolidated statements of operations for the year ended January 31, 2005 and for the five months ended June 30, 2005;

12. the Filer's prospectus contains full, true and plain disclosure of all material facts relating to the Filer and the Acquisition and included the financial statements

required by Rule 41-501 required for a significant acquisition;

13. the Filer will include the Prospectus Financial Statements in the BAR for the Acquisition; and

14. except for the closing of the Offering on July 12, 2005, there was no material change in the financial condition or results of operations of the Business from April 30, 2005, the date of the most recent financial statements of Sterling Shoes Inc. included in the prospectus, to July 12, 2005, the closing date of the Acquisition.

Decision

5. 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 includes the Prospectus Financial Statements in the BAR.

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

2.1.15 United Financial Corporation et al. - MRRS Decision

Headnote

Approval of fund mergers of RSP funds pursuant to subsection 5.5(1)(b) of National Instrument 81-102 *Mutual Funds*. Mergers not satisfying all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

Rule Cited

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6.

September 23, 2005

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

AND

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

AND

UNITED FINANCIAL CORPORATION
(the Manager)

AND

RSP GLOBAL FIXED INCOME POOL
RSP US EQUITY DIVERSIFIED POOL
RSP INTERNATIONAL EQUITY DIVERSIFIED POOL
(the Terminating Funds)

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 Manager and the Terminating Funds (together, the Filer) for a decision under the securities legislation of the Jurisdictions (the Legislation) for approval under section 5.5(1)(b) of National Instrument 81-102 Mutual Funds (NI 81-102) to merge each Terminating Fund into its Continuing Fund (as set out below) as contemplated by applicable Legislation (the Requested Approval).

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) The Manitoba 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. United Financial Corporation is the manager (the "Manager") of each of the mutual funds ndividually, a "Fund" and, collectively, the "Funds") set out in paragraph 2.

2. The Manager intends to merge the Funds identified below under "Terminating Fund" (individually, a "Terminating Fund" and, collectively, the "Terminating Funds") into the respective Funds (individually, a "Continuing Fund" and, collectively, the "Continuing Funds") identified opposite their names below.

Terminating Fund	Continuing Fund
RSP Global Fixed Income Pool	Global Fixed Income Pool
RSP US Equity Diversified Pool	US Equity Diversified Pool
RSP International Equity Diversified Pool	International Equity Diversified Pool

(individually a "Merger" and, collectively, the "Mergers").

3. The Manager believes that each Merger may not satisfy all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6 of NI 81-102.

4. As the principal office of the Manager is in Manitoba, The Manitoba Securities Commission has been selected as the principal regulator for purposes of this application in accordance with the provisions of section 3.2(1) of National Policy 12-201.

5. Each Fund is a reporting issuer as defined in the securities legislation of each province and territory of Canada. Each Terminating Fund currently distributes its securities in each province and territory of Canada pursuant to a simplified prospectus and annual information form dated October 4, 2004, as amended, previously filed with the CSA as SEDAR project no. 682691 (the "Assante Prospectus"). The Manager has filed press releases, material change reports and amendments to the Assante Prospectus to announce the Mergers.

6. The Mergers are being proposed in order to rationalize the line-up of Funds for the benefit of securityholders of the Funds. The anticipated benefits of the Mergers are as follows:

   (a) each Terminating Fund and its Continuing Fund are largely duplicative of one another as a result of the elimination of the foreign property restrictions and there will be a savings in brokerage charges through a merger rather than liquidating the portfolio of securities of the Terminating Fund;

   (b) securityholders of both the Terminating Funds and Continuing Funds will benefit frombecoming investors in larger mutual funds which will be better able to maintain diversified, well-managed portfolios with a smaller proportion of assets set aside to fund redemptions.

7. Each Terminating Fund will be wound-up as soon as reasonably possible following its Merger.

8. In the opinion of the Manager, each Terminating Fund and its Continuing Fund have substantially similar valuation procedures and, except as noted in the Application, substantially similar fundamental investment objectives and fee structures.

9. Investors in the Terminating Funds will be asked to approve the Mergers at special meetings ofsecurityholders to be held on September 22, 2005 (the "Meetings"). If securityholders approve the Mergers, the Manager intends to effect each Merger after the close of business on September 23, 2005 (the "Effective Date"), subject to regulatory approvals. The cost of effecting the Mergers (consisting primarily of proxy solicitation, printing, mailing, legal and regulatory fees) will be borne by the Manager.

10. Purchases of and transfers to securities of each Terminating Fund will be suspended on or prior to the Effective Date. Following each Merger, periodic investment plans and systematic withdrawal plans which were established with respect to the Terminating Fund will be re-established with respect to its Continuing Fund unless securityholders who are affected by the Merger advise the Manager otherwise. Securityholders may change any periodic investment plan or systematic withdrawal plan at any time and investors in a Terminating Fund who wish to establish a periodic investment plan or systematic withdrawal plan in respect of their

holdings of the Continuing Fund may do so following its Merger.

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 this decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Approval is granted provided that the Mergers are implemented no later than October 31, 2005.

"R.B. Bouchard"
Director, Corporate Finance

2.2 Orders

2.2.1 Western Prospector Group Ltd. - s. 83.1(1)

Headnote

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

Applicable Ontario Statutory Provisions

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

September 27, 2005

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

AND

**IN THE MATTER OF
WESTERN PROSPECTOR GROUP LTD. (THE FILER)**

**ORDER
(section 83.1(1))**

UPON the application of the Filer for an order pursuant to subsection 83.1(1) of the Act deeming the Filer to be a reporting issuer for the purposes of Ontario securities law;

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

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

1. The Filer is a company governed by the *Business Corporations Act* (British Columbia). Its registered office and head office are located in Vancouver, British Columbia.

2. The Filer has been a "reporting issuer" under the *Securities Act* (British Columbia) since October 19, 1999 and a reporting issuer under the *Securities Act* (Alberta) since November 30, 1999 upon listing of the Filer's shares on the Canadian Venture Exchange, due to the merger of the Alberta and Vancouver Stock Exchanges.

3. The Filer's common shares were listed on the Canadian Venture Exchange on November 30, 1999. The Filer's common shares currently trade on the TSX Venture Exchange (TSXV) and the

Filer is in compliance with all the requirements of the TSXV.

4. The Filer is not a reporting issuer under the securities legislation of any jurisdiction other than the Provinces of British Columbia and Alberta.

5. The Filer has determined that it has a significant connection to Ontario. More particularly, a Non-Objecting Beneficial Owner list provided by ADP Investor Communications indicated that as April 15, 2005, approximately 39.72% of the beneficial shareholders in that report were residents of Ontario and collectively such beneficial shareholders held approximately 19.95% of the Filer's outstanding shares. In addition, in a Registered Shareholder list as at April 15, 2005 provided by Computershare Investor Services Inc., management of the Filer is aware that approximately 40.48% of the registered shareholders in that list or the beneficial shareholders thereof were residents of Ontario and collectively such registered and/or beneficial shareholders held approximately 10.31% of the Filer's outstanding shares.

6. The Filer is up to date in the filing of its financial statements and other continuous disclosure documents.

7. The continuous disclosure requirements of the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) are substantially the same as the requirements under the Act.

8. The continuous disclosure materials filed by the Filer under the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) are available on the System for Electronic Document Analysis and Retrieval.

9. Neither the Filer nor any of its officers, directors or controlling shareholders has

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

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

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

10. The Filer is not aware of:

   (a) any known ongoing or concluded investigations by:

      (i) a Canadian securities regulatory authority; or

      (ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or

   (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the 10 years before the date of the application;

   relating to the Filer, a director or officer of the Filer, or a shareholder holding sufficient securities of the Filer to affect materially the control of the Filer except for John S. Brock, Present, Chief Executive Officer and a director of the Filer.

   Mr. Brock served as a director of Future Mineral Corporation (Future) from May 25, 1999 until the date of his resignation on July 25, 2003. On January 10, 2003, Future's board of directors was advised by management of Future that Future had been served with an interim cease trade order issued by the Alberta Securities Commission dated December 6, 2002 for failure to file audited financial statements and that on December 20, 2002, a cease trade order was issued. Future's management advised that due to the death in 2002 of Eric Alexander, Future's President, Future was unable to complete an audit of Future's corporate and financial records.

11. The Filer will remit all participation fees due and payable by it pursuant to Commission Rule 13-502 – *Fees* by no later than two business days from the date of this order.

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

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

"Charlie MacCready"
Assistant Manger, Corporate Finance
Ontario Securities Commission

2.2.2 Birch Mountain Resources Ltd. - 83.1(1)

Headnote

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

Ontario Statutes

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

August 16, 2005

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

AND

IN THE MATTER OF
BIRCH MOUNTAIN RESOURCES LTD.

ORDER
(Subsection 83.1(1))

UPON the application of Birch Mountain Resources Ltd. ("Birch") for an order pursuant to subsection 83.1(1) of the Act deeming Birch to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON Birch representing to the Commission as follows:

1. Birch is a corporation amalgamated under the *Business Corporations Act* (Alberta).

2. The Corporation is a reporting issuer under the *Securities Act* (British Columbia) (the "BC Act"), the *Securities Act* (Alberta) (the "Alberta Act"), the *Securities Act* (Saskatchewan) (the "Saskatchewan Act") and the *Securities Act* (Quebec) (the "Quebec Act").

3. The Corporation's head office is located at Suite 300, 250 - 6th Avenue S.W., Calgary, Alberta, T2P 3H7. The Corporation's registered and records office is located at 1000, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

4. The authorized share capital of the Corporation consists of an unlimited number of common shares ("Common Shares"), an unlimited number of preferred shares and an unlimited number of non-voting shares, of which 69,106,197 Common Shares are issued and outstanding as at August 12, 2005.

5. The Corporation is registered with the Securities and Exchange Commission in the United States of America under the *Securities Exchange Act*, 1934 (the "1934 Act") and is not exempt from the reporting requirements of the 1934 Act pursuant to Rule 12g3-2 made thereunder. The Corporation is not in default of any securities legislation in the United States or any other jurisdiction.

6. The Corporation's Common Shares are listed for trading on the TSX Venture Exchange (the "Exchange") under the symbol "BMD" and on the American Stock Exchange ("AMEX") in the United States under the symbol "BMD".

7. In accordance with National Instrument 44-101 - *Short Form Prospectus Distributions*, the Corporation has filed with the Alberta Securities Commission, as the principal regulator, a current Annual Information Form in the Form 20-F. In addition, the Corporation has filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") with each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec the continuous disclosure record of the Corporation for the previous 12 months.

8. The Corporation is good standing under the rules, regulations and policies of the Exchange and AMEX.

9. The Corporation is in good standing and is not in default under any of the BC Act, Alberta Act, Saskatchewan Act and Quebec Act (the "Acts").

10. The materials filed by the Corporation under the Acts are available on SEDAR.

11. The continuous disclosure requirements of the Acts are substantially the same as the requirements under the Act.

12. With the exception of the trading halt and trading suspension by the Exchange on June 28, 2000 and March 5, 2001, respectively, which were revoked by the Exchange on September 29, 2000 and March 11, 2002, respectively, neither the Corporation nor any of its officers or directors, nor to the knowledge of the Corporation and its officers and directors, any of its controlling shareholders, has:

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

(ii) entered into a settlement agreement with a Canadian securities regulatory authority; or

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

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

(i) any known ongoing or concluded investigations by:

(a) a Canadian securities regulatory authority, or

(b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or

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

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

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

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

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

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

"John Hughes"
Manager, Corporate Finance

2.2.3 DaimlerChrysler AG - s. 83

Headnote

Section 83 of the Securities Act – Application by reporting issuer for an order deeming it to have ceased to be a reporting issuer – Canadian resident shareholders beneficially own less than 2% of a class or series of the Issuer's outstanding securities and represent less than 2% of total number of beneficial shareholders – Issuer's securities voluntarily delisted from the TSX in 2002 – Issuer has not distributed any of its securities to Canadian residents since it was delisted from the TSX other than under its direct sales plan or to its employees or affiliates under stock plans – Issuer does not currently intend to offer securities in Canada – No securities of the Issuer trade on any market or exchange in Canada – Issuer is registered with the U.S. Securities Exchange Commission and subject to reporting requirements under U.S. securities legislation – Issuer has securities listed on New York Stock Exchange and other international exchanges – Issuer has issued a press release announcing that it has submitted an application to be deemed to have ceased to be a reporting issuer in Ontario – Issuer has undertaken to the Commission to continue to deliver all disclosure materials required by U.S. securities law to be delivered to securityholders residents in the U.S. to securityholders in Canada in the same manner and at the same time as required by U.S. securities law and U.S. market requirements -- Issuer is not a reporting issuer in any province or territory of Canada other than Ontario and Québec – Issuer granted certain continuous disclosure relief in Québec under a related application – Issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

September 30, 2005

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

AND

IN THE MATTER OF
DAIMLERCHRYSLER AG

ORDER
(Section 83)

UPON the application of DaimlerChrysler AG ("DCAG") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 83 of the Act that DCAG be deemed to have ceased to be a reporting issuer for the purposes of the Act;

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

AND UPON defined terms contained in National Instrument 14-101 – *Definitions* having the same meanings in this order unless they are defined in this order;

AND UPON it being represented by DCAG to the Commission that:

1. DCAG is a corporation incorporated on May 6, 1998 under the laws of the Federal Republic of Germany in the course of the business combination (the "Business Combination") of Daimler-Benz Aktiengesellschaft and Chrysler Corporation ("Chrysler").

2. The authorized capital of DCAG consists of ordinary shares with no par value. As of December 31, 2004, there was an aggregate of 1,012,824,191 ordinary shares of DCAG issued and outstanding worldwide.

3. Immediately prior to the Business Combination, the shares of common stock of Chrysler were listed and posted for trading on, among other exchanges, The Toronto Stock Exchange (as it was then known) (the "TSX") and The Montréal Exchange (the "ME"). Following the Business Combination, the ordinary shares of DCAG were substitutionally listed and posted for trading on, among other exchanges, the TSX and ME.

4. In 2001, the ordinary shares of DCAG ceased to be traded on the ME when the ME ceased to operate as an equity stock exchange. On June 25, 2002, the ordinary shares of DCAG were voluntarily delisted from the TSX. The principal reason for delisting the ordinary shares of DCAG from the TSX was the minimal trading activity of the ordinary shares of DCAG thereon and the desire to save the costs and administrative burdens associated with maintaining such listing.

5. Chrysler became a "reporting issuer" under the securities legislation of Ontario and Québec by virtue of its shares of common stock having been listed and posted for trading on the TSX and the ME, respectively. Following the Business Combination, DCAG became a "reporting issuer" under the securities legislation of Ontario and Québec by virtue of its ordinary shares having been substitutionally listed and posted for trading on the TSX and the ME, respectively. DCAG is not a "reporting issuer" or its equivalent under the securities legislation of any other province or territory of Canada.

6. DCAG is not in default of any reporting requirement under the securities legislation of Ontario and Québec, other than the filing in Ontario of an interim certificate in Form 52-109FT2 under Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* in respect of the interim periods ended March 31, 2004, June 30, 2004 and

September 30, 2004. DCAG voluntarily files quarterly reports on Form 6-K with the United States Securities and Exchange Commission ("SEC") but, under the federal securities laws of the United States, DCAG is not required to, and does not, certify its quarterly reports.

7. Based on the registers of DCAG, as of July 11, 2005, there was an aggregate of 643,058 ordinary shares of DCAG held by persons with addresses in Ontario and an aggregate of 1,314,763 ordinary shares of DCAG held by persons with addresses in Canada, in each case representing less than 1% of all outstanding ordinary shares of DCAG, respectively, and there were 1,866 beneficial holders of ordinary shares of DCAG with addresses in Ontario and 3,308 beneficial holders of ordinary shares of DCAG with addresses in Canada, in each case representing less than 1% of the total number of holders of ordinary shares of DCAG.

8. Accordingly, residents of Canada:

   (a) do not beneficially own directly or indirectly more than 2% of the outstanding securities of DCAG; and

   (b) do not represent in number more than 2% of the total number of owners directly or indirectly of securities of DCAG.

9. The ordinary shares of DCAG are listed on the Frankfurt Stock Exchange ("FSE") and the New York Stock Exchange ("NYSE") and are also listed on the German stock exchanges in Berlin, Bremen, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart, on the United States stock exchanges in Chicago and Philadelphia and on the Pacific Stock Exchange, on the stock exchanges in Paris and Tokyo, and on the Swiss Stock Exchange. The principal trading markets for the ordinary shares of DCAG are the FSE and the NYSE. DCAG's ordinary shares trade under the stock symbol "DCX".

10. None of the securities of DCAG is traded on a marketplace in Canada as defined in National Instrument 21-101 – *Certain Capital Market Participants*.

11. DCAG is subject to the reporting requirements of the *Securities Exchange Act of 1934*, as amended (the "1934 Act"), of the United States of America and has made all of its filing requirements under the 1934 Act, which requirements are substantively similar to the reporting requirements under the Act.

12. DCAG maintains reporting status in the United States and delivers all disclosure material required by U.S. federal securities law to be delivered to holders of its securities in the United States to holders of its securities resident in any jurisdiction in Canada. This disclosure material is also available to holders of DCAG's securities through the SEC's website at www.sec.gov.

13. DCAG maintains its listing on, among other exchanges, the FSE and NYSE and is subject to the reporting requirements of, among other exchanges, the FSE and NYSE and is not in default of any reporting requirement of the FSE and NYSE.

14. DCAG has no current intention of distributing its securities in any jurisdiction in Canada through a public or private offering, except for distributions of its securities to employees, executive officers, directors or consultants of a related entity of DCAG or permitted assigns of such persons pursuant to exemptions from the registration requirement and the prospectus requirement of the securities legislation of any jurisdiction in Canada.

15. DCAG has undertaken in favour of the Commission that it will not, directly or indirectly, distribute its securities in Canada pursuant to an exemption from the registration requirement and the prospectus requirement of the securities legislation of any jurisdiction in Canada, except for distributions of its securities to employees, executive officers, directors or consultants of a related entity of DCAG or permitted assigns of such persons pursuant to exemptions from the registration requirement and the prospectus requirement of the securities legislation of any jurisdiction in Canada.

16. DCAG has undertaken in favour of the Commission that it will continue to deliver all disclosure material required by U.S. federal securities law to be delivered to holders of its securities in the United States to holders of its securities resident in every jurisdiction in Canada, in the manner and at the time required by the U.S. federal securities law and the requirements of any exchange registered as a "national securities exchange" under the 1934 Act on which its securities are traded.

17. On June 20, 2005, DCAG issued and filed a press release announcing that DCAG has submitted an application to the Commission to be deemed to have ceased to be a reporting issuer in Ontario.

18. Since DCAG has more than 15 securityholders whose latest addresses as shown in the records of DCAG are in Québec, DCAG is unable to obtain an order under the securities legislation of Québec to revoke its status as a reporting issuer. On July 19, 2005, the authorité des marches financiers du Québec issued an order exempting DCAG from the continuous disclosure

requirements of the securities legislation of Québec.

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

IT IS HERBY ORDERED, pursuant to section 83 of the Act, that DCAG is deemed to have ceased to be a reporting issuer for the purposes of the Act.

"Paul Moore" Q.C.
Vice Chair
Ontario Securities Commission

"Robert L. Shirriff" Q.C.
Commissioner
Ontario Securities Commission

2.3 Rulings

2.3.1 TD Waterhouse Investor Services, Inc., TD Waterhouse Canadian Call Centre Inc. and TD Waterhouse Bank, N.A. - ss. 74(1), 144(1)

Headnote

A decision amending and restating a ruling dated July 19, 2002 that was granted to TDWIS by the OSC to accommodate the establishment and operation of a broker call centre in London, Ontario for clients of TDWIS who are not residents of Canada, and to accommodate the proposed transfer of the TDWIS call centre support services from a TDWIS call centre located in San Diego, California to the London Call Centre.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74(1), 144(1).

July 22, 2005

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

AND

IN THE MATTER OF
TD WATERHOUSE INVESTOR SERVICES, INC.,
TD WATERHOUSE CANADIAN CALL CENTRE INC.
AND
TD WATERHOUSE BANK, N.A.

RULING AND ORDER
(Subsections 74(1) and 144(1))

WHEREAS on July 19, 2002, the Ontario Securities Commission (the "Commission") made a ruling pursuant to subsection 74(1) of the Act (the "Original Ruling") that representatives (the "TDW Representatives") of TD Waterhouse Investor Services, Inc. ("TDW") who work in a call centre located in London, Ontario (the "London Call Centre") that is dedicated to answering inbound phone calls from clients of TDW who are not residents of Canada ("Non-Canadian Clients") or who are NI 35-101 Clients, as that term is defined below, are not subject to paragraph 25(1)(a) of the Act subject to certain terms and conditions.

AND WHEREAS TDW operates the London Call Centre through TD Waterhouse Canadian Call Centre Inc. ("TDWCCC), an affiliate of TDW that is incorporated under the laws of the Province of Ontario.

AND WHEREAS it is proposed to consolidate, and to thereby reduce the cost of conducting, TDW's call centre operations by transferring (the "Support Services Transfer") certain TDW call centre support services (the "Support Services") from a TDW call centre that is currently located in San Diego, California to the London Call Centre

where the Support Services will become part of the TDW call centre platform that is currently operating within the London Call Centre.

AND WHEREAS The Toronto-Dominion Bank ("TDBank") operates two call centres located in Markham, Ontario and Edmonton, Alberta (the "TD Bank Call Centres").

AND WHEREAS employees of TD Bank located in the TD Bank Call Centres act as representatives of TD Waterhouse Bank, N.A. ("TDWBank") for the purpose of answering inbound phone calls from holders of TDWBank accounts who are resident in both the United States ("U.S. Customers") and Canada ("Canadian Customers") and who access the TD Bank Call Centres through the use of a toll-free line.

AND WHEREAS it is proposed to transfer the TD Bank Call Centres to the London Call Centre (the "Call Centre Transfer") for the purpose of improving customer service and reducing the costs associated with the operation of three distinct call centres by consolidating the three call centres into a single call centre and by having the TDW Representatives act as representatives for both TDW and TDWBank.

AND WHEREAS TDW wishes to vary the Original Ruling in order to extend its application to TDWCCC and to accommodate and reflect the Support Services Transfer and the Call Centre Transfer.

AND UPON the application of TDW, TDWCCC and TDWBank (collectively, the "Applicants") to the Commission for an order pursuant to subsections 144(1) and 74(1) of the Act (the "Application") revoking the Original Ruling and amending and restating it as set out below.

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

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

1. TDW is a corporation incorporated under the laws of the State of New York, U.S.A. and is an indirect wholly-owned subsidiary of The Toronto-Dominion Bank ("TD Bank"), a bank listed on Schedule I of the *Bank Act* (Canada).

2. The head office of TDW is in New York, New York, U.S.A.

3. TDW is registered as a broker-dealer with the United States Securities and Exchange Commission ("SEC") pursuant to Section 15(b) of the *Securities Exchange Act of 1934* as amended, to carry on business as a broker-dealer in the U.S.A.

4. TDWBank is chartered as a national bank under the United States *National Bank Act*. It is a virtual bank that carries on the business of banking in the United States. It is also an indirect wholly-owned subsidiary of TD Bank. Its head office is located in Jersey City, New Jersey, U.S.A.

5. TDW operates the London Call Centre through TDWCCC.

6. The London Call Centre is currently dedicated to responding to inbound phone calls from Non-Canadian Clients and individuals ("NI 35-101 Clients") referred to in section 2.1 of National Instrument 35-101 *Conditional Exemption from Registration for United States Broker-Dealers and Agents* ("NI 35-101"). Following the Support Services Transfer and the Call Centre Transfer, the London Call Centre will continue to respond to inbound phone calls from Non-Canadian Clients and NI 35-101 Clients. It will begin to provide the Support Services and it will begin responding to inbound phone calls from U.S. Customers and Canadian Customers.

7. TDW Representatives currently respond to market and account activity inquiries received from Non-Canadian Clients and NI 35-101 Clients and provide them with information on market activities and developments, TDW products and services, customer account information, technical support, Web access support and stock market quotes. TDW Representatives who are registered under U.S. securities laws may also accept and route, but not execute, trading orders on behalf of Non-Canadian Clients and NI 35-101 Clients.

8. Following the Support Services Transfer, TDW Representatives will also review for approval all Non-Canadian and NI 35-101 Client orders that are placed via the internet or a touch-tone telephone system, they will receive and respond to all email inquiries received by TDW, they will address technical problems encountered by Non-Canadian and NI 35-101 Clients when using electronic services that are available through TDW and they will monitor and supervise Non-Canadian and NI 35-101 Client accounts.

9. Following the Call Centre Transfer, TDW Representatives will also respond to account inquiries from, execute account transactions for, and offer a limited range of TDWBank financial products and services to, U.S. Customers and Canadian Customers. Financial products and services that will be available to U.S. Customers through the London Call Centre comprise U.S. certificates of deposit ("CDs"), U.S. interest bearing chequing accounts, overdraft protection, mortgages, a home equity line of credit, an unsecured line of credit and VISA credit cards. Financial products and services that will be available to Canadian Customers through the London Call Centre comprise CDs, U.S. interest

bearing chequing accounts, overdraft protection, an unsecured line of credit and VISA credit cards.

10. TDW does not establish accounts for, or trade securities with, or on behalf of, persons or companies who are resident in Canada except to the extent that it establishes accounts and conducts trading in Canada in accordance with the dealer registration and prospectus exemptions that are available pursuant to NI 35-101.

11. Following the Support Services Transfer and the Call Centre Transfer, TDW Bank will not trade in securities with or on behalf of persons or companies who are resident in Canada save and except for CDs and U.S. interest bearing chequing accounts that will be made available to Canadian Customers in reliance upon exemptions from applicable dealer registration and prospectus requirements that have been granted to TDWBank by Canadian securities regulatory authorities.

12. The London Call Centre is, and will continue to be, operated in accordance with all applicable rules established by various U.S. regulatory authorities.

13. Within the London Call Centre, TDW's call centre operation is, and will continue to be, conducted in accordance with all applicable rules established by the SEC and the New York Stock Exchange ("NYSE") and it is, and will continue to be, subject to the same procedures that apply to TDW's existing U.S. business. TDW's call centre operation is, and will continue to be, examined at least annually by representatives from TDW's compliance staff in New York and it is, and will continue to be, supervised by one or more properly qualified individuals acceptable to the NYSE.

14. TDWBank is subject to regulation, examination and supervision by the Office of the Comptroller of the Currency, it's chartering agency, and the Federal Deposit Insurance Corporation, its deposit insurer.

15. TDW, TDWCCC, TDWBank and the TDW Representatives who work in the London Call Centre on behalf of TDW and TDW Bank will comply with all registration and other requirements of applicable U.S. securities legislation in respect of trades conducted with, or on behalf of, Non-Canadian Clients and U.S. Customers.

16. The London Call Centre will continue to be an opaque presence, inaccessible to any person or company other than Non-Canadian Clients, NI 35-101 Clients, U.S. Customers, Canadian Customers and persons or companies who direct email inquiries to TDW.

17. Without this Ruling and Order, TDW, TDWCCC, TDWBank and the TDW Representatives who work in the London Call Centre following the Support Services Transfer and the Call Centre Transfer may be unable to satisfy the registration requirements of paragraph 25(1)(a) of the Act.

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

IT IS ORDERED, pursuant to subsection 144(1) of the Act, that the Original Ruling is revoked.

IT IS RULED pursuant to subsections 74(1) and 144(1) of the Act that:

(a) the TDW Representatives working in the London Call Centre shall not be subject to the requirements of paragraph 25(l)(a) of the Act where the TDW Representatives act on behalf of TDW or TDWBank in respect of trades in securities with or on behalf of Non-Canadian Clients or U.S. Customers, respectively, provided that the TDW Representatives comply with all registration and other requirements of applicable securities legislation in the U.S.A.; and

(b) each of TDW, TDWCCC and TDWBank shall not be subject to the requirements of paragraph 25(1)(a) of the Act with respect to trading conducted by it through the London Call Centre in securities with or on behalf of Non-Canadian Clients or U.S. Customers, respectively, provided that:

(i) a TDW Representative working in the London Call Centre acts on behalf of either TDW or TDWBank in respect of such trading; and

(ii) TDW and TDWBank comply with all registration and other requirements of applicable securities legislation in the U.S.A.

"Paul M. Moore"

"Harold P. Hands"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
RTICA Corporation	03 Oct 05	14 Oct 5		

4.2.1 Temporary, Permanent & Rescinding Management 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
Canadex Resources Limited	04 Oct 05	17 Oct 05			

4.2.2 Outstanding 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
ACE/Security Laminates Corporation	06 Sept 05	19 Sept 05	19 Sept 05		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Canadex Resources Limited	04 Oct 05	17 Oct 05			
Fareport Capital Inc.	13 Sept 05	26 Sept 05	26 Sept 05		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	24 Aug 05	06 Sept 05	06 Sept 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	18 May 04	01 Jun 04	01 Jun 04		
Kinross Gold Corporation	01 Apr 05	14 Apr 05	14 Apr 05		
Rex Diamond Mining Corporation	04 Jul 05	15 Jul 05	15 Jul 05		
Thistle Mining Inc.	05 Apr 05	18 Apr 05	18 Apr 05		
Xplore Technologies Corp.	04 Jul 05	15 Jul 05	15 Jul 05		

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Chapter 5

Rules and Policies

5.1.1 CSA Notice - Replacement of NI 43-101 Standards of Disclosure for Mineral Projects, Form 43-101F1 Technical Report, and Companion Policy 43-101CP

NOTICE

REPLACEMENT OF
NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS,
FORM 43-101F1 TECHNICAL REPORT, AND
COMPANION POLICY 43-101CP

We, the Canadian Securities Administrators (CSA), are replacing the following instruments, which came into effect on February 1, 2001:

- National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (Previous NI 43-101) and
- Form 43-101F1 *Technical Report* (Previous Form),

with the following instruments, respectively:

- National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (New NI 43-101), and
- Form 43-101F1 *Technical Report* (New Form).

In this Notice, New NI 43-101 and the New Form are collectively referred to as the Instrument.

The Companion Policy 43-101CP (the Policy), which includes explanations, discussion and examples on how the CSA will interpret and apply the Instrument, is also being replaced.

In order to conform with the Instrument we made a consequential amendment to National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102).

Members of the CSA in the following jurisdictions have made, or expect to make, the Instrument

- a rule in each of British Columbia, Alberta, Manitoba, Ontario and Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland and Labrador;
- a commission regulation in Saskatchewan and a regulation in Québec; and
- a policy in the Northwest Territories, Yukon and Nunavut.

We also expect the Policy to be adopted in all jurisdictions.

In British Columbia and Ontario, the implementation of the Instrument is subject to ministerial approval.

In Ontario, the Instrument and the other materials required to be delivered to the minister responsible for the oversight of the Ontario Securities Commission were delivered on October 6, 2005.

In Québec, the Instrument is a regulation made under section 331.1 of *The Securities Act* (Québec) and must be approved, with or without amendment, by the Minister of Finance. The Instrument will come into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation.

Provided all necessary ministerial approvals are obtained, the Instrument and consequential amendments to NI 51-102 will come into force on **December 30, 2005**. The Policy will also come into force at that time. At that same time, the Previous NI 43-101 and the Previous Form will be repealed. In addition, at that same time, the Policy relating to the Previous NI 43-101 and

CSA Staff Notice 43-302 *Frequently Asked Questions - National Instrument 43-101 Standards of Disclosure for Mineral Projects* will be withdrawn.

The final text of the Instrument and the Policy is being published concurrently with this Notice and can also be obtained on websites of CSA members, including the following:

- www.albertasecurities.com
- www.bcsc.bc.ca
- www.osc.gov.on.ca
- www.lautorite.qc.ca

Substance and Purpose

We have been monitoring the operation of the Previous NI 43-101 and the Previous Form since adoption. We identified a number of areas that were not operating as intended. We proposed a number of changes to:

- reflect changes that have occurred in the mining industry,
- correct errors,
- simplify the drafting,
- provide exemptions in specified circumstances, and
- generally make the Instrument more user-friendly and practical.

Prior Publications

Details of the proposed changes (Proposed Changes) were contained in a notice and request for comments published for a 90-day comment period on September 10, 2004.

Summary of Written Comments Received by the CSA

The 90-day comment period expired on December 10, 2004. During the comment period, we received 60 submissions from 58 commenters. We have considered these comments and thank all the commenters. A list of the 58 commenters and a summary of their comments, together with our responses, are contained in Appendices B and C to this Notice.

Summary of Changes to the Instrument and Policy

After considering the comments received, we made further revisions to the Proposed Changes. As these changes are not material, we are not republishing the Instrument or the Policy for a further comment period. Appendix A describes the revisions made to the Proposed Changes, other than those changes that are of a minor nature, or those made only for the purposes of clarification or for further streamlining or drafting reasons.

Consequential Amendment

National Amendment

Effective December 30, 2005, we will amend National Instrument 51-102 *Continuous Disclosure Obligations* by revising the definition of “mineral project” in that instrument so that it has the same meaning as in New NI 43-101. The amendment is set out in Appendix D to this Notice.

Questions

If you have any questions, please refer them to any of the following:

Pamela Egger
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
Tel: (604) 899-6867
E-mail: pegger@bcsc.bc.ca

Gregory Gosson
Chief Mining Advisor
British Columbia Securities Commission
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David Surat
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Deborah McCombe
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October 7, 2005

APPENDIX A

SUMMARY OF CHANGES

NI 43-101

Part 1 Definitions and Interpretation

- We changed the proposed term “grassroots exploration property” to “early stage exploration property”. We also broadened the meaning of this term to include a property that has “no current mineral resources or mineral reserves defined, and no drilling or trenching proposed” in a technical report being filed. The effect of this change is that an exploration property that has had historical work done on it may be included in the definition of early stage exploration property.

- We added a definition for the term “historical estimate”.

- We revised the definition of “mineral project” to include an explicit reference to “royalty interest or similar interest” in any exploration, development or production activity. We also clarified that diamonds were included in the definition.

- We have attached, as Appendix A to the New NI 43-101, a list of foreign associations we reviewed and accepted for the purpose of paragraph (a)(ii) of the definition of “professional association”.

- We decided to retain and modify the definition of “technical report” to reflect the requirements currently existing in section 4.3 of Previous NI 43-101 and Item 20 of the Previous Form.

- We revised the language in the new definition of independence under section 1.4 to make it less prescriptive and easier to understand.

