The Ontario Securities Commission

OSC Bulletin

June 1, 2007

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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JUNE 1, 2007

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

June 1, 2006 10:00 a.m.	**Jason Wong, David Watson, Nathan Rogers, Amy Giles, John sparrow, Kervin Findlay, Leasesmart, Inc., Advanced Growing Systems, Inc., Pharm Control Ltd., The Bighub.com, Inc., Universal Seismic Associates Inc., Pocketop Corporation, Asia Telecom Ltd., International Energy Ltd., Cambridge Resources Corporation, Nutrione Corporation and Select American Transfer Co.** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
June 14, 2007 10:00 a.m.	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: WSW/DLK/ST
June 18, 2007 10:00 a.m.	**Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney** s. 127 and 127.1 J. Superina in attendance for Staff Panel: RLS/DLK/ST

June 21, 2007
10:00 a.m.

Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison* and Malcolm Rogers*

s. 127 and 127.1

P. Foy in attendance for Staff

Panel: WSW/CSP

* Settled April 4, 2006

June 29, 2007
10:00 a.m.

Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman

s. 127

H. Craig in attendance for Staff

Panel: PJL/ST

July 5, 2007
10:00 a.m.

Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries

s. 127 & 127.1

P. Foy in attendance for Staff

Panel: WSW/MCH

July 5, 2007
11:30 a.m.

Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas

s.127

M. MacKewn in attendance for Staff

Panel: WSW/DLK

July 9, 2007
10:00 a.m.

***AiT Advanced Information Technologies Corporation, *Bernard Jude Ashe and Deborah Weinstein**

s. 127

K. Manarin in attendance for Staff

Panel: TBA

* Settlement Agreements approved February 26, 2007

July 17, 2007
2:00 p.m.

Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)

s.127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

September 6, 2007
10:00 a.m.

Jose Castaneda

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: WSW/DLK

October 9, 2007
10:00 a.m.

John Daubney and Cheryl Littler

s. 127 and 127.1

A.Clark in attendance for Staff

Panel: TBA

October 12, 2007
10:00 a.m.

Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton

s. 127

H. Craig in attendance for Staff

Panel: TBA

October 22, 2007
10:00 a.m.

Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin

s. 127

H. Craig in attendance for Staff

Panel: TBA

October 29, 2007
10:00 a.m.

Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited

S. 127

A. Sonnen in attendance for Staff

Panel: TBA

November 12, 2007

10:00 a.m.

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

s.127

J. Superina in attendance for Staff

Panel: TBA

December 10, 2007

10:00 a.m.

Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans

s. 127 & 127(1)

H. Craig in attendance for Staff

Panel: TBA

TBA

Yama Abdullah Yaqeen

s. 8(2)

J. Superina 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

TBA

Euston Capital Corporation and George Schwartz

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

TBA

Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell

s. 127

J. Waechter in attendance for Staff

Panel: TBA

TBA

***Philip Services Corp. and Robert Waxman**

s. 127

K. Manarin/M. Adams in attendance for Staff

Panel: TBA

Colin Soule settled November 25, 2005

Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey and John Woodcroft settled March 3, 2006

* Notice of Withdrawal issued April 26, 2007

TBA

First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman

s. 127

D. Ferris in attendance for Staff

Panel: WSW/ST/MCH

TBA

Frank Dunn, Douglas Beatty, Michael Gollogly

s.127

K. Daniels in attendance for Staff

Panel: TBA

TBA

Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA

John Alexander Cornwall, Kathryn A. Cook, David Simpson, Jerome Stanislaus Xavier, CGC Financial Services Inc. and First Financial Services

s. 127 and 127.1

S. Horgan in attendance for Staff

Panel: RLS/DLK/MCH

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

Andrew Stuart Netherwood Rankin

Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg

Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

1.1.2 Notice of Amendments to the Securities Act

On May 17, 2007, amendments to the *Securities Act* contained in the Government's Spring 2007 Budget Bill, received Royal Assent. The amendments are included in Schedule 38 to Bill 187, *Budget Measures and Interim Appropriation Act, 2007*.

The most significant amendments can be found in a re-enacted Part XX of the Act dealing with take-over bids. The Commission has also published for comment proposed Ontario Rule 62-504 "Take-over Bids and Issuer Bids" that would complement the legislative amendments. The proposed Rule was published for a 90 day comment period ending on July 9, 2007.

Other changes include the following:

- Amendments to section 57 of the Act to clarify that an issuer cannot proceed with a distribution or an additional distribution of securities pursuant to an amendment to a prospectus unless the Director has issued a receipt for the amendment.

- Amendments to permit the Commission to prescribe by rule the certificate form in a prospectus and the waiting period between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for a prospectus.

- Technical amendments to section 143.10 of the Act regarding certain agreements, memorandums of understanding and arrangements entered into by the Commission that the Commission is not required to publish in its Bulletin.

The amendment to section 143.10 came into force on the date of Royal Assent of Bill 187. All of the remaining proposed Act amendments will come into force on a day to be proclaimed by the Lieutenant Governor in Council.

The relevant portions of **Bill 187** are reprinted in Chapter 9 and may also be viewed on the Ontario Legislative Assembly's website at www.ontla.on.ca. Draft OSC Rule 62-504 may also be found in Chapter 9 of the April 6 OSC Bulletin at (2007) 30 OSCB 3136.