Part 4 Obligation to File a Technical Report

- We removed the requirement under section 4.1 for an issuer to file a technical report each time it becomes a reporting issuer in another Canadian jurisdiction if it is already a reporting issuer in another Canadian jurisdiction. We retained the requirement that an issuer must file an independent technical report the first time it becomes a reporting issuer in a Canadian jurisdiction.

- We decided not to add the “annual management’s discussion and analysis” as a technical report trigger under section 4.2(1)(f) as proposed. Since the results of work programs for venture issuers are not always completed on an annual basis, we agreed with those commenters who expressed concern that requiring a technical report annually would be too great a burden for those issuers. We believe that the financing-related triggers and the news release trigger for first time disclosure of mineral resources or mineral reserves or a preliminary assessment, which are in the Previous NI 43-101 currently in force, should provide investors with technical report disclosure at the most relevant times in a venture issuer’s activities.

- We also removed the “annual report” as a technical report trigger under section 4.2(1)(f). This trigger was originally intended to apply only to a document required under Quebec securities laws which is no longer a required filing in that jurisdiction.

- We created a new section 4.2(2) that incorporates the concepts that were published for comment in section 2.9 of the Policy. This change provides that an issuer will not trigger the requirement to file a technical report under section 4.2(1)(j) for first time disclosure of an historical estimate of mineral resources or mineral reserves if that disclosure includes the cautionary statements set out in section 4.2(2)(b)(i) to (iii). We made this change because the Policy is not the correct place for prescribing statements an issuer should make.

Part 5 Author of Technical Report

- We eliminated the proposed requirement under section 5.3(1) 2 that the technical report prepared by or under the supervision of a qualified person in support of a TSX Venture Exchange offering document be prepared by an independent qualified person.

Part 6 Preparation of Technical Report

- We broadened the new exemption under section 6.2 (2) that permits a delay of the required personal inspection because of seasonal weather conditions (published for comment as section 9.2). As a result of the changes made to the definition of "early stage exploration property" in section 1.1, the expanded exemption will now apply to a property that has "no current mineral resources or mineral reserves defined, and no drilling or trenching proposed" in a technical report the issuer is filing. To rely on the exemption the issuer must disclose in the technical report the intended time frame to complete the personal inspection. We maintained the requirement that the qualified person must conduct the personal inspection as soon as practical, and immediately file an updated technical report and qualified person's certificate and consent once he or she completes the inspection.

- We moved the prohibition against disclaimers in technical reports published for comment in the Proposed Changes as Instruction 7 in Form 43-101F1 to section 6.4 of the New NI 43-101. We also changed this prohibition so that it is less restrictive. We decided not to prohibit all types of disclaimers (except those permitted for the limited purposes set out in Item 5 of the New Form, i.e. reliance on other experts who are not qualified persons). We will continue to prohibit blanket disclaimers unless they comply with section 6.4(a) and (b) of the Instrument.

Part 8 Certificates and Consents of Qualified Persons for Technical Reports

- We published for comment an amendment to section 8.1(2)(e) of the Previous NI 43-101 removing the requirement that the qualified person certify that he or she is not aware of any material fact or material change with respect to the subject matter of the technical report which is not reflected in the report, the omission of which makes the report misleading. We felt it was inappropriate to require a qualified person to make a determination of material fact or material change in respect of an issuer.

  We also published for comment a new requirement in section 8.1(2)(i) that the qualified person certify that the technical report contains all the information required under Form 43-101F1 in respect of the property which is the subject of the report. In the New NI 43-101, we have amended section 8.1(2)(i) to require the qualified person to certify that, to the best of the qualified person's knowledge, information and belief, the technical report contains all scientific and technical information required to be disclosed to make the report not misleading. We believe the revised section 8.1(2)(i) of the New NI 43-101 requires a statement that the qualified person is in the best position to make and provides meaningful information to the public.

Part 9 Exemptions

- We added section 9.2 to provide a limited exemption for a company that only has a royalty interest or similar interest in a mineral project and has triggered the requirement to file a technical report. The exemption provides a company with relief from completing those items of the New Form relating to scientific and technical information that the royalty holder cannot complete if the royalty holder has requested access to the data from the operating company but has been denied such access, and is also unable to obtain the information from public sources. The royalty holder must disclose these facts under Item 3 *Summary* in the technical report and describe the content under each item in the New Form that it did not complete. In order to rely on this exemption, all technical disclosure made by the royalty holder must include a cautionary statement explaining that the issuer has an exemption from completing certain items under the New Form in the technical report it has filed and a reference to the title and date of the technical report.

- We removed the exemption for certain foreign issuers published for comment in our Proposed Changes as section 9.3. In contrast to the several requests we had shortly after the initial implementation of the rule, over the past two years no issuer has sought this type of relief. Therefore, we decided to continue to deal with this type of relief on a case by case basis through the exemptive relief application process.

Form 43-101F1

- We moved the prohibition against disclaimers in technical reports from published for comment in the Proposed Changes as Instruction 7 to Form 43-101F1 to section 6.4 in the New NI 43-101 (see *Part 6* above). We added a reference to section 6.4, in Instruction 7 of the New Form, to remind issuers and qualified persons about the prohibition against blanket disclaimers.

Companion Policy 43-101CP

- We amended the Policy to reflect the changes to the Instrument described above. For example, we

  i. added guidance about royalty interests and other similar interests and provided some clarification about the new exemption under section 9.2 of the New NI 43-101; and

  ii. clarified the prohibition against disclosure of an economic analysis that includes inferred resources if the project has advanced past the preliminary feasibility study stage.

- We deleted various discussions in the Policy that we believe no longer provide useful guidance.

APPENDIX B

LIST OF COMMENTERS ON NATIONAL INSTRUMENT 43-101 STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS, FORM 43-101F1 TECHNICAL REPORT AND COMPANION POLICY 43-101CP

1. Association de l'Exploration Minière du Québec by letter dated December 10, 2004
2. Arne, Kenneth PE by letter dated December 7, 2004
3. Association of Professional Engineers and Geoscientists of British Columbia by letter dated December 12, 2004
4. Association of Professional Geoscientists of Ontario by letter dated December 9, 2004
5. Bear Creek Mining Corporation by letter dated December 6, 2004
6. Canadian Institute of Mining, Metallurgy and Petroleum by letter dated December 8, 2004
7. Canadian Listed Company Association by letter dated December 6, 2004
8. Carter, N.C., Ph.D., P.Eng. by letter dated December 9, 2004
9. Crosshair Exploration & Mining by letter dated December 8, 2004
10. Davis & Company LLP by letter dated December 10, 2004
11. Diamonds North Resources Ltd. by letter dated December 6, 2004
12. DRC Resources Corporation by letter dated December 6, 2004
13. Elk Valley Coal Corporation by letter dated October 6, 2004
14. Endeavour Financial by letter dated November 15, 2004
15. Entrée Gold Inc. by letter dated December 8, 2004
16. First Point Minerals Corp. by letter dated December 7, 2004
17. Fjordland Exploration Inc. by letter dated December 6, 2004
18. Fraser Milner Casgrain LLP by letters dated December 14 and December 17, 2004
19. Freeport Resources Inc. by letter dated December 6, 2004
20. Gold City Industries Ltd. by letter dated December 6, 2004
21. Gossan Resources Limited by letter dated December 10, 2004
22. Gowling Lafleur Henderson LLP by letter dated December 10, 2004
23. Grace, Kenneth A., P. Eng. by letter dated November 2, 2004
24. International Northair Mines Ltd. by letter dated December 6, 2004
25. Lebel Geophysics Consulting & Contracting by letter dated October 13, 2004
26. Macauley, T. N., P. Eng. by letter dated December 9, 2004
27. Micon International Limited by letter dated November 12, 2004
28. Miramar Mining Corporation by letters dated September 22 and November 30, 2004

29. The Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories (and Nunavut) by letter dated December 22, 2004

30. NDT Ventures Ltd. by letter dated December 6, 2004

31. Ordre des géologues du Québec by letter dated December 10, 2004

32. Ordre des ingénieurs du Québec - comments inserted in NI, CP and Form F1

33. Orequest Consultants Ltd. by letter dated November 30, 2004

34. Osler, Hoskin & Harcourt LLP by letter dated December 10, 2004

35. Pathfinder Resources Ltd. by letter dated December 6, 2004

36. Paul A. Hawkins & Associates Ltd. by letter dated December 8, 2004

37. Pearson, William, Ph.D., P.Geo. and Wonnacott, Tony, LL.B. by letter dated December 10, 2004

38. Peatfield, Giles R., Ph.D., P.Eng. by letter dated December 10, 2004

39. Pine Valley Mining Corporation by letter dated December 3, 2004

40. Postle, John T. by letter dated December 6, 2004

41. Professional Engineers Ontario by letter dated December 20, 2004

42. Prospectors & Developers Association of Canada by letter dated December 20, 2004

43. Roberts, Wayne J., P.Geo. by letter dated December 10, 2004

44. Royal Gold, Inc. by letter dated December 10, 2004

45. Schafer, Robert W. by letter dated October 11, 2004

46. Sherwood Mining Corporation by letter dated December 6, 2004

47. Silver Standard Resources Inc. by letter dated December 15, 2004

48. Southern Rio Resources Ltd. by letter dated December 7, 2004

49. Stoeterau, Judy, P.Geol. by letter dated December 7, 2004

50. Stornoway Diamond Corporation by letter dated December 6, 2004

51. Strathcona Mineral Services Limited by letter dated December 13, 2004

52. Tagish Lake Gold Corp. by letter dated December 8, 2004

53. Teck Cominco Limited by letter dated December 22, 2004

54. Tenajon Resources Corp. by letter dated December 9, 2004

55. Tournigan Gold Corp. by letter dated December 6, 2004

56. Troon Ventures Ltd. by letter dated December 6, 2004

57. TSX Group Inc. by letter dated December 14, 2004

58. Wright, Frank, P. Eng. by letter dated December 4, 2004

APPENDIX C

NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS,
COMPANION POLICY 43-101CP AND
FORM 43-101F1

SUMMARY OF COMMENTS

#	Theme	Comments	Responses
1.	General support for the initiative	The majority of the commenters expressed general support for the initiative, although the support was qualified by the need to address matters raised in the comments.	We acknowledge the support of the commenters and thank them for their comments. We have carefully considered all of the comments, and amended the proposed Instrument, Companion Policy and Form where we believe it is appropriate.
2.	Lack of support for the initiative	Two commenters expressed disappointment about the changes. One commenter hoped that changes are not made again for many years. The problem is that they will have to re-learn the Instrument because the changes are so substantial. Both commenters said the changes will make the process more difficult, more time-consuming, and more expensive for the issuer without any added protection to investors.	We acknowledge that changing the Instrument requires learning new requirements. However, the CSA was very conscious of the need to ensure the changes would not disrupt the industry's familiarity with the layout and substantive requirements of the Instrument. Although the number of small fixes, drafting simplifications, and revisions appear large, they do not substantially alter the original requirements in the Instrument. After the implementation of the amendments, the CSA will continue to hold regular, free educational seminars for companies and QPs to learn about the amendments and how to comply with the Instrument. Please check the BCSC or OSC websites regularly for announcements of such seminars.
Amended National Instrument 43-101			
3.	Former Section 1.1 Application	One commenter stated that we should not remove the *Application* provision in the Instrument. Despite the lengthy guidance in s. 1.3 of the Companion Policy, a rule should have its goals and objectives presented at the beginning, not in an explanatory document.	The CSA has researched this point and concluded that not all rules need to have an application section at the beginning. The application section in the original version of the Instrument gave some companies a loop-hole from complying with other parts of the Instrument. We believe removing it makes it clearer that all mining issuers must comply with each part of the Instrument. To the extent clarification is needed, it is set out in s. 1.3 of the Companion Policy.
4.	Section 1.1 Definitions "adjacent property"	One commenter said this definition is too restrictive. For example, a kimberlite property that is many kilometres away is caught by this definition, but should not be.	We disagree. We do not believe a reasonable person would think that a property that is "many" kilometres away would be a reasonably proximate property.
5.	Section 1.1 Definitions "feasibility study" and "pre-feasibility study"	Many commenters disagreed with adding legal to the relevant factors in these two definitions because it is outside the expertise of the QP. If it is included, then it should at least be qualified, as the (Canadian Institute of Mining, Metallurgy and Petroleum) CIM definition is, by adding "which are sufficient for a QP, acting reasonably".	We believe legal is an important factor that must be included in order to call a comprehensive study a feasibility study or a pre-feasibility study. Item 5 of the Form allows a QP to rely on other experts for opinions that are outside the QP's area of expertise. We agree that the QP can qualify his/her discussion about legal factors by stating he/she is relying on another expert for that information.

		One commenter said it is not appropriate for the definition of feasibility study to include the reference to "serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production". All the requirements for appropriate mine development plans and design that will support safe financial planning should be solely determined by the QP and the company's directors.	We disagree. Our requirement for the study to "serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production" is a conceptual standard that we are setting for the contents of the report. We are not stating that a company must seek approval from a financial institution for the report, but it must at least be able to reasonably argue that a financial institution would accept the contents of the study as a sufficient basis to allow a decision to be made about financing the project.
		One commenter suggested that the definition of pre-feasibility study should be revised. It does not follow the guidelines of the *Professional Engineers of Ontario (1989)* and causes professional problems for the QP that must meet the standard of its professional oversight body.	We adopted the definition of pre-feasibility study from the CIM Definition Standards on Mineral Resources and Mineral Reserves dated November 14, 2004. We believe the source is widely used and understood in the Canadian mining industry. Therefore, we will consider changes to this definition in accordance with any changes the CIM may propose.
6.	Section 1.1 Definitions "grassroots exploration property"	Two commenters said this definition is too narrow to make the proposed new site visit exemption useful. It does not take into account that a property with some historical exploration work done could still be a preliminary property in terms of current exploration technologies. It also does not take into account a property that is newly acquired for diamond exploration but has been previously explored for other commodities. It also does not take into account properties that have only limited surveying and sampling but no comprehensive drilling program would also be early stage. Many commenters said this definition is too arbitrary because it deems any drilling and trenching to be relevant. Even with some past trenching and drilling, the current program may not be able to rely on those results, so the property would still be grassroots. One of these commenters suggested revising it to include the words "no *substantive* drilling or trenching activity *in the past*". One commenter said that we should use a different term to prevent confusion with exactly the same term defined under the *Income Tax Act*. Or, we should use the same definition. One commenter said the proposed definition of this term is too ambiguous as many properties are grassroots for diamond exploration but not other commodities and vice versa. Also, historical trenching techniques, primitive diamond drilling, and	We agree with the commenters and amended the definition accordingly. The definition should not exclude a newly acquired early stage property that has had previous drilling and trenching for other commodities than those being sought. We agree that including "has had no trenching or drilling" posed a problem in that a company or the securities regulatory authorities may lack knowledge of previous drilling and trenching on a property. We also renamed this term early stage exploration property.

		even exploration shaft sinking should not put a property outside consideration as grassroots. The commenters suggested that we use the term early stage exploration property and its definition should include airborne surveys, gridding, geological mapping, soil geochemistry for differing commodities, trenching and surface geophysical surveys as preliminary or historical exploration and no diamond drilling for the commodity being sought. One commenter said this definition is not functional because it circles on itself. Many companies do not report the results of unsuccessful exploration activities. Therefore, the QP, the company, and the securities regulatory authority cannot know if any previous drilling and trenching was done on the property.	
7.	Section 1.1 Definitions "IMMM system"	One commenter suggested that this definition should be changed to IOM3 as that is how this organisation refers to itself on its website.	We acknowledge that the organization calls itself IOM3. It uses the term *Reporting Code* to refer to its code. Since the term reporting code is too generic, we prefer to use IMMM Reporting Code for ease of reference and understanding.
8.	Section 1.1 Definitions "mineral project"… "including a royalty, net profits interest, or similar interest in these activities,…."	In response to a specific request for comments, many commenters opposed amending the definition of mineral project to include "a royalty, net profit interest, or similar interest" and four commenters agreed with the change. The various reasons for opposing this change were: • A company with a royalty interest does not have access to the data from the operating company to complete and file a technical report. • Contractual arrangements with the producer about access and sharing information are either already set or are too difficult for a royalty holder to negotiate, so it is not possible to arrange for access to the property or data. • The reference to royalty interests should only catch companies that are engaged only in that type of activity and it is material. • A royalty holder should not have to file a technical report about a property in which it has a material royalty interest if the operating company already has a	We have considered all the commenters' responses to our specific request for comment. We concluded that a company with a royalty interest in a mineral project must comply with all parts of the Instrument and file, as required, technical reports in accordance with the Form with an exception from certain Form requirements. We will not expect the royalty holder to complete those items of the Form relating to scientific and technical information that the royalty holder cannot complete if the royalty holder has requested access, but is not able to access, the data from the operating company and is not able to obtain the information from the public domain. We have created a new exemption under s. 9.2 of the Instrument for royalty holders providing such relief. The royalty holder will have to state both of these reasons under Item 3 *Summary* in the technical report and describe each item under Form 43-101F1 that it did not complete. It will also have to include a cautionary statement with all technical disclosure made to the public that explains the royalty holder has an exemption from completing certain items under Form 43-101F1 in the technical report required to be filed and states the title and date of that technical report. We disagree that a royalty holder should be able to rely on the technical report filed by the operating company by referring to the operating company's public record. The civil

		current technical report filed for that property.	liability provisions under securities laws would not protect the shareholders of a royalty holder for misrepresentations made by the operating company. Therefore, to make the civil liability provisions available for shareholders of a royalty holder, the royalty holder must file its own technical report and QP's consent.
		• A royalty holder should not have to bear the cost of preparing a technical report if the operating company was not required to prepare one due to a grandfathering provision. Also, it is not appropriate for the royalty holder to incur the costs for a technical report if it only holds a small percentage of the interest in the reserves, while the operating company does not have to prepare a report but it holds the largest percentage of interest in the reserves.	We disagree that a royalty holder should not have to file a technical report if the operating company did not file a technical report. An interest may not be material or a change in information may not be a material change, for an operating company, but it may be material or a material change for the royalty holder. We understand that this may mean the royalty holder will incur costs that the operating company may not. However, we believe the need to protect the interests of shareholders of a royalty holder outweighs those costs.
		• A royalty holder should only have to comply with the Instrument if the Instrument also mandates that an operating company is obligated to co-operate with the royalty or non-operating interest holder to provide the data and access necessary to complete a technical report.	We do not agree that we can obligate an operating company to co-operate with a royalty holder. That needs to be negotiated between the two parties and set out in the terms of the royalty agreement. However, we believe the limited relief we have added under s. 9.2 of the Instrument should address this issue (see first paragraph above under this Item 8).
		• It makes public mining royalty companies subject to an unfair burden compared to other royalty companies and other investment companies and mutual funds that hold an interest in mining companies.	We acknowledge the commenter's concern. However, we do not agree with the commenter's comparison. We believe that we are dealing with mining royalty holders in the same manner as other mining issuers whose shareholders are investing directly in a company whose primary business is related to the operation of a mineral project.
		• Requiring royalty holders to comply with the technical report filing requirement will lead to less royalty companies operating in Canada. Canadian junior companies and investors will suffer because the royalty companies have assisted junior companies to operate without complete reliance on equity or bank financing. Of the four commenters that supported this change, their reasons were: • A company whose only interest in a mineral project is a royalty interest should be subject to all of the Instrument, including the technical	We believe the limited relief we have added under s. 9.2 of the Instrument should address this concern (see first paragraph above under this Item 8).

		report filing requirements. The contractual arrangements with the producing issuer should not be a problem because they make the royalty holder privy to the same technical information as the owners/operators of the mineral project. • A royalty holder should comply with the entire Instrument just like other mining companies provided that the property and the income derived from it is material to the company. However, it is the terms of the royalty agreement that are more important than a technical report from these types of companies. • A royalty holder should have to file a complete technical report if its business is to only hold royalty interests in mining properties and it has several royalty interests with an aggregate amount of annual revenue that reaches a threshold percentage of the company's total revenue. • Reliable projections of future royalty income should be based on mineral reserves that are subject to the Instrument. Four commenters suggested that if we decide royalty interest holders must comply with all of the requirements of the Instrument, then we should permit such companies to rely on a current technical report that is filed by the operating company. Three of these commenters suggested adding the condition that the royalty interest holder or its QP files a form of certificate that provides full disclosure about not filing an NI 43-101 technical report, indicates it is relying on the disclosure in the technical report filed by the operating company that was prepared by its QP, and has no knowledge of any other information about the mineral project that is not contained in that disclosure.	We disagree with these two suggestions. Instead, we decided to limit the content under certain items in the Form that a royalty holder must comply with, subject to conditions. See our response in the first paragraph above under this Item 8 and the new relief added under s. 9.2 of the Instrument.
9.	Section 1.1 Definitions "preliminary assessment"	Five commenters opposed broadening the definition of preliminary assessment. Two said it will trigger a independent technical report for disclosure of all resource categories, if the disclosure does not fall within the meaning of pre-feasibility study. If this is an attempt to catch those statements that a company uses to compare the potential of early stage projects, such as identified resources but have no engineering studies, then that should be clearer instead of creating this unnecessary expansion. Another commenter said that since many junior companies always do some kind of economic evaluation on a property, the	We acknowledge the comments that opposed broadening this definition. However, the CSA believes that a broader definition is necessary. The original Instrument did not trigger a technical report under s. 4.2(1)(j) for a news release that disclosed an economic analysis based only on measured or indicated mineral resources. We believe that it is in the public interest that an independent opinion be prepared for these types of economic analyses for first time disclosure (an independent QP is not required for subsequent disclosure of material changes in the preliminary assessment). Many of

		change proposed to this definition will trigger more technical reports for junior companies.	these studies have little engineering basis. Without an independent NI 43-101 technical report to support these economic analyses, it is not possible for public investors or the securities regulatory authorities to determine the credibility of the disclosure of the analysis.
		Another of these commenters recommended a cut-off of 20-25% of inferred resources at which a study becomes downgraded to a preliminary assessment.	We disagree with the suggestion to create a percentage threshold as a cut-off for triggering a preliminary assessment report. See our response above.
		Two commenters suggested this term should be changed to scoping study or define both terms the same way. Preliminary assessment is not a recognized term internationally and most refer to it as scoping study or use both terms anyway.	We disagree with the suggestion to change the term preliminary assessment to scoping study. The CSA purposely created the term preliminary assessment at the time the Instrument was originally implemented. The reason was that we wanted to create a term for a study of this nature that was specific for certain requirements in the Instrument. We have included a reference to scoping study in s. 1.7 of the Companion Policy.
		One commenter noted that this definition is missing the reference to mineral resources which was included in the summary about this change in the CSA Notice.	We agree. The summary in the CSA notice was what we intended. We have amended the definition to clarify this.
		One commenter said we should not permit any economic evaluations that include inferred resources. Therefore, this definition and the guidance about preliminary assessments in s. 1.7 of the Companion Policy should be deleted. Rather, this commenter recommends the appropriate approach with inferred resources is an appraisal of the mineral potential based on the available geoscience and sampling information in order to justify additional, more elaborate work to either bring the inferred resources to the level of indicated or measured mineral resources, or fail to confirm their potential interest.	We acknowledge the comments. However, the CSA has had to respond to the reality that companies do create such economic evaluations (i.e. scoping studies that include inferred resources) for their own internal use and for assisting to attain financing for exploration projects. The CSA believes that the prohibition against such information would lead to it being available to only a select few, not to all market participants equally. Therefore, to ensure that all market participants have equal access to the same information (which is one of the mandates of the securities regulatory authorities), we decided that establishing conditions on how a company must disclose this type of information and requiring an NI 43-101 technical report to support it in certain instances was the best approach for dealing with these types of studies.
10.	Section 1.1 Definitions	One commenter suggested that we should publish the list of acceptable foreign professional associations in the Companion Policy.	Subsequent to our publication for comment, we learned that we must include this list in the Instrument. Therefore, it is attached as Appendix A to the Instrument.
	"professional association"	One commenter said that this definition should be broadened to include foreign entities by adding to the phrase "that is	We disagree with the suggested language for dealing with foreign professional associations. As stated in the paragraph

		given authority or recognition by statute" to permit other types of legal or governmental authority.	above, we created Appendix A to the Instrument, which lists the foreign professional associations and classifications they recognize that we consider acceptable. We do not have sufficient knowledge about authorization processes in foreign jurisdictions so we prefer to review them on a case by case basis. Any person may make an application for relief to CSA staff requesting acceptance of other foreign associations that are not on the list in Appendix A.
	(a)(ii) accepted by the securities regulatory authority or regulator in a notice published for this purpose	One commenter said that the addition of paragraph (a)(ii) seems to add a level of authority to the CSA to infringe on the jurisdictions of Canadian professional associations. This commenter recommends that this provision be limited to reports covering projects outside of Canada by non-Canadian QPs.	We acknowledge this commenter's concern that paragraph (a)(ii) suggests the CSA may also accept other Canadian associations that have not been recognized by statute. To clarify, we amended this paragraph to restrict its application to foreign associations. We disagree with solving this concern by restricting foreign QPs to only work on foreign properties. This may give the appearance of the CSA being an overseer of the laws of the Canadian professional associations. That is not our role.
		The same commenter also noted that a licensee in paragraph (c) of the definition of qualified person that is licensed by certain foreign professional associations may not meet the requirements under paragraphs (b), (c) and (d) of the definition of professional association.	We have reviewed our list of foreign associations and made all necessary corrections to the reference to licensees that were set out in our previous list.
11.	Section 1.1 Definitions "qualified person" (c) is a member or licensee in good standing of a professional association	One commenter said that guidance is needed about whether paragraph (c) covers temporary permits to practice that may be granted to non-Canadian QPs by Canadian professional associations.	We disagree. As long as a Canadian professional association allows an individual to practice, under a temporary permit or otherwise, in their jurisdiction, the requirement under (c) is met. We deleted the reference to member or licensee in (c) because many of the acceptable foreign professional associations listed in Appendix A use classifications other than just member or licensee.
12.	Section 1.1 Definitions – general	One commenter suggested we need to include a definition of TSX Venture Exchange Short Form Offering Document.	We acknowledge the commenter's suggestion. However, we disagree with adding it to the definitions. Since the term is only used once in the Instrument, we decided to describe it in more detail under s. 4.2(1)(h) of the Instrument.
		Three commenters questioned our removal of the definition of technical report and indicated it may lead many to think the reference to technical report in the Instrument would not need to be an NI 43-101 technical report.	We have reconsidered our removal of this definition and have decided to retain and modify it. Although s. 4.3 requires a technical report filed under that part to be an NI 43-101 report, we agree with the commenter that having it defined would

			clarify what a technical report means under other parts of the Instrument.
		Three commenters suggested that since there are many references to material change and material property, those terms should be defined in the Instrument. The guidance about materiality in s. 2.4(2) of the Companion Policy is not precise.	We disagree. Material change is defined under provincial securities legislation. It is not possible to define materiality precisely because whether a property is material may fluctuate depending on many factors outlined in the Companion Policy. There is no bright-line test for materiality. Therefore, we believe we have dealt with this concept appropriately by the guidance in the Companion Policy.
		One commenter noted that the term scientific and technical information is often used throughout the Instrument but is not defined. It should be defined.	We disagree. We believe that the meaning of scientific and technical information in the context of a mineral project is self-explanatory. The CSA staff have not observed, in public disclosure, any problems with companies and QPs distinguishing what is scientific and technical information on a mineral project.
13.	Section 1.4 Indepen-dence	Many commenters recommended that we retain the present definition because the new definition contains terms that are subject to interpretation, such as adjacent property, reasonable person, and influence.	We disagree with the commenters that suggested we retain the present definition. It did not adequately cover many situations of non-independence. Rather than a prescriptive definition, we believe the best solution for covering all possible situations of independence is by the proposed principle-based definition. This approach is consistent with the way independence is defined in other CSA rules.
		One of these commenters suggested we define non-independence as a person related to the issuer and then give examples of its meaning in the Companion Policy.	We also disagree with this suggestion. We believe that this concept would not cover any interests in a property. Therefore, we prefer to remain with a principle-based definition, rather than a prescriptive one.
		Eight commenters supported a change to this definition, with reservations. They all have reservations about its application because it is too vague and can be widely interpreted. Several suggested that we remove the vague words such as “expects to have” and “other relationship” as those phrases would likely catch every QP that plans to do more work for the same client after the conclusion of the current contract. Two commenters also suggested that the reference to adjacent property should only catch an ownership interest or be removed. It affects companies with properties in remote areas where there are only a few QPs available with knowledge of those areas. One commenter said the problem with this new definition is that “any agreement” can be interpreted to catch the contract the QP has with the company to get	We acknowledge the concerns about the vagueness of the proposed definition. We believe we have dealt with this by the additional revisions we made to this definition. The revised version does not contain references to “expects to have”, “other relationship”, and “would consider an influence”. We decided to remove the list of specific references to agreement, arrangement, etc, and mineral project, property, and adjacent property because we do not think it was correct to limit the circumstances in which an assessment of a QP’s independence should be considered, based on the opinion of a reasonable person. We believe the examples we give under s. 3.5(1)(e) and (f) of the Companion Policy about the extent of a QP’s interest in an adjacent property are relevant and reasonable. We expect that a reasonable

		the work done. One commenter suggested adding "likely to influence" instead of "influence".	person would not include the QP's contract for services with the company to work on the project that is the subject of the technical report as one of the circumstances that may interfere with the QP's judgment.
		Many commenters said that the new definition will increase compliance costs because legal advice will be necessary to interpret compliance.	We disagree that companies and QPs will have to seek legal advice to interpret their compliance with this definition because it is an objective test based on a reasonable person standard. Companies and QPs should be able to do this for themselves. We have also included some examples in s. 3.5(1) of the Companion Policy to assist with their interpretation.
14.	Section 2.1 Require-ments Applicable to All Disclosure	One commenter suggested that we amend this section to be more specific, as follows: "An issuer shall ensure that: (1) all disclosure of scientific or technical information made by or behalf of an issuer concerning mineral projects on a property material to the issuer is based upon a technical report prepared by or under the direct supervision of a qualified person; (2) disclosure of a mineral resource must be based on a technical report by, or directly supervised by, a qualified person; (3) disclosure of mineral reserves must be based on a report involving several QPs providing the specialised skills required."	We disagree with amending this section as suggested. The suggested language regarding the number of QPs that must be involved in mineral resource and mineral reserve estimates is too specific. The CSA believes that it is not our responsibility to delineate the professional and ethical obligations of QPs. Also, s. 3.3 and s. 6.4 of the Companion Policy include guidance on our expectations about this.
15.	Section 2.2 All Disclosure of Mineral Resources or Mineral Reserves 2.2(b) reports mineral resources and mineral reserve separately	One commenter suggested that s. 2.2(b) needs clarification whether indicated mineral resources and measured mineral resources may be added together as long as both are also disclosed separately.	We disagree. This section does not restrict a company from adding indicated mineral resources and measured mineral resources together.
	2.2(c) does not add inferred mineral resources to the other categories of mineral resources	Many commenters disagreed with the prohibition under s. 2.2(c) against adding inferred resources to other resource categories. Two subtotals are complicated, because people just add them in their heads anyway.	The CSA supports the prohibition against adding inferred mineral resources to other categories because of the principle that the confidence level of inferred resources is significantly lower than the other categories.
	2.2(d) states the grade or quality and	Three commenters agreed with the addition of s. 2.2(d). One also suggested we should include the parameters used (namely cut-off	We disagree with the commenter's suggestion because the parameters are already covered under s. 3.4 of the

	the quantity for each category	grade and the justification for such parameters). Also, one of these commenters recommended we only require the reporting of two of the following three: tonnes, grade, and contained metal, as that allows an estimation of the third.	Instrument and therefore, they will be contained in the company's written disclosure. We believe that it is not onerous to expect a company to disclose all three.
		One commenter said that the Instrument should prohibit adding resources and reserves together. Also, this commenter suggests adding the following subsections: (e) for mineral reserves based on an appropriate level of mineral processing sampling and testing, use the estimated metal recovered after mining and mineral processing losses; (f) if no tests or insufficient tests have been carried out, estimates of metal in place should only be reported within a warning that the actual proportions of the metal in place that could be recovered after mining and processing cannot yet be estimated accurately.	We disagree with the suggestion to prohibit adding resources and reserves together because we believe the conditions required under s. 2.2(b) allow this to be done in a way that is not misleading to investors. We disagree with making these additions to s. 2.2. These are key assumptions and parameters. We believe they are sufficiently dealt with under the s. 3.4(c) of the Instrument and Items 18, 19(f), and 25(b) of Form 43-101F1.
		One commenter said that the requirements of s. 2.2(d) should also be exempted under s. 3.5. That information should not have to be repeated in each news release if it is contained in a previously filed disclosure document.	The s. 3.5 exemption can only be considered for the information required under Part 3 of the Instrument. We believe we have appropriately determined which information under Part 3 should be exempted under s. 3.5. We also note that s. 3.4(b) (which is a similar disclosure requirement as 2.2(d)) is not exempted. We believe this type of information should be disclosed each time.
		One commenter said s. 2.2(d) should prohibit the disclosure of gross dollar value or net smelter return (NSR) even with the proximate cautionary language.	We acknowledge the comment in regards to gross dollar value if it does not include qualifications. This type of disclosure has always been prohibited under general securities laws. It would be misleading disclosure. Therefore, it does not need to be specifically stated in the Instrument as we can enforce any improper disclosure of this under general securities laws. We have not included NSR in the prohibition because we believe NSR should factor in mine, metallurgical, and smelter recovery.
16.	Section 2.3 Prohibited Disclosure	One commenter made drafting suggestions about this section. The commenter suggested that s. 2.3 (1), (2) and (3) would be clearer if we re-wrote s. 2.3(1) in a positive statement, making it conditional upon complying with s. 2.3(2) and (3).	We disagree. We believe that the positive statement makes it appear that we encourage this type of disclosure. We do not want to encourage it. It has been our experience that this type of disclosure can result in misleading disclosure. Therefore, we prefer to retain the format and the *Prohibited Disclosure* title for this section.