Questions may be referred to any of:

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1.1.3 OSC Notice 11-904 - Extension of Comment Period

OSC NOTICE 11-904

EXTENSION OF COMMENT PERIOD

On March 28, 2007, certain members of the Canadian Securities Administrators (passport members), other than the Ontario Securities Commission (OSC), published for comment a proposal for implementing the next phase of the passport system for securities regulation. The OSC published Notice 11-904 on the same day requesting comments on the proposal generally, and on an appropriate interface mechanism between the jurisdictions adopting the proposal and Ontario. Written submissions were invited until May 28, 2007.

In response to requests for more time to provide comment, the passport members have decided to extend the comment period until June 8, 2007. To ensure all commentators have adequate time to comment, the OSC will also invite comments until **June 8, 2007**.

May 30, 2007

1.2 Notices of Hearing

1.2.1 Jason Wong et al. - s. 127

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

AND

IN THE MATTER OF
JASON WONG, DAVID WATSON, NATHAN ROGERS,
AMY GILES, JOHN SPARROW, KERVIN FINDLAY,
LEASESMART, INC.,
ADVANCED GROWING SYSTEMS, INC.,
PHARM CONTROL LTD.,
THE BIGHUB.COM, INC.,
UNIVERSAL SEISMIC ASSOCIATES INC.,
POCKETOP CORPORATION, ASIA TELECOM LTD.,
INTERNATIONAL ENERGY LTD.,
CAMBRIDGE RESOURCES CORPORATION,
NUTRIONE CORPORATION AND
SELECT AMERICAN TRANSFER CO.

NOTICE OF HEARING
(Section 127)

TAKE NOTICE THAT the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, in the Large Hearing Room on the 17th Floor, 20 Queen Street West, Toronto, Ontario on June 1, 2007 commencing at 10:00 a.m., or as soon thereafter as the hearing can be held;

TO CONSIDER whether, pursuant to section 127 of the Act, it is in the public interest for the Commission:

(a) pursuant to s. 127(7), to extend the temporary orders made by the Commission on May 18, 2007 and May 22, 2007 (the "Temporary Orders") until the final disposition of this matter or until the Commission considers appropriate; and

(b) to make such other order as the Commission considers appropriate.

BY REASON OF the particulars as set out in the Temporary Orders, and such additional reasons as Staff 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 22nd day of May, 2007.

"John Stevenson"
Secretary to the Commission

1.3 News Releases

1.3.1 Securities Regulators Launch XBRL Voluntary Filing Program

FOR IMMEDIATE RELEASE
May 28, 2007

SECURITIES REGULATORS LAUNCH XBRL VOLUNTARY FILING PROGRAM

Toronto - The Canadian Securities Administrators (CSA) announced today the launch of the eXtensible Business Reporting Language (XBRL) voluntary filing program. The voluntary program will help the Canadian marketplace gain practical knowledge and experience preparing and using financial statements in XBRL format.

XBRL is an emerging business reporting language designed to make it easier for investors and analysts to quickly access data and analyze information from a greater number of companies. When using XBRL, "tags" are assigned to pieces of data, and these tags provide information about what the data represents. For the voluntary program, the pieces of data are the content of financial statements, such as revenue or net income.

“We believe this technology will be a great step forward in helping investors analyze financial information, ” said Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). “We are confident that the Canadian marketplace will recognize the benefits to investors of filing in XBRL format.”

The CSA will make the XBRL financial statements available to the public through SEDAR.com. The website links to the CSA’s XBRL website, which contains more information about XBRL and the voluntary program. Issuers wishing to participate in the voluntary program should contact one of the CSA staff members listed on this website:

www.csa-acvm.ca/html_CSA/xbrl.html.

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

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403-297-2664

Ainsley Cunningham
Manitoba Securities Commission
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Autorité des marchés financiers
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Jane Gillies
New Brunswick Securities Commission
506-643-7745

1.3.2 CSA's "Financial Fitness Challenge" Contest - This Year's Winners

CSA'S "FINANCIAL FITNESS CHALLENGE" CONTEST

THIS YEAR'S WINNERS

Montréal, May 30, 2007 – The Canadian Securities Administrators (CSA) are pleased to announce the names of the 11 young winners of its annual "Financial Fitness Challenge" Contest. The winners, who hail from each of the Canadian provinces and one territory, have each won a prize of $750 for proving their financial fitness savvy through a series of quiz questions on-line.

The winners are:

- Jeffrey Chalissery (British Columbia)
- Nicole Brisson (Alberta)
- Malorie Thomson (Saskatchewan)
- Jennifer Walichnowski (Manitoba)
- Jamie Harshman (Ontario)
- Alexandre Boutet-Dorval (Québec)
- Karie Jackson (New Brunswick)
- Sarah Mattinson (Nova Scotia)
- Ben Versteeg (Prince Edward Island)
- Dana Martin (Newfoundland and Labrador)
- Maureen Gacayan (Northwest Territories)

The "Financial Fitness Challenge" Contest, which was open to Canadians 15 to 21 years of age, took place April 1 to 30, 2007. The on-line contest featured questions and information on budgeting, saving and investing. Participants were encouraged to learn about financial matters and answer questions using hyperlinks to other useful sites.

With more than 12,000 contestants, this year's edition has shown once again that young Canadians are interested in becoming more knowledgeable about savings and investments. "As securities regulators, the CSA feels it's extremely important to find ways to engage Canada's youth in improving their financial literacy," said CSA Chair Jean St-Gelais. "By reaching them now, we believe it will translate into responsible investing behaviour later in life."

Teachers were also invited to take part in the contest and many visited the website and took advantage of the teacher resources available for use for their classroom discussions and activities. Close to 100 teachers responded to the teacher's survey.

Although the contest has ended, the information will continue to be available on-line at www.FinancialFitnessChallenge.ca. Those who didn't win or missed the contest can look forward to another edition of the CSA contest next year!

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

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Saskatchewan Financial Services Commission
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1.4 Notices from the Office of the Secretary

1.4.1 Jason Wong et al.

FOR IMMEDIATE RELEASE
May 24, 2007

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

AND

IN THE MATTER OF
JASON WONG, DAVID WATSON, NATHAN ROGERS,
AMY GILES, JOHN SPARROW, KERVIN FINDLAY,
LEASESMART, INC.,
ADVANCED GROWING SYSTEMS, INC.,
PHARM CONTROL LTD.,
THE BIGHUB.COM, INC.,
UNIVERSAL SEISMIC ASSOCIATES INC.,
POCKETOP CORPORATION, ASIA TELECOM LTD.,
INTERNATIONAL ENERGY LTD.,
CAMBRIDGE RESOURCES CORPORATION,
NUTRIONE CORPORATION AND
SELECT AMERICAN TRANSFER CO

TORONTO – The Office of the Secretary issued a Notice of Hearing on May 22, 2007 scheduling a hearing pursuant to s. 127 of the *Securities Act* on June 1, 2007 commencing at 10:00 a.m. in the above noted matter to consider whether it is in the public interest to extend the Temporary Orders made by the Commission on May 18, 2007 and May 22, 2007 until the final disposition of this matter or until the Commission considers appropriate.

A copy of the Notice of Hearing and the Temporary Orders of May 18, 2007 and May 22, 2007 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Sprott Asset Management Inc. and Sprott Global Equity Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to existing mutual funds and mutual funds to be established from National Instrument 81-102 Mutual Funds to permit short selling of securities up to 20% of net assets per fund, subject to certain conditions and requirements.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.6(a) and (c), 6.1(1), 19.1.

May 9, 2007

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 TERRITORY, NORTHWEST TERRITORIES
AND NUNAVUT TERRITORY
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
SPROTT ASSET MANAGEMENT INC.
(the Filer)

AND

IN THE MATTER OF
SPROTT GLOBAL EQUITY FUND
(the New Fund)

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, on behalf of the New Fund and each mutual fund hereafter created and managed by the Filer or any of the affiliates of the Filer (the Future Funds, and together with the New Fund, the Funds), for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Funds from the following requirements of the Legislation, subject to certain terms and conditions:

(a) the requirement contained in subsection 2.6(a) of National Instrument 81-102 Mutual Funds (NI 81-102) prohibiting a mutual fund from providing a security interest over a mutual fund's assets;

(b) the requirement contained in subsection 2.6(c) of NI 81-102 prohibiting a mutual fund from selling securities short; and

(c) the requirement contained in subsection 6.1(1) of NI 81-102 prohibiting a mutual fund from depositing any part of a mutual fund's assets with an entity other than the mutual fund's custodian.

Paragraphs (a), (b) and (c) together shall be referred to as the Requested Relief.

Under the Mutual Reliance Review System (MRRS) for Exemption 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 corporation established under the laws of Ontario and will be the manager and promoter of the New Fund.

2. Each Fund is, or will be, an open-end mutual fund trust or a class of shares of a mutual fund corporation established under the laws of Ontario of which the Filer, or an affiliate of the Filer, is the manager. Each Fund is currently or will be a reporting issuer in all of the provinces and territories of Canada.

3. Except for specific exemptions or approvals granted by the relevant Decision Makers, the investment practices of each Fund comply or will comply in all respects with the requirements of Part 2 of NI 81-102.

4. The Filer proposes that each Fund be authorized to engage in a limited, prudent and disciplined amount of short selling. The Filer is of the view that the Funds could benefit from the implementation and execution of a controlled and limited short selling strategy. This strategy would complement the Funds' primary discipline of buying securities with the expectation that they will appreciate in market value.

5. Short sales will be made consistent with each Fund's investment objectives.

6. In order to effect a short sale, a Fund will borrow securities from either its custodian or a dealer (in either case, the "Borrowing Agent"), which Borrowing Agent may be acting either as principal for its own account or as agent for other lenders of securities.