		One commenter disagreed with permitting, under s. 2.3(2), the disclosure of "the potential quantity and grade expressed as ranges, of a possible mineral deposit that is the target of further exploration" as such disclosure for early stage projects is indefinite and will vary from company to company. The commenter recommended deleting the reference to "a possible mineral deposit" because, based on the CIM definition of inferred mineral resources and the AIMR principles, it is not appropriate to have a preliminary assessment of a possible mineral deposit. At most, for an early stage exploration project, appraisals of the mineral potential based on the various types of sampling information available may justify recommendations for follow up work on a possible mineral deposit.	We disagree. This issue was the subject of extensive discussions during the original drafting of NI 43-101. At that time it was felt that the details of an exploration target could be material information for the shareholders of exploration stage companies. We believe it is better to allow this disclosure with appropriate cautionary language and a discussion of the basis of the target, rather than trying to prohibit it completely.
		One commenter disagreed with s. 2.3(3) which permits disclosure of an economic evaluation (including preliminary assessment, feasibility study, and pre-feasibility study) that includes inferred resources provided the required proximate statement is made. The commenter said the inclusion of inferred resources in feasibility and pre-feasibility studies, even if accompanied by a proximate statement, is completely unacceptable and such situations could be breaches of professional ethics on several counts. The level of trustworthiness of inferred mineral resources does not warrant including them in any engineering plans and economic forecasts required for a feasibility study that will lead to major appraisal and/or production decisions. However, at the pre-feasibility study level only, the inclusion of inferred resources in designing a mining system should be done as an alternative estimation to establish the justification of spending funds to bring them to the indicated, and eventually the measured level.	We do not agree with the commenter's interpretation of s. 2.3(3). Section 2.3(3) is about requiring a proximate statement only when disclosing a preliminary assessment that includes inferred mineral resources. By definition, a preliminary assessment can only be prepared prior to a pre-feasibility study. Section 2.3(3) does not apply in the case of pre-feasibility and feasibility studies. The Instrument prohibits the inclusion of inferred resources in feasibility and pre-feasibility studies under s. 2.3(1)(b).
17.	Section 2.4 Disclosure of Historical Estimates	One commenter suggested that we add language to this section to indicate when a company needs to file a technical report.	The amendments to s. 2.9(4) of the Companion Policy gives new guidance about this. We do not agree with inserting it in the Instrument because the Instrument should only state the law, not guidance.
	2.4(b) confirms the historical estimate is relevant	The same commenter suggested we remove s. 2.4(b) because it is redundant. A company would not use the historical estimate if it were not relevant.	We acknowledge the commenter's suggestion. We have clarified this section to say "comment on the relevance and reliablity". We have also added new guidance under s. 2.9(3) of the Companion Policy about what we expect in the company's comment of relevance and reliability.

		Two commenters suggested that this section should refer to the guidance in s. 2.9(2) of the Companion Policy to ensure better compliance. The present day disclosure of historical estimates involves more complex options than this section originally contemplated (as indicated by s. 2.9 of the Companion Policy).	We agree with the commenter's suggestion. However, since the proposed s. 2.9(2) of the Companion Policy was mandating a disclosure requirement, it was not actually a policy. The proper place for it is in the Instrument. Therefore, we moved the proposed s. 2.9(2) of the Companion Policy to the Instrument as a new s. 4.2(2). Since it is about relief from filing a technical report, we believe the proper place for it is under s. 4.2 (to follow the technical report triggers), rather than s. 2.4.
18.	Section 3.1 Written Disclosure to Include Name of QP	One commenter disagreed with this addition because it will increase the costs for companies as they will have to pay a QP to review all documentation.	We disagree. Under s. 3.1, the company already has to name the QP in all other written disclosure. Also, companies listed on the TSX and TSX Venture Exchange already have this requirement. Therefore, we believe that this is not a significant change. Also, we believe that adding the requirement to name the QP in the news release does not obligate a QP to review the disclosure. However, we have encouraged companies to establish that practice to ensure their technical disclosure is accurate and not misleading.
19.	Section 3.2 Written Disclosure to Include Data Verification	One commenter suggested that s. 3.2 should be limited to the verification of sampling, analytical, and test data because when preparing a technical report it is not possible to verify all geological, geophysical, and other data. This is even more the case when compiling and trying to verify prior work.	We disagree. The circumstances described are allowed in s. 3.2(b) and (c).
		One commenter suggested that s. 3.2, 3.3, and 3.4 should not apply to news releases and material change reports because these requirements interfere with timely disclosure. Since a company will have to provide this disclosure in annual information forms, the information will still be available to investors. The content required by these sections clutters the critical information conveyed through the news release.	We agree the disclosure of material information must be timely, however it must also not be misleading. The information required by these sections gives the necessary context to prevent the disclosure from being misleading. We believe that the changes we made to s. 3.5 deals with de-cluttering news releases by permitting reference to previously filed disclosure containing that information, provided it is still current.
20.	Section 3.3 Require-ments Applicable to Written Disclosure of Exploration Information	One commenter suggested that s. 3.3(1)(c) needs more specific details. It should state that quality assurance programs and quality control measures should apply to all information acquisition methods, such as geoscience work, drilling/sampling, sample reduction methods, environmental data tests and other types of test, not just to assaying.	We disagree. This section is not limited to assaying. It applies to all exploration information.
		One commenter suggested that we remove s. 3.3(2)(c) as a written disclosure requirement because more companies provide information about sample spacing and density of the samples in figures, not in a written discussion.	We disagree. A company satisfies the requirements under s. 3.3(2)(c) if it uses figures. They are included under the definition of written disclosure in the Instrument.

		One commenter suggested that we remove "certification of each laboratory" from s. 3.3(2)(e). It is not included in most disclosure. Since a government certification process accredits all Canadian labs, this disclosure is not very useful.	We agree with commenter's suggestion. We have removed that requirement from s. 3.3(2)(e) of the Instrument. We believe the important information of precision and accuracy of the analytical results are covered under s. 3.2 (data verification), and s. 3.3(1)(c) (quality assurance/quality control). Further context is also provided under the remainder of s. 3.3(2)(e).
		One commenter suggested that s. 3.3(2)(f) should be amended to remove the requirement for "a listing of the lengths of individual samples or sample composites" because it is too onerous, such as when a company acquires a new property that has assay data for over 2,000 drill holes. An overall summary should be sufficient in such cases.	We agree with the commenter's suggestion. We have amended s. 3.3(2)(f) accordingly.
21.	Section 3.4 Require-ments Applicable to Written Disclosure of Mineral Resources and Mineral Reserves	Two commenters said that the requirements of s. 3.4(b), "details of quantity and grade or quality of each category of mineral resources and mineral reserves" should also be exempted under s. 3.5. That information should not have to be repeated in each news release if it is contained in a previously filed disclosure document.	We disagree. We think that a company should repeat this type of information in a news release despite it being previously disclosed in a filed document. It provides useful information on the significance and potential economic viability of the resource or reserve. Investors should have these details at the same time they receive the material information disclosed in a news release.
		One commenter said that the request to state key assumptions, parameters, and methods in s. 3.4(c) is vague. Instead, it should be more specific, such as require disclosure of commodity price, relevant foreign exchange assumptions, and operating cost estimates.	We disagree. The key assumptions, parameters, and methods are specific to each mineral project. We believe investors will receive more meaningful disclosure if the company and QP have the flexibility to determine the key assumptions, parameters and methods of the project.
		One commenter said the requirement under s. 3.4(d) to provide a general discussion of the points listed in that section only leads to boiler plate language by companies that ends up being of little use to investors. Instead, it should require specific disclosure about those points and whether they are likely to have a material effect on the resource or reserve estimate.	We disagree for the reasons set out in our response above.
22.	Section 4.2(1) Obligation to File a Technical Report in Connection with Certain Written Disclosure Concerning Mineral	Many commenters said the wording in s. 4.2(1)(c) deleted the reference to the need for a transaction to be material to the company.	The word material in the original s. 4.2(1)(c) was referring to the property of the issuer that exists after the transaction is completed. It did not refer to the transaction. To clarify the problems with interpretation of s. 4.2(1)(c), we moved the reference to material property of the resulting issuer into the lead-in paragraph, s. 4.2(1). Now, the end of that paragraph reads "on a property material to the issuer, or in the case of paragraph (c) below, the resulting issuer". This means, in the case of s. 4.2(1)(c), a

	Projects on Material Properties		company is only required to file a technical report for a property that is material to the resulting company.
	4.2(1)(c) – information circular trigger	One commenter noted that clarification is needed in s. 4.2(1)(c) to indicate that the determination of materiality of the acquiror's own mineral projects should be made after giving effect to the subject acquisition.	We believe we covered this in the changes we made to s. 4.2(1). Please see our response above.
	4.2(1)(d) – offering memoran-dum trigger	One commenter agreed with the principle of the change to this trigger (i.e. that an offering memorandum (OM) delivered to an accredited investor does not trigger a technical report). However, that commenter suggested re-writing it to say a technical report is required for an OM if it is filed in connection with an OM exemption under provincial and territorial securities laws.	We disagree. We do not want to limit the trigger to only those OM's filed under an exemption because certain jurisdictions may have a requirement to file an OM for other purposes.
	4.2(1)(e) – rights offering circular trigger	One commenter suggested that we should not require a technical report with a rights offering circular unless the circular contains a material change in the technical information contained in a previously filed technical report. Since rights offerings are made to existing shareholders, they should already have full disclosure of all technical information about the company.	We believe we dealt with this by the addition of s. 4.2(8).
	4.2(1)(f) – annual report trigger	One commenter suggested that we remove this trigger as an annual report is not a prescribed or required form of disclosure. The contents of annual reports would still be subject to the other disclosure requirements under Part 3.	The annual report trigger referred to a document required to be filed under Quebec's securities laws in certain instances. The filing of a technical report with an annual report is no longer required in Quebec. Therefore, we have removed annual report from this subsection.
	4.2(1)(f) – annual MD&A trigger	Many commenters disagreed with replacing the AIF filing trigger for a technical report with the annual MD&A trigger because it increases the cost burden for venture issuers who have elected not to file an AIF. The current regime of both annual technical report filings and intermittent technical report filings is too onerous and costly for companies and is not the most efficient way to ensure the public has current technical disclosure of mineral projects. One of these commenters suggested that the removal of the MD&A trigger would not be a loss of technical information to investors as they will obtain a technical report from a company when it is necessary,	We acknowledge the commenters' concern. We have reconsidered this change and have decided not to include MD&A as a trigger for a technical report.

		such as when a news release announces first time disclosure of resources or reserves or a material change in resources or reserves. As an alternative, the MD&A trigger should only require a new technical report if a company has not filed one within the past three years. As another alternative, all of the triggers other than the MD&A and news release triggers should be deleted to create a regime of annual and material change reporting similar to NI 51-101. Many commenters suggested that the completion of technical reports should not be tied to annual filing dates, but rather to a point in time when material information from a program has been received and interpreted. Another commenter had a similar suggestion to require a technical report on the earlier of (a) the completion of the program of exploration or development, or (b) 12 months after the filing of the most recent technical report on the property, if there has been a material change in the technical information provided by the previous technical report.	
	4.2(1)(g) – valuation trigger	One commenter suggested that all valuations of mineral properties should be prepared in accordance with the CIMVal Standards and Guidelines.	We disagree. The CSA prefers to not endorse one particular standard for preparing valuations.
	4.2(1)(h) – TSX Venture Exchange offering document trigger	Four commenters suggested that we remove this trigger because that type of offering document was designed by the exchange to be a quick and inexpensive means of raising a limited amount of funds. Requiring an NI 43-101 report for such financings defeats its purpose. One of these commenters noted that this requirement would cause a double trigger because the TSX Venture offering document requires an issuer to have filed an AIF. Therefore, the company should already have a technical report filed for the AIF.	We disagree. The TSX Venture Exchange also expects a company to file a technical report with their short form offering document if the technical disclosure in the technical report filed with the AIF is not current. However, we revisited this trigger and decided to limit it to a TSX Venture offering document that includes material information about a mineral project on a property material to the company not contained in a previously filed technical report. We have made this change by adding s. 4.2(8) in the Instrument.
	4.2(1)(j)(ii) – material change in a preliminary assessment or resources or reserves from the most recently filed technical report	One commenter suggested that s. 4.2(1)(j)(ii) of the Instrument should have a more definite measure that determines what would constitute a material change. The commenter recommends a “change that exceeds 25% of previously estimated resources, provided the 25% exceeds 100,000 oz”.	We disagree. See our discussion under Item 12 above regarding the meaning of materiality.

23.	4.2(4)(a) 30 day delay permitted for filing technical report after news release announcing resources or reserves or a preliminary assessment or a 100% change 4.2(5) 30 day delay permitted for filing technical report for property that becomes material less than 30 days before filing AIF or MD&A	Five commenters noted the timing requirements in s. 4.2(4) and (5) for completing a technical report are too tight. Three of them suggested it should be extended to at least 60 days. One suggested 90 days. (The same comments apply to s. 2.9 of the Companion Policy guidance about disclosure of an acquisition of a mineral project.)	We acknowledge this concern. We have reconsidered the time period allowed under s. 4.2(4) and (5) (now s. 4.2(5) and (6)) and decided to change it to 45 days instead of 30 days. We expect that the QP should have the technical report nearly completed by the time the issuer makes the disclosure. Therefore, we think that extending the time by 50% for the QP to complete the technical report is reasonable. We have amended the Instrument and the Companion Policy accordingly.
24.	4.2(7) permission to not repeat filing of same technical report previously filed provided there is no material change in information in report and a new QP certificate and consent is filed	Two commenters agreed with the addition of s. 4.2(7). However, one suggested that we should remove the requirement for an updated certificate. Only an updated consent should be relevant. Another commenter said it was unreasonable to have to track down the original QP and secure their time to re-evaluate and decide if any new work constitutes a material change in the information in the original technical report. Instead, we should allow the company to use its in-house QP to certify the report is current.	We do not agree with either removing the requirement in s. 4.2(7) (now s. 4.2(8)) for an updated certificate or permitting the company to use its in-house QP (or any other QP) to certify the original QP's report is current. If this new section were not added, the company would be in the situation of having triggered another technical report and therefore, would have to re-file the whole technical report prepared by the original QP, and certificate and consent. Our reasoning behind the addition of s. 4.2(7) (now s. 4.2(8)) was to remove the problem of having multiple filings of the same report on SEDAR. It was purely for administrative ease. The company still must obtain the original QP's consent to use the report for the new purpose. The consent requires the QP to review the new disclosure being made and determine that it accurately reflects the information in the technical report. Therefore, the original QP must still be involved in assessing the materiality of the results of any new work. As a result, we believe that the requirement for the QP to provide an updated certificate should be retained.

25.	Section 5.2 Execution of Technical Report	One commenter suggested that we make s. 5.2(b) clearer to indicate the technical report must be signed by the QP.	We disagree that clarification is needed. Section 5.2 requires that the technical report must be signed by: (a) the QP, or (b) the engineering company that has an employee, director, or officer that is the QP who is responsible for the technical report.
26.	Section 5.3 Independent Technical Report	One commenter said the addition under s. 5.3(1) that requires an independent QP for any disclosure captured by the enumerated items under that section is a significant departure from the current requirement. Disclosure may be captured by one of those items, and may be based on information prepared by an in-house QP, yet the requirement for an independent technical report may not be triggered.	We agree and have not retained the addition that was proposed for this sentence in the version published for comment.
		Many commenters disagreed with requiring an independent technical report to support a TSX Venture offering document because it removes the whole purpose of that offering document which is to be a quick and inexpensive means to raise a limited amount of funds.	We have reconsidered this proposed change and decided to remove the requirement for an independent technical report for a TSX Venture offering document.
		Three commenters said we should not add any more requirements for independent technical reports as it will increase the current problem for junior issuers in that many technical people who know most about the property are excluded from authoring a report. It adds a cost burden to junior companies, with little or no benefit to the investing public.	We disagree. We believe there is a benefit to the public in the instances where an independent technical report is required. Although our change to the definition of preliminary assessment broadens the circumstances for triggering an independent technical report for preliminary assessments, we have eliminated other triggers for an independent QP (i.e. not retaining the requirement for independent technical report for the TSX Venture offering document and removing the requirement for a technical report if an issuer becomes a reporting issuer in any other Canadian jurisdiction after it is a reporting issuer in any one Canadian jurisdiction.)
		Three commenters said that s. 5.3(1)(c) should be clarified. It is not clear whether the 100% or greater change is referring to the measured, indicated, or inferred or a 100% change in the total. Another commenter questioned whether it meant 100% change in tonnage, grade, or total combined metal. Also, the same commenter asked whether it was meant to catch a change in metal price that causes a 100% increase or decrease in the resources or reserves without any further work being completed. Another questioned whether it meant a 100% change in the size of the mineral resource or the size of the property.	We agree with the commenters' suggestion. We have added language to this subsection to make it clear that the 100% or greater change must be in *total* mineral resources or *total* mineral reserves.
		One commenter suggested that we should permit an independent QP to audit an in-	We disagree with this suggestion. The existing rules do not prohibit an independent

		house QP's reports and disclosure of the auditing process and conclusions, rather than requiring companies to incur the unnecessary cost for an independent QP to complete a full, separate technical report. Many independent QPs typically only audit the company's work and require certain quality assurance work anyway. This approach would reduce a very large cost burden for junior companies imposed by the Instrument.	QP from having an in-house QP co-author an independent technical report. However, the independent QP must take responsibility for the entire technical report and provide the required certificate and consent.
		One commenter said s. 5.3(1) should not limit the independence requirement to the time of the disclosure. It should provide that the QP must have been independent two years prior to and continue to be independent for one year after preparing and completing the technical report.	We disagree. The commenter's suggestion would create an additional burden on companies that we cannot justify. We believe that past work would not interfere with a QP's independence. Also, we believe that a QP that expects to have a relationship to the company one year in the future may not be independent if the test for independence under s. 1.4 of the Instrument is not met.
		Another commenter said we should provide guidance about whether the previous technical report could still be used (assuming it is current) if the QP that filed the initial report is no longer independent (i.e. the QP becomes a director of the company) but the second filing still requires an independent QP. In this situation, we should allow the company to use its in-house QP to certify the report is current.	We acknowledge the commenter's concern. We have decided to retain the words "at the date of the technical report" in the current Instrument. Accordingly, the time for determining whether the QP is independent is the date of the completion of the technical report. Therefore, a previous independent technical report from a QP that is no longer independent at the time of the disclosure could be used provided the report is current and supports the scientific and technical disclosure in the disclosure captured by the enumerated items under s. 5.3(1).
	5.3(3) Exception from indepen-dence requirement for junior joint venture company	Many commenters said s. 5.3(3) should also permit a QP of a junior joint venture company to rely on data provided by a QP that is a consultant or contractor of the producing issuer, not only a QP that is an employee.	We agree. We have amended s. 5.3(3) of the Instrument accordingly.
		Four commenters suggested that we need to reconsider how difficult it is for a junior joint venture company to obtain the information necessary from a producing issuer, especially if the mineral project is not material to the producing issuer. The amendments to the Instrument need to address this problem. Two of these commenters recommended that we should not require a junior company to file a technical report if the producing issuer already has one filed. The junior company should be able to refer to the producing issuer's technical report. Another recommended that the junior company	We disagree with these suggestions. In most cases, by the terms of the joint venture agreement, the junior company should be able to arrange access to the property and data with the producing issuer. Firstly, we believe that providing an exemption to a junior joint venture company where the producing issuer has filed a technical report will provide little benefit for junior companies since most producing issuers will not have a technical report filed because the property is not material to the producing issuer. Secondly, if the technical disclosure is not filed by the junior company and the consent to that disclosure is not filed by the junior

		should have relief from the technical report filing requirement if the producing issuer does not have a technical report filed.	company's QP, there is no means by which the junior company's shareholders and public investors will have a civil liability claim if the technical information filed by the producing issuer contains a misrepresentation. We understand that in some cases, the junior company may not be able to get access to the data or the property. Where a junior company is unable to get access to the data or the property, it should apply for exemptive relief from the requirements.
		One commenter noted that with the new civil liability laws proposed in certain jurisdictions, the benefit of s. 5.3(3) of the Instrument is lost. Since those laws would make an expert liable if it provides a company its consent, most QPs of a producing issuer would refuse to provide a consent to a junior joint venture company for relying on their data or technical report.	We acknowledge the commenter's concern. The proposed civil liability laws will only affect experts who provide a formal consent that must be filed by the junior company. The consent that the junior company must file under the Instrument would not come from the producing issuer's QP. It must be provided by the junior company's QP who prepares the technical report that must be filed. The producing issuer's QP provides the junior company with the data, not the consent the junior company is required to file.
27.	Section 6.2 Current Personal Inspection	One commenter said that the site visit requirement for each report is excessive. There should be relief if the QP was just on the property during the same year. Many commenters suggested the site visit requirement should be left to the professional discretion of the QP as the mandatory requirement is too prescriptive. If the QP determines a site visit is not required or should be delayed, then the QP should disclose the reasons in the QP certificate. The new exemption proposed does not take into account numerous additional reasons a site visit may not be necessary besides extreme seasonal conditions.	We disagree. The CSA views the prescribed site visit each time a technical report is prepared and filed as one of the cornerstones of the Instrument. We have consulted with the CSA Mining Technical Advisory and Monitoring Committee (MTAMC) (composed of a balanced range of professionals in the mining industry) about this frequency. We received confirmation that the need for a site visit with every technical report is sound and we should only consider otherwise on a case by case basis or if the site visit is impossible due to weather conditions. Accordingly, we limited the site visit relief as proposed, now under s. 6.2(2) and (3).
		One commenter said this section needs a definition of current inspection of the property.	The proposed changes to the Companion Policy contain guidance on the meaning of current personal inspection. Please refer to s. 6.1 in the Companion Policy.
		One commenter suggested that this section should refer to the requirement that the site visit must be independent if an independent technical report is required under Part 5 of the Instrument. (Also, see the comments and responses under Item 33 below relating to s. 9.2 *Exemption from Personal Inspection*).	We disagree with the suggested addition. Section 6.2 (the site visit requirement) states the QP that prepares or supervises the preparation of the technical report must complete the site visit. If the QP must be independent (pursuant to s. 5.3), then s. 6.2 requires an independent QP to complete the site visit requirement. It is not necessary to repeat the same requirement under Part 5.

28.	Section 6.3 Maintenance of Records	Two commenters said the requirement to retain records for seven years is too onerous, especially for a junior company. One of these commenters noted that this is beyond the period of time expected by the Canada Revenue Agency.	We acknowledge the commenters' concerns. We understand that various legislations have different requirements for document retention periods. However, we believe that seven years is reasonable.
		One commenter said the seven year retention period is too short as the codes of ethics of certain professional associations require a 10 year retention period. Therefore, this section may place some QPs in breach of their professional ethics.	If a QP's code of ethics requires retention of documents longer than seven years, then QPs should be aware of those requirements. The seven year requirement is only a minimum and does not affect other longer retention periods.
29.	Section 7.1 Use of Foreign Code	Three commenters suggested that we should remove the requirement under Part 7 to reconcile the permitted foreign codes to the CIM definitions. It defeats the principle of accepting those foreign standards if we expect a reconciliation to the CIM standards.	We disagree. Although these foreign codes are accepted and are largely comparable to CIM, they may evolve over time. A reconciliation will address this.
		One commenter suggested that when a company is reporting under the JORC Code or SAMREC Code, we should allow a company to combine measured, indicated, and inferred resources, provided that the details of the separate categories are fully disclosed. That follows the manner of reporting that is permitted under each of those foreign codes. It is not reasonable to allow those foreign codes under the Instrument if a company cannot report in the manner permitted by those codes.	We disagree. Section 7.1 relates only to the use of the mineral resource and mineral reserve categories of the JORC and SAMREC codes. This does not mean we endorse or agree with those aspects of these codes that are not consistent with other parts of NI 43-101.
		One commenter suggested that we should provide a mechanism for accepting other foreign codes in the future by adding to s. 7.1 and 7.2 the words "or such other reporting codes or systems as may be accepted by the securities regulatory authorities in a notice published for this purpose".	We acknowledge the commenter's suggestion. However, we are not able to make that change because some jurisdictions of Canada are precluded, under their rule-making procedures, from making future changes to a rule by publishing the changes in a notice.
		One commenter suggested that we should not permit the reporting of foreign codes unless it is based on reconciliations to the CIM definitions. Reporting of the original figures in the foreign code should be optional but only secondary to the reconciliations to the CIM definition. That would ensure all technical disclosure is reported in a consistent and uniform manner for the benefit of Canadian investors.	We disagree with the commenter. We believe that the reconciliation of the foreign reporting code to CIM is sufficient.
30.	Section 8.1 Certificates of Qualified Person	One commenter suggested we provide guidance about whether the list of professional associations required under s. 8.1(2)(c) should include a list of professional licensees licensed by government agencies.	We disagree. Please see the definition of professional association in the Instrument.

		One commenter suggested it was excessive to require under s. 8.1(2)(c) a listing of all the QP's professional associations. A listing of the relevant ones should be sufficient.	We disagree. We do not expect the list to include all professional organizations that the QP is a member of, only the professional associations as defined under the Instrument.
		One commenter said it was useless to require a summary of a QP's relevant experience because some people will exaggerate or inflate their experience anyway.	We disagree. The definition of QP requires a QP to have relevant experience. Therefore, we expect the QP to certify this. Since it is a breach of most provincial and territorial securities laws for any person to file a misleading statement with the securities regulatory authorities, QPs should not exaggerate or inflate this information.
		One commenter suggested that s. 8.1(2)(d) should include an option for a co-authoring QP to state the name of the QP who completed the site visit for circumstances when another QP is primarily responsible for the report and that other QP completed the site visit.	We disagree with the commenter's suggestion. We decided that a QP should not have to certify whether another QP has completed the site visit or if the company obtained an exemption. The QP should not have to certify something that is the company's obligation. We have removed the requirement to state that information from the certificate. Item 4(d) of the Form sufficiently covers disclosure of this type.
		Many commenters suggested the requirement under s. 8.1(2)(f) to give reasons why a QP is not independent is not relevant. A statement whether he/she is independent or not should be sufficient.	We acknowledge the commenters' point. It prompted us to revisit this proposed change. We have removed the requirement from s. 8.1(2)(f) that the QP state why the QP may not be independent.
		One commenter suggested that we should require a QP to make full disclosure of all potential conflicts of interest under s. 8.1(2)(f) rather than require a QP to make a simple statement whether he/she is independent or not. Investors can use that disclosure to make their own assessment about the degree of influence on the QP.	We disagree. The company and its QP should make the determination of whether a QP is independent. The purpose of the statement of independence is to provide assurance to investors that the determination has been properly made.
		One commenter disagreed with the removal of s. 8.1(2)(e) because it takes away a statement of protection for the QP.	We disagree. We believe the proposed change is for the benefit of the QP because it removes the requirement for a QP to make an assessment about material facts and material changes that should be included in the technical report. Management of a company should make the assessment of material facts and material changes. Therefore, we replaced the former paragraph (e) with the new paragraph (i) and expect the QP to make a statement that to the best of the QP's knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

31.	Section 8.3 Consents of Qualified Persons 8.3(b) – confirming that the QP has read the written disclosure being filed and that it fairly and accurately represents the information in the technical report	One commenter disagreed with our change to s. 8.3(b) because the revised words are broader than what a QP should have to state. It seems that the QP is being asked to confirm that the disclosure is an accurate summary of the whole technical report. Rather, it is the company's obligation to select what information is material and needs to be disclosed. The QP should only need to confirm that the written disclosure is a fair and accurate representation of the technical report "that is the subject of the disclosure". One commenter said that QPs are not given enough time to review the disclosure document to verify the accuracy of the technical disclosure. Also, the same commenter said this section is a problem in that a QP has to give the required consents to the company when he/she signs the technical report. Often, the QP has not even seen the written disclosure at that time. This places the QP in the position to potentially breach his/her code of ethics. The commenter recommends amending s. 8.3(b) to include a requirement for the company to present the QP with the written disclosure being filed in sufficient time for the QP to review it before giving his/her consent. The same commenter suggests deleting the text in s. 8.3(a) that refers to consenting to "extracts from or a summary of the technical report in the written disclosure being filed" to resolve that problem.	We agree with this comment but have modified the commenter's suggested language. Section 8.3(b) now reads, "confirming that the QP has read the written disclosure being filed and that it fairly and accurately represents the information in the technical report that supports the disclosure." We do not agree with the commenter's suggestions. We believe it is in the public interest to have a QP consent to extracts from, or a summary of, the technical report contained in the written disclosure. We believe that the commenter's concern is an issue that needs to be resolved between a QP and the company. A QP is entitled to refuse to give his/her consent until he/she has had sufficient time to review the final version of the written disclosure. Also, s. 2.5 of the Companion Policy provides some guidance to issuers dealing with disclosure of material information not yet confirmed by a QP.
32.	Section 9.1 Authority to Grant Exemptions	One commenter suggested that we should add another exemption that accepts foreign technical reports prepared in accordance with the standards and requirements of any of the foreign codes accepted under Part 7 of the Instrument. More emphasis should be placed on substance over form, such that those foreign technical reports are acceptable as technical reports required under the Instrument. One commenter asked whether the cost of exemptions could be reduced by having a company file for and obtain relief in only one jurisdiction, but have that relief applicable in all jurisdictions the issuer reports. One commenter said that the CSA resolves too many issues about the Instrument by making companies apply for exemptive relief. That causes companies to incur significant legal costs and transaction uncertainty during the relief application process. The Instrument should be	We disagree. The accepted foreign codes do not provide specific guidance on the required contents or format for technical reports under those jurisdictions. We are not aware of any recognized foreign technical report format that companies could use in place of the Form. We believe they do not consistently meet the substance of the content required under the Form. Currently, the CSA has a system for one jurisdiction to grant orders for relief on behalf of all the other jurisdictions, the Mutual Reliance Review System. However, a company must make an application and pay the applicable fee for the relief in each jurisdiction. We do not agree with giving QPs full discretion under the Instrument. At this time, the purpose of these proposed amendments is limited. It does not include adding any changes that amount to rewriting the requirements to be less prescriptive. However, by the current proposed

		amended to provide more discretion to the QP and less prescriptive disclosure requirements to minimize the need for companies to seek out exemption orders. In addition, this commenter suggested that the CSA should publish and organize all exemption orders granted in one central location for ease of reference by the public and to improve the transparency of the securities regulatory authorities.	amendments, we have minimized a company's need to apply for relief by adding the new proposed delay of site visit relief for an early stage property under s. 6.2(2) and (3) and the limited relief for holders of royalty interests and other similar interests under s. 9.2 of the Instrument. The CSA acknowledges the commenter's request for a central database of exemptive relief orders. Although we cannot refer companies to a CSA database at this time, we suggest that you refer to the BCSC website for their e-services database. It is user-friendly and contains a complete source of all orders granted for relief from all or parts of the Instrument for BC reporting issuers. It lists all the orders under NI 43-101 and sets out the key elements that existed in the company's fact situation for each particular type of relief granted.
33.	Section 9.2 Exemption from Personal Inspection	In response to a specific request for comment about the scope of the new site visit exemption (proposed under Part 9 as s. 9.2 but now moved to Part 6 under s. 6.2(2) and (3)), we received the following responses: Four commenters agreed with limiting this exemption to the case of extreme weather conditions and agreed with keeping a tight (six month) time limitation on the exemption. Five commenters suggested we broaden the exemption. Two of these commenters suggested it should be expanded to include more advanced projects, not only grassroots properties (suggesting the proposed definition of grassroots property needs revising). They also suggested those properties that have had no exploratory work done for over ten years, or those properties on which only limited surveying and sampling has occurred, but which do not have a comprehensive drilling program should also be early stage. Another commenter suggested the relief should not be limited to newly acquired properties. Two of these commenters suggested that rather than tying the time limit to six months from a newly acquired property, it should be six months from the time a property became material to the company. Six commenters agreed with a limited time period for relief from a current site visit, but not all agreed with six months. Two suggested it should not be less than nine months. Three suggested it should be 12 months because the thaw in the very northern regions would not make a six-month limit useful.	We have considered all of the commenters' suggestions. We have reconsidered this relief and decided not to include a time limit for ownership of the property. We also broadened some of the other aspects. First, we have broadened the definition of grassroots exploration property, and changed that defined term to early stage exploration property. Second, we decided not to limit this relief to newly acquired properties or newly material properties. We decided not to include advanced stage projects in the relief because we believe those situations should be considered on a case by case basis through the exemptive relief application process.