7. Each Fund will implement the following controls when conducting a short sale:

   (a) securities will be sold short for cash, with the Fund assuming the obligation to return to the Borrowing Agent the securities borrowed to effect the short sale;

   (b) the short sale will be effected through market facilities through which the securities sold short are normally bought and sold;

   (c) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;

   (d) the securities sold short will be liquid securities that:

      (i) are listed and posted for trading on a stock exchange, and

         (1) the issuer of the security has a market capitalization of not less than CDN $300 million, or the equivalent thereof, of such security at the time the short sale is effected; or

         (2) the investment advisor has pre-arranged to borrow for the purpose of such sale; or

      (ii) are bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the United States of America;

   (e) at the time securities of a particular issuer are sold short:

      (i) the aggregate market value of all securities of that issuer sold short by the Fund will not exceed 5% of the total net assets of the Fund; and

      (ii) the Fund will place a "stop-loss" order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 120% (or such lesser percentage as the Filer may determine) of the price at which the securities were sold short;

   (f) the Fund will deposit Fund assets with the Borrowing Agent as security in connection with the short sale transaction;

   (g) the Fund will keep proper books and records of all short sales and Fund assets deposited with Borrowing Agents as security;

   (h) the Fund will develop written policies and procedures for the conduct of short sales prior to conducting any short sales; and

   (i) the Fund will provide disclosure in its prospectus of the short selling strategies and the details of this exemptive relief prior to implementing the short selling strategy.

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 in respect of each Fund:

1. the aggregate market value of all securities sold short by the Fund will not exceed 20% of the net assets of the Fund on a daily marked-to-market basis;

2. the Fund will hold "cash cover" (as defined in NI 81-102) in an amount, including the Fund assets deposited with Borrowing Agents as security in

connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis;

3. no proceeds from short sales by the Fund will be used by the Fund to purchase long positions in securities other than cash cover;

4. the Fund will maintain appropriate internal controls regarding its short sales including written policies and procedures, risk management controls and proper books and records;

5. any short sales made by the Fund will be subject to compliance with the investment objectives of the Fund;

6. the Requested Relief will not apply to a Future Fund that is classified as a money market fund or a short-term income fund;

7. for short sale transactions in Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund;

8. for short sale transactions outside of Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall:

   (a) be a member of a stock exchange and, as a result, be subject to a regulatory audit; and

   (b) have a net worth in excess of the equivalent of $50 million determined from its most recent audited financial statements that have been made public;

9. except where the Borrowing Agent is the Fund's custodian, when the Fund deposits Fund assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of Fund assets deposited with the Borrowing Agent does not, when aggregated with the amount of Fund assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Fund, exceed 10% of the total assets of the Fund, taken at market value as at the time of the deposit;

10. the security interest provided by the Fund over any of its assets that is required to enable the Fund to effect short sale transactions is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;

11. prior to conducting any short sales, the Fund discloses in its simplified prospectus a description of: (i) short selling, (ii) how the Fund intends to engage in short selling, (iii) the risks associated with short selling, and (iv) in the Investment Strategy section of the simplified prospectus, the Fund's strategy and this exemptive relief;

12. prior to conducting any short sales, the Fund discloses in its annual information form the following information:

   (a) whether there are written policies and procedures in place that set out the objectives and goals for short selling and the risk management procedures applicable to short selling;

   (b) who is responsible for setting and reviewing the policies and procedures referred to in the preceding paragraph, how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors of the Manager in the risk management process;

   (c) whether there are trading limits or other controls on short selling in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;

   (d) whether there are individuals or groups that monitor the risks independent of those who trade; and

   (e) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions;

13. prior to conducting any short sales, the Fund has provided to its securityholders not less than 60 days' written notice that discloses the Fund's intent to begin short selling transactions and the disclosure required in the Fund's simplified prospectus as outlined in paragraphs 11 and 12 above, or the Fund's initial simplified prospectus and each renewal thereof has included such disclosure; and

14. the Requested Relief shall terminate upon the coming into force of any legislation or rule of the Decision Makers dealing with matters referred to in subsections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102.

"Rhonda Goldberg"
Assistant Manager, Investment Funds
Ontario Securities Commission

2.1.2 Fidelity Investments Canada Limited and Fidelity Global Bond Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption from subsection 2.1(1) of National Instrument 81-102 Mutual Funds to permit global bond fund to invest more than 10% of its net assets in debt securities issued by a foreign government or supranational agency.

Applicable Ontario Statutory Provisions

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 19.1.

May 14, 2007

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

AND

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

AND

IN THE MATTER OF
FIDELITY INVESTMENTS CANADA LIMITED
(the Filer or Fidelity)

AND

FIDELITY GLOBAL BOND FUND (the Fund)

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 on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the **Legislation**) granting an exemption from the requirement in paragraph 2.1(1) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) which prohibits a mutual fund from investing more than 10% of the net assets of the fund, taken at market value at the time of the transaction, in securities of any issuer by allowing the Fund:

a) to invest up to 20 percent of the Fund's net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by permitted supranational agencies (as defined in NI 81-102) or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America and are rated "AA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and

b) to invest up to 35 percent of the Fund's net assets, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer, if those securities are issued by issuers described in paragraph (a) and are rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations.

(collectively the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

The Fund

1. Fidelity is a corporation incorporated under the laws of Canada, thereafter continued, and subsequently amalgamated, under the laws of Ontario. Fidelity has its head office in Toronto, Ontario. Fidelity is the trustee and manager of the Fund.

2. The Fund is an open-end mutual fund established under the laws of the Province of Ontario.

3. The Fund is a reporting issuer under the securities laws of each of the Jurisdictions. The Fund is not in default of any requirements of applicable securities legislation.

4. The Fund was qualified for distribution in each of the provinces and territories of Canada under a simplified prospectus and annual information form dated March 13, 2007.

Investment Objective and Strategy

5. The Fund's investment objective is to provide a steady flow of income and the potential for capital gains. It invests primarily in foreign fixed-income securities including government and non-government bonds and corporate bonds.

6. Currently, the Fund's investment strategy is to use the Lehman Brothers Global Aggregate Bonds Index (the **Index**) as a guide to structuring the fund and selecting investments. The Fund is managed to have similar overall interest rate risk to that of the index. The Fund's assets are allocated among different market sectors, like foreign corporate or government securities, and different maturities based on Fidelity's view of the relative value of each sector or maturity.

The Index

7. The Index is among the most commonly used indices to measure the aggregate performance of global investment grade bonds. It provides a board-based measure of the global investment grade fixed-rate debt markets. The Index contains three major regional components: The U.S. Aggregate Index, the Pan-European Aggregate Index and the Asian-Pacific Aggregate Index, which together comprise roughly 95% of the Index. The Index also includes Eurodollar, Euro-Yen, Canadian and Investment-Grade 144A index-eligible securities not already in the three regional aggregate indices.

8. The Index is currently comprised of over 11,000 bond issues that vary by quality, sector or region. As at March 30, 2007, the Index breaks down was as follows:

   By Region:
   U.S. Aggregate: 36.44%
   Pan-Euro: 39.02%
   Asia-Pacific 19.05%
   Other 5.49%

9. As of March 30, 2007, almost 2/3 of the Index was comprised of non-US or Canadian assets. In addition, currently, the Index is almost 84% devoted to AA or AAA quality debt (the percentage within the 3 regions mentioned above are higher in some cases).

The Benefits of the Requested Relief

10. The Requested Relief will enable the Fund to better achieve its investment objectives of providing a steady flow of income and the potential for capital gains.

11. The Fund uses the Index only as a guide and is not necessarily required to make the same investments as are in the Index, and in any event, the Index is not static; its composition changes regularly. The Requested Relief would provide Fidelity with the flexibility to manage the Fund in a manner consistent with the Index, but also to have the freedom to go "overweight" in a region or country, relative to the Index, to take advantage of investment opportunities.

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 Relief is granted to the Funds in connection with their proposed investments, provided that:

1) paragraphs (a) and (b) of the Requested Relief shall not be combined for one issuer;

2) the securities that are purchased pursuant to this Decision are traded on a mature and liquid market; and

3) the acquisition of the securities purchased pursuant to this Decision is consistent with the fundamental investment objectives of the Fund.

4) the simplified prospectus of the Fund discloses the additional risks associated with the concentration of the net assets of the Fund in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the fund has so invested and the risks, including foreign exchange risks, of investing in the country in which that issuer is located.

5) the simplified prospectus of the Fund discloses, in the investment strategy section, the details of the Requested Relief outlined in paragraphs a) and b) above along with the conditions imposed and the type of securities covered by this Decision.

"Rhonda Goldberg"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.3 R Split III Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Split-share corporation granted relief from delivering annual financial statements and from preparing annual management report of fund performance for first fiscal year end – Financial statements and management report of fund performance would only cover a short operating period and would be of minimal benefit to securityholders – First interim MRFP must be delivered to all securityholders and must include financial highlights- first financial statements required to be filed with security regulatory authorities or regulators.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.2, 5.1.

May 22, 2007

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

AND

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

AND

IN THE MATTER OF R SPLIT III CORP.
(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 R Split III Corp. (the "Filer") for a decision under the securities legislation (the "Legislation") of the Jurisdictions for:

- an exemption from the requirement contained in section 5.1(2)(a) of National Instrument 81-106 – *Investment Fund Continuous Disclosure* ("NI 81-106") to deliver to its shareholders annual financial statements for the period from incorporation to May 31, 2007; and
- an exemption from the requirement contained in section 4.2 of NI 81-106 to file a management report of fund performance ("MRFP") for the period from incorporation to May 31, 2007, as would otherwise be required pursuant to applicable Legislation (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

"Capital Shares" means the 4,546,000 class A capital shares of the Filer distributed pursuant to the Prospectus;

"Initial Financial Statements" means the financial statements of the Filer for the period from incorporation to May 31, 2007;

"Royal Bank Shares" means the portfolio of common shares of Royal Bank of Canada held by the Filer;

"Preferred Shares" means the 2,273,000 class A preferred shares of the Filer distributed pursuant to the Prospectus; and

"Prospectus" means the final prospectus of the Filer dated March 28, 2007.

Representations

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

1. The Filer was incorporated under the laws of the Province of Ontario on January 30, 2007. The fiscal year end of the Filer is May 31. The Filer filed the Prospectus with the securities regulatory authority in each of the provinces and territories of Canada which was receipted on March 28, 2007 and pursuant to which the distribution of Capital Shares and Preferred Shares was completed on April 5, 2007 (the "Closing Date"). The Filer carried on no relevant business activity from its date of incorporation until filing the Prospectus.

2. The Filer is a passive investment company whose principal undertaking is the holding of the Royal Bank Shares in order to generate fixed cumulative preferential distributions for the holders of the Preferred Shares and to enable the holders of Capital Shares to participate in any capital appreciation in the Royal Bank Shares after payment of administrative and operating expenses of the Filer. The Royal Bank Shares held by the Filer will only be disposed of as described under

the heading "The Company – Sale of Royal Bank Shares" commencing on page 10 of the Prospectus and "Details of the Offerings" commencing on page 17 of the Prospectus. The sole purpose of the Filer is to provide a vehicle through which different investment objectives with respect to participation in the Royal Bank Shares may be satisfied.