		Two commenters noted this section was not an exemption, but was actually only a delay of the site visit.	We acknowledge this comment. We have moved the requirements under previously proposed s. 9.2 to s. 6.2(2) and (3). Even though a company's obligation is to complete a current personal inspection before it files a technical report, this new provision provides relief by permitting a company to conduct the personal inspection at a later time when the property is accessible.
		Many commenters disagreed with the limited scope of the proposed relief from a site visit. One of these said the relief should not be only in the case of seasonal conditions, but also other natural disasters or political/civil unrest.	We disagree with including natural disasters and civil unrest because those circumstances are exceptional in nature and timing. We expect a company to apply for relief in such circumstances that we may review the specific factors of the situation.
		Many commenters said the QP should have more discretion about whether the site visit is safe or beneficial and the past work is relevant (i.e. not all drilling and trenching is relevant). One of these commenters suggested the following language: "any conditions which, in the view of the QP, make it unsafe, or otherwise inadvisable to access the property or obtain any beneficial information from it". There are some instances where a QP can provide a professional opinion as to a recommended program without a visit to the property. One of the commenters suggested, as a means of ensuring greater accountability by the QP in exercising his/her discretion, we should add a requirement to the QP certificate obligating the QP to disclose the reasons why he/she did not conduct a site visit.	We disagree with the suggestions to give the QP full discretion to determine whether a personal inspection is necessary. See our comments under Item 27 above.
		Many commenters said there are numerous additional reasons a site visit may not be necessary besides extreme seasonal conditions. One example is when a company's technical report discloses negative results and a property is being downgraded to less than material status, the recent site visit should be sufficient.	We disagree. For an early stage exploration property, NI 43-101 does not trigger a technical report if the results are negative and a property is being downgraded to less than material status. Since no technical report is triggered, no site visit is required.
		Another example is exploration projects that have had satellite imagery or airborne geophysics conducted. These circumstances should be exempted from the site visit requirement or only require a site visit at the QP's discretion.	We believe that satellite imagery or airborne geophysics being conducted does not remove the necessity for a site visit. A QP should inspect the property to check the anomaly.
34.	Section 9.3 Exemption for Certain Foreign Issuers	Two commenters agreed with the addition of this exemption. One of them suggested that s. 9.3(1)(b) should also include the American Stock Exchange and the London Alternative Investment Market.	We decided not to add this exemption into the amended Instrument. Since the CSA has not received any requests for relief from this type of issuer for several years, we decided to deal with this relief on a case by case basis through the exemptive relief

		One commenter suggested that we should allow foreign issuers who are listed on the TSX an exemption from the Instrument provided they meet the threshold that is consistent with the requirements for designated foreign issuers in NI 71-102 *Continuous Disclosure and Other Exemptions relating to Foreign Issuers*. One commenter disagreed with this exemption because it creates an uneven playing field in terms of the reporting standards Canadian companies must follow compared to foreign companies. They should follow our rules if they want to come into our market.	application process.
Amended Companion Policy 43-101			
35.	General – provincial and territorial licensing requirements	Three commenters recommended that we refer to the provincial/territorial registration/licensing requirements for QPs. They said that international and local QPs need to be aware that when they undertake work on a property, they must be registered or licensed by the professional association that governs QPs in the province or territory where the property is located. Also, QPs need to be aware that certain provincial/territorial professional associations will have jurisdiction over a QP that is registered/licensed with them, even though they work on a property outside their jurisdiction.	The CSA believes it is not our role to remind QPs of their professional obligations. That would give the CSA the appearance of being an overseer of the requirements of the Canadian professional associations. We refrain from doing that for any other professions, for example the legal and accounting professions.
36.	General – the terms "valuation" and "economic evaluation"	Two commenters suggested that we make a distinction between these two terms in accordance with their meaning as defined by CIMVal. Valuation refers to the value or worth of a mineral property. Economic evaluation refers to an economic assessment or determination of the economic merit of a mineral property. One of these commenters said it was not clear whether the terms economic analysis and economic evaluation are the same thing. One commenter suggested we should give clarification about the valuation trigger for a technical report under s. 4.2(1)(g) of the Instrument. Guidance is needed about whether it would apply to an information circular prepared in accordance with the JSE Securities Exchange requirements, which must include cash flow information and net present value calculations that are not required disclosure under Canadian securities laws.	We agree that there is a distinction between valuation and economic evaluation. We believe valuation is used correctly in the Instrument. To prevent confusion, we have changed all references of economic evaluation to economic analysis in the Instrument, Companion Policy, and Form. We do not believe the suggested guidance is needed. The valuation trigger under s. 4.2(1)(g) is only meant to apply to valuations that are required to be prepared and filed under Canadian provincial and territorial securities laws. We believe we made this clear by the changes we made to that section.
37.	General – guidance about best practices for assaying and analytical	One commenter noted that the CSA deferred adopting the recommendations made under Part 4 *Setting New Standards, Mining Standards Task Force Final Report* until laboratories were more prepared. This commenter thinks sufficient time has elapsed to warrant the CSA establishing	We acknowledge the comment. We support the establishment of industry best practice guidelines. The CIM has already established guidelines for mineral resources and reserves, exploration, and disclosure specific to reporting diamond exploration results. We have referred to those

	laboratories	best practice guidelines for assaying and analytical laboratories.	guidelines in s. 1.5 and 1.6 of the Companion Policy. These guidelines contain recommendations for quality assurance and quality control, and laboratories.
38.	Section 1.3 Application of the Instrument	One commenter suggested that we include more guidance in this section about what includes oral disclosure, such as presentations, webcasts, and speeches at annual general meetings. In addition, we should include more guidance about what is written disclosure such as websites, posters, redistributing analyst reports, and president messages/letters to shareholders. Another commenter also suggested that we add website disclosure to this guidance.	Under s. 1.1 Definitions of the Instrument, the term written disclosure is defined. We have added websites to this definition. Oral disclosure is self-defining. Therefore, we do not believe we need to specifically define it under this Instrument or provide guidance as to its meaning.
		One commenter said that we should give guidance that the Instrument does not apply to coal bed methane deposits as they are governed by NI 51-101 *Standards of Disclosure for Oil and Gas Activities*.	We have added guidance to s. 1.3 of the Companion Policy that the Instrument does not apply to coal bed methane.
39.	Section 1.5 Best Practices Guidelines for Mineral Resources and Mineral Reserves – coal reporting	One commenter said this guidance makes coal reporting very difficult because s. 2.2(a) of the Instrument mandates the use of the CIM Definition Standards for reporting resources and reserves. The coal reserves estimation is prepared using one classification system (Paper 88-21) while the reporting must use another system (CIM Definition Standards). The terms required by each system do not match. The commenter recommends that in the case of coal, we allow the reporting with the defined terms in Paper 88-21 instead of with the CIM Definition Standards. If not, then provide guidance as to how to convert the coal estimate made using Paper 88-21 to report them in the CIM Definition Standards.	We acknowledge this comment. We have provided more clarification to this guidance for coal reporting. We understand from our consultation with QPs that are experts in the estimation of mineral resources and mineral reserves for coal that it is a straightforward process to use Paper 88-21 to estimate the mineral resources and reserves, and then to report in the equivalent reporting categories under CIM Definition Standards.
		The same commenter said there are quantification differences between the CIM Definition Standards and the Paper 88-21 system.	We believe s. 3.4 of the Instrument addresses this by requiring the company to state the key assumptions, parameters and methods used to estimate the mineral resources or mineral reserves for coal.
		One commenter expressed reservations about endorsing the use of the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (CIM Resource and Reserve Guidelines) because they are not presented in an object-oriented and principle-based perspective. That prevents the QP from exercising professional discretion, as needed from project to project, to contribute more fully to improved industry efficiency and better return for investors.	These guidelines were developed through industry's input to CIM. We are endorsing them because we believe industry has accepted CIM as the appropriate organization to develop these standards.
40.	Section 1.6 Best Practices	One commenter noted that although the Mineral Exploration Best Practices Guidelines have more of an objective-	We acknowledge the commenter's concern. In general, we prefer the Mineral Exploration Best Practice Guidelines because they were

	Guidelines for Mineral Exploration	oriented and principle-based approach than the CIM Resource and Reserve Guidelines, they are too brief to offer more than a generic perspective. The commenter suggests we refer to the more detailed text in the *Draft Standards for Exploration and Resource/Reserve Estimation*, a report that was sponsored by the ministère des Ressources naturelles du Québec.	established by the mining industry across Canada, which represents a broader consensus of people in the industry.
41.	Section 1.7 Preliminary Assess-ments	One commenter suggested we add guidance to this section explaining that disclosure of a scoping study should include a statement of the basis on which the parameters for the economic evaluation were developed.	We do not believe it is appropriate to insert this type of guidance in the Companion Policy. The purpose of the Companion Policy is to give guidance about specific requirements of the Instrument. The commenter's suggestion relates to a specific disclosure practice. Also, this disclosure is required in the technical report. However, the commenter's point prompted us to realize this section is missing guidance about s. 3.4(e) of the Instrument. An issuer must include a cautionary statement when mineral resources are used in an economic analysis, including a preliminary assessment. We have added this guidance to the Companion Policy.
		This commenter also did not agree that a scoping study provided important information to the market because they are not as trustworthy as a feasibility study.	We acknowledge the commenter's concern. However, we believe that prohibiting the disclosure of a preliminary assessment could put a company in the position where it may not be able to comply with the principles of timely disclosure of what it believes is material information. We believe it is better to allow the disclosure of preliminary assessments with appropriate detail and cautionary language than to try to suppress this information.
42.	Section 1.8 Objective Standard of Reasonable-ness	Two commenters said we need to provide more clarification as to whether the reasonable person would be a person with some technical knowledge or with no ability at all to interpret technical data.	We believe the reasonable person concept is a concept that evolves through decisions of the court. Therefore, we do not think it is appropriate for us to give prescriptive guidance about the meaning of this concept.
43.	Section 1.9 Improper Use of Terms in French Language	One commenter disagreed with this guidance about the use of gisement advising it is not restricted to economic deposits that can be considered as ore/mineral reserves. The commenter also advised gisement or gisement mineral is more equivalent to mineral resources than to mineral reserves. Therefore, it is inappropriate to ascribe to the term gisement a meaning similar to that of mineral reserve or ore reserve. The commenter recommends this proposed section should be removed or it will create more confusion and will more likely debase, rather than improve, the French disclosure of mineral exploration information.	We disagree. These terms are distinct and understood by most French speaking geologists. All industry participants should use the terms appropriately in accordance with our guidance.
44.	Section 2.1 Disclosure is the	One commenter said the final sentence of s. 2.1 should be revised to remedy the problem that most companies do not give a	We disagree with these suggestions. Please refer to our reasons as stated under the last paragraph of Item 31 above. In addition, our

	Responsi-bility of the Issuer	QP sufficient time to review the written disclosure being filed for the QP to give his/her consent to its filing and the extracts. This commenter recommends removing the reference to strongly urging the company to have the QP review the disclosure and replace it with guidance that obligates the company to have the QP review the disclosure. Also, it should obligate the company to give the QP sufficient time to review it and make any necessary amendments and revisions before the QP gives his/her consent.	reference to strongly urging relates to urging companies to have their QP review all scientific and technical disclosure a company makes, regardless of whether it triggers a technical report and requires a QP's consent. For example, a company may file a news release that does not trigger a technical report but it contains an update on the company's mineral project. We urge companies to have their QPs review such disclosure to ensure it is accurate, complete, and updated.
45.	Section 2.4 Materiality	One commenter said the guidance on materiality was made less concise and is now too general. This will increase the compliance costs as issuers will have to seek legal advice.	The former guidance tried to set a bright-line test for materiality relating to more than 10% of book value of the total of the company's mineral properties. This guidance was removed because it led many companies to incorrectly apply a bright-line test for assessing materiality. As we stated under Item 12 above, whether a property is material may fluctuate depending on many factors outlined in the Companion Policy. There is no bright-line test for materiality. Therefore, we believe we have dealt with this concept appropriately in the Companion Policy.
		One commenter suggested we should inform companies that if they have many properties that individually, are not material, they must disclose at least one of them (i.e. the most active) as material.	We disagree. We do not believe that we can set this type of bright-line guidance for assessing the materiality of a company's properties. If a company is not active on any of its properties, it may be possible that it has no material properties. However, we believe that most active companies will have at least one property to keep its shareholders and the public market interested. We expect that property would be material.
		One commenter said guidance is needed about who is responsible for determining when the addition of a mineral property is a material change to the company.	We agree. The assessment of materiality must be made by the company's management. We have added this guidance to the Companion Policy under s. 2.4.
46.	Section 2.5 Material Information not yet Confirmed by a Qualified Person	One commenter suggested that we should add guidance that all confirmations from a QP about the company's material technical disclosure should be in writing.	We disagree. We believe this is a matter that should be negotiated between a company and its QP. However, we agree that companies and QPs should carefully consider the commenter's suggestion, especially in light of the proposed civil liability laws in certain jurisdictions.
47.	Section 2.7 Meaning of Current Technical Report	One commenter suggested that we clarify this guidance by explaining a technical report would remain current so long as the only change in the reserve estimate in the technical report is through depletion in the ordinary course of mining.	We agree with the commenter that normal mining depletion does not, by itself, result in a material change to previously reported mineral reserves. We have amended this section of the Companion Policy to clarify this point.
48.	Section 2.9 Use of	Many commenters said the 30-day time limit for filing a report is too short. It should be	We acknowledge the commenters' concern. We have reconsidered the time period

	Historical Estimates	extended to 60 or 90 days to prevent non-compliance or the avoidance of timely disclosure. One commenter suggested adding more guidance in this section regarding: acceptable sources for a historic estimate, points to consider when confirming the relevance of a historic estimate, and points to consider when commenting on the reliability of an historic estimate.	allowed under this section and decided to change it to 45 days instead of 30 days. See our response to Item 23 above. We agree with the commenter that the Companion Policy should provide some guidance on the source of the estimates. We have added s. 2.9(2) and (3) to the Companion Policy to provide further guidance on the disclosure of historical estimates.
49.	Section 2.10 Use of Other Foreign Codes	One commenter suggested that the first paragraph of s. 2.10 should state that relief to permit disclosure of foreign estimates would likely include the conditions set out in s. 2.9(2) of the Companion Policy, not those in s. 2.4(a) to (e) of the Instrument. This would make the conditions for relief consistent with the guidance given for disclosure of historical estimates under s. 2.9(2) of the Companion Policy.	We acknowledge the comment. We have deleted the reference in the guidance to s. 2.4 of the Instrument. However, we do not agree that the guidance under s. 2.10 of the Companion Policy should refer to the conditions set out in s. 2.9(2) of the Companion Policy (now moved to the Instrument as s. 4.2(2)(b)).
50.	Section 3.1 Selection of Qualified Person	One commenter suggested we should have consistency of terms with other continuous disclosure rules. For example, certain sections of the forms under NI 51-102 *Continuous Disclosure Obligations* refer to report and expert. We should give clarification whether those terms include NI 43-101 technical report and qualified person.	We disagree that this type of clarification is needed. We believe that since the terms expert and report are general terms, there should be little confusion that they include a QP and an NI 43-101 technical report. We also believe that the Companion Policy is not the appropriate place for such guidance.
51.	Section 3.2 Assistance of non-Qualified Persons	One commenter suggested that the reference to other persons should be limited to other professional geoscientists and engineers who do not yet have the required experience of QPs. Other people not so qualified should not carry out work that is in the scope of professional laws regulating the practice of the geosciences and engineering in Canada or other countries with such laws.	We disagree. Not all persons involved in collecting or processing data need to be geoscientists or engineers. Exploration programs frequently use technicians, field assistants, and other non-professional staff working under the supervision of a QP. The purpose of this section is to clarify and confirm that the QP must take responsibility for the information collected or provided by these non-QPs.
52.	Section 3.3 More than One Qualified Person	Five commenters said it was unreasonable to expect a QP preparing a technical report to take responsibility for a resource or reserve estimate made by another QP in a previous report on the same property. There would not be enough documentation to review as the QP is unlikely to have obtained all the work sheets, plans, and sections of the earlier estimate. It would only be reasonable to expect the QP to investigate and resolve any major concerns he/she may have with an estimate. A company and its QP should be able to use previously published resource estimates, otherwise a large amount of unnecessary re-work is being required. A QP is able to rely on the work of other engineers and geologists for work in other areas. The same should apply to the work done by another QP in the field of mineral resources and mineral reserves. Some QPs will use	A cornerstone of the Instrument is for the issuer to involve a QP when making disclosure of mineral resources or reserve estimates. If a technical report is required, the QP or QPs who prepare that technical report must take responsibility for the report as a whole. It is in the public interest to have a QP take responsibility for the former estimates of mineral resources or reserves contained in a new technical report that the issuer must file. Although there is a cost to having a QP take responsibility for the former QP's estimate, we believe it is justifiable. Otherwise, companies will continue to rely on the former estimate year after year without any QP confirming that it is still reasonable to do so.

		this guidance to refuse a company an initial NI 43-101 report for an acquisition (delaying the implementation of the previously recommended work program) unless the company contracts with them for a complete work program and a full update of resources and reserves.	
		One commenter recommended we amend the last sentence of this guidance to read "should make whatever investigations and verifications are necessary to validate that information". This is more appropriate given the recent emphasis on greater data quality based on quality assurance and the need for objective-oriented and principle-based methods.	We acknowledge the suggestion. However, we do not agree with adding such prescriptive guidance.
53.	Section 3.4 Exemption from the Qualified Person Requirement	One commenter pointed out that it would not be appropriate for the CSA to give an exemption from the QP requirement if it would result in a breach of the laws that govern the work of geoscientists and engineers in a province or territory. This guidance should specify that. It should also explain foreign persons can apply for a temporary work permit from a professional association in Canada.	We acknowledge the commenter's concern. Similar to our comments under Item 10 above, we do not believe it is our role to be an overseer of the legal requirements QPs have under non-securities legislation and the professional associations that govern them. Each QP should ensure that they are complying with all applicable legal, professional, and ethical requirements. However, we have changed the guidance under the second sentence of s. 3.4(2) to more accurately reflect that the criteria we consider for relief would not include a QP who must register with a professional association in his/her jurisdiction.
		The same commenter noted that the final paragraph of s. 3.4(2) should be clarified so that it does not sound like a waiver from the independence requirement will exist for a company that has a QP in its management positions.	We have considered the commenter's concern and agree this part is confusing. We have deleted it because we believe the sentence above it covers the same point.
54.	Section 3.5 Indepen-dence of Qualified Person	One commenter said the new guidance about the application of the new definition of independence is straightforward and reasonable.	We appreciate the comment.
		One commenter said s. 3.5(1)(h) is not restrictive enough as a QP's independence is a problem even if only a small percentage of his/her total income is from one source over three years.	We believe that the example under s. 3.5(1)(h) (now s. 3.5(1)(g)) is appropriate. A QP that has a majority of his/her income from one source over three years is no longer independent.
		Three commenters said s. 3.5(1)(h) is too onerous. In times of industry downturns it is common for a QP to receive all or a majority of his/her income from one client or a related party to the client.	
		Many commenters said that all references to expects to hold or have in s. 3.5(1)(d), (e), (f) and (g) of the guidance about a QP's	We disagree. The reference to expects to have refers to current understandings that exist between the QP and the company.

		independence is too difficult to assess because it requires a QP's speculation.	
		One commenter noted the language in the guidance about the test to apply to determine independence confuses the independence definition under s. 1.4 of the Instrument.	We agree with the commenter's concern. We have removed that sentence from the Companion Policy.
		Three commenters said that the language "holds a very small number" in reference to an issuer's total securities is too vague. One suggested it should be referred to in percentage terms such as "holds securities of the issuer representing less than XX% of the issuers total issued and outstanding securities".	We agree with changing this paragraph but not as the commenter suggested. We are not prepared to not include any bright-line tests in the guidance. We have amended the paragraph to remind companies that a QP may hold an interest in their securities, but they need to apply the test in s. 1.4 of the Instrument.
		One commenter suggested the following revision to the text in s. 3.5(3): " … provided that the independent qualified person has, in his/her professional judgement, taken whatever investigation and verification steps are required or mandated to ensure that the information he/she relies on is sound and allows him/her to take responsibility, *within limits to be specified*, for that information *and the conclusions and recommendations derived from it*….."	We have deleted s. 3.5(3) because it repeats the guidance in s. 3.2. We do not agree with prescribing guidance that suggests a QP could limit their responsibility.
55.	Section 4.1 Addendums not Permitted	Three commenters disagreed with the prohibition against the use of addendums. Addendums should be allowed to update a report and to correct errors. One commenter said companies incur a significant cost to reproduce a complete report for a minor update. The TSX and TSX Venture Exchange permit addendums and only require a complete, new technical report when the property has been materially advanced to the next stage.	We acknowledge the comment. We believe that there is little to no difference in the time and cost for a QP to go into the electronic copy of the outdated technical report, replace the outdated parts with updated information compared to creating an addendum that must state that sections of the report that are deleted and the text that replaces the deleted text. Investors need to be assured that when they review a company's most recently filed technical report on SEDAR, it contains all the updated information about the company's mineral projects. Also, investors may not easily find the addendum among all the documents filed in the company's disclosure record.
		One commenter suggested adding more guidance to this section that explains a new QP can update a previously filed technical report prepared by a former QP. The new QP needs to take responsibility for the whole, new report and sign it off as his/her report.	We agree. We have amended s. 4.1 of the Companion Policy accordingly.
56.	Section 4.2 Filing on SEDAR	Many commenters suggested additional clarification is needed about how to file maps and drawings which are not easily converted to electronic form and may not be	We acknowledge the commenter's concern. We do not believe the Companion Policy is the appropriate place for this type of guidance. It is a SEDAR filing issue, not an

		easily viewed on SEDAR.	NI 43-101 issue. Please refer to the SEDAR Filing Manual for guidance on this issue.
		Two commenters said their experience is that SEDAR cannot take very large filings. The inclusion of figures and drawings make the file too large. One commenter said this guidance is contrary to advice given by staff at certain securities commissions cautioning against making filings that are too large for SEDAR.	We disagree. The inclusion of the maps and figures required by Form 43-101F1 does not need to result in huge file sizes that cannot be easily filed on SEDAR. We encourage QPs to limit their use of photographs, high density maps and graphics, and scanned supporting documents, such as drill logs and assay sheets. These are not specifically required under the Form and are often responsible for much of the excessive file size. There are numerous examples of technical reports with figures that are less than 3 megabytes filed on SEDAR.
57.	Section 5.2 Disclaimers in Technical Reports	Five commenters agreed with the added clarification about the limitation on the use of disclaimers. One noted that this addition was a welcome clarification.	We thank the commenters for this feedback.
		One commenter said that we should accept the use of other disclaimers when there are multiple authors of a report and each wants to disclaim responsibility for the part of the report that he/she did not prepare.	We acknowledge the commenter's concern. We believe the QP does not need to disclaim responsibility for parts of the report prepared by other QPs because the QP is required to state the parts of the report he/she is responsible for in his/her certificate. This means each QP would only be responsible for the parts they certify. We also believe that our prohibition from disclaimers was too broad (now moved to s. 6.4 of the Instrument and retained as Instruction 7 in the Form). We have revised it.
		Three commenters said that the prohibition against all other disclaimers is too broad. Two of these commenters said that this change causes an increased cost burden to QPs that they will pass on to companies because QPs will have to pay more for liability insurance. Another of these commenters suggested that we should permit a general disclaimer on a technical report provided it contains a statement that the disclaimer is "subject to applicable securities laws providing otherwise". If this relaxation of the disclaimer is not made, then many of the QPs who prepared NI 43-101 technical reports will cease doing so because of the increasing risk of liability. The loss of quality QPs will be an increased cost and time burden to the companies trying to seek a QP to complete a report.	See our response above. We have made this prohibition less broad. However, we disagree with removing it. We do not believe that this prohibition should add to the costs for a QP or a company because the QP's and the company's potential liability is the same with or without the type of disclaimer we are prohibiting. As we stated in our CSA Notice announcing this proposed change, the civil liability provisions of provincial and territorial securities legislation set out the circumstances when a QP and a company will be liable for a misrepresentation contained in certain disclosure. A QP and a company cannot contract out of such liability. Therefore, we believe it is misleading for a QP to insert a disclaimer that informs third parties that they cannot rely on the contents of the technical report. Since this liability is the same for QPs now as it was before the implementation of the Instrument, we do not expect this prohibition to be the cause of possible insurance increases QPs may experience in the future.

		One commenter also suggested that if we retain the prohibition against disclaimers, then it should not be set out in Instruction 7 of the Form, but should be included in the Instrument instead.	We agree. Although the Form is part of the Instrument and is therefore law, we have included this prohibition as a new section (s. 6.4) in the Instrument because it is a critical requirement that issuers may miss if it is only an instruction in the Form. Since we believe the instruction should also be proximate to Item 5 of the Form, we have retained it as Instruction 7 in the Form.
		One commenter suggested we need to add clarification for a QP that inserts a disclaimer of responsibility for the opinions of other experts. The commenter said that the name of, and consent from, the expert was not required.	We disagree in part. Item 5 of the Form is clear about identifying the "maker of the report, opinion, or statement" that is being relied on. However, there is no requirement to obtain consent from the expert. That is up to the QP and the arrangements he/she makes with the expert.
58.	Section 6.1 Meaning of Current Personal Inspection	Two commenters said the guidance about what is a current personal inspection is not clear. One of the commenters suggested it should simply state that an inspection is current if there has been no material change in the property since the most recent site inspection. The other commenter suggested it should clarify that the obligation to conduct a new personal inspection arises only if there has been a material change to material scientific and technical information about a mineral project.	We agree. We have simplified the wording and have amended the meaning to reflect that the material change relates to the scientific and technical information on the mineral project.
		Many commenters said guidance is needed about whether we expect a current personal inspection if the material change in the scientific and technical information results in a decision not to further develop and explore the property.	We disagree. This is related to our response in the second last paragraph of Item 33 above. NI 43-101 does not trigger a technical report for disclosure of results that are negative and the property is being downgraded to less than material status. Since no technical report is triggered, no site visit is required.
59.	Section 6.3 Exemption from Personal Inspection Requirement	Many commenters disagree with the removal of the reference to "or not beneficial" from the guidance about the acceptable criteria the regulators would consider for relief from the site visit requirement. The QP's professional discretion should be accepted.	We disagree. The CSA considered this carefully prior to creating the proposed amendments. We never intended the phrase "or not beneficial", that was in the former Companion Policy, to mean that a QP could make the decision about whether a site visit was beneficial or not and the company only had to apply for relief on that basis. We removed the phrase to prevent further confusion.
60.	Section 6.4 More then One Qualified Person	Many commenters noted that not all QPs who author a report are relevant for a proper site visit.	We acknowledge the comment. We believe the guidance in s. 6.4 of the Companion Policy covers this.
		One commenter said we should caution against ghost writing of reports to ensure that the QP writes the report.	We acknowledge the comment but disagree with adding the suggested caution. The QP who signs the technical report and certificate is taking responsibility for the technical report and its contents whether or not the QP actually wrote the words.

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61.	Table of Contents	Three commenters said the format should only serve as a guide and allow the report author to report the required information in the most practical manner.	We acknowledge the comment. However, we believe it is important to retain a standard reporting format. It makes it easier for investors and regulators to find the required disclosure under each item instead of having to search for it.
		One commenter said the format unnecessarily departs from the established format of reports required before NI 43-101.	We disagree. The Form requires the same information that was required before, but has additional sections, as suggested by the Mining Standards Task Force, requiring the disclosure of the integrity of the data, such as data verification, quality assurance/quality control, and sample security.
		One commenter said the CSA should allow technical reports that may be accepted by recognized foreign jurisdictions. The concern expressed was that foreign issuers wanting to list in Canada were incurring unnecessary expense by having to re-format existing reports.	We disagree. We are not aware of technical report form requirements being specified in the foreign jurisdictions recognized by the CSA. Our experience has been that geological or engineering reports prepared in foreign jurisdictions have frequently lacked essential content required under the Form and are not compliant with the Instrument. For example, the required disclosure regarding data verification and sample security is frequently absent and the required disclosure for historical resources or exploration targets is frequently missing.
		Two commenters suggested the certificates of QPs be required contents of the report and be included in the table of contents.	We disagree. The QPs' certificates are separate documents and although many are filed with the report, the Instrument contemplates situations where the certificates are filed separately from the report.
62.	Instruction 1	One commenter suggested including an instruction that the technical report need only be a summary of the technical information.	We agree. We expect the QP to review all of the available technical information but need only summarize the relevant information in the technical report. We have inserted the phrase "a summary of" into Instruction 1.
63.	Instructions 3 and 4	One commenter was concerned that it is not clear whether certain item headings can be deleted if there is nothing relevant to report.	We agree and have modified Instruction 3 to make it clear that all of the headings of the items must be included.
64.	Instruction 6	One commenter was concerned that the format of the technical report is suited more towards early to mid-stage exploration properties and is not suitable for properties at the feasibility stage or operating mines. The commenter felt that the allowance for summarizing in Instruction 6 did not go far enough and that a second report format should be prepared for feasibility studies or an operating mine.	We disagree. It has been our experience that many report authors have already recognized the practicality of summarizing the contents under certain items of the Form for developed or producing mining properties. We believe the new Instruction 6 will encourage this and will obviate the need for two technical report forms.
65.	Instruction 7	Two commenters stated strong support for the prohibition on the use of blanket disclaimers and one commenter thanked us for the clarification on Item 5.	We thank you for these comments.

		One commenter pointed out that disclaimers of professional responsibility are forbidden by Quebec professional laws and codes of ethics and that similar laws are in place in most Canadian jurisdictions.	We agree. The QP concept relies on the individual preparing the technical report being bound by the requirement to meet the professional standards and code of ethics of their professional association. To disclaim this responsibility goes against one of the essential principles of the QP involvement in public disclosure.
		One commenter expressed concern that the prohibition on blanket disclaimers will increase the difficulty in obtaining QPs or engineering firms to undertake technical reports because of the perceived increase in liability.	We disagree. The liability is not new. It has always existed in law. Blanket disclaimers ignore the purpose of technical reports and they provide the misleading impression that QPs, or the engineering firm they work for, can disclaim all personal, professional, and statutory liability.
		One commenter suggested allowing a blanket disclaimer as long as it includes the statement "subject to applicable securities law providing otherwise".	We disagree. We do not believe investors will understand the limits that suggested phrase would put on a blanket disclaimer. Also, the suggested phrase would not deal with the problem that many QPs are disclaiming their professional responsibility and codes of ethics. However, we also decided that our prohibition from disclaimers as proposed was too broad. We have revised it. See our response under Item 57 above regarding s. 5.2 of the Companion Policy.
		One commenter suggested the prohibition on blanket disclaimers should be included in the Instrument, not just as an instruction to the Form.	We agree. Although the Form is part of Instrument, and therefore is law, we have included this prohibition as new section 6.4 in the Instrument because it is a critical requirement that issuers may miss if it is only an instruction in the Form. Since we believe it should also be proximate to Item 5 of the Form, we have retained it as Instruction 7 in the Form.
66.	Item 1 Title Page	Two commenters pointed out that we have not been consistent in the use of author and qualified person throughout the report.	We acknowledge the commenters' point. However, the terms author and QP are not always interchangeable. There may be co-authors of a technical report that are not QPs, but a QP must be responsible for each part of the report. Where appropriate, we have made changes to refer to both QP and author.
67.	Item 4 Introduction	Many commenters expressed concern that the deletion of "terms of reference" from this item would cause report authors to not address the scope of the report and additional information.	We disagree. We believe the disclosure under Items 3 and 4 should adequately describe the scope of the report.
68.	Item 5 Reliance on Other Experts	One commenter thought it should be made clear that the QP should not opine on matters that are not within his/her expertise.	Item 5 makes it clear that if a QP is relying on another expert's opinion, the QP is not required to provide their own opinion on matters that are outside their area of expertise.

69.	Item 6 Property Description and Location – (c)	Two commenters suggested replacing the narrow term claim with a more general term mineral tenure.	We agree with this suggestion. We have amended Item 6(c) accordingly.
70.	Item 6 Property Description and Location – (d)	One commenter suggested including the requirement to specify the minerals or commodity that the claim or mineral tenure may be restricted to.	We disagree any additions are needed. We believe this is required disclosure under Item 6(d).
71.	Item 6 Property Description and Location – (e)	Many commenters expressed concern regarding the required disclosure of the survey system used to locate the property boundaries because it implies a requirement to survey the property boundaries.	We agree this was confusing. We changed the wording to "how the property boundaries were located".
72.	Item 6 Property Description and Location – (f)	One commenter pointed out that Item 6(f) is a repetition of the requirements under Item 26(a).	We agree it was redundant. We have deleted the words "by showing the same on a map" from Item 6(f).
73.	Item 8 History - (b)	Two commenters suggested the requirement to describe the results of exploration under Item 8(b) would be more appropriate under Item 12 or 13. One commenter expressed the concern that the phrase "the owners and any previous owners" was confusing because it did not distinguish between owners of the property and operators that may have performed work on the property in the past or at present. One commenter suggested that if the historical data is not verifiable, then a warning to that effect be required.	We disagree with the extent of the change the commenter suggested. However, we have amended results to read general results under Item 8(b). We agree. We have changed "owners and any previous owners" to "any previous owners or operators". We disagree. This is already covered by the required disclosure under Item 16 *Data Verification*, which is meant to provide investors with specific disclosure on how the data was verified and any limits on the verification.
74.	Item 11 Minerali-zation	One commenter suggested that it was not logical to discuss the relevant geological controls, width and especially depth of mineralization prior to first discussing Items 12 and 13.	We disagree. We believe report authors can make general statements on geological controls and the dimensions of mineralization with the details being provided under later items.
75.	Item 12 Exploration	One commenter suggested that the QP should be allowed the discretion of reporting the relevant exploration results of past operators on the property along with that of the issuer. Three commenters suggested including a general instruction to authors to clearly distinguish between work conducted by or on behalf of the issuer from work that was conducted by previous operators.	We do not believe this is prevented by Item 12. However, we expect the disclosure for this item to clearly identify the exploration work done by, or on behalf of, the issuer. We have added an instruction under this item to clarify this. We agree. See our response above. We have made the change suggested.

		One commenter requested that drilling be excluded from this item.	We disagree. Item 12 allows a summary of the quantities and location of drilling performed by the issuer. The results of all drilling are to be reported under Item 13.
	Item 12(a)	One commenter suggested replacing parameters with specifications under Item 12(a).	We disagree. QPs may report the specifications to the extent they feel necessary.
	Item 12(b)	One commenter believed the requirement for interpretation under Item 12(b) is redundant to the requirement for interpretation under Item 13.	We disagree. Exploration results can cover geophysics, geology, geochemistry, etc. Drilling generally represents a relatively high proportion of exploration costs and investors place significant weight on the outcome. Therefore, we believe drilling and interpretation specific to drilling warrants its own item in the Form.
	Item 12 (d)	One commenter disagreed with the deletion of this subsection and suggested it should be enhanced to cover different interpretations of geology between successive exploration campaigns and correlation of data between campaigns, and to describe the level of reliability or uncertainty.	We disagree. We expect the QP to review all of the information that is the subject of the technical report and to comment where appropriate under Item 16 *Data Verification*.
76.	Item 14 Sampling Method and Approach	One commenter suggested that clarification be provided that the requirement for location, spacing or density of samples under Item 14(a) can be met by showing the same on a map.	We disagree. Although Item 26(a) *Illustrations* requires the technical report contain detailed maps that show all important features described in the text, the requirement in Item 14(a) can only be met by a brief written description.
		One commenter suggested that there should be a requirement to describe the results of a quality assurance program on the sampling method used.	We disagree. It is already covered in the requirements for a discussion of the sample quality. The need for a quality assurance program on the sampling method should be left to the discretion of the QP.
77.	Item 15 Sample Preparation, Analyses and Security – (b)	One commenter disagreed with the deletion of the requirement for describing the sub-sample size.	We disagree with the comment. Sub-sample size can still be described under Item 15 *Sample Preparation, Analyses and Security*. Also, Item 14(c) can include sub-sample size with a discussion of sample quality, whether the samples are representative, and factors that may have caused sample biases.
		One commenter suggested strengthening the requirement “to report whether the analytical lab has been certified by any standards association” since this requirement is frequently ignored.	We disagree. We believe the requirement to report this information is clear.
78.	Item 15 Sample Preparation, Analyses and Security – (d)	One commenter suggested removing the required statement of the author’s opinion on adequacy of sampling, sample preparation, security and analytical procedures. The commenter believes that this should be addressed in the	We disagree with moving this whole subsection into the recommendation section. However, we agree with removing the reference to sampling in this section because the adequacy of the sampling is already covered under Item 14(c).

		recommendation section of the report.	
79.	Item 16 Data Verification	One commenter suggested that quality assurance should be applied to interpretation of data.	We believe this should be left up to the QP and reported as appropriate under the data verification procedures applied under Item 16(a).
		One commenter felt there should be a requirement that data verification include a reconciliation of the grades forecast from mineral reserves with actual production grades.	We agree that a QP should report on any data verification that he/she feels is necessary. Accordingly, we have amended Item 16(b) so that it is not specific to sampling and analytical data.
80.	Item 17 Adjacent Properties	One commenter suggested replacing the term Adjacent Property with Nearby Property.	We disagree. The term adjacent property is a defined term under the Instrument. This term is more in line with the requirement that the adjacent property have a boundary that is reasonably proximate to the closest boundary of the property being reported on.
		One commenter suggested removing the requirement for placing the required statements under Item 17(c) in bold face type. This is the only requirement for bold face type in the Instrument and it is an unusual item to be emphasized.	We agree. We have removed this requirement.
81.	Item 18 Mineral Processing and Metallurgical Testing	One commenter objected to striking out the words “of sample selection representativity and”.	We did not remove this required disclosure. We simply reworded the statement since representativity is not a word. The required disclosure remains the same.
		One commenter suggested the words “and discuss the representitivity of the samples”.	We disagree with using the term representitivity.
82.	Item 19 Mineral Resource and Mineral Reserve Estimates – (j)	One commenter was concerned that Item 19(j) allowed inferred mineral resources to be included in the economic analysis of a preliminary feasibility or feasibility study.	We disagree. We believe Item 19(i) of the Form, and s. 2.3(1)(b) of the Instrument make this prohibition clear.
83.	Item 20 Other Relevant Data and Information	One commenter felt the inclusion of the phrase “and not misleading” is insulting and goes against the QP concept. The commenter suggests the alternative “Include any additional information or explanation necessary to make the technical report understandable”.	We disagree. Item 20 was included in the Form to provide a catch-all to allow a QP to provide additional information or an explanation that would prevent the report from being misleading but may not have a logical place under other items in the Form. We believe the commenter’s suggestion does not convey the importance that an omission of material information would be misleading.
84.	Item 21 Interpre-tation and Conclusions	One commenter suggested changing the title of this item to *Discussion and Interpretation*.	We disagree. Most report authors have adapted to the reporting format that has been established. Therefore, we prefer to leave it as is.
85.	Item 22 Recom-mendations	Two commenters questioned whether it was necessary to include the required statement on the merit of the property.	We agree and believe the merit of the property will be self-evident in the contents of the report, including the recommended work program. Therefore, we deleted this requirement.