3. Pursuant to the requirements of the Legislation, and subject to any relief obtained pursuant to this application, the Filer would be required to (i) prepare and file in the Jurisdictions and deliver to its shareholders the Initial Financial Statements and (ii) prepare and file in the Jurisdictions and deliver to its shareholders an MRFP for the same period.

4. The Filer will audit its financial statements for the period ended May 31, 2007.

5. The benefit to be derived by the shareholders of the Filer from receiving the Initial Financial Statements would be minimal in view of (i) the short period from the date of the Prospectus, March 28, 2007, to the fiscal year end, May 31, 2007; and (ii) the nature of the minimal business carried on by the Filer.

6. The expense to the Filer of sending to its shareholders the Initial Financial Statements would not be justified in view of the benefit to be derived by the shareholders from receiving such statements.

7. The limited activities of the Filer for the period from January 30, 2007 to May 31, 2007 do not provide meaningful information for the purposes of the preparation of an MRFP.

8. For example, in respect of certain MRFP requirements, Form 81-106F1 requires a discussion of how changes to the investment fund over the financial year affected the overall level of risk associated with an investment in the investment fund, a summary of the results of operations of the investment fund for the financial year in which the management discussion of fund performance pertains, a discussion of the recent developments affecting the investment fund, a discussion of any transactions involving related parties to the investment fund, disclosure of selected financial highlights for the investment fund and a summary of the investment fund's portfolio as at the end of the financial year of the investment fund to which the MRFP pertains. Given the minimal business carried on by the Filer and the fact that the Filer filed its Prospectus close to the time of its fiscal year end, no disclosure on these and other items required to be disclosed by Form 81-106F1 could be meaningfully provided in the MRFP.

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:

(i) the Initial Financial Statements are filed and posted for viewing on SEDAR and www.scotiamanagedcompanies.com;

(ii) the Filer send a copy of such Initial Financial Statements to any shareholder of the Filer who so requests;

(iii) the Filer will prepare an MRFP for the period ended November 30, 2007 in accordance with Form 81-106F1, except that it will also include financial highlights as required by Part B, Item 3 of Form 81-106F1; and

(iv) the Filer will deliver the MRFP referred to in (iii) to each of its securityholders, as if section 18.5 of NI 81-106 applied.

Leslie Byberg
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.4 ING Direct Funds Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirements of section 11.1(1)(b) and section 11.2(1)(b) of NI 81-102 to permit commingling of cash received for the purchase or redemption of mutual fund securities with cash received for the purchase and sale of other securities or instruments the participating dealer of third party funds and potential principal distributor of mutual funds is permitted to sell, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 11.1(1)(b), 11.2(1)(b), 19.1.

May 18, 2007

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

AND

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

AND

IN THE MATTER OF
ING DIRECT FUNDS LIMITED
(the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision (the "Requested Relief") under section 19.1 of National Instrument 81-102 *Mutual Funds* (the "Legislation") for an exemption from the provisions of paragraph 11.1(1)(b) and paragraph 11.2(1)(b) of National Instrument 81-102 *Mutual Funds* ("NI 81-102") that prohibit a principal distributor, a participating dealer, or certain service providers, from commingling cash received for the purchase or redemption of mutual fund securities ("Mutual Fund Cash") with cash received for the purchase or sale of guaranteed investment certificates or other securities or instruments the participating dealer or principal distributor is permitted to sell (such monies collectively, "Other Cash") (the "Commingling Prohibitions").

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's principal business consists of acting as a mutual fund dealer.

2. The Filer is a participating dealer with respect to third party funds. The Filer may in future, assume the role of principal distributor with respect to such funds or other funds that are added to the Filer's product shelf.

3. The Filer is registered as a dealer in the category of mutual fund dealer (or the equivalent) in all the Jurisdictions in order to carry out trades in mutual fund securities. The Filer is also a member of the Mutual Fund Dealers Association of Canada ("MFDA").

4. As a member of the MFDA, the Filer is subject to the rules and requirements of the MFDA ("MFDA Rules") on an ongoing basis, particularly those which set out requirements with respect to the handling and segregation of client cash. As a member of the MFDA, the Filer is expected to comply with all MFDA Rules.

5. The Filer maintains a trust account with a major Canadian chartered bank into which all monies invested by or on behalf of its clients are paid and from which redemption proceeds or assets to be distributed are paid (the "Client Trust Account"). The Client Trust Account is interest bearing and all of the interest earned on the cash in the trust account is paid out to the applicable mutual funds on a pro rata basis in compliance with subsection 11.2(4) of NI 81-102 (and that would be required by subsection 11.1(4) were the Filer acting as a principal distributor). The Filer also ensures compliance with section 11.3 in the way in which the Client Trust Account is maintained.

6. Currently, the Filer only distributes mutual fund products to its customers. The Filer is proposing to add a high interest deposit account issued by ING Bank of Canada, a federally chartered Canadian bank listed under Schedule II of the Bank Act, to its product shelf. Funds received for

purchase and sale orders related to the proposed product specifically constitute "Other Cash".