		One commenter suggested changing the title of this item to *Conclusions and Recommendations*.	We disagree. Most report authors have adapted to the reporting format that has been established. Therefore, we prefer to leave it as is.
86.	Item 25 Additional Require-ments for Technical Reports on Develop-ment Properties and Production Properties – (h)	One commenter felt that it was inappropriate to require economic analysis with cash flow forecasts on an annual basis for producing properties.	We disagree. We believe this information is important because it is requested by investors to assist them in their investment decisions regarding the issuer. As well, the cash-flow is provided as a forecast, with sensitivity analyses to show the affect of specific variables.
87.	Item 26 Illustrations	One commenter recommended clarifying that illustrations need not only be at the back of the report, but can be presented throughout the report.	We agree. We have added the phrase “and be included in the appropriate part of the report.”
88.	Item 26 Illustrations – Instruction	Many commenters expressed concern over the technical challenge and cost to simplifying many maps to allow for SEDAR filing and that a summarized map could result in a misleading summary.	We disagree. It is feasible to follow this instruction and comply with the technical requirements. We have observed a significant number of technical reports that meet the requirements for illustrations under the Form and the limited electronic file size required by the SEDAR Filer Manual. The QP must decide what to include in the summary to ensure it is not misleading.

APPENDIX D

NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS
AMENDMENT INSTRUMENT

1 ***National Instrument 51-102*** **Continuous Disclosure Obligations** ***is amended by this Instrument.***

2 ***Section 1.1 is amended***

(a) by repealing the definition of **"mineral project"** ***and substituting the following:***

"mineral project" has the same meaning as in National Instrument 43-101 *Standards of Disclosure for Mineral Projects.*

3 ***This Instrument comes into force on December 30, 2005.***

5.1.2 National Instrument 43-101 - Standards of Disclosure for Mineral Projects, Form 43-101F1 and Companion Policy 43-101CP

NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

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NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Instrument

"adjacent property" means a property

(a) in which the issuer does not have an interest;

(b) that has a boundary reasonably proximate to the property being reported on; and

(c) that has geological characteristics similar to those of the property being reported on;

"data verification" means the process of confirming that data has been generated with proper procedures, has been accurately transcribed from the original source and is suitable to be used;

"development property" means a property that is being prepared for mineral production and for which economic viability has been demonstrated by a feasibility study;

"disclosure" means any oral statement or written disclosure made by or on behalf of an issuer and intended to be, or reasonably likely to be, made available to the public in a jurisdiction of Canada, whether or not filed under securities legislation, but does not include written disclosure that is made available to the public only by reason of having been filed with a government or agency of government pursuant to a requirement of law other than securities legislation;

"early stage exploration property" means a property that has

(a) no current mineral resources or mineral reserves defined; and

(b) no drilling or trenching proposed;

in a technical report being filed in a local jurisdiction;

"exploration information" means geological, geophysical, geochemical, sampling, drilling, trenching, analytical testing, assaying, mineralogical, metallurgical and other similar information concerning a particular property that is derived from activities undertaken to locate, investigate, define or delineate a mineral prospect or mineral deposit;

"feasibility study" means a comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production;

"historical estimate" means an estimate of mineral resources or mineral reserves prepared prior to February 1, 2001;

"IMMM Reporting Code" means the classification system and definitions of mineral resources and mineral reserves approved by The Institution of Materials, Minerals, and Mining in the United Kingdom, as amended;

"JORC Code" means the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia, as amended;

"mineral project" means any exploration, development or production activity, including a royalty interest or similar interest in these activities, in respect of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals;

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

"preliminary assessment" means a study that includes an economic analysis of the potential viability of mineral resources taken at an early stage of the project prior to the completion of a preliminary feasibility study;

"preliminary feasibility study" and "pre-feasibility study" each mean a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit

configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve;

"producing issuer" means an issuer with annual audited financial statements that disclose

(a) gross revenues, derived from mining operations, of at least $30 million for the issuer's most recently completed financial year; and

(b) gross revenues, derived from mining operations, of at least $90 million in the aggregate for the issuer's three most recently completed financial years;

"professional association" means a self-regulatory organization of engineers, geoscientists or both engineers and geoscientists that

(a) is

(i) given authority or recognition by statute in a jurisdiction of Canada, or

(ii) a foreign association listed in Appendix A;

(b) admits individuals on the basis of their academic qualifications and experience;

(c) requires compliance with the professional standards of competence and ethics established by the organization; and

(d) has disciplinary powers, including the power to suspend or expel a member;

"qualified person" means an individual who

(a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;

(b) has experience relevant to the subject matter of the mineral project and the technical report; and

(c) is in good standing with a professional association and, in the case of a foreign association listed in Appendix A, has the corresponding designation in Appendix A;

"quantity" means either tonnage or volume, depending on which term is the standard in the mining industry for the type of mineral;

"SAMREC Code" means the South African Code for Reporting of Mineral Resources and Mineral Reserves prepared by the South African Mineral Committee (SAMREC) under the auspices of the South African Institute of Mining and Metallurgy (SAIMM), as amended;

"SEC Industry Guide 7" means the mining industry guide entitled "Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations" contained in the Securities Act Industry Guides published by the United States Securities and Exchange Commission, as amended;

"technical report" means a report prepared and filed in accordance with this Instrument and Form 43-101F1 Technical Report that does not omit any material scientific and technical information in respect of the subject property as of the date of the filing of the report; and

"written disclosure" includes any writing, picture, map or other printed representation whether produced, stored or disseminated on paper or electronically, including websites.

1.2 Mineral Resource - In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as those definitions may be amended.

1.3 Mineral Reserve - In this Instrument, the terms “mineral reserve”, “probable mineral reserve” and “proven mineral reserve” have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as those definitions may be amended.

1.4 Independence - In this Instrument, a qualified person is independent of an issuer if there is no circumstance that could, in the opinion of a reasonable person aware of all relevant facts, interfere with the qualified person’s judgment regarding the preparation of the technical report.

PART 2 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE

2.1 Requirements Applicable to All Disclosure - All disclosure of scientific or technical information made by an issuer, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be based upon information prepared by or under the supervision of a qualified person.

2.2 All Disclosure of Mineral Resources or Mineral Reserves - An issuer must not disclose any information about a mineral resource or mineral reserve unless the disclosure

(a) uses only the applicable mineral resource and mineral reserve categories set out in sections 1.2 and 1.3;

(b) reports each category of mineral resources and mineral reserves separately, and states the extent, if any, to which mineral reserves are included in total mineral resources;

(c) does not add inferred mineral resources to the other categories of mineral resources; and

(d) states the grade or quality and the quantity for each category of the mineral resources and mineral reserves if the quantity of contained metal or mineral is included in the disclosure.

2.3 Prohibited Disclosure

(1) An issuer must not make any disclosure of the

(a) quantity, grade, or metal or mineral content of a deposit that has not been categorized as an inferred mineral resource, an indicated mineral resource, a measured mineral resource, a probable mineral reserve or a proven mineral reserve; or

(b) results of an economic analysis that includes inferred mineral resources.

(2) Despite paragraph (1)(a), an issuer may disclose in writing the potential quantity and grade, expressed as ranges, of a potential mineral deposit that is to be the target of further exploration if the disclosure

(a) includes a statement that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource; and

(b) states the basis on which the disclosed potential quantity and grade has been determined.

(3) Despite paragraph (1)(b), an issuer may disclose a preliminary assessment that includes inferred mineral resources if

(a) the results of the preliminary assessment are a material change or a material fact with respect to the issuer; and

(b) the disclosure

(i) includes a statement that the preliminary assessment is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized; and

(ii) states the basis for the preliminary assessment and any qualifications and assumptions made by the qualified person.

(4) An issuer must not use the term preliminary feasibility study, pre-feasibility study or feasibility study when referring to a study unless the study satisfies the criteria set out in the definition of the applicable term in section 1.1.

2.4 Disclosure of Historical Estimates – Despite section 2.2, an issuer may disclose an historical estimate using the historical terminology if the disclosure

(a) identifies the source and date of the historical estimate;

(b) comments on the relevance and reliability of the historical estimate;

(c) states whether the historical estimate uses categories other than the ones set out in sections 1.2 and 1.3 and, if so, includes an explanation of the differences; and

(d) includes any more recent estimates or data available to the issuer.

PART 3 ADDITIONAL REQUIREMENTS FOR WRITTEN DISCLOSURE

3.1 Written Disclosure to Include Name of Qualified Person - If an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure

(a) the name; and

(b) the relationship to the issuer

of the qualified person who prepared or supervised the preparation of the information that forms the basis for the written disclosure.

3.2 Written Disclosure to Include Data Verification - Subject to section 3.5, if an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure

(a) a statement whether a qualified person has verified the data disclosed, including sampling, analytical and test data underlying the information or opinions contained in the written disclosure;

(b) a description of how the data was verified and any limitations on the verification process; and

(c) an explanation of any failure to verify the data.

3.3 Requirements Applicable to Written Disclosure of Exploration Information

(1) Except as provided in section 3.5, if an issuer discloses in writing exploration information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure

(a) the results, or a summary of the material results, of surveys and investigations regarding the property;

(b) a summary of the interpretation of the exploration information; and

(c) a description of the quality assurance program and quality control measures applied during the execution of the work being reported on.

(2) Except as provided in section 3.5, if an issuer discloses in writing sample, analytical or test results on a property material to the issuer, the issuer must include in the written disclosure

(a) a summary description of the geology, mineral occurrences and nature of mineralization found;

(b) a summary description of rock types, geological controls and dimensions of mineralized zones, and the identification of any significantly higher grade intervals within a lower grade intersection;

(c) the location, number, type, nature and spacing or density of the samples collected and the location and dimensions of the area sampled;

(d) any drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to in this subsection;

(e) a summary description of the type of analytical or testing procedures utilized, sample size, the name and location of each analytical or testing laboratory used, and any relationship of the laboratory to the issuer; and

(f) a summary of the relevant analytical values, widths and, to the extent known to the issuer, the true widths of the mineralized zone.

3.4 Requirements Applicable to Written Disclosure of Mineral Resources and Mineral Reserves - If an issuer discloses in writing mineral resources or mineral reserves on a property material to the issuer, the issuer must include in the written disclosure

(a) the effective date of each estimate of mineral resources and mineral reserves;

(b) details of quantity and grade or quality of each category of mineral resources and mineral reserves;

(c) details of the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves;

(d) a general discussion of the extent to which the estimate of mineral resources or mineral reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues; and

(e) a statement that mineral resources that are not mineral reserves do not have demonstrated economic viability, if the results of an economic analysis of mineral resources are included in the disclosure.

3.5 Exception for Written Disclosure Already Filed - Sections 3.2 and 3.3 and paragraphs 3.4 (a), (c) and (d) do not apply if the issuer includes in the written disclosure a reference to the title and date of a previously filed document that complies with those requirements.

PART 4 OBLIGATION TO FILE A TECHNICAL REPORT

4.1 Obligation to File a Technical Report Upon Becoming a Reporting Issuer

(1) Upon becoming a reporting issuer in a jurisdiction of Canada an issuer must file in that jurisdiction a technical report for a mineral project on each property material to the issuer.

(2) Subsection (1) does not apply if the issuer is a reporting issuer in a jurisdiction of Canada and subsequently becomes a reporting issuer in another jurisdiction of Canada.

4.2 Obligation to File a Technical Report in Connection with Certain Written Disclosure About Mineral Projects on Material Properties

(1) An issuer must file a technical report to support scientific or technical information in any of the following documents filed or made available to the public in a jurisdiction of Canada describing a mineral project on a property material to the issuer, or in the case of paragraph (c) below, the resulting issuer:

(a) a preliminary prospectus, other than a preliminary short form prospectus filed in accordance with NI 44-101;

(b) a preliminary short form prospectus filed in accordance with NI 44-101 that includes material scientific or technical information about a mineral project on a property material to the issuer but not contained in

(i) an annual information form, prospectus, or material change report filed before February 1, 2001; or

(ii) a previously filed technical report;

(c) an information or proxy circular concerning a direct or indirect acquisition of a mineral property where the issuer or resulting issuer issues securities as consideration;

(d) an offering memorandum, other than an offering memorandum delivered solely to accredited investors as defined under securities legislation;

(e) for a reporting issuer, a rights offering circular;

(f) an annual information form that includes material scientific or technical information about a mineral project on a property material to the issuer but not contained in

(i) an annual information form, prospectus, or material change report filed before February 1, 2001; or

(ii) a previously filed technical report;

(g) a valuation required to be prepared and filed under securities legislation;

(h) an offering document that complies with and is filed in accordance with the TSX Venture Exchange policy;

(i) a take-over bid circular that discloses a preliminary assessment or mineral resources or mineral reserves on a property material to the offeror if securities of the offeror are being offered in exchange on the take-over bid; and

(j) a news release or directors' circular that contains

(i) first time disclosure of a preliminary assessment or mineral resources or mineral reserves on a property material to the issuer that constitutes a material change in respect of the affairs of the issuer; or

(ii) a change in a preliminary assessment or in mineral resources or mineral reserves from the most recently filed technical report that constitutes a material change in respect of the affairs of the issuer.

(2) Subsection (1) does not apply for disclosure of an historical estimate in a document referred to in paragraph (j) of that subsection if the disclosure

(a) is in accordance with section 2.4; and

(b) includes a statement that

(i) a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves;

(ii) the issuer is not treating the historical estimate as current mineral resources or mineral reserves as defined in sections 1.2 and 1.3 of this Instrument; and

(iii) the historical estimate should not be relied upon.

(3) If there has been a material change to the information in the technical report filed under paragraph (a) or (b) of subsection (1) before the filing of the final version of a prospectus or short form prospectus, the issuer must file an updated technical report or an addendum to the technical report with the final version of the prospectus or short form prospectus.

(4) Subject to subsections (5), (6), and (7), the technical report referred to in subsection (1) must be filed not later than the time the document listed in subsection (1) that it supports is filed or made available to the public.

(5) Despite subsection (4), a technical report about mineral resources or mineral reserves that supports a news release must

(a) be filed not later than 45 days after the news release; and

(b) if there are any material differences in the mineral resources or mineral reserves between the technical report filed and the news release, be accompanied by a news release that reconciles those differences.

(6) Despite subsection (4), if a property referred to in an annual information form first becomes material to the issuer less than 30 days before the filing deadline for the annual information form, the issuer must file the technical report within 45 days of the date that the property first became material to the issuer.

(7) Despite subsection (4), a technical report that supports a directors' circular must be filed not less than 3 business days prior to the expiry of the take-over bid.

(8) Subsection (1) does not apply if

(a) the issuer has a technical report filed that supports the scientific or technical information contained in the disclosure and there has been no material change in the scientific and technical information concerning the property since the date of the filing of the technical report; and

(b) the issuer files an updated certificate in accordance with subsection 8.1 and consent in accordance with subsection 8.3 of each qualified person who has been responsible for preparing or supervising the preparation of each portion of the technical report.

4.3 Required Form of Technical Report - A technical report that is required to be filed under this Part must be prepared in accordance with Form 43-101F1.

PART 5 AUTHOR OF TECHNICAL REPORT

5.1 Prepared by a Qualified Person - A technical report must be prepared by or under the supervision of one or more qualified persons.

5.2 Execution of Technical Report - A technical report must be dated, signed and, if the qualified person has a seal, sealed by

(a) each qualified person who is responsible for preparing or supervising the preparation of all or part of the report; or

(b) a person or company whose principal business is providing engineering or geoscientific services if each qualified person responsible for preparing or supervising the preparation of all or part of the report is an employee, officer or director of that person or company.

5.2 Independent Technical Report

(1) Subject to subsection (2), a technical report required under any of the following provisions of this Instrument must be prepared by or under the supervision of a qualified person that is, at the date of the technical report, independent of the issuer:

(a) section 4.1;

(b) paragraphs (a) and (g) of subsection 4.2(1); or

(c) paragraphs (b), (c), (d), (e), (f), (h), (i), (j) of subsection 4.2(1) if the document discloses

(i) for the first time a preliminary assessment or mineral resources or mineral reserves on a property material to the issuer, or

(ii) a 100 percent or greater change, from the most recently filed technical report prepared by a qualified person who is independent of the issuer, in total mineral resources or total mineral reserves on a property material to the issuer.

(2) A technical report required to be filed by a producing issuer under paragraph (c) of subsection (1) is not required to be prepared by or under the supervision of an independent qualified person.

(3) A technical report required to be filed by an issuer that is or has contracted to become a joint venture participant, concerning a property which is or will be the subject of the joint venture's activities, is not required

to be prepared by or under the supervision of an independent qualified person if the qualified person preparing or supervising the preparation of the report relies on scientific and technical information prepared by or under the supervision of a qualified person that is an employee or consultant of a producing issuer that is a participant in the joint venture.

PART 6 PREPARATION OF TECHNICAL REPORT

6.1 The Technical Report - A technical report must be prepared on the basis of all available data relevant to the disclosure that it supports.

6.2 Current Personal Inspection

(1) Subject to subsections (2) and (3), before an issuer files a technical report, the issuer must have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report.

(2) Subsection (1) does not apply to an issuer provided that

(a) the property that is the subject of the technical report is an early stage exploration property;

(b) seasonal weather conditions prevent a qualified person from accessing any part of the property or obtaining beneficial information from it; and

(c) the issuer discloses in the technical report, and in the disclosure that the technical report supports, that a personal inspection by a qualified person was not conducted, the reasons why, and the intended time frame to complete the personal inspection.

(3) If an issuer relies on subsection (2), the issuer must

(a) as soon as practical, have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report; and

(b) promptly file a technical report and the certificates and consents required under Part 8 of this Instrument.

6.3 Maintenance of Records - An issuer must keep for 7 years copies of assay and other analytical certificates, drill logs and other information referenced in the technical report or used as a basis for the technical report.

6.4 Limitation on Disclaimers – An issuer must not file a technical report that contains a disclaimer by any qualified person responsible for preparing or supervising the preparation of the report that

(a) disclaims responsibility for, or reliance on, that portion of the report the qualified person prepared or supervised the preparation of; or

(b) limits the use or publication of the report in a manner that interferes with the issuer's obligation to reproduce the report by filing it on SEDAR.

PART 7 USE OF FOREIGN CODE

7.1 Use of Foreign Code – Despite section 2.2, an issuer that

(a) is incorporated or organized in a foreign jurisdiction; or

(b) is incorporated or organized under the laws of Canada or a jurisdiction of Canada, for its properties located in a foreign jurisdiction;

may make disclosure and file a technical report that utilizes the mineral resource and mineral reserve categories of the JORC Code, the SEC Industry Guide 7, the IMMM Reporting Code or the SAMREC Code if a reconciliation to the mineral resource and mineral reserve categories set out in sections 1.2 and 1.3 is disclosed in the technical report.

PART 8 CERTIFICATES AND CONSENTS OF QUALIFIED PERSONS FOR TECHNICAL REPORTS

8.1 Certificates of Qualified Persons

(1) An issuer must, when filing a technical report, file a certificate of each qualified person responsible for preparing or supervising the preparation of each portion of the technical report and the certificate must be dated, signed and, if the signatory has a seal, sealed.

(2) A certificate under subsection (1) must state

(a) the name, address and occupation of the qualified person;

(b) the title and date of the technical report to which the certificate applies;

(c) the qualified person's qualifications, including a brief summary of relevant experience, the name of all professional associations to which the qualified person belongs, and that the qualified person is a "qualified person" for purposes of this Instrument;

(d) the date and duration of the qualified person's most recent personal inspection of each property, if applicable;

(e) the item or items of the technical report for which the qualified person is responsible;

(f) whether the qualified person is independent of the issuer as described in section 1.4;

(g) what prior involvement, if any, the qualified person has had with the property that is the subject of the technical report;

(h) that the qualified person has read this Instrument and the technical report has been prepared in compliance with this Instrument; and

(i) that, as of the date of the certificate, to the best of the qualified person's knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

8.2 Addressed to Issuer - All technical reports must be addressed to the issuer.

8.3 Consents of Qualified Persons - An issuer must, when filing a technical report, file a statement of each qualified person responsible for preparing or supervising the preparation of each portion of the technical report, addressed to the securities regulatory authority, dated, and signed by the qualified person

(a) consenting to the public filing of the technical report and to extracts from, or a summary of, the technical report in the written disclosure being filed; and

(b) confirming that the qualified person has read the written disclosure being filed and that it fairly and accurately represents the information in the technical report that supports the disclosure.

PART 9 EXEMPTIONS

9.1 Authority to Grant Exemptions

(1) The regulator or the securities regulatory authority may, on application, grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption in response to an application.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

9.2 Limited Exemption for Royalty Interests or Similar Interests

(1) Subject to subsection (2), an issuer that has only a royalty interest or similar interest in a mineral project and is required to file a technical report in accordance with section 4.3 is not required to

(a) comply with section 6.2; and

(b) complete those items under Form 43-101F1 that require data verification, inspection of documents, or personal inspection of the property to complete those items.

(2) Paragraphs (1)(a) and (b) only apply if the issuer

(a) has requested but has not received access to the necessary data from the operating company and is not able to obtain the necessary information from the public domain;

(b) under Item 3 of Form 43-101F1, states the issuer has requested but has not received access to the necessary data from the operating company and is not able to obtain the necessary information from the public domain and describes the content referred to under each item of Form 43-101F1 that the issuer did not complete; and

(c) includes in all scientific and technical disclosure a statement that the issuer has an exemption from completing certain items under Form 43-101F1 in the technical report required to be filed and includes a reference to the title and date of that technical report.

9.3 Exemption for Certain Types of Filings - This Instrument does not apply if the only reason an issuer files written disclosure of scientific or technical information is to comply with the requirement under securities legislation to file a copy of a record or disclosure material that was filed with a securities commission, exchange or regulatory authority in another jurisdiction.

PART 10 EFFECTIVE DATE

10.1 Effective Date - This Instrument comes into force on December 30, 2005.

APPENDIX A

RECOGNIZED FOREIGN ASSOCIATIONS AND DESIGNATIONS

Foreign Association	DESIGNATION
American Institute of Professional Geologists (AIPG)	Certified Professional Geologist
Any state in the United States of America	Licensed or certified as a professional engineer
Mining and Metallurgical Society of America (MMSA)	Qualified Professional
European Federation of Geologists (EFG)	European Geologist
Australasian Institute of Mining and Metallurgy (AusIMM)	Fellow or member
Institute of Materials, Minerals and Mining (IMMM)	Fellow or professional member
Australian Institute of Geoscientists (AIG)	Fellow or member
South African Institute of Mining and Metallurgy (SAIMM)	Fellow
South African Council for Natural Scientific Professions (SACNASP)	Professional Natural Scientist
Institute of Geologists of Ireland (IGI)	Professional Member
Geological Society of London (GSL)	Chartered Geologist
National Association of State Boards of Geology (ASBOG)	Licensed or certified in: Alabama, Arizona, Arkansas, California, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, North Carolina, Oregon, Pennsylvania, Puerto Rico, South Carolina, Texas, Utah, Virginia, Washington, Wisconsin or Wyoming

FORM 43-101F1
TECHNICAL REPORT

TABLE OF CONTENTS

TITLE

CONTENTS OF THE TECHNICAL REPORT

FORM 43-101F1
TECHNICAL REPORT

INSTRUCTIONS

(1) The objective of the technical report is to provide a summary of scientific and technical information concerning mineral exploration, development and production activities on a mineral property that is material to an issuer. This Form sets out specific requirements for the preparation and contents of a technical report.

(2) Terms used in this Form that are defined or interpreted in National Instrument 43-101 Standards of Disclosure for Mineral Projects (the "Instrument") will bear that definition or interpretation. In addition, a general definition instrument has been adopted as National Instrument 14-101 Definitions that contains definitions of certain terms used in more than one national instrument. Readers of this Form should review both these national instruments for defined terms.

(3) The qualified person preparing the technical report must use all of the headings of the items in this Form and may create sub-headings. If unique or infrequently used technical terms are required, clear and concise explanations must be included.

(4) No disclosure need be given in respect of inapplicable items and, unless otherwise required by this Form, negative answers to items may be omitted. Disclosure included under one heading is not required to be repeated under another heading.

(5) The technical report is not required to include the information required in Items 6 through 11 of this Form to the extent that the required information has been previously filed in a technical report for the property being reported on, the previous technical report is referred to in the technical report and there has not been any material change in the information.

(6) The technical report for development properties and production properties may summarize the information required in the items of this Form, except for Item 25, provided that the summary includes the material information necessary to understand the project at its current stage of development or production.

(7) The technical report may only contain disclaimers that are in accordance with section 6.4 of the Instrument and Item 5 of this Form.

CONTENTS OF THE TECHNICAL REPORT

Item 1: **Title Page** - Include a title page setting out the title of the technical report, the general location of the mineral project, the name and professional designation of each qualified person and the effective date of the technical report.

Item 2: **Table of Contents** - Provide a table of contents listing the contents of the technical report, including figures and tables.

Item 3: **Summary** - Provide a summary that briefly describes the property, its location, ownership, geology and mineralization, the exploration concept, the status of exploration, development and operations and the qualified person's conclusions and recommendations.

Item 4: **Introduction** - Include a description of

(a) who the technical report is prepared for;

(b) the purpose for which the technical report was prepared;

(c) the sources of information and data contained in the technical report or used in its preparation, with citations if applicable; and

(d) the scope of the personal inspection on the property by each qualified person and author or, if applicable, the reason why a personal inspection has not been completed.

Item 5: **Reliance on Other Experts** - If a qualified person preparing or supervising the preparation of all or a portion of the technical report is relying on a report, opinion or statement of a legal or other expert, who is not a qualified person, for information concerning legal, environmental, political or other issues and factors relevant to the technical report, the qualified person may include a disclaimer of responsibility in which the qualified person identifies the report, opinion or statement relied upon, the maker of that report, opinion or statement, the extent of reliance and the portions of the technical report to which the disclaimer applies.

Item 6: **Property Description and Location** - To the extent applicable, with respect to each property reported on, describe

(a) the area of the property in hectares or other appropriate units;

(b) the location, reported by an easily recognizable geographic and grid location system;

(c) the type of mineral tenure (eg. claim, license, lease) and the identifying name or number of each;

(d) the nature and extent of the issuer's title to, or interest in, the property including surface rights, the obligations that must be met to retain the property, and the expiration date of claims, licences or other property tenure rights;

(e) how the property boundaries were located;

(f) the location of all known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailing ponds, waste deposits and important natural features and improvements, relative to the outside property boundaries;

(g) to the extent known, the terms of any royalties, back-in rights, payments or other agreements and encumbrances to which the property is subject;

(h) to the extent known, all environmental liabilities to which the property is subject; and

(i) to the extent known, the permits that must be acquired to conduct the work proposed for the property, and if the permits have been obtained.

Item 7: **Accessibility, Climate, Local Resources, Infrastructure and Physiography** - With respect to each property reported on, describe

(a) topography, elevation and vegetation;

(b) the means of access to the property;

(c) the proximity of the property to a population centre, and the nature of transport;

(d) to the extent relevant to the mineral project, the climate and the length of the operating season; and

(e) to the extent relevant to the mineral project, the sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas and potential processing plant sites.

Item 8: **History** - To the extent known, with respect to each property reported on, describe

(a) the prior ownership of the property and ownership changes;

(b) the type, amount, quantity and general results of exploration and development work undertaken by any previous owners or operators;

(c) historical mineral resource and mineral reserve estimates in accordance with section 2.4 of the Instrument, including the reliability of the historical estimates and whether the estimates are in accordance with the categories set out in sections 1.2 and 1.3 of the Instrument; and

(d) any production from the property.

Item 9: **Geological Setting** - Include a concise description of the regional, local and property geology.

Item 10: **Deposit Types** - Describe the mineral deposit type(s) being investigated or being explored for and the geological model or concepts being applied in the investigation and on the basis of which the exploration program is planned.

Item 11: **Mineralization** - Describe the mineralized zones encountered on the property, the surrounding rock types and relevant geological controls, detailing length, width, depth and continuity, together with a description of the type, character and distribution of the mineralization.

Item 12: **Exploration** - Describe the nature and extent of all relevant exploration work conducted by, or on behalf of, the issuer on each property being reported on, including

(a) results of surveys and investigations, and the procedures and parameters relating to the surveys and investigations;

(b) an interpretation of the exploration information; and

(c) a statement as to whether the surveys and investigations have been carried out by the issuer or by a contractor and, if the latter, identifying the contractor.

INSTRUCTION: *If exploration results from previous operators are included, the qualified person or author must clearly identify the work conducted by, or on behalf of, the issuer.*

Item 13: **Drilling** - Describe the type and extent of drilling including the procedures followed and a summary and interpretation of all results. The relationship between the sample length and the true thickness of the mineralization must be stated, if known, and if the orientation of the mineralization is unknown, state this.

Item 14: **Sampling Method and Approach** - Provide

(a) a brief description of sampling methods and relevant details of location, number, type, nature and spacing or density of samples collected, and the size of the area covered;

(b) a description of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results;

(c) a discussion of the sample quality, including whether the samples are representative, and any factors that may have resulted in sample biases;

(d) a description of rock types, geological controls, widths of mineralized zones and other parameters used to establish the sampling interval and identification of any significantly higher grade intervals within a lower grade intersection; and

(e) a summary of relevant samples or sample composites with values and estimated true widths.

Item 15: **Sample Preparation, Analyses and Security** - Describe sample preparation methods and quality control measures employed before dispatch of samples to an analytical or testing laboratory, the method or process of sample splitting and reduction, and the security measures taken to ensure the validity and integrity of samples taken. Include

(a) a statement whether any aspect of the sample preparation was conducted by an employee, officer, director or associate of the issuer;

(b) details regarding sample preparation, assaying and analytical procedures used, the name and location of the analytical or testing laboratories and whether the laboratories are certified by any standards association and the particulars of any certification;

(c) a summary of the nature and extent of all quality control measures employed and check assay and other check analytical and testing procedures utilized, including the results and corrective actions taken; and

(d) a statement of the author's opinion on the adequacy of sample preparation, security and analytical procedures.

Item 16: **Data Verification** - Include

(a) a discussion of quality control measures and data verification procedures applied;

(b) a statement as to whether the qualified person has verified the data referred to or relied upon;

(c) a discussion of the nature of and any limitations on such verification; and

(d) the reasons for any failure to verify the data.

Item 17: **Adjacent Properties** - A technical report may include information concerning an adjacent property if

(a) such information was publicly disclosed by the owner or operator of the adjacent property;

(b) the source of the information is identified;

(c) the technical report states that its qualified person has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the property that is the subject of the technical report;

(d) the technical report clearly distinguishes between mineralization on the adjacent property and mineralization on the property being reported on; and

(e) if any historical estimates of resources or reserves are included in the technical report, they are disclosed in accordance with section 2.4 of the Instrument.

Item 18: **Mineral Processing and Metallurgical Testing** - If mineral processing or metallurgical testing analyses have been carried out, include the results of the testing, details of the testing and analytical procedures, and discuss whether the samples are representative.

Item 19: **Mineral Resource and Mineral Reserve Estimates** - A technical report disclosing mineral resources or mineral reserves must

(a) use only the applicable mineral resource and mineral reserve categories set out in sections 1.2 and 1.3 of the Instrument;

(b) report each category of mineral resources and mineral reserves separately and if both mineral resources and mineral reserves are disclosed, state the extent, if any, to which mineral reserves are included in total mineral resources;

(c) not add inferred mineral resources to the other categories of mineral resources;

(d) disclose the name, qualifications and relationship, if any, to the issuer of the qualified person who estimated mineral resources and mineral reserves;

(e) include appropriate details of quantity and grade or quality for each category of mineral resources and mineral reserves;

(f) include details of the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves;

(g) include a general discussion on the extent to which the estimate of mineral resources and mineral reserves may be materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues;

(h) identify the extent to which the estimates of mineral resources and mineral reserves may be materially affected by mining, metallurgical, infrastructure and other relevant factors;

(i) use only indicated mineral resources, measured mineral resources, probable mineral reserves and proven mineral reserves when referring to mineral resources or mineral reserves in an economic analysis that is used in a preliminary feasibility study or a feasibility study of a mineral project;

(j) if inferred mineral resources are used in an economic analysis, state the required disclosure set out in subsection 2.3(3) of the Instrument;

(k) when the results of an economic analysis of mineral resources are reported, state “mineral resources that are not mineral reserves do not have demonstrated economic viability”;

(l) state the grade or quality, quantity and category of the mineral resources and mineral reserves if the quantity of contained metal or mineral is reported; and

(m) when the grade for a polymetallic mineral resource or mineral reserve is reported as metal equivalent, report the individual grade of each metal, and consider and report the recoveries, refinery costs and all other relevant conversion factors in addition to metal prices and the date and sources of such prices.

INSTRUCTION: *A statement of quantity and grade or quality is an estimate and should be rounded to reflect the fact that it is an approximation.*

Item 20: **Other Relevant Data and Information** - Include any additional information or explanation necessary to make the technical report understandable and not misleading.

Item 21: **Interpretation and Conclusions** - Summarize the results and interpretations of all field surveys, analytical and testing data and other relevant information. Discuss the adequacy of data density and the data reliability as well as any areas of uncertainty. A technical report concerning exploration information must include the conclusions of the qualified person. The qualified person must discuss whether the completed project met its original objectives.

Item 22: **Recommendations** - Provide particulars of the recommended work programs and a breakdown of costs for each phase. If successive phases of work are recommended, each phase must culminate in a decision point. The recommendations must not apply to more than two phases of work. The recommendations must state whether advancing to a subsequent phase is contingent on positive results in the previous phase.

Item 23: **References** - Include a detailed list of all references cited in the technical report.

Item 24: **Date and Signature Page** - The technical report must have a signature page at the end, signed in accordance with section 5.2 of the Instrument. The effective date of the technical report and date of signing must be on the signature page.

Item 25: **Additional Requirements for Technical Reports on Development Properties and Production Properties** - Technical reports on development properties and production properties must include

(a) Mining Operations - information and assumptions concerning the mining method, metallurgical processes and production forecast;

(b) Recoverability - information concerning all test and operating results relating to the recoverability of the valuable component or commodity and amenability of the mineralization to the proposed processing methods;

(c) Markets - information concerning the markets for the issuer's production and the nature and material terms of any agency relationships;

(d) Contracts - a discussion of whether the terms of mining, concentrating, smelting, refining, transportation, handling, sales and hedging and forward sales contracts or arrangements, rates or charges are within industry norms;

(e) Environmental Considerations - a discussion of bond posting, remediation and reclamation;

(f) Taxes - a description of the nature and rates of taxes, royalties and other government levies or interests applicable to the mineral project or to production, and to revenues or income from the mineral project;

(g) Capital and Operating Cost Estimates - capital and operating cost estimates, with the major components being set out in tabular form;

(h) Economic Analysis - an economic analysis with cash flow forecasts on an annual basis using proven mineral reserves and probable mineral reserves only, and sensitivity analyses with variants in metal prices, grade, capital and operating costs;

(i) Payback - a discussion of the payback period of capital with imputed or actual interest; and

(j) Mine Life - a discussion of the expected mine life and exploration potential.

Item 26: **Illustrations**

(a) Technical reports must be illustrated by legible maps, plans and sections, which may be located in the appropriate part of the report. All technical reports must be accompanied by a location or index map and more detailed maps showing all important features described in the text. In addition, technical reports must include a compilation map outlining the general geology of the property and areas of historical exploration. The location of all known mineralization, anomalies, deposits, pit limits, plant sites, tailings storage areas, waste disposal areas and all other significant features must be shown relative to property boundaries. If information is used, from other sources, in preparing maps, drawings, or diagrams, disclose the source of the information.

(b) If adjacent or nearby properties have an important bearing on the potential of the property under consideration, their location and any mineralized structures common to two or more such properties must be shown on the maps.

(c) If the potential merit of a property is predicated on geophysical or geochemical results, maps showing the results of surveys and their interpretations must be included in the technical report.

(d) Maps must include a scale in bar form and an arrow indicating north.

INSTRUCTION: *Illustrations should be sufficiently summarized and simplified so that they are not oversized and are suitable for electronic filing.*

COMPANION POLICY 43-101CP
TO NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

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COMPANION POLICY 43-101CP
TO NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

This companion policy sets out the views of the Canadian Securities Administrators (the "CSA") as to the manner in which the CSA interprets and applies certain provisions of National Instrument 43-101 and Form 43-101F1 (the "Instrument"), and how the securities regulatory authorities or regulators (the "Securities Regulatory Authorities") may exercise their discretion in respect of certain applications for exemption from provisions of the Instrument.

PART 1 APPLICATION AND TERMINOLOGY

1.1 Supplements Other Requirements – The Instrument supplements other continuous disclosure requirements of securities legislation that apply to reporting issuers in all business sectors.

1.2 Evolving Industry Standards and Modifications to the Instrument - Mining industry practice and professional standards are evolving in Canada and internationally. The Securities Regulatory Authorities will monitor developments in these fields and will solicit and consider recommendations from their staff and external advisers as to whether modifications to the Instrument are appropriate.

1.3 Application of the Instrument - The definition of "disclosure" under the Instrument includes oral and written disclosure. The Instrument establishes standards for disclosure of scientific and technical information regarding mineral projects and requires that the disclosure be based on a technical report or other information prepared by or under the supervision of a qualified person. The Instrument does not apply to disclosure concerning petroleum, natural gas, bituminous sands or shales, groundwater, coal bed methane or other substances that do not fall within the meaning of the term "mineral project" in section 1.1 of the Instrument.

1.4 Mineral Resources and Mineral Reserves Definitions - The Instrument incorporates by reference the definitions and categories of mineral resources and mineral reserves as set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Definition Standards on Mineral Resources and Mineral Reserves (the "CIM Definition Standards") adopted by the CIM Council on November 14, 2004, as amended.

1.5 Best Practices Guidelines for Mineral Resources and Mineral Reserves - A qualified person classifying a mineral deposit as a mineral resource or mineral reserve should follow the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines adopted by CIM on November 23, 2003, as amended. These guidelines are posted on www.cim.org.

A qualified person estimating mineral resources or mineral reserves for coal may follow the guidelines of Paper 88-21 of the Geological Survey of Canada: A Standardized Coal Resource/Reserve Reporting System for Canada, as amended ("Paper 88-21"). However, for all disclosure of mineral resources or mineral reserves for coal, issuers are required by section 2.2 of the Instrument to use the equivalent mineral resource or mineral reserve categories set out in the CIM Definition Standards and not the categories set out in Paper 88-21. The CSA believes it is not reasonable to apply Paper 88-21 to foreign coal properties.

1.6 Best Practices Guidelines for Mineral Exploration - Issuers and qualified persons should follow the Mineral Exploration Best Practices Guidelines adopted by CIM, published in June 2000, as amended.

Disclosure regarding the reporting of diamond exploration sampling results should conform to the CIM Guidelines for Reporting of Diamond Exploration Results adopted by CIM in March 2003, as amended.

These guidelines are posted on www.cim.org.

1.7 Preliminary Assessments - The term "preliminary assessment", commonly referred to as a scoping study, is defined in the Instrument. A preliminary assessment may be based on measured, indicated, or inferred mineral resources, or a combination of any of these. The CSA considers these types of economic analyses to include disclosure of forecast mine production rates that may contain capital costs to develop and sustain the mining operation, operating costs, and projected cash flows. A preliminary assessment must be either in the form of a technical report or be supported by a technical report. In some cases the technical report must be independent.

Although preliminary assessments can provide important information to the market, because of the early stage of the project the information has a high degree of uncertainty. An issuer may mislead investors if it does not disclose this information properly. Under general securities laws, an issuer must disclose a preliminary assessment that is a material change in its affairs. In so doing, an issuer may trigger a technical report under section 4.2(1)(j) of the Instrument. When an issuer discloses the results of a preliminary assessment, section 3.4(e) of the Instrument requires a

cautionary statement. If the preliminary assessment includes inferred mineral resources, an issuer must provide the cautionary statement required by section 2.3(3)(b) of the Instrument. The purpose of these cautionary statements is to alert investors to the limitations of the information. We expect the issuer to include these cautionary statements in the same paragraph as, or immediately following, the disclosure of the preliminary assessment.

1.8 Objective Standard of Reasonableness - Issuers should apply an objective standard of reasonableness in making a determination about the definitions or application of a requirement in the Instrument. Where a determination turns on reasonableness, the test is what a person acting reasonably would conclude. It is not sufficient for an officer of an issuer or a qualified person to determine that he or she personally believes the matter under consideration. The person must form an opinion as to what a reasonable person would believe in the circumstances. Formulating definitions using an objective test strengthens the basis upon which the Securities Regulatory Authority may object to a person's unreasonable application of a definition.

1.9 Improper Use of Terms in the French Language - An issuer that prepares its disclosure using the French language must ensure that it uses the proper terms when referring to a mineral deposit. In the French language, an issuer must not use the words “gisement” and “gîte” interchangeably. The word “gisement” means a mineral deposit that is a continuous, well-defined mass of material containing a sufficient volume of mineralized material that can be or has been mined legally and economically. The word “gîte” means a mineral deposit that is a continuous, defined mass of material containing a volume of mineralized material that has had no demonstration of economic viability. An issuer must use these terms properly so that investors understand whether the deposit has demonstrated economic viability.

1.10 Royalty Interests and Other Similar Interests - The definition of “mineral project” under the Instrument includes a royalty interest or other similar interest. Scientific and technical disclosure regarding all types of royalty interests in a mineral project is subject to NI 43-101. “Royalty interest or other similar interest” includes gross overriding royalty, net smelter return, net profit interest, free carried interest, and a product tonnage royalty.

A company that holds any such interest in a mineral project and has triggered one of the requirements to file a technical report under section 4.2(1) of the Instrument may rely on the limited relief under section 9.2 of the Instrument. Section 9.2 exempts the royalty holder from having to complete a personal inspection of the property and those items under Form 43-101F1 that the royalty holder is unable to complete because it meets the condition specified in section 9.2(2)(a). It must also comply with the disclosure requirements under section 9.2(2)(b) and (c). Generally, the CSA considers a company with a royalty interest or similar interest would meet the condition in section 9.2(2)(a) if the arrangements or agreements between the royalty holder and the operating company limit the royalty holder to auditing the production or financial records, without the ability to participate in decisions to expend funds on the mineral project. If the royalty holder's arrangements or agreements involve the sharing of capital costs or operating losses, the CSA expects the royalty holder will make arrangements to access the necessary data from the operating company.

PART 2 DISCLOSURE

2.1 Disclosure is the Responsibility of the Issuer - Primary responsibility for public disclosure remains with the issuer and its directors and officers. The qualified person is responsible for preparing or supervising the preparation of the technical report and providing scientific and technical advice in accordance with applicable professional standards. The proper use, by or on behalf of the issuer, of the technical report and other scientific and technical information provided by the qualified person is the responsibility of the issuer and its directors and officers. The onus is on the issuer and its directors and officers and, in the case of a document filed with a Securities Regulatory Authority, each signatory to the document, to ensure that disclosure in the document is consistent with the related technical report or advice. Issuers are strongly urged to have the qualified person review disclosure that summarizes or restates the technical report or the technical advice or opinion to ensure that the disclosure is accurate.

2.2 Use of Plain Language - Disclosure made by or on behalf of an issuer regarding mineral projects on properties material to the issuer should be understandable. Issuers should present written disclosure in an easy to read format using clear and unambiguous language. Wherever possible, issuers should present data in table format. The CSA recognizes that the technical report does not lend itself well to plain language and therefore urge issuers to consult the responsible qualified person when restating the data and conclusions from a technical report in plain language in its public disclosure.

2.3 Prohibited Disclosure

(1) Section 2.3(1) of the Instrument prohibits the disclosure of the quantity, grade, or metal or mineral content of a deposit that has not been categorized as required. It also prohibits the disclosure of the results of an economic analysis, including a preliminary assessment, preliminary feasibility study, and a feasibility study, that includes inferred resources. However, pursuant to section 2.3(2) and (3), respectively, these prohibitions are excepted for quantity and grade of exploration targets expressed as ranges and for preliminary assessments that

include inferred mineral resources if the disclosure is accompanied by the cautionary statements required in those sections. Also, this disclosure must be based on information prepared by or under the supervision of a qualified person. For preliminary assessments, the cautionary statement under section 3.4(e) is also required. We expect the issuer to include these cautionary statements in the same paragraph as, or immediately following, the disclosure permitted by these exceptions.

(2) An issuer may only rely on the exemption under section 2.3(3) to disclose an economic analysis that includes inferred resources if the project has not reached the preliminary feasibility study stage. If a project is in or has advanced past the preliminary feasibility study stage, the CSA considers that any economic analysis done later anywhere on the project is not a preliminary assessment. The CSA also considers a mine plan on a developed mine to have advanced past the preliminary feasibility study stage.

2.4 Materiality

(1) Management of the issuer should determine materiality. It should be determined in the context of the issuer's overall business and financial condition taking into account qualitative and quantitative factors, assessed in respect of the issuer as a whole.

(2) In assessing materiality, issuers should refer to the definition of material fact in securities legislation, which in most jurisdictions means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the securities of the issuer. In making materiality judgements, issuers should take into account a number of factors that cannot be captured in a simple bright-line standard or test. An issuer must consider the effect on both the market price and value of the issuer's securities in light of the current market activity. An assessment of materiality depends on the context. Information that is immaterial today may be material tomorrow; an item of information that is immaterial alone may be material if it is aggregated with other items.

For example:

(a) materiality of a property should be assessed in light of the extent of the interest in the property held, or to be acquired, by the issuer. A small interest in a sizeable property may, in the circumstances, not be material to the issuer;

(b) in assessing whether interests represented by multiple claims or other documents of title constitute a single property for the purpose of the Instrument, issuers should consider that several non-material properties in a contiguous cluster may, when taken as a whole, be a property material to the issuer; and

(c) when disclosing results of a drilling program the results from a single hole may not be material in itself. However, the results of several holes, in aggregate, could be material to the issuer.

2.5 Material Information not yet Confirmed by a Qualified Person - Issuers are reminded that they have an obligation under securities legislation to disclose material facts and to make timely disclosure of material changes. The CSA recognizes that there may be circumstances in which the issuer expects that certain information concerning a mineral project may be material notwithstanding the fact that a qualified person has not prepared or supervised the preparation of the information. In this situation the CSA suggests that issuers file a confidential material change report concerning this information while a qualified person reviews the information. Once a qualified person has confirmed the information, the issuer should issue a news release and the basis of confidentiality will end. Issuers are also reminded that during the period of confidentiality, prohibitions against tipping and trading by persons in a special relationship to the issuer apply until the information is disclosed to the public. Issuers should also refer to National Policy 51-201 Disclosure Standards for further guidance about materiality and timely disclosure obligations.

2.6 Exception for Disclosure Previously Filed - Section 3.5 of the Instrument provides that the disclosure requirements of sections 3.2, 3.3, and 3.4 (a), (c), and (d) of the Instrument may be satisfied by referring to a previously filed document that includes the required disclosure. Issuers relying on this exception are reminded that all disclosure should provide sufficient information to permit market participants to make informed investment decisions and should not present or omit information in a manner that is misleading.

2.7 Meaning of Technical Report - A report may constitute a technical report, even if prepared considerably before the date the technical report is required to be filed, provided the information in the technical report remains accurate and there has been no material change in the scientific and technical information prior to the required filing date. A change to mineral resources or mineral reserves due to mining depletion from a producing property generally will not be

considered to be a material change to the property as it should be reasonably predictable based on a company's continuous disclosure record.

2.8 Exception from Requirement to File Technical Report if Information Previously Filed in a Technical Report - The Instrument contains relief under section 4.2(1)(b), (f), and (8) from the technical report filing requirement in certain instances. If an issuer has disclosed scientific and technical information on a mineral property in any of the documents enumerated under section 4.2(1) of the Instrument, the issuer will not be required to prepare and file a technical report with that disclosure unless the disclosure contains new, material scientific and technical information about that mineral property not supported by a previously filed technical report. In order to rely on the exception to the requirement to re-file a previously filed technical report under section 4.2(8) of the Instrument, the issuer must file updated qualified persons' certificates and consents required under Part 8 of the Instrument with that disclosure.

For a preliminary short form prospectus and an annual information form, the issuer will not be required to file a technical report with the disclosure unless the disclosure contains new, material scientific and technical information about that mineral property not contained in an annual information form, prospectus, or material change report filed before February 1, 2001.

2.9 Use of Historical Estimates

(1) An issuer can disclose an estimate of resources or reserves made before February 1, 2001 using the historical terminology of the estimate provided the issuer complies with the conditions set out in section 2.4 of the Instrument. An issuer will trigger the filing of a technical report if it makes disclosure of the historical estimate as if it is a current estimate.

(2) Under section 2.4(a), we expect disclosure of historical estimates from third party reports, including government databases, to identify the original source and date of the estimates.

(3) Under section 2.4(b), when commenting on relevance and reliability, we expect an issuer to discuss the key assumptions and parameters that were used for the historical estimate. An issuer should consider whether the estimates are suitable for public disclosure.

(4) The announcement of an acquisition of a mineral project that includes the disclosure of an historical estimate will not trigger the requirement to file a technical report under section 4.2(1)(j) of the Instrument if the issuer makes the cautionary statements required under section 4.2(2)(b)(i) to (iii). We expect the issuer to include the cautionary statements required under this section in the same paragraph as, or immediately following, the disclosure of the historical estimate.

(5) The CSA will conclude the issuer is treating the historical estimate as a current resource or reserve in its disclosure when, for example, it states it will be adding on or building on that resource or reserve base, includes them in an economic analysis, or adds them to current resource or reserve estimates. In that case, the issuer will have triggered the requirement to file a technical report within the 45-day period set out under section 4.2(5) of the Instrument if:

(a) the property, or interest in the property, is material to the issuer, and

(b) the acquisition of the resources or reserves is a material change in the affairs of the issuer.

(6) If the issuer has not signed a formal agreement at the time of the disclosure, but is conducting its day to day operations in reliance on the terms of a letter of intent or memorandum of understanding, then the 45-day period will begin to run from the time the issuer first discloses the historical estimate as a current resource or reserve.

(7) If the agreement is subject to conditions such as the approval of a third party or the completion of a due diligence review, the technical report is still required to be filed within 45 days after the issuer discloses the historical estimate as a current resource or reserve. However, the issuer may apply for relief to extend the 45-day period. Whether or not the securities regulators will grant such relief will depend on the circumstances.

2.10 Use of Other Foreign Codes - Issuers are prohibited from disclosing mineral resources or mineral reserves using foreign codes other than those permitted under Part 7 of the Instrument. If an issuer wishes to announce an acquisition or proposed acquisition of a property that contains estimates of quantity and grade that are not historical and are not in accordance with the CIM Definition Standards or the alternative codes under Part 7, the issuer may apply for an exemption under section 9.1 of the Instrument.

Issuers are reminded that they have an obligation under securities legislation to disclose material facts and to make timely disclosure of material changes. Therefore, the issuer should arrange its affairs in advance to comply with those requirements and the requirements in the Instrument if it is considering the acquisition of a foreign property and wishes to disclose estimates using foreign codes not permitted under the Instrument. Issuers that have difficulty doing this should consider filing a confidential material change report and maintain a period of confidentiality until they obtain an exemption or convert the estimates and disclose them in accordance with the Instrument. Issuers should also refer to section 2.5 of this Companion Policy for further guidance about timely disclosure obligations.

Issuers may also consider disclosing the quantity and grade of mineralization as an exploration target as provided under section 2.3(2) of the Instrument.

PART 3 AUTHOR OF THE TECHNICAL REPORT

3.1 **Selection of Qualified Person** - It is the responsibility of the issuer and its directors and officers to retain a qualified person who meets the criteria listed under the definition in the Instrument of qualified person, including having the relevant experience and competence for the subject matter of the technical report.

3.2 **Assistance of non-Qualified Persons** - A person who is not a qualified person may work on a project. If a qualified person relies on the work of a person who is not a qualified person to prepare a technical report or to provide information or advice to the issuer, the qualified person must take responsibility for that work, information or advice and must take whatever steps are appropriate, in his or her professional judgement, to ensure that the work, information or advice that he or she relies upon is sound.

3.3 **More than One Qualified Person** - Section 5.1 of the Instrument provides that a technical report must be prepared by or under the supervision of one or more qualified persons. Several qualified persons may author different portions of the report. In that case, each of them must provide a certificate and consent required under Part 8 of the Instrument.

When one or more qualified persons prepare a technical report that includes a mineral resource or mineral reserve estimate prepared by another qualified person for a previously filed technical report, one of the qualified persons preparing the new technical report must take responsibility for those estimates. In doing this, that qualified person should make whatever investigations are necessary to reasonably rely on that information.

3.4 Exemption from Qualified Person Requirement

(1) The CSA recognizes that certain individuals who currently provide technical expertise to issuers will not be considered qualified persons for purposes of the Instrument. An issuer may apply under section 9.1 of the Instrument for an exemption from the requirement for involvement of a qualified person and the acceptance of another person. The application should demonstrate the person's experience, competence and qualification to prepare the technical report or other information in support of the disclosure despite the fact that he or she does not meet the requirements set out in the definition in the Instrument of qualified person.

(2) Requests for exemption from the requirement that the qualified person belong to a professional association will rarely be granted. Where an issuer wishes to retain a person who is well qualified and who does not belong to a professional association because no association exists in his or her jurisdiction or because it is not a requirement for members of his or her profession to be registered in the jurisdiction, Securities Regulatory Authorities will consider granting an exemption. However, if there is any other qualified person available to the issuer who has been or can get to the site and is able to co-author the report, then an exemption will not likely be granted.

3.5 Independence of Qualified Person

(1) Section 1.4 of the Instrument provides the test an issuer and a qualified person should apply to determine whether a qualified person is independent of the issuer. When an independent qualified person is required, an issuer must always apply the test in section 1.4 of the Instrument to confirm that the requirement is met.

Applying this test, the following are examples of when the CSA would consider that a qualified person is not independent. These examples are not a complete list of non-independence situations.

We consider a qualified person is not independent when the qualified person:

(a) is an employee, insider, or director of the issuer,

(b) is an employee, insider, or director of a related party of the issuer,

(c) is a partner of any person or company in paragraph (a) or (b),

(d) holds or expects to hold securities, either directly or indirectly, of the issuer or a related party of the issuer,

(e) holds or expects to hold securities, either directly or indirectly, in another issuer that has a direct or indirect interest in the property that is the subject of the technical report or an adjacent property,

(f) has or expects to have, directly or indirectly, an ownership, royalty, or other interest in the property that is the subject of the technical report or an adjacent property, or

(g) has received the majority of their income, either directly or indirectly, in the three years preceding the date of the technical report from the issuer or a related party of the issuer.

For the purpose of (d) above, related party of the issuer means an affiliate, associate, subsidiary, or control person of the issuer as those terms are defined under securities legislation.

There may be some instances where it would be reasonable to consider the qualified person's independence would not be compromised even though the qualified person holds an interest in the issuer's securities. The issuer needs to determine whether a reasonable person would consider such interest would interfere with the qualified person's judgement regarding the preparation of the technical report.

If the issuer applies for relief, the Securities Regulatory Authorities may consider granting an exemption under section 9.1 of the Instrument if the issuer demonstrates why the involvement of an independent qualified person is not necessary in a particular circumstance.

(2) There may be circumstances in which the Securities Regulatory Authorities question the objectivity of the author of the technical report. In order to ensure the requirement for independence of the qualified person has been preserved, the issuer may be asked to provide further information, additional disclosure or the opinion of another qualified person to address concerns about possible bias or partiality on the part of the author of the technical report.

PART 4 PREPARATION OF TECHNICAL REPORT

4.1 Addendums not Permitted - Anytime an issuer is required to file a technical report, that report must be complete and current. If an issuer has a technical report previously filed, and is required to file another technical report because it triggered one of the circumstances listed under Part 4 of the Instrument, the issuer must update the outdated sections of the previously filed report and file a new, complete, current technical report if the contents of the previously filed technical report are no longer current. It is not sufficient for the issuer to only file the updated portions of the technical report. If an issuer gets a new qualified person to update a previously filed technical report prepared by a different qualified person, we expect the new qualified person to take responsibility for the whole technical report and certify that in his or her certificate required under section 8.1 of the Instrument.

The only exception to the requirement to file a complete technical report is under section 4.2(3) of the Instrument. An issuer may file an addendum if it is for a technical report that originally was filed with a preliminary short form prospectus or preliminary long form prospectus and there is a material change in the information before the issuance of the final receipt. In this case, the addendum must be attached to and filed with the previously filed technical report. The technical report and addendum must also have an updated certificate and consent of the qualified person filed with it.

4.2 Filing on SEDAR - If an issuer is required under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR) to be an electronic filer, then all technical reports must be prepared so that the issuer can file them on SEDAR. Issuers are reminded that figures required in the technical report must be included in the technical report filed on SEDAR and therefore should be prepared in electronic format.

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

4.3 Technical Documents Filed with Other Securities Regulatory Authorities or Exchanges - Securities Regulatory Authorities in most CSA jurisdictions require an issuer to file, if not already filed with it, any record or disclosure material that the issuer files with another securities regulatory authority, agency, or body, or exchange, wherever situate. If an

issuer must complete such filing, and the record or disclosure material is not a technical report required by the Instrument, then the exemption provided under section 9.3 of the Instrument permits an issuer to do this without breaching the Instrument. The filing should be made by the issuer on SEDAR under the "Other" category.

PART 5 USE OF INFORMATION

5.1 **Use of Information in Technical Reports** - The Instrument requires that technical reports be prepared and filed in local jurisdictions to support certain disclosure of mineral exploration, development and production activities and results in order to permit the public and analysts to have access to information that will assist them in making investment decisions and recommendations. Persons and companies, including registrants, who wish to make use of information concerning mineral exploration, development and production activities and results, including mineral resource and mineral reserve estimates, are encouraged to review the technical reports that will be on the public file for the issuer. If they are summarizing or referring to this information they are strongly encouraged to use the applicable mineral resource and mineral reserve categories and terminology found in the technical report.

5.2 **Disclaimers in Technical Reports -** Section 6.4 of the Instrument prohibits certain disclaimers in technical reports. The types of disclaimers prohibited by section 6.4 of the Instrument include blanket disclaimers that purport to disclaim responsibility for, or reliance on, that portion of the report that the qualified person prepared. Disclaimers are also prohibited when they create limitations on the use or publication of the report that would interfere with an issuer's obligation to reproduce the report by filing it on SEDAR.

The CSA considers blanket disclaimers potentially misleading. In certain circumstances, securities legislation provides investors with a statutory right of action against a qualified person for a misrepresentation in disclosure that is based upon the qualified person's technical report. That right of action exists despite any disclaimer to the contrary that appears in the technical report.

The Securities Regulatory Authorities will expect the issuer to have its qualified person remove any blanket disclaimers in a technical report that the issuer uses to support its public offering document.

Item 5 of the Form permits a qualified person to insert a disclaimer of responsibility if he or she relied on other experts who are not qualified persons for legal, environmental, political, or other issues relevant to the technical report that are not within the qualified person's area of expertise.

PART 6 PERSONAL INSPECTION

6.1 **Meaning of Current Personal Inspection** - The current personal inspection referred to in section 6.2(1) of the Instrument is the most recent personal inspection of the property, provided that there has been no material change to the scientific and technical information about the property since that personal inspection. A personal inspection may constitute a current personal inspection even if the qualified person conducted the personal inspection considerably before the filing date of the technical report, if there has been no material change in the scientific and technical information about the property at the filing date.

6.2 **Personal Inspection** - The CSA considers current personal inspection particularly important because it enables the qualified person to become familiar with conditions on the property, to observe the geology and mineralization, to verify the work done and, on that basis, to design or review and recommend to the issuer an appropriate exploration or development program. A personal inspection is required even for properties with poor exposure. In such cases, it may be relevant for a qualified person to observe the depth and type of the overburden and cultural effects that could interfere with the results of the geophysics. It is the responsibility of the issuer to arrange its affairs so that a current personal inspection can be carried out by a qualified person. A qualified person, or where required an independent qualified person, must visit the site and cannot delegate the personal inspection requirement.

6.3 **Delay of Personal Inspection Requirement** - Section 6.2(2) of the Instrument permits an issuer to delay conducting a personal inspection in very limited circumstances. An issuer does not need to apply for this relief. The exemption applies automatically only where the issuer's mineral project is located on an early stage exploration property, as defined in the Instrument, provided the issuer complies with all conditions listed in section 6.2(2) of the Instrument. The exemption recognizes that there may be situations where an issuer is unable to access an early stage exploration property or obtain beneficial information on it because seasonal weather conditions prevent it from doing so by the time the issuer is required to file a technical report. Examples of such situations would include an early stage exploration property that is inaccessible because of seasonal flooding or it is completely covered in snow for an extended period of time.

Other than circumstances permitted by the exemption under section 6.2(2) of the Instrument, there may be circumstances in which it is not possible for a qualified person to inspect the property. In such instances the qualified

person or the issuer should apply in writing to the Securities Regulatory Authorities for relief, stating the reasons why a personal inspection is considered impossible. It would likely be a condition of any such relief that the technical report state that no inspection was carried out by a qualified person and the reasons why it was not done.

6.4 More than One Qualified Person - Section 6.2(1) of the Instrument requires at least one qualified person who is responsible for preparing or supervising the preparation of the technical report to inspect the property. This is a minimum standard for personal inspection. There may be cases in advanced mineral projects where the issuer should have personal inspections of the property conducted by more than one qualified person, taking into account the work being carried out on the property and the technical report being prepared by the qualified person or persons.

For example, for an advanced stage property with mineral resource and mineral reserve estimates, if several qualified persons prepare a different portion of the technical report because of their particular expertise in geology or mining engineering, then the Securities Regulatory Authorities expect that expertise makes each of them responsible for the preparation of the technical report and each of them relevant for a proper personal inspection of the property.

PART 7 REGULATORY REVIEW

7.1 Review

(1) Disclosure and technical reports filed under the Instrument may be subject to review by Securities Regulatory Authorities.

(2) If an issuer that is required to file a technical report under the Instrument files a technical report that does not meet the requirements of the Instrument, the issuer may be in breach of securities legislation. The issuer may be required to issue or file corrected disclosure, file a revised technical report or file revised consents, and may be subject to other sanctions.