7. The Filer proposes to pool Other Cash with Mutual Fund Cash in the Client Trust Account. The commingling of Other Cash with Mutual Fund Cash would facilitate significant administrative and systems economies that will enable the Filer to enhance its level of service to its clients at less cost. The Client Trust Account is designated as a "trust account" by the financial institution at which it is held.

8. The Commingling Prohibitions prevent the Filer from commingling Mutual Fund Cash with Other Cash.

9. Prior to June 23, 2006, section 3.3.2(e) of the Rules of the MFDA ("MFDA Commingling Prohibition") also prohibited the commingling of Mutual Fund Cash with Other Cash. On June 23, 2006, the MFDA granted relief from the MFDA Commingling Prohibition to the Filer subject to the Filer obtaining similar relief from the Commingling Prohibitions from the Decision Makers. Should the Requested Relief be granted by the Decision Makers, the Filer will provide the MFDA with notice that the Requested Relief has been granted.

10. In providing its services the Filer utilizes sophisticated systems and is able to account for all of the monies it receives into and all of the monies that are to be paid out of its Client Trust Account in order to meet the policy objectives of sections 11.1 and 11.2 of NI 81-102.

11. The Filer will maintain proper records with respect to client cash in a commingled account, and will ensure that the Client Trust Account is reconciled in accordance with MFDA Rules, and that Mutual Fund Cash and Other Cash are properly accounted for daily.

12. Mutual Fund Cash or Other Cash related to a transaction initiated by one of the Filer's clients will not be used to settle a transaction initiated by any other of the Filer's clients. The Filer settles through FundServ at the end of each trading day.

13. Except for the Commingling Prohibitions, the Filer will comply with all other requirements prescribed in Part 11 of NI 81-102 with respect to the handling and segregation of client cash.

14. The Filer does not believe that the interests of its clients will be prejudiced in any way by the commingling of Mutual Fund Cash with Other Cash.

15. Effective July 1, 2005, the MFDA Investor Protection Corporation ("MFDA IPC") commenced offering coverage, within defined limits, to customers of MFDA members against losses suffered due to the insolvency of MFDA members. The Filer does not believe that the Requested Relief will affect coverage provided by the MFDA IPC.

16. In the absence of the Requested Relief, the commingling of Mutual Fund Cash with Other Cash would contravene the Commingling Prohibitions.

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 this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon the coming into force of any change in the MFDA IPC rules which would reduce the coverage provided by the MFDA IPC relating to Mutual Fund Cash and Other Cash.

"Leslie Byberg"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.5 Natcan Investment Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption to allow dealer managed mutual funds to invest in securities of an issuer during the distribution period and the 60 days after the distribution period in which an affiliate of the dealer manager has acted as an underwriter in connection with the distribution of securities of the issuer - the conflict is mitigated by the oversight of an independent review committee - Subsection 4.1(1) of National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 4.1(1), 19.1.

May 10, 2007

(Translation)

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

AND

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

AND

IN THE MATTER OF
NATCAN INVESTMENT MANAGEMENT INC.
(the Applicant or Dealer Manager)

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 Applicant, the manager or portfolio adviser or both of the mutual funds named in Appendix "A" (the **Funds** or **Dealer Managed Funds**) for a decision under section 19.1 of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) for:

- an exemption from subsection 4.1(1) of NI 81-102 to enable the Dealer Managed Funds to invest in Trust Units (the **Trust Units**) of BTB Real Estate Investment Trust (the Issuer) during the period of distribution for the Offering (as defined below) (the **Distribution**) and during the 60-day period following the completion of the Distribution (the **60-Day Period**) (the Distribution and the 60-Day Period together, the **Prohibition Period**), notwithstanding that an associate or affiliate of the Dealer Manager acts or has acted as an underwriter in connection with the offering (the **Offering**) of Trust Units on a best efforts basis by way of a private placement to accredited investors in all of the Jurisdictions and in the United States (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Autorité des Marchés Financiers (the **AMF**) is the principal regulator for this application, and

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

It is the responsibility of each of the Decision Makers to make a global assessment of the risks involved in granting exemptive relief from subsection 4.1(1) of NI 81-102 in relation to the specific facts of each application.

Interpretation

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

Representations

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

1. The Dealer Manager is a "dealer manager" with respect to the Dealer Managed Funds, and each Dealer Managed Fund is a "dealer managed fund", as such terms are defined in section 1.1 of NI 81-102.

2. The head office of the Dealer Manager is located in Montréal, Québec.

3. The securities of the Dealer Managed Funds are qualified for distribution in one or more of the provinces and territories of Canada pursuant to simplified prospectuses that have been prepared and filed in accordance with their respective securities legislation.

4. As disclosed in a news release of the Issuer dated April 10, 2007, (the **News Release**), the Offering will be underwritten, subject to certain terms, by a syndicate that includes, among others, National Bank Financial Inc. (the **Related Underwriter**), an affiliate of he Dealer Manager (the Related Underwriter and any other underwriters which are

now or may become part of the syndicate, the **Underwriters**).

5. As disclosed in the Issuer's undated term sheet in respect of the Offering (the **Term Sheet**), the Issuer is an open-ended real estate investment trust focused on acquiring and owning income-providing mid-market office, industrial and retail properties in both primary and secondary markets across Canada with an initial focus on geographic markets east of Ottawa, Ontario.