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	No of Purchasers	Issuer/Security	Total Pur. Price ($)	No. of Securities Distributed
09/22/2005	23	1141931 Ontario Inc. - Preferred Shares	644,000.00	3,220,000.00
09/09/2005	23	Affinity Response (2003) Inc. - Units	2,920,892.00	14,604,620.00
09/15/2005	21	Allen-Vanguard Corporation - Receipts	5,877,025.00	3,358,300.00
07/29/2005	4	Aquilon Premium Value Partnership - Limited Partnership Units	166,531.28	181.00
02/28/2005	5	Arbour Energy Inc - Preferred Shares	435,516.75	322,605.00
03/31/2005	10	Arbour Energy Inc - Preferred Shares	508,094.10	376,366.00
04/30/2005	17	Arbour Energy Inc - Preferred Shares	477,508.50	353,710.00
06/30/2005	18	Arbour Energy Inc - Preferred Shares	702,226.80	520,168.00
07/31/2005	1	Arbour Energy Inc, - Preferred Shares	19,438.65	14,399.00
09/21/2005	5	Arura Pharma Inc. - Common Shares	95,000.00	380,000.00
09/20/2005	8	Avenue Financial L.P. #1 - Limited Partnership Units	1,290,000.00	129.00
09/19/2005	1	Bourse de Montreal Inc. - Common Shares	11,921,688.00	698,400.00
09/22/2005	3	CanAlaska Ventures Ltd. - Units	166,250.00	475,000.00
09/20/2005	27	Canstar Resources Inc. - Units	450,000.00	4,500,000.00
09/29/2005	23	Consolidated Ventures L.P. #1 - Units	1,220,000.00	122.00
09/19/2005	4	Copper Ridge Explorations Inc. - Units	25,000.00	250,000.00
09/14/2005	14	Coronation Minerals Inc. - Units	347,500.00	1,390,000.00
09/26/2005	11	Diversinet Corp. - Common Shares	1,245,500.00	2,650,000.00
09/19/2005	3	DynaMotive Energy Systems Corporation - Common Shares	1,130,137.00	1,802,648.00
09/19/2005	4	DynaMotive Energy Systems Corporation - Warrants	792,030.00	1,164,411.00
09/21/2005	6	Dynex Capital Limited Partnership 2 - Limited Partnership Units	1,515,000.00	1,515.00
09/13/2005	11	Exall Resources Limited - Flow-Through Shares	2,700,000.00	6,750,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Pur. Price ($)	No. of Securities Distributed
09/20/2005	1	Exall Resources Limited - Units	250,000.00	625,000.00
07/21/2005	2	Fort Chimo Minerals Inc. - Units	270,000.00	1,080,000.00
09/21/2005	1	Fort Chimo Minerals Inc. - Units	5,000.00	20,000.00
10/26/2005	9	Fortuna Silver Mines Inc. - Units	2,631,525.00	3,508,700.00
09/19/2005	482	Fuel-X International Inc. - Common Shares	19,751,813.25	26,335,751.00
09/19/2005	3	Gemini Trust - Notes	25,000,000.00	25,000,000.00
09/28/2005	7	GGL Diamond Corp. - Units	398,767.40	2,044,961.00
09/19/2005	1	GMO Developed World Equity Investment Fund PLC - Units	68,398.00	2,417.00
08/31/2005	1	Goldman Sachs Large Cap Value Fund - Units	160,000.00	13,389.00
09/15/2005	4	Grandview Gold Inc. - Flow-Through Shares	737,900.00	590,320.00
09/14/2005	12	Halo Resources Ltd. - Flow-Through Shares	855,750.00	1,222,500.00
09/14/2005	18	Halo Resources Ltd. - Units	584,700.00	974,500.00
09/15/2005	24	Huntington Real Estate Investment Trust - Units	25,930,725.00	9,890,500.00
09/12/2005	29	IMA Exploration Inc. - Units	3,482,400.00	1,160,800.00
08/16/2005	1	Intcomex, Inc. - Notes	2,408,200.00	2,000.00
09/22/2005	1	International Barytex Resources Ltd. - Units	53,500.00	50,000.00
09/23/2005	3	Kelso Energy Inc. - Common Shares	70,050.00	470,000.00
09/23/2005	5	Kelso Energy Inc. - Flow-Through Shares	586,620.00	3,259,000.00
09/19/2005	79	Kilgore Minerals Ltd. - Units	2,500,000.02	5,952,381.00
09/15/2005	1	Kingwest Avenue Portfolio - Units	12,453.78	438.00
09/20/2005	1	Member Partners' Consolidated Properties Limited Partnership - Limited Partnership Units	40,000.00	40,000.00
09/22/2005	46	Molson Coors Capital Finance ULC - Notes	857,858,600.00	900,000,000.00
08/31/2005	24	Polymet Mining Corp. - Units	549,000.00	610,000.00
09/27/2005	2	Pregis Corporation - Notes	9,200,398.00	2.00
09/30/2005	1	Process Photonics Inc. - Debentures	1,500,000.00	1,500,000.00
09/16/2005	7	Rainy River Resources Ltd. - Units	98,599.80	164,333.00
09/09/2005	1	Real Assets US Social Equity Index Fund - Units	23,712.00	3,372.00
09/06/2005	34	Resilient Resources Ltd. - Common Shares	26,870.00	26,603.00

Transaction Date	No of Purchasers	Issuer/Security	Total Pur. Price ($)	No. of Securities Distributed
09/20/2005	1	Rocket Trust - Bonds	12,500,000.00	12,500,000.00
09/22/2005	4	Ross River Minerals Inc. - Units	53,000.00	212,000.00
09/15/2005	13	SAMSys Technologies Inc. - Units	1,822,800.00	2,278,500.00
09/21/2005	8	Santoy Resources Ltd. - Flow-Through Shares	1,237,750.00	3,094,375.00
09/26/2005	1	Schneider Power Inc. - Common Shares	5,000.00	25,000.00
09/21/2005	4	Sonomax Hearing Healthcare Inc. - Units	162,000.00	540,000.00
09/14/2005	25	Southern Star Resources Inc. - Flow-Through Shares	1,400,000.00	2,800,000.00
09/23/2005	3	Stroud Energy, Inc. - Common Shares	15,444,000.00	825,000.00
09/22/2005	20	TAG Oil Ltd. - Common Shares	5,691,400.00	4,378,000.00
07/13/2005	7	Tanganyika Oil Company Ltd. - Common Shares	7,303,600.00	961,000.00
09/20/2005	13	TD Banknorth National Association - Notes	270,000,000.00	270,000,000.00
09/01/2005	5	The Alpha Fund - Limited Partnership Units	3,900,000.00	20.00
08/02/2005	1	The Alpha Fund - Limited Partnership Units	500,000.00	2.00
09/19/2005	1	Trafalgar Trading Limited - Units	25,000,000.00	25,000,000.00
09/22/2005	2	Trans Quebec & Maritimes Pipeline Inc. - Bonds	75,000,000.00	2.00
09/28/2005	6	USA Video Interactive Corp. - Units	48,750.00	650,000.00
09/28/2005	7	Vanguard Exploration Corp. - Common Shares	610,000.00	1,525,000.00
09/22/2005 to 09/30/2005	4	VG Mezzanine II Limited Partnership - Limited Partnership Units	1,071,986.00	1,072.00
09/20/2005	2	Williams Scotsman, Inc. - Notes	3,529,500.00	3,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Accretive Flow-Through (2005) Limited Partnership
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 28, 2005
Offering Price and Description:
$15,000,000.00 (MAXIMUM OFFERING) - $3,000,000.00 (MINIMUM OFFERING) A MAXIMUM OF 3,000,000 AND A MINIMUM OF 600,000 LIMITED PARTNERSHIP UNITS OF ALL CLASSES ISSUE PRICE: $5.00 PER UNIT, FOR ALL CLASSES MINIMUM PURCHASE: 500 UNITS OF ONE CLASS
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
Accretive General Partner Inc.
Project #836171

Issuer Name:
Algonquin Credit Card Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 27, 2005
Mutual Reliance Review System Receipt dated September 28, 2005
Offering Price and Description:
(1) $ * * % Series 2005-1 Class A Fixed Rate Notes, Expected Final Payment Date of * , 20*; (2) $ * * % Series 2005-1 Class B Fixed Rate Notes, Expected Final Payment Date of _ , 20*; (3) $ * * % Series 2005-1 Class C Fixed Rate Notes, Expected Final Payment Date of * , 20*
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
Capital One Bank (Canada Branch)
Project #835696

Issuer Name:

BMO Harris Growth Opportunites Portfolio
BMO Harris Income Opportunity Bond Portfolio
BMO Harris International Equity Portfolio
BMO Harris Opportunity Bond Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated September 30, 2005
Mutual Reliance Review System Receipt dated October 4, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Investments Inc.
BMO Investments Inc.
BMO Investmens Inc.
BMO Invesments Inc.
Promoter(s):
BMO Trust Company
Project #837568

Issuer Name:
CONSTELLATION COPPER CORPORATION
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
$14,374,999.00 - 15,972,222 Units to be issued upon the exercise of 15,972,222 previously issued Special Warrants
Price: $0.90 per Special Warrants
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
GMP Securities Ltd.
Wellington West Capital Markets Ltd.
Northern Securities Inc.
Promoter(s):
-
Project #836390

Issuer Name:
Criterion Multi-National Yield Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
$ * - * Units - Price: $10.00 per Unit - Minimum Purchase: 200 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Blackmont Capital Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
Wellington West Capital Inc.
Promoter(s):
Criterion Investments Limited
Project #837350

Issuer Name:
EPCOR Utilities Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Shelf Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
$800,000,000.00 - Medium Term Note Debentures (unsecured)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #836953

Issuer Name:
Exile Resources Inc.
Type and Date:
Preliminary Prospectus dated September 27, 2005
Receipted on September 28, 2005
Offering Price and Description:
$2,000,000.00 - 10,000,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Secutor Capital Management Corporation
Promoter(s):
Stephen Brown
Project #835474

Issuer Name:
Freeport Capital Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated September 26, 2005
Mutual Reliance Review System Receipt dated September 28, 2005
Offering Price and Description:
$500,000.00 - 2,000,000 common shares Price: $0.25 per common share
Underwriter(s) or Distributor(s):
Jones, Gable & Company Limited
Canaccord Capital Corporation
Promoter(s):
J. R. Scott Pritchard
Bradley M. Romoff
Project #835667

Issuer Name:
Greater Toronto Airports Authority
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
$2,500,000,000.00 - Medium-Term Notes (Secured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #837318

Issuer Name:
High Plains Uranium, Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 3, 2005
Mutual Reliance Review System Receipt dated October 4, 2005
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
John Ryan
Howard Crosby
Project #838222

Issuer Name:
Mavrix Balanced Income & Growth Resources Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated September 30, 2005
Mutual Reliance Review System Receipt dated October 3, 2005
Offering Price and Description:
$ * - * Units - Price: $10.00 per Unit (Minimum Subscription: 100 Units)
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Dundee Securities Corporation
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
MGI Securities Inc.
Research Capital Corporation
Wellington West Capital Inc.
Promoter(s):
Mavrix Funds Ltd.
Project #837784

Issuer Name:
Power Corporation of Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated October 3, 2005
Mutual Reliance Review System Receipt dated October 4, 2005
Offering Price and Description:
$250,000,000.00 (10,000,000 shares) 5.00% Non-Cumulative First Preferred Shares, Series D
Price: $25.00 per share to yield 5.00%
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #838227

Issuer Name:
Premium Exploration Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated September 30, 2005
Mutual Reliance Review System Receipt dated October 3, 2005
Offering Price and Description:
$1,500,000.00 - 5,000,000 Units Price: $0.30 per Unit
Underwriter(s) or Distributor(s):
Bolder Investment Partners, LLP
Promoter(s):
Del Steiner
Project #837977

Issuer Name:
Prime Dividend Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
$ * (Maximum) * Preferred Shares and * Class A Shares
Prices: $10.00 per Preferred Share and $15.00 per Class A Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Bieber Securities Inc.
Blackmont Capital Inc.
Laurentian Bank Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Qeadravest Capital Management Inc.
Project #836745

Issuer Name:
Qwest Energy 2005-III Flow-Through Limited Partnership
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated
Offering Price and Description:
Maximum Offering: $25,000,000 (1,000,000 Units);
Minimum Offering: $5,000,000 (200,000 Units)
Price: $25.00 per Unit Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Berkshire Securities Inc.
HSBC Securities (Canada) Inc.
GMP Securities Ltd.
Wellington West Capital Inc.
Bieber Securities Inc.
Blackmont Capital Inc.
Promoter(s):
Qwest Energy Investment Management Corp.
Project #836626

Issuer Name:
RBC Capital Trust
Royal Bank of Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated September 30, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
$*-* Trust Capital Securities- Series 2015 (RBC TruCS-Series 2015)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Promoter(s):
-
Project #837283/837285

Issuer Name:
Royal Host Real Estate Investment Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated October 3, 2005
Mutual Reliance Review System Receipt dated October 3, 2005
Offering Price and Description:
$50,000,000.00 - 6.00% Convertible Unsecured Subordinated Debentures, due 2015 Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #837962

Issuer Name:
Scotia Mortgage Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
Scotia Private Client Units)
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Scotia Securities Inc.
Promoter(s):
The Bank of Nova Scotia
Project #837582

Issuer Name:
Sovereign Diversified Monthly Income Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated October 3, 2005
Offering Price and Description:
Class I-5, Class F-5 and Class F-7 Units
Underwriter(s) or Distributor(s):
Frank Russell Canada Limited
Frank Russell Canada Limited
Promoter(s):
Frank Russell Canada Limited
Project #837236

Issuer Name:
Superior Plus Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated September 30, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
$160,036,250.00 - 6,215,000 Subscription Receipts
$75,000,000 5.85% Extendible Convertible Unsecured Subordinated Debentures Subscription Receipts
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #837536

Issuer Name:
TD Split Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
$ * - * Preferred Shares; $ * - * Capital Shares Prices: $ * per Preferred Share and $ * per Capital Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
Promoter(s):
TD Securities Inc.
Project #836708

Issuer Name:
Triton Energy Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated
Offering Price and Description:
Minimum: • Common Shares ($10,000,000.00); Maximum: • Common Shares ($12,500,000.00)
Price: $• per Common Share and $• per Flow-Through Share
Underwriter(s) or Distributor(s):
Acumen Capital Finance Partners Limited
Canaccord Capital Corporation
GMP Securities Ltd.
Raymond James Ltd.
Promoter(s):
Michael S. Zuber
Project #836769

Issuer Name:
Ur-Energy Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 3, 2005
Mutual Reliance Review System Receipt dated October 4, 2005
Offering Price and Description:
$ * through the issuance of * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Canaccord Capital Corporation
Promoter(s):
Robin B. Dow
Project #838365

Issuer Name:
VCom Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated
Offering Price and Description:
$ * - * Common Shares Price : $ * per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
Orion Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #836733

Issuer Name:
Viking Energy Royalty Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated October 3, 2005
Mutual Reliance Review System Receipt dated October 3, 2005
Offering Price and Description:
$175,000,000.00 - 6.40% Convertible Unsecured Subordinated Debentures Price: $1,000.00 per 6.40% Debenture
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
FirstEnergy Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
-
Project #838029

Issuer Name:
Wharton Resources Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated October 3, 2005
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Promoter(s):
W. Milton Cox
Donald L. Sytsma
Bassam Nastat
Project #837756

Issuer Name:
Acuity Multi-Cap Total Return Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
Maximum: 30,000,000 Units @$10 per Unit = $300,000,000
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
First Associates Investments Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Wellington West Capital Inc.
Berkshire Securities Inc.
IPC Securities Corporation
Promoter(s):
Acuity Funds Ltd.
Project #824261

Issuer Name:
Brascan SoundVest Focused Business Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
Maximum: 12,500,000 Units @ $10 per Unit = $125,000,000
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.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Dundee Securities Corporation
Trilon Securities Corporation
Wellington West Capital Inc.
First Associates Investments Inc.
MGI Securities Inc.
Promoter(s):
Brascan Focused Business Management Ltd.
Project #822333

Issuer Name:
Connor, Clark & Lunn Conservative Income Fund II
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
Maximum: 17,500,000 Units @ $10 per Unit = $175,000,000
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Richard Partners Financial Limited
Wellington West Capital Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Canaccord Capital Corporation
First Associates Investments Inc.
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #822318

Issuer Name:
CONSTELLATION COPPER CORPORATION
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated October 3, 2005
Mutual Reliance Review System Receipt dated October 3, 2005
Offering Price and Description:
14,374,999.80 - 15,972,222 Units to be issued upon the exercise of 15,972,222 previously issued Special Warrants
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
GMP Securities Ltd.
Wellington West Capital Markets Ltd.
Northern Securities Inc.
Promoter(s):
-
Project #836390

Issuer Name:
Explorer III Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
Minimum: 400,000 Units @ $25 per Unit - $10,000.00;
Maximum: 2,000,000 Units @ $25 per Unit - $50,000,000.00
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
First Associates Investments Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Desjardins Securities Inc.
GMP Securities Ltd.
Middlefield Capital Corporation
Research Capital Corporation
Promoter(s):
Eplorer III Resource Management Limited
Middlefield Group Limited
Project #822102

Issuer Name:
Horizons Phoenix Hedge Fund
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated September 27, 2005
Mutual Reliance Review System Receipt dated September 28, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Horizons Funds Inc.
Project #821846

Issuer Name:
Innergex Power Income Fund
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 28, 2005
Offering Price and Description:
$55,857,050.00 - 4,033,000 Subscription Receipts, each representing the right to receive one Trust Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #833090

Issuer Name:
Metro inc.
Type and Date:
Final Short Form Shelf Prospectus dated September 30, 2005
Receipted on September 30, 2005
Offering Price and Description:
$750,000,000.00 - Medium Term Notes (Unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
-
Project #834427

Issuer Name:
Mexivada Mining Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated October 3, 2005
Offering Price and Description:
$2,000,000.00 - 4,000,000 Units Price: $0.50 per Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Richard Robert Redfern
Project #830589

Issuer Name:
Middlefield Equal Sector Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
Maximum: 10,000,000 Units @ $10 per Unit - $100,00,000.00
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Wellington West Capital Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Acadian Securities Incorporated
Berkshire Securities Inc.
Middlefield Capital Corporation
Research Capital Corporation
Promoter(s):
Middlefield Group Limited
Middlefield Sector Management Limited
Project #829052

Issuer Name:
MUNDORO MINING INC.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated September 30, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
$15,045,000.00 - 5,100,000 Units Price: $2.95 per Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Desjardins Securities Inc.
Sprott Securities Inc.
Promoter(s):
-
Project #834334

Issuer Name:
NCE Diversified Flow-Through (05-2) Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
$75,000,000.00 (Maximum Offering); $10,000,000.00 (Minimum Offering) - A maximum of 3,000,000 and minimum of 400,000 Limited Partnership Units
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
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Dundee Securities Corporation
Desjardins Securities Inc.
First Associates Investments Inc.
IPC Securities Corporation
Jory Capital Inc.
Wellington West Capital Inc.
Promoter(s):
Petro Assets Inc.
Project #830672

Issuer Name:
Nexen Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated October 4, 2005
Mutual Reliance Review System Receipt dated October 4, 2005
Offering Price and Description:
$406,875,000.00 - 7,500,000 Common Shares Price: $54.25 per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
Promoter(s):
-
Project #834518

Issuer Name:
PEAK ENERGY SERVICES TRUST
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated October 4, 2005
Mutual Reliance Review System Receipt dated October 4, 2005
Offering Price and Description:
$20,004,000.00 - 1,667,000 Trust Units Price: $12.00 per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Orion Securities Inc.
Sprott Securities Inc.
Promoter(s):
-
Project #834724

Issuer Name:
Power Financial Corporation
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
$250,000,000.00 - (10,000,000 shares) 4.95% Non-Cumulative First Preferred Shares, Series K Price: $25.00 per share to yield 4.95%
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #834603

Issuer Name:
RBC Cash Flow Portfolio
RBC Enhanced Cash Flow Portfolio
RBC Select Choices Conservative Portfolio
RBC Select Choices Balanced Portfolio
RBC Select Choices Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated September 26, 2005 to Final Simplified Prospectuses and Annual Information Forms dated July 7, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
Advisor Series Units
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
RBC Asset Management Inc.
RBC Asset Management Inc.
Promoter(s):
RBC Asset Management Inc.
Project #786183

Issuer Name:
RBC Monthly Income Fund
RBC Cash Flow Portfolio
RBC Enhanced Cash Flow Portfolio
RBC Tax Managed Return Fund
RBC Select Choices Conservative Portfolio
RBC Select Choices Balanced Portfolio
RBC Select Choices Growth Portfolio
RBC O'Shaughnessy Canadian Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated September 26, 2005 to Final Simplified Prospectuses and Annual Information Forms dated June 28, 2005
Mutual Reliance Review System Receipt dated September 29, 2005
Offering Price and Description:
Series A and F Units.
Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc.
Royal Mutual Funds Inc.
RBC Asset Management Inc.
RBC Asset Management Inc.
RBC Dominion Securities Inc.
Promoter(s):
RBC Asset Management Inc.
Project #785844

Issuer Name:
ScotiaMcLeod Canadian Core Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated October 3, 2005
Mutual Reliance Review System Receipt dated October 4, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
First Defined Portfolio Management Co.
Promoter(s):
First Defined Portfolio Management Co.
Project #822453

Issuer Name:
Scott's Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 29, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
$50,000,000.00 - 5,000,000 Units Price: $10.00 Per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Genuity Capital Markets
RBC Dominion Securities Inc.
Desjardins Securities Inc.
Canaccord Capital Corporation
Promoter(s):
Scott's Restaurants Inc.
Project #828600

Issuer Name:
Synergy Canadian Style Management Corporate Class
Synergy Canadian Equity Corporate Class
Signature Canadian Small Cap Corporate Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated September 29, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
Mutual Fund Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #814338

Issuer Name:
Southwestern Resources Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated September 30, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
$21,600,000.00 - 2,000,000 Offered Shares Price: $10.80 per Offered Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Octagon Capital Corporation
Haywood Securities Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #834742

Issuer Name:
Sustainable Production Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 28, 2005
Offering Price and Description:
$160,000,000.00 (Maximum Offering); $40,000,000.00 (Minimum Offering) Minimum of 4,000,000 and Maximum of 16,000,000 trust units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Research Capital Corporation
Wellington West Capital Inc.
Bieber Securities Inc.
McFarlane Gordon Inc.
Computershare Investor Services Inc.
Promoter(s):
Canadian Income Fund Group Inc.
Sustainable PE Management Inc.
Project #828916

Issuer Name:
Top 10 Canadian Financial Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated September 28, 2005
Mutual Reliance Review System Receipt dated September 28, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Promoter(s):
Mulvihill Capital Management Inc.
Project #823820

Issuer Name:
Zenas Energy Corp.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated September 30, 2005
Mutual Reliance Review System Receipt dated September 30, 2005
Offering Price and Description:
$42,000,000.00 - 7,500,000 Common Shares Price: $5.60 per Common Share
Underwriter(s) or Distributor(s):
Orion Securities Inc.,
Canaccord Capital Corporation
GMP Securities Ltd.
Salman Partners Inc.
MGI Securities Inc.
Westwind Partners Inc.
Promoter(s):
-
Project #808629

Issuer Name:
WestCom Communications ULC
WestCom Global Networks Ltd.
Principal Jurisdiction - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated June 29th, 2005
Withdrawn on October 3rd, 2005
Offering Price and Description:
C$ * - Price: C$ 10.00 per IPS
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Banc of America Securities Canada Co.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
Westcom Corp.
Project #798808/798828

Issuer Name:
Western Goldfields, Inc.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated May 11th, 2005
Withdrawn on September 30th, 2005
Offering Price and Description:
MINIMUM OFFERING: US$* or * Units ; MAXIMUM OFFERING: US$* or * Units PRICE: US$* per Unit
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
-
Project #781029

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	TW & Company Investment Management Inc.	Limited Market Dealer & Investment Counsel & Portfolio Manager	September 30, 2005
Surrender of Registration	Integrated Investment Management Inc.	Investment Counsel and Portfolio Manager	October 4, 2005
Change of Name	From: Covington Capital Corporation To: Covington Capital Inc.	Limited Market Dealer & Investment Counsel & Portfolio Manager	July 13, 2005
Change in Category	Frank Russell Canada Limited / Limitee	From: Mutual Fund Dealer & Limited Market Dealer & Investment Counsel & Portfolio Manager To: Mutual Fund Dealer & Limited Market Dealer & Investment Counsel & Portfolio Manager & Commodity Trading Manager	September 28, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Notice and Request for Comment – Application to Vary the Recognition Order of Canadian Trading and Quotation System Inc.

CANADIAN TRADING AND QUOTATION SYSTEM INC.

APPLICATION TO VARY RECOGNITION ORDER

NOTICE AND REQUEST FOR COMMENT

Application

Canadian Trading and Quotation System Inc. (CNQ) has applied to the Commission pursuant to section 144 of the *Securities Act* to vary the recognition order of CNQ, dated May 7, 2004, as amended by order dated September 9, 2005 (Recognition Order), recognising CNQ as a stock exchange, in connection with its proposed Alternative Market.

The Commission is publishing for comment the application of CNQ and the following related documents:

1. Draft variation order for CNQ - The variation order would permit CNQ to trade securities which are listed on other Canadian stock exchanges without listing them on CNQ.

2. Rules and Policies – Changes to CNQ Rules and CNQ Policies are subject to Commission approval. The proposed amendments to the Rules and Policies are also being published for comment.

We are seeking comment on all aspects of CNQ's application and the related documents. The application by CNQ, the draft variation order and the proposed amendments to the Rules and Policies follow this notice. Only the Rules and Policies which contain amendments are being published; the full text of the Rules and Policies can be found on the CNQ website at www.cnq.ca.

Draft Variation Order

CNQ is proposing to amend the term and condition of the Recognition Order relating to issuer regulation to provide that CNQ may trade securities of issuers listed on certain Canadian stock exchanges without listing such securities, provided that CNQ shall cease to trade such securities if it is notified that the security has been suspended or delisted. Other amendments are also proposed to clarify that other parts of the term and condition that require CNQ to have sufficient authority over its issuers and to have appropriate procedures to monitor the issuers and enforce its rules, are only applicable to issuers on the CNQ-listed market and not the Alternative Market.

Rules and Policies

CNQ proposes to amend certain of its Rules and Policies in connection with the proposal to create the Alternative Market. The amendments would, among other things:

- provide for the designation of Alternative Market securities;
- allow certain eligible clients of CNQ dealer to have access to the CNQ trading system for the purpose of trading Alternative Market securities;
- provide for entry of orders for Alternative Market securities;
- establish Rules for priority of orders in the Alternative Market;
- clarify that CNQ-specific Rules relating to sales practices and fair pricing apply to the CNQ-listed market and not the Alternative Market; and
- repeal the restriction in Policy 2 that restricts the listing of securities listed on another market.

Comment Process

You are asked to provide your comments in writing on or before November 7, 2005 addressed to the attention of the Secretary to the Commission, 20 Queen Street West, Toronto, Ontario, M5H 3S8. One copy should also be sent to the attention of Timothy S. Baikie, General Counsel & Corporate Secretary, Canadian Trading and Quotation System Inc., BCE Place, 161 Bay Street, Suite 3850, P.O. Box 207, Toronto ON M5J 2S1.

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.

Questions may be referred to:

Winfield Liu
Senior Legal Counsel, Market Regulation
(416) 593-8250
email: wliu@osc.gov.on.ca

13.1.2 CNQ Application

BCE Place 161 Bay Street
Suite 3850 PO Box 207
Toronto Ontario M5J 2S1
T 416.572.2000
F 416.572.4160

TIMOTHY S. BAIKIE
General Counsel & Corporate Secretary
T: 416.572.2000 x2282
Timothy.Baikie@cnq.ca

VIA E-MAIL

July 29, 2005

Ms. Cindy Petlock
Manager, Market Regulation
Ontario Securities Commission
20 Queen St. W.,
Suite 1903, Box 55
Toronto, ON
M5H 3S8

Dear Ms. Petlock:

Re: Application to Amend the Recognition Order of Canadian Trading and Quotation System Inc. ("CNQ")

Pursuant to section 144 of the *Securities Act* (Ontario), Canadian Trading and Quotation System Inc. hereby applies to amend its recognition order dated May 7, 2004 in connection with its proposed Alternative Market and also applies pursuant to its recognition order for approval of rule and policy amendments in connection with the Alternative Market. Enclosed are copies of the proposed amendments to CNQ's rules and policies. Our cheque for the applicable fee will be sent under separate cover.

CNQ's Board of Directors has determined that this application and the contemplated amendments to CNQ's rules and policies are in the public interest.

CNQ was recognized as a quotation and trade reporting system by the OSC on February 28, 2003. It was the first new marketplace to be recognized since the implementation of National Instrument 21-101 — Marketplace Operation. On May 7, 2004, the OSC recognized CNQ as a stock exchange. CNQ has been exempted from recognition by the Alberta and British Columbia securities commissions and has an application for authorization to carry on business as a stock exchange pending with l'Autorité des marchés financiers in Québec.

Alternative Market

CNQ intends to trade securities of issuers listed on other Canadian exchanges, without listing them on CNQ, to provide a competitive alternative to the only Canadian exchange trading venues. Securities would be eligible to trade if they were not suspended or delisted by the exchange on which they are listed. Although the proposed rule amendments contemplate trading issuers listed on both the Toronto Stock Exchange and the TSX Venture Exchange, initially we intend to trade only securities of issuers that are currently Ontario reporting issuers.

The concept of "unlisted trading privileges" is unknown in Canada, but it is well-established in the United States. For decades, regional exchanges have traded NYSE-listed securities on an unlisted basis and competed for order flow. More recently, this has been extended to Nasdaq-listed securities. Today, even the NYSE trades some Nasdaq-listed securities and Amex-listed Exchange Traded Funds on an unlisted basis.

Given the National Instruments 21-101 Marketplace Operation and 23-101 Trading Rules (collectively, the "ATS Rules"), which create a framework for competitive trading of listed securities on Alternative Trading Systems, CNQ submits that there is no policy reason not to permit CNQ to trade these securities. What CNQ proposes to do is currently permitted an ATS; it would be inconsistent to conclude that an ATS could trade these securities but an exchange, which is subject to greater Commission oversight, cannot without fully listing them. This is particularly true given that trading on CNQ is subject to the Universal Market Integrity Rules and trading in the Alternative Market will be overseen by Market Regulation Services Inc. ("RS"). The Alternative Market furthers the goals of the ATS rules by fostering competition without compromising market integrity.

In order to alleviate possible investor confusion with the CNQ listed market, we will establish the Alternative Market as a separate and distinct trading list with a distinct name, similar to what the TSX VE did with its NEX market. In addition, we will maintain four-letter stock symbols for CNQ-listed issuers, while using the 1-3 letter symbols used by the other exchanges for the Alternative Market ones. While trading information on the Alternative Market will appear on our website, it will be properly segregated from CNQ listed market activity.

As section 14 of the Recognition Order contemplates that CNQ will have sufficient authority over issuers traded in its market, it will have to be amended to recognize that CNQ will not perform any company regulation or review of securities traded in the Alternative Market other than to remove them from trading in the event of suspension or delisting by the exchange on which they are listed.

Issuer Policy Changes

CNQ proposes to remove the restriction on listing securities that are listed on other markets contained in section 6 of Policy 2, as we do not want to preclude any issuer that meets our standards from applying to list here. We have had expressions of interest from some TSX and TSX VE-listed issuers who wish to “test the waters” in our market without having to abandon their current listing. We also propose adopting new Rule 11-102 setting out eligibility for trading in the Alternative Market. It is our intention that management will make the decision as to which securities will be eligible.

We will also remove the restriction in section 5.1 of Policy 2 from trading the same security in both Canadian and U.S. dollars. This will apply to both listed and Alternative Market securities.

Trading Rules

In order to minimize confusion, rules for the Alternative Market have been set out in a distinct Rule (new Rule 11), while trading rules for CNQ-listed securities remain in Rule 4. New Rule 11-101 lists the general trading rules that are also applicable to the Alternative Market.

The rule amendments contain several definitional changes to distinguish between CNQ-listed and Alternative Market securities. CNQ-listed and Alternative Market securities will be referred to as such.

We intend to trade Alternative Market securities according to price/time priority as we do today, but will allow crossing on the bid and offer as is the case on the other exchanges (new Rule 11-108). We do not propose to have market makers in the Alternative Market and our trading rules will continue to incorporate UMIR. The definition of “market maker” has been amended to clarify that it applies only to listed securities. We are also proposing that the requirement that 50% of an order entered on an undisclosed basis be changed for Alternative Market securities to require a minimum of one board lot or such larger amount as may be prescribed by CNQ (new rule 11-108). This is consistent with the other exchanges.

We will continue to admit to trading any dealer that meets our requirements. CNQ Dealers would be able to trade in both the listed and the Alternative Markets.

We propose to adopt a rule (new Rule 11-103) allowing CNQ dealers to provide access to the Alternative Market by qualified clients. The rule would be the same as TSX rules 2-501-3 and similar to TSX VE rules 2.51-3. We intend to engage RS to monitor compliance as part of their trade desk reviews.

The rule on foreign currency trade reporting (Rule 4-105, new Rule 11-107) has been amended to clarify that it applies anytime a trade is reported in a different currency from the currency in which the agreement to trade was made.

In addition, we propose to amend Rule 3-101(2) to provide that trading will be from 8:00 a.m. to 6:00 p.m. on each Business Day unless determined otherwise by resolution of the Board. There is currently considerable trading in ECNs in the United States outside of regular market hours, and it is unfair to deny Canadian investors the ability to trade.

Fees

We have not yet set fees for the Alternative Market. Any and all fees imposed by CNQ will be equitably allocated. They will not have the effect of creating barriers to access and will be balanced with the criteria that CNQ will have sufficient revenues to satisfy its responsibilities under the recognition order.

Capacity and Integrity of Systems

We are expanding the capacity of our current trading system to facilitate efficient trading of the anticipated volumes in the securities traded in the Alternative Market. The current software has already been benchmarked in other markets by the system owner and other exchanges to handle the volumes that are contemplated. The hardware may be upgraded readily to

accommodate much greater activity and the software can be configured to provide for any consequential rule changes.

Transparency Requirements

CNQ will comply with the pre-trade and post-trade transparency requirements set out in National Instrument 21-101 Marketplace Operation for trading in the Alternative Market.

Conclusion

We appreciate receiving your comments at your earliest convenience. If you have any questions or would like to discuss any aspects of this application, please contact Robert Cook at 416-572-2000, ext 2470 or Timothy Baikie at 416-572-2000, ext 2282.

Yours truly,

Timothy Baikie
General Counsel & Secretary

cc: Ms. Randee Pavalow, Director, Capital Markets
Mr. Winfield Liu, Senior Legal Counsel, Market Regulation
Mr. Normand Bergeron, AMF
Mr. Blaine Young, ASC
Mr. Mark Wang, BCSC

13.1.3 CNQ Order – s. 144 of the Act

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

AND

IN THE MATTER OF
CANADIAN TRADING AND QUOTATION SYSTEM INC.

ORDER
(Section 144 of the Act)

WHEREAS Canadian Trading and Quotation System Inc. ("CNQ") has filed an application dated July 29, 2005 (the "Application") to the Ontario Securities Commission (the "Commission") requesting an order pursuant to section 144 of the Act amending the Commission order dated May 7, 2004 recognizing CNQ as a stock exchange (the "Recognition Order") in connection with a proposed Alternative Market;

AND WHEREAS the Commission has received certain other representations and undertakings from CNQ in connection with CNQ's application to vary the Recognition Order;

AND WHEREAS the Commission is satisfied that granting the order would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 144 of the Act that the Recognition Order is varied as follows:

1. Sections 14(b),(c) and(d) of Schedule A of the Recognition Order are renumbered sections 14 (c), (d) and (e) respectively;

2. New Section 14(b) is added to Schedule A of the Recognition Order as follows:

   (b) CNQ may trade securities of issuers listed on designated Canadian stock exchanges in its Alternative Market without approving such securities for listing, provided that CNQ shall cease to trade any such security immediately upon notification that the security has been suspended or delisted by the designated exchange unless such security is also fully listed on CNQ, or if it was the subject of a trading halt.

3. New section 14(c) of Schedule A of the Recognition Order is amended by adding the word "listed" before the word "issuers;" and

4. New section 14(d) of Schedule A of the Recognition Order is amended by adding the word "listed" before the word "issuer."

•, 2005

13.1.4 CNQ Rules

RULE 1

INTERPRETATION AND GENERAL PROVISIONS

1-101 Definitions

(2) In these Rules, unless the subject matter or context otherwise requires:

"**Alternative Market**" means the market for trading Alternative Market securities;

"**Alternative Market security**" means a security other than a CNQ-listed security that is listed on another Canadian stock exchange and that is designated to trade in the Alternative Market;

"**ask**" or "**offer**" means the lowest price of an order to sell at least one Board Lot of a particular ~~listed~~ CNQ-listed security or Alternative Market security posted in the CNQ System.

"**bid**" means the highest price of an order to buy at least one Board Lot of a particular ~~listed~~ CNQ-listed or Alternative Market security posted in the CNQ System.

"**CNQ Contract**" means any contract:

(a) to buy or sell any ~~listed~~ CNQ-listed security or Alternative Market security, if such contract is made through the facilities of CNQ; or

(b) for delivery of and payment for any ~~listed~~ CNQ-listed security or Alternative Market security (or security which was a ~~listed~~CNQ-listed security or Alternative Market Security when the contract was made) arising from settlement through the Clearing Corporation of a trade made through the facilities of CNQ.

"**CNQ listed market**" means the market for trading CNQ-listed securities.

"**CNQ-listed security**" means a security of a CNQ ~~Issuer listed on the CNQ System~~ listed company but for greater certainty does not include a security traded in the Alternative Market;

"**quotation**" means an order to buy and an order to sell a CNQ-listed security entered by a Market Maker in its capacity as such;

~~"**quotation**" means an order to buy and an order to sell a security of a CNQ Issuer entered into the CNQ System by a Market Maker in its capacity as such;~~

1-102 Interpretation

(2) For the purpose of determining the "last sale price" where a sale of at least a Board Lot of a ~~listed~~ security has not occurred in the CNQ System on a trading day, the last sale price is the price:

(a) of the last sale of the security on the CNQ System;

(b) at which the security was issued, if the security has not previously traded on a market place; or

(c) which has been accepted by the Market Regulator, in any other circumstance.

RULE 3

GOVERNANCE OF ~~QUOTATION AND~~ TRADING

3-101 ~~Date and Time of Quotation~~ Trading Sessions

(1) The CNQ System shall be open for ~~quotation~~ order entry and trading on each Business Day.

(2) Unless otherwise changed by resolution of the Board, the CNQ System shall be open for continuous trading from 8:00 a.m. to 6:00 p.m.

~~Unless otherwise changed by CNQ the CNQ System will be accessible by CNQ Dealers between 8:00 a.m. and 5:00 p.m. on each Business Day as follows:~~

~~(a) the CNQ System will operate in a pre-open state between 8:00 a.m. and 9:29 a.m. on each Business Day;~~

~~(b) the CNQ System will open at 9:30 a.m. and be open for continuous trading until 4:00 p.m. on each Business Day; and~~

~~(c) the CNQ System will close at 5:00 p.m. on each Business Day.~~

3-102 Trading Suspensions and Halts

(1) The CNQ Board may at any time:

(a) suspend ~~quotation~~ order entry and trading on the CNQ System;

(b) close the CNQ System; or

(c) reduce, extend or otherwise alter the time of operation of the CNQ System.

(2) The CNQ Board, the Chairman, the President or senior officer designated by the President to act in his or her absence may, in the event of an emergency or a technical problem with the CNQ Trading and Access Systems that is substantially impairing trading or will likely substantially impair trading if not resolved,

(a) suspend all ~~quotation~~ order entry and trading or ~~quotation~~ order entry and trading in particular ~~listed~~ CNQ-listed securities for that Trading Day; or

(b) reduce, extend or otherwise alter the time of operation of the CNQ System for that Trading Day.

(3) The Market Regulator may halt ~~quotation~~ order entry and trading on the CNQ System in any ~~listed~~ CNQ-listed security at any time and for such period of time as the Market Regulator may consider appropriate in the interest of a fair and orderly market.

(4) Notwithstanding any other provision, the Market Regulator may delay the opening of trading in any ~~listed~~ CNQ-listed security after the customary time of opening for any period in order to assist in the orderly opening of such trading.

3-105 General Prescriptive Power

CNQ may prescribe such other terms and conditions, as CNQ considers appropriate in the circumstances, related to:

(a) trading in ~~listed~~ CNQ-listed securities; and

(b) settlement of trades in ~~listed~~ CNQ-listed securities.

RULE 4

TRADING OF ~~LISTED~~ CNQ-LISTED SECURITIES

4-103 Minimum Price Variation

The minimum ~~quotation~~ trading increment for CNQ-listed securities ~~of CNQ Issuers~~ shall be as follows:

Price per security	**Increment**
less than $0.50	$0.005
$0.50 and higher	$0.01

4-104 Advantage Goes with Securities Sold

(1) In all trades of ~~securities of~~ CNQ-listed ~~Issuers~~ securities, all entitlements to receive dividends or any other distribution made or right given to holders of that security shall pass with the security and shall belong to the purchaser, unless otherwise provided by CNQ, the Market Regulator or the parties to the trade by mutual agreement.

(2) Claims for dividends, rights or any other benefits to be distributed to holders of record of ~~securities of~~ CNQ-listed ~~Issuers~~ securities on a certain date shall be made in accordance with the procedures established by the Clearing Corporation.

(3) If subscription rights attaching to securities are not claimed by the persons entitled to those rights at least twenty-four hours before the expiration of the time within which trading in respect of such rights may take place on the CNQ System, a CNQ Dealer holding such rights may, in its direction, sell or exercise all or any part of such rights, and shall account for such sale or exercise to the person or persons entitled to such rights, but in no case shall a CNQ Dealer be liable for any loss arising through failure to sell or exercise any unclaimed rights.

4-105 Foreign Currency Trading

(1) A report of a cross trade in a CNQ-listed security agreed to in a foreign currency that is reported in Canadian dollars shall be converted to Canadian dollars using the mid-market spot rate or 7-day forward exchange rate in effect at the time of the trade, plus or minus 15 basis points, rounded down to the nearest whole cent, and vice versa.

(2) The CNQ Dealer making the cross shall keep a record of the exchange rate used.

TYPES OF ORDERS THAT MAY BE ENTERED

4-106 Entry of Orders for CNQ-Listed Securities ~~Issues~~ with No Market Maker

(1) Any CNQ Dealer may enter

(a) orders and

(b) crosses at any price between the bid and offer

into the CNQ System for a CNQ-listed security for which no CNQ Dealer is acting as Market Maker.

(2) Orders (other than special terms orders and crosses) may be entered on a fully-disclosed or partially disclosed basis.

(3) Orders entered on a partially-disclosed basis must disclose at least 50% of the total volume on entry and must be at least 5 Board Lots in size.

4-108 Fair Prices

A CNQ Dealer dealing in a CNQ-listed security for its own account with a customer shall buy or sell at a fair price, taking into consideration all relevant circumstances, including market conditions with respect to such security at the time of the transaction, the expense involved, and the fact that it is entitled to a profit; and if the Dealer acts as agent in any such transaction, it shall not charge the customer more than a fair commission or service charge, taking into consideration all relevant circumstances, including market conditions with respect to such security at the time of the transaction, the expense of executing the order and the value of any service it may have rendered by reason of its experience in and knowledge of such security and the market.

Commentary: Rule 4-108 — Mark-Up Policy

It is a violation of Rule 4-108 for a CNQ Dealer to enter into any transaction with a customer in any ~~listed~~ CNQ-listed security at any price not reasonably related to the current market price of the security or to charge a commission that is not reasonable. The Ontario Securities Commission has also held that excessive mark-ups are contrary to public policy in several enforcement actions against securities dealers operating in the over-the-counter market.

The following guidelines, which are adapted from the NASD Regulation Inc. IM-2440, apply to dealings with customers in CNQ-listed securities. In addition, CNQ Dealers are reminded that all other applicable rules (for example, the best execution and customer-principal trading rules) also apply to trades subject to Rule 4-108.

(1) General Considerations

(a) A dealer shall not excessively charge a customer on a transaction in a CNQ security. “Charges,” which are referred to as “mark-ups” in this Policy, may take the form of premiums or discounts from the prevailing market price, commissions, or profit from the difference between acquisition and disposition price in a riskless or near-riskless trade. Generally speaking, mark-ups should not be more than 5% of the purchase price, but this is a guideline and not a limit. Depending on the circumstances, a mark-up pattern of 5% or even less may be considered unfair or unreasonable while, in other circumstances, mark-ups above 5% may be justified.

(b) A Dealer may not justify mark-ups on the basis of expenses that are excessive.

(c) The mark-up over the prevailing market price is the significant spread from the point of view of fairness of dealings with customers in principal transactions. *In the absence of other bona fide evidence of the prevailing market, a Dealer's own contemporaneous cost is the best indication of the prevailing market price of a security.*

(d) Determination of the fairness of mark-ups must be based on a consideration of all the relevant factors, of which the percentage of mark-up is only one.

(2) Relevant Factors

Some of the factors which CNQ Dealers should take into consideration in determining the fairness of a mark-up are as follows:

(a) *The Availability of the Security in the Market.* In the case of an inactive security the effort and cost of buying or selling the security, or any other unusual circumstances connected with its acquisition or sale, may have a bearing on the amount of mark-up justified.

(b) *The Price of the Security*. While there is no direct correlation, the percentage of mark-up or rate of commission generally increases as the price of the security decreases. Even where the amount of money is substantial, transactions in lower priced securities may require more handling and expense and may warrant a wider spread.

(c) *The Amount of Money Involved in a Transaction*. A transaction which involves a small amount of money may warrant a higher percentage of mark-up to cover the expenses of handling.

(d) *Disclosure*. Any disclosure to the customer, before the transaction is effected, of information that would indicate (i) the amount of commission charged in an agency transaction or (ii) mark-up made in a principal transaction is a factor to be considered. Disclosure itself, however, does not justify a commission or mark-up which is unfair or excessive in light of all other relevant circumstances.

(e) *The Pattern of Mark-Ups*. While each transaction must meet the test of fairness, CNQ believes that particular attention should be given to the pattern of a Dealer's mark-ups.

(f) *The Nature of the Dealer's Business*. Different services and facilities are needed by, and provided for, customers of Dealers. If not excessive, the cost of providing such services and facilities, particularly when they are of a continuing nature, may properly be considered in determining the fairness of a Dealer's mark-ups.

(3) Transactions to Which the Policy is Applicable

The Policy applies to trading ~~on the CNQ system~~ in CNQ-listed securities, and particular, in the following transactions:

(a) A transaction in which a Dealer buys a security to fill an order for the same security previously received from a customer. This transaction would include the so-called "riskless" or "simultaneous" transaction.

(b) A transaction in which the Dealer sells a security to a customer from inventory. In such a case the amount of the mark-up would be determined on the basis of the mark-up over the bona fide representative current market. The amount of profit or loss to the Dealer from market appreciation or depreciation before, or after, the date of the transaction with the customer would not ordinarily enter into the determination of the amount or fairness of the mark-up. If however, the Dealer dominates trading in the market or is part of a group that dominates trading in the market, the acquisition or disposition cost before or after the date of the transaction with the customer is the basis on which the mark-up is to be calculated, and not the prevailing market at the time of the trade.

(c) A transaction in which a Dealer purchases a security from a customer. The price paid to the customer or the mark-down applied by the Dealer must be reasonably related to the prevailing market price of the security. Again, if the Dealer dominates trading in the market or is part of a group that dominates trading in the market, the acquisition or disposition cost before or after the date of the transaction with the customer is the basis on which the mark-down is to be calculated, and not the prevailing market at the time of the trade.

(d) A transaction in which the Dealer acts as agent. In such a case, the commission charged the customer must be fair in light of all relevant circumstances.

(e) Transactions wherein a customer sells securities to, or through, a Dealer, the proceeds of which are utilized to pay for other securities purchased from, or through, the Dealer at or about the same time. In such instances, the mark-up shall be computed in the same way as if the customer had purchased for cash and in computing the mark-up there shall be included any profit or commission realized by the Dealer on the securities being liquidated, the proceeds of which are used to pay for securities being purchased.

TRADING IN THE SYSTEM

4-109 Trading at the Opening

(1) Subject to Rules 4-106, 4-107 and 4-114, the following orders may be entered ~~after 8:00 a.m.~~ prior to the opening:

(a) limit orders;

(b) unpriced orders; and

(c) hit and take orders.

(2) Special Terms Orders may be entered prior to the opening but shall not trade at the opening.

(3) Orders eligible to trade at the opening are displayed at the COP and all trades at the opening are at the COP.

(4) Any ~~quotations and~~ orders that remain unfilled after the opening remain entered on the CNQ System and have time priority based on the actual time of entry.

4-111 Trading After the Opening

(1) A tradeable order, including a Client Matching Order, ~~entered into the CNQ System~~ for a CNQ-listed security shall be allocated among offsetting orders on the bid or offer (as the case may be) individually by time priority.

(2) The undisclosed portion of a partially-disclosed order does not have time priority until it is disclosed, at which time it ranks behind all other orders in the CNQ System at that price.

MARKET MAKERS

4-112 Appointment of Market Makers

(1) A CNQ Dealer wishing to make a market in a CNQ-listed security shall file notice thereof with CNQ on the prescribed form and shall become obligated to perform the functions of a Market Maker upon approval by CNQ.

(2) Subject to Rule 4-101, a CNQ Dealer approved as a Market Maker shall appoint a Primary Trader to perform the obligations set out in these Rules and an Alternate Trader to act in the absence of the Primary Trader.

(3) A CNQ Dealer approved as a Market Maker must maintain a two-sided continuous quotation for a period of not less than three consecutive calendar months and must give CNQ at least 30 days advance notice of its intention to relinquish any Market Maker Obligations.

(4) A CNQ Dealer which ceases to act as a Market Maker in respect of ~~the securities of a CNQ Issuer~~ a CNQ-listed security may not become a Market Maker ~~in the securities of that CNQ Issuer~~ in that security for a period of 30 days.

(5) CNQ may in its sole discretion designate a CNQ Dealer as a Market Maker in respect of a CNQ-listed security where the CNQ Dealer's trading activities suggest the market will be better served by the CNQ Dealer assuming the responsibilities of a Market Maker.

RULE 5

CLEARING AND SETTLEMENT OF TRADES

5-102 Clearing and Settlement

All trades ~~in securities~~ on the CNQ System ~~of CNQ Issuers~~ shall be reported, confirmed and settled through the Clearing Corporation pursuant to the Clearing Corporation's rules and procedures, unless otherwise authorized or directed by CNQ.

5-103 Settlement of CNQ Trades

(1) Trades ~~in securities of CNQ Issuers~~ shall settle on the third settlement day after the trade date, unless otherwise provided by CNQ or the parties to the trade by mutual agreement.

(2) Notwithstanding Rule 5-103(1), unless otherwise provided by CNQ or the parties to the trade by mutual agreement:

(a) trades on a when issued basis made:

(i) prior to the second Trading Day before the anticipated date of issue of the security shall be settled on the anticipated date of issue of such security, and

(ii) on or after the second Trading Day before the anticipated date of issue of the security shall settle on the third settlement day after the trade date,

provided if the security has not been issued on the date for settlement such trades shall be settled on the date that the security is actually issued;

(b) trades for rights, warrants and installment receipts made:

(i) on the third Trading Day before the expiry or payment date shall be for special settlement on the settlement day before the expiry or payment date;

(ii) on the second and first Trading Day before the expiry or payment date, shall be cash trades for next day settlement, and

(iii) on expiry or payment date shall be cash trades for immediate settlement and trading shall cease at 12:00 Noon (unless the expiry or payment time is set prior to the close of business in which case trading shall cease at the close of business on the first Trading Day preceding the expiry or payment),

provided selling CNQ Dealers must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;

(c) cash trades ~~in listed securities~~ for next day delivery shall be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over-the-counter, by noon of the first settlement day following the trade; and

(d) cash trades ~~in listed securities~~ that have been designated by CNQ for same day settlement shall be settled by over-the-counter delivery no later than 2:00 p.m. on the trade day.

(3) Notwithstanding Rule 5-103(1), a CNQ Contract may specify delayed delivery which shall provide the seller with the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery shall take place at the option of the seller within thirty days from the date of the trade unless the parties by mutual agreement specify a delivery date more than thirty days from the date of the trade.

5-107 Corners

(1) If CNQ is of the opinion that a single interest or group has acquired such control of a ~~listed~~ security that the ~~listed~~ security cannot be obtained for delivery on existing CNQ Contracts except at prices and on terms arbitrarily dictated by such interest or group, CNQ may postpone the time for delivery on CNQ Contracts and provide that any CNQ Contract calling for delivery prior to the time established by CNQ shall be settled by the payment to the party entitled to receive such security of a fair settlement price.

(2) If the parties to any CNQ Contract that is to be settled by payment of a fair settlement price cannot agree on the amount, CNQ shall fix the fair settlement price and the date of the payment after providing each party with an opportunity to be heard.

5-108 When Security Disqualified, Suspended or No Fair Market

(1) CNQ may postpone the time for delivery on CNQ Contracts if:

(a) the security is ~~disqualified from listing~~ delisted;

(b) trading is suspended in the security ~~of a CNQ Issuer~~; or

(c) CNQ is of the opinion that there is not a fair market in the ~~listed~~ security.

(2) If CNQ is of the opinion that a fair market in the ~~listed~~ security is not likely to exist CNQ may provide that CNQ Contracts be settled by payment of a fair settlement price and if the parties to a CNQ Contract cannot agree on the amount, CNQ shall fix the fair settlement price after providing each party with an opportunity to be heard.

5-110 Restrictions on CNQ Dealers' Involvement in Buy-ins

(1) No CNQ Dealer shall knowingly permit any person on whose behalf a Buy-In Notice has been issued to fill all or any part of such order by selling the securities for the account of that person or an associated account and prior to selling to a buy-in, the CNQ Dealer, shall receive written or verbal confirmation that the order to sell is not being placed on behalf of the account of the person on whose behalf the Buy-In Notice was issued or an associated account.

(2) A CNQ Dealer that issued a Buy-In Notice and the CNQ Dealer against whom a Buy-In Notice has been issued may supply all or a part of the ~~listed~~ securities provided that the principal supplying the listed securities is not:

(a) the CNQ Dealer;

(b) a Related Person; or

(c) an associate of any person described in Rules 5-110(2)(a) or (b).

(3) If ~~listed~~ securities are supplied by the CNQ Dealer that issued the Buy-In Notice, delivery shall be made in accordance with the terms of the contract thus created, and the CNQ Dealer shall not, by consent or otherwise, fail to make such delivery.

RULE 9

REPORTING TRADES

9-101 Secondary Market Options

(1) A CNQ Dealer receiving an option to purchase or sell a CNQ-listed security shall report the following details of the option to CNQ

(a) the trading symbol of the security;

(b) the number of units of the security underlying the option;

(c) whether the option is a put or call option;

(d) the identification of the party granting the option;

(e) the exercise price; and

(f) such other information as may be prescribed from time to time.

in the format prescribed from time to time by the end of the Business Day on which the option is received.

(2) If the option is granted after the close of trading in the CNQ listed market, the Dealer shall report prior to the opening of trading on the following Business Day.

RULE 10

SALES PRACTICES IN THE CNQ LISTED MARKET

10-102

Without limiting the foregoing, no CNQ Dealer or Related Person of a CNQ Dealer shall

(a) use high pressure sales tactics in order to induce a person to buy, sell or hold a CNQ-listed security~~of a CNQ Issuer~~;

(b) take advantage of a person's inability or incapacity to reasonably protect his or her own interest because of physical or mental infirmity, ignorance, illiteracy, age or inability to understand the character, nature or language of any matter relating to a decision to buy, sell, or hold a CNQ-listed security ~~of a CNQ Issuer~~;

Interpretation Note: The intent of the rule is to prohibit abusive sales practices that were used by broker-dealers (that were not SRO members) in the over-the-counter market. It does not create a suitability obligation where one does not otherwise exist.

(c) impose terms or conditions that make a transaction in a ~~CNQ Issuer~~ CNQ-listed security inequitable;

(d) make any statement which the CNQ Dealer or Related Person knows or reasonably ought to know is false or misleading to induce a client to buy sell or hold a CNQ-listed security ~~of a CNQ Issuer~~; or

(e) employ a tiered or other sales force structure that purports to relieve a person recommending an order for a CNQ-listed security directly or indirectly from a client from the obligation to ensure that the trade is suitable for that client.

10-103

A CNQ Dealer shall not reduce or retract all or any portion of the sales commission paid or payable to a registered representative in connection with a trade in a CNQ-listed security ~~of a CNQ Issuer~~ in the event the client to whom the securities were traded resells those securities.

10-104

When recommending any trade with a client in a CNQ-listed security~~of a CNQ Issuer~~, a CNQ Dealer or the registered representative shall disclose to the client, orally or in writing, the following:

(a) if the CNQ Dealer is acting as principal (or as agent for another CNQ Dealer acting as principal);

(b) if the CNQ Dealer will concurrently acquire the securities to supply to the customer in a riskless principal transaction, the CNQ Dealer's cost of acquisition; and

(c) if the security being traded does not have a market maker or the CNQ Dealer is the sole market maker.

10-105

When recommending the first trade with a client in a CNQ-listed security~~of a CNQ Issuer~~, a CNQ Dealer or the registered representative shall provide a written risk disclosure statement to the client containing the disclosure required by CNQ and the client shall acknowledge receipt of the risk disclosure statement in writing prior to the execution of the first order.

RULE 11

TRADING OF ALTERNATIVE MARKET SECURITIES

11-101 Application of Rules

The following rules apply to trading in the Alternative Market and any reference to CNQ-listed securities, unless the context otherwise requires, shall be deemed to be a reference to Alternative Market securities and any reference to delisting, unless the context otherwise requires, shall be deemed to be a reference to disqualification from trading in the Alternative Market:

(a) Rule 1 in its entirety;

(b) Rule 2 in its entirety;

(c) Rule 3 in its entirety;

(d) Rule 4-101;

(e) Rule 5 in its entirety;

(f) Rule 6-102;

(g) Rule 7 in its entirety; and

(h) Rule 8-101.

11-102 Qualification for Alternative Market

(1) CNQ may designate securities listed on another stock exchange recognized in a jurisdiction in Canada as eligible for trading in the Alternative Market provided such securities are not suspended or subject to a regulatory halt.

(2) CNQ may disqualify an Alternative Market security for trading at any time without prior notice.

(3) Notwithstanding the foregoing, an Alternative Market security shall be disqualified for trading immediately

(a) upon suspension or delisting by another stock exchange if such suspension or delisting would result in CNQ being the only stock exchange on which the security would trade in Canada;

(b) if the security is subject to a regulatory halt; or

(c) if CNQ, acting reasonably, determines that disqualification is necessary to protect the public interest or the maintenance of a fair and orderly market.

11-103 Access by Eligible Clients to the Alternative Market

(1) In this Rule,

"**eligible client**" means

(a) a client that falls within the definition of "acceptable counterparties" or "acceptable institutions" as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report;

(b) a client that is registered as an investment counselor or portfolio manager under the *Securities Act* of one or more of the provinces of Canada;

(c) a client that is a foreign broker or dealer (or the equivalent registration) registered with the appropriate regulatory body in the broker's or dealer's home jurisdiction and that is an affiliate of a CNQ Dealer acting for its own account, the accounts of other eligible clients or the accounts of its clients;

(d) a client that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with the client and falls into one of the following categories:

(i) an insurance company as defined in section 2(13) of the U.S. Securities Act of 1933,

(ii) an investment company registered under the U.S. Securities Act of 1933 or any business development company as defined in section 2(a)(48) of the Act,

(iii) a small business investment company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the U.S. Small Business Investment Act of 1958,

(iv) a plan established and maintained by a U.S. state, its political subdivisions, or any agency or instrumentality of a U.S. state or its political subdivisions, for the benefit of its employees,

(v) an employee benefit plan within the meaning of Title I of the U.S. Employee Retirement Income Securities Act of 1974,

(vi) a trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in (iv) or (v) above, except trust funds that include as participants individual retirement accounts or U.S. H.R. 10 plans,

(vii) a business development company as defined in section 202(a)22 of the Investment Advisors Act of 1940,

(viii) an organization described in section 501(c)(3) of the U.S. Internal Revenue Code, corporation (other than a bank as defined in section 3(a)2 of the U.S. Securities Act of 1933 or a savings and loan association or other institution referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933 or a foreign bank or savings and loan association or equivalent institution), partnership or Massachusetts or similar business trust, and

(ix) an investment advisor registered under the U.S. Investment Advisors Act;

(e) a client that is a dealer registered pursuant to section 15 of the U.S. Securities Exchange Act of 1934, acting for its own account or the accounts of other eligible clients, that in the aggregate owns and invests on a discretionary basis at least $10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer;

(f) a client that is an investment company registered under the U.S. Investment Company Act, acting for its own account or for the accounts of other eligible clients, that is part of a family of investment companies which own in the aggregate at least $100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies and, for these purposes, "family of investment companies" means any two or more investment companies registered under the U.S. Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment advisor (or, in the case of unit investment trusts, the same depositor), provided, for these purposes:

(i) each series of a series company (as defined in Rule 18f-2 under the U.S. Investment Company Act) shall be deemed to be a separate investment company, and

(ii) investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor);

(g) a client, all of the equity owners of which are eligible clients, acting for its own account or the accounts of other eligible clients;

(h) a client that is a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933, or any savings and loan institution or other institution as referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933, acting for its own account or the accounts of other eligible clients, that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least $25 million; and

(i) a client that enters an order through an order execution account; and

an "**order execution account**" is a client account in respect of which a CNQ Dealer is exempted, in whole or in part, from making a determination on the suitability of trades for the client in accordance with the requirements of a securities regulatory authority or a recognized self-regulatory organization.

(2) In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

(3) The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value and no current information with respect to the cost of those securities has been published and in the latter event, the securities may be valued at market.

(4) In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the discretion of the entity, except that, unless the entity is a reporting company under section 13 or 15(d) of the U.S. Securities Exchange Act, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

(5) A CNQ Dealer may transmit orders received electronically from an eligible client in an Alternative Market security directly to the CNQ System provided that the CNQ Dealer has obtained prior written approval from CNQ

(a) that the system of the CNQ Dealer meets the prescribed conditions;

(b) for the standard form of agreement containing the prescribed conditions to be entered into between the CNQ Dealer and an eligible client and the CNQ Dealer has entered into an agreement in such form with the eligible client; and

(c) for any amendments to the standard form of agreement;

and has met such other conditions as prescribed.

(6) For the purposes of Rule 11-103(5)(a), the system of the CNQ Dealer is required to:

(a) support compliance with CNQ Requirements dealing with the entry and trading of orders by all eligible clients who will have direct access (for example, supporting all valid order information that may be required, including designation of short sales);

(b) ensure security of access to the system (for example, through a password that will only enable persons at the eligible client authorized by the CNQ Dealer to have access to the system);

(c) comply with the specific requirements prescribed pursuant to Rule 4-101A(5);

(d) provide the CNQ Dealer with an immediate report of the entry or execution of orders;

(e) enable the CNQ Dealer to employ order parameters or filters that will route orders over a certain size or value to the CNQ Dealer's trading desk (which parameters can be customized for each eligible client on the system) and to reject orders that do not fall within those designated parameters;

(f) enable the CNQ Dealer to transmit information concerning orders entered by eligible clients to the CNQ Dealer's compliance staff on a real time basis; and

(g) support any other requirements of this Rule.

(7) For the purposes of Rule 11-103(5)(b), the agreement between the CNQ Dealer and the eligible client shall provide that:

(a) the eligible client is authorized to connect to the CNQ Dealer's order routing system;

(b) the eligible client shall enter orders in compliance with CNQ Requirements respecting the entry and trading of orders and other applicable regulatory requirements;

(c) specific parameters defining the orders that may be entered by the eligible client are stated, including restriction to specific securities or size of orders;

(d) the CNQ Dealer has the right to reject an order for any reason;

(e) the CNQ Dealer has the right to change or remove an order in the CNQ System and has the right to cancel any trade made by the eligible client for any reason;

(f) the CNQ Dealer has the right to discontinue accepting orders from the eligible client at any time without notice;

(g) the CNQ Dealer agrees to train the eligible client in the CNQ Requirements dealing with the entry and trading of orders and other applicable CNQ Requirements; and

(h) the CNQ Dealer accepts the responsibility to ensure that revisions and updates to CNQ Requirements relating to the entry and trading of orders are promptly communicated to the eligible client;

provided that, in respect of an agreement with a client in respect of an order execution account, the agreement:

(i) may be in written form or be in the form of a written or electronic notice acknowledged by the client prior to the entry of the initial order in respect of such order execution account; and

(j) may omit provisions that would otherwise be required by clauses (c), (g) and (h) above if the system:

(i) enforces CNQ Requirements relating to the entry of orders, or

(ii) routes orders that do not comply with CNQ Requirements relating to the entry of orders to an person authorized to enter orders pursuant to Rule 11-103 for review prior to entry to the trading system.

(8) Training materials regarding CNQ Requirements that the CNQ Dealer proposes to use must be reviewed by CNQ prior to use.

(9) The CNQ Dealer shall designate a specific person as being responsible for the system.

(10) Orders executed through the system shall be reviewed for compliance and credit purposes daily by such designated person of the CNQ Dealer.

(11) The CNQ Dealer shall have procedures in place to ensure that only eligible clients use the system and that such eligible clients can comply with CNQ Requirements and other applicable regulatory requirements.

(12) The CNQ Dealer shall review the eligibility of eligible clients using the system at least annually.

(13) The CNQ Dealer shall make available for review by CNQ, as required from time to time, copies of the agreements between the CNQ Dealer and its eligible clients.

11-104 Responsibility of CNQ Dealers

A CNQ Dealer that enters into an agreement with a client to transmit orders in Alternative Market securities received from the client in accordance with Rule 11-103 shall

(a) be responsible for compliance with CNQ Requirements with respect to the entry and execution of orders transmitted by such clients through the CNQ Dealer; and

(b) provide CNQ with prior written notification of the individual appointed to be responsible for such compliance.

11-105 Minimum Price Variation

The minimum trading increment for Alternative Market securities shall be as follows:

Price per security	Increment
less than $0.50	$0.005
$0.50 and higher	$0.01

11-106 Advantage Goes with Securities Sold

(1) In all trades of Alternative Market securities, all entitlements to receive dividends or any other distribution made or right given to holders of that security shall pass with the security and shall belong to the purchaser, unless otherwise provided by CNQ, the Market Regulator or the parties to the trade by mutual agreement.

(2) Claims for dividends, rights or any other benefits to be distributed to holders of record of Alternative Market securities on a certain date shall be made in accordance with the procedures established by the Clearing Corporation.

(3) If subscription rights attaching to securities are not claimed by the persons entitled to those rights at least twenty-four hours before the expiration of the time within which trading in respect of such rights may take place on the CNQ System, a CNQ Dealer holding such rights may, in its direction, sell or exercise all or any part of such rights, and shall account for such sale or exercise to the person or persons entitled to such rights, but in no case shall a CNQ Dealer be

liable for any loss arising through failure to sell or exercise any unclaimed rights.

11-107 Foreign Currency Trading

(1) A report of a cross trade in an Alternative Market security agreed to in a foreign currency that is reported in Canadian dollars shall be converted to Canadian dollars using the mid-market spot rate or 7-day forward exchange rate in effect at the time of the trade, plus or minus 15 basis points, rounded down to the nearest whole cent, and vice versa.

(2) The CNQ Dealer making the cross shall keep a record of the exchange rate used.

11-108 Entry of Orders for Alternative Market Securities

(1) Any CNQ Dealer may enter

(a) orders and

(b) crosses at the price of the bid or offer and at any price between the bid and offer

into the CNQ System for an Alternative Market security.

(2) Orders (other than special terms orders and crosses) may be entered on a fully-disclosed or partially disclosed basis.

(3) Orders entered on a partially-disclosed basis must disclose at least one board lot or such greater amount as may be prescribed.

11-109 Trading at the Opening

(1) Subject to Rule 11-108, the following orders may be entered prior to the opening:

(a) limit orders;

(b) unpriced orders; and

(c) hit and take orders.

(2) Special Terms Orders may be entered prior to the opening but shall not trade at the opening.

(3) Orders eligible to trade at the opening are displayed at the COP and all trades at the opening are at the COP.

(4) Any orders that remain unfilled after the opening remain entered on the CNQ System and have time priority based on the actual time of entry.

11-110 Special Terms Orders

(1) Special terms orders are queued in a special terms book, separate from the regular book orders.

(2) Multiple special terms orders at a single limit price are queued by time priority amongst themselves.

(3) Special fill term orders are eligible for matching with orders from the regular market.

(4) Special delivery term orders are not eligible for matching with the regular book. Special delivery term orders must trade with orders from the special terms book.

11-111 Trading After the Opening

(1) A tradeable order for an Alternative Market security shall be allocated among offsetting orders as follows:

(i) to offsetting orders on the bid or offer (as the case may be) of the CNQ Dealer that entered the tradeable order individually by time priority, then

(ii) to all other offsetting orders individually by time priority.

(2) The undisclosed portion of a partially-disclosed order does not have time priority until it is disclosed, at which time it

ranks behind all other orders in the CNQ System at that price.

13.1.5 CNQ Policies

POLICY 2

QUALIFICATION FOR LISTING

5. Listing in US Dollars

~~5.1~~ The CNQ System accommodates trading ~~securities being quoted~~ in US dollars. ~~Securities cannot trade in both US and Canadian dollars, but a CNQ Issuer may have one class of security qualify for quotation in US dollars and a different security qualify for quotation in Canadian dollars.~~

~~**6. Listing of Securities Convertible or Exercisable into Securities of Exchange Listed Issuers**~~

~~6.1 CNQ may in its discretion permit listing of warrants or convertible securities of Issuers, whose underlying securities are listed on a recognized stock exchange in Canada if the warrants or convertible securities are not listed on the stock exchange.~~

~~6.2 CNQ may amend, modify or waive its qualification for listing requirements, in whole or in part, to permit listing of warrants or convertible securities of exchange listed Issuers. CNQ will permit listing of warrants or convertible securities only after consultation and in co-ordination with the recognized stock exchange.~~

13.1.6 MFDA Issues Notice of Hearing regarding Stephan Headle

FOR IMMEDIATE RELEASE

MFDA ISSUES NOTICE OF HEARING REGARDING STEPHAN HEADLEY

October 4, 2005 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Stephan Headley.

MFDA staff alleges in its Notice of Hearing that Mr. Headley engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA.

Allegation #1: Between April 2003 and February 2004, Mr. Headley misappropriated the total amount of approximately $155,000 obtained from two of his clients and during that time period he failed to return or truthfully account for these monies, thereby, failing to deal fairly, honestly and in good faith with such clients, contrary to MFDA Rule 2.1.1.

Allegation #2: Commencing in or around November 2004, Mr. Headley failed to produce for inspection and provide copies of documents and information requested by the MFDA for the purpose of investigating a complaint made against him, contrary to s. 22.1 of MFDA By-law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the Ontario Regional Council of the MFDA in the Hearing Room located at 121 King Street West, Suite 1000, Toronto, Ontario on Wednesday, October 26, 2005 at 10:00 a.m. (EST) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to schedule any other procedural matters.

The hearing is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the hearing will be able to listen to the proceeding by teleconference.

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

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 179 members and their approximately 68,000 representatives with a mandate to protect investors and the public interest.

For further information, please contact:

Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

Chapter 25

Other Information

25.1 Approvals

25.1.1 Formula Growth Limited - s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act. - application for approval to act as trustee of mutual fund trusts.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

Rules Cited

Ontario Securities Commission Approval 81-901, Approval of Trustees of Mutual Fund Trusts (1997), 20 OSCB 200.

September 30, 2005

McMillan Binch Mendelsohn LLP
BCE Place, Suite 4400
Bay Wellington Tower, 181 Bay Street
Toronto ON M5J 2T3

Attention: Jennifer Parkin

Dear Sirs/Mesdames:

Re: Application by Formula Growth Limited (the "Applicant") pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) to act as trustee of Formula Growth Hedge Fund and of other investment trusts (the "Future Trusts") to be established by the Applicant from time to time under the laws of Ontario and distributed under dealer registration and prospectus exemptions Application No. 629/05

Further to the application dated September 7, 2005, (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Formula Growth Hedge Fund and of any Future Trusts for which the Applicant also acts as manager.

"Paul M. Moore"

"Robert L. Shirriff"

25.1.2 Perennial Asset Management Corp. - 213(3)(b) of the LTCA

Headnote:

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited:

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

October 4, 2005

Borden Ladner Gervais LLP
Scotia Plaza, 40 King Street West
Toronto, Ontario
Canada
M5H 3Y4

Attention: Kathryn E. Ash

Dear Sirs/Medames:

RE: Perennial Asset Management Corp. (the "Applicant")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application #623/05

Further to your application dated September 2, 2005, as supplemented by correspondence dated September 26, 2005 (collectively, the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Perennial Canadian Equity Portfolio, Perennial U.S. Equity Portfolio and Perennial Fixed Income Portfolio and other pooled funds that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Suresh Thakrar"

"Paul K. Bates"

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