6. As described in a news release of the Issuer dated May 3, 2007, the Offering is expected to be comprised of Trust Units with maximum gross proceeds of up to CAD$40,000,000 and the Trust Units will be offered at a price of $2.55 per Trust Unit.

7. As described in the Term Sheet, the Offering is expected to close on or about May 15, 2007 (the **Closing Date**).

8. As described in the Term Sheet, the Issuer has granted the Underwriters an option, exercisable for a period of up to 30 days following the Closing Date, to purchase up to an additional 15% of the Offering at the Issue Price to cover over allotments, if any (the **Over-Allotment Option**).

9. As described in the Term Sheet, until 150 days after the Closing Date the Issuer shall not, directly or indirectly, sell, agree to sell or offer to sell, grant any option for the sale of, or otherwise dispose of any Trust Units or securities convertible into Trust Units without the prior written consent of Blackman Capital Inc., one of the Underwriters, other than (i) pursuant to the Offering, (ii) the issue of non-convertible debt securities, (iii) upon the exercise of convertible securities, options or warrants of the Issuer outstanding at the time of the Term Sheet or (iv) pursuant to the Issuer's unit option plan.

10. As disclosed in both the Term Sheet and the News Release, the proceeds of the Offering will be used by the Issuer to fund previously announced and future acquisitions of income-providing properties, working capital and general purposes.

11. As further disclosed in the News Release, Trust Units sold under the Offering will be subject to the approval of the TSX Venture Exchange (the **TSXV**). The Issuer's outstanding Trust Units are listed on the TSXV under the symbol "BTB.UN".

12. The Issuer is neither a "related issuer", nor a "connected issuer" as those terms are defined in National Instrument 33-105 – *Underwriting Conflicts*.

13. Despite the affiliation between the Dealer Manager and the Related Underwriter, the Dealer Manager operates independently of the Related Underwriter. In particular, the investment banking and related dealer activities of the Related Underwriter and the investment portfolio management activities of the Dealer Manager are separated by "ethical" walls. Accordingly, no information flows from one to the other concerning their respective business operations or activities generally, except in the following or similar circumstances:

    (a) in respect of compliance matters (for example, the Dealer Manager and the Related Underwriter may communicate to enable the Dealer Manager to maintain up to date restricted-issuer lists to ensure that the Dealer Manager complies with applicable securities laws); and

    (b) the Dealer Manager and the Related Underwriter may share general market information such as discussion on general economic conditions, bank rates, etc.

14. The Dealer Managed Funds are not required or obligated to purchase any Trust Units during the Prohibition Period.

15. The Dealer Manager may cause the Dealer Managed Funds to invest in the Trust Units during the Prohibition Period. Any purchase of Trust Units by the Dealer Managed Funds will be consistent with the investment objectives of that Dealer Managed Fund and represent the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Funds or in fact be in the best interests of the Dealer Managed Funds.

16. To the extent that the same portfolio manager or team of portfolio managers of the Dealer Manager manages two or more Dealer Managed Funds and other client accounts that are managed on a discretionary basis (the **Managed Accounts**), the Trust Units purchased for them will be allocated:

    (a) in accordance with the allocation factors or criteria stated in the written policies or procedures put in place by the Dealer Manager for the Dealer Managed Funds and Managed Accounts, and

    (b) taking into account the amount of cash available to each Dealer Managed Fund for investment.

17. Except as described above, the Dealer Manager has not been involved in the work of the Related Underwriter and the Related Underwriter has not been and will not be involved in the decisions of

the Dealer Manager as to whether the Dealer Managed Funds will purchase Trust Units during the Prohibition Period.

18. There will be an independent committee (the **Independent Committee**) appointed in respect of each Dealer Managed Fund to review such Dealer Managed Fund's investments in the Trust Units during the Prohibition Period.

19. The Independent Committee will have at least three members and every member must be independent. A member of the Independent Committee is not independent if the member has a direct or indirect material relationship with the Dealer Manager, the Dealer Managed Funds, or any affiliate or associate thereof. For the purpose of this Decision, a material relationship means a relationship which could, in the view of a reasonable person, reasonably interfere with the exercise of the member's independent judgment regarding conflicts of interest facing the Dealer Manager.

20. The members of the Independent Committee will exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in their respective Dealer Managed Funds and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

21. The Dealer Manager, in respect of the Dealer Managed Funds, will notify a member of staff in the Investment Funds Branch of the AMF, in writing of any SEDAR Report (as defined below) filed on SEDAR, as soon as practicable after the filing of such a report, and the notice shall include the SEDAR project number of the SEDAR Report and the date on which it was filed.

Decision

Each of the Decision Makers has assessed the conflict of interest risks associated with granting an exemption in this instance from subsection 4.1(1) of NI 81-102 and is satisfied that, at the time this Decision is granted, the potential risks are sufficiently mitigated.

Each of the Decision Makers is satisfied that the test contained in NI 81-102 that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The Decision of the Decision Makers is that the Requested Relief is granted, notwithstanding that the Related Underwriter acts or has acted as underwriter in the Offering provided the following conditions are satisfied:

1. At the time of each purchase of Trust Units (a **Purchase**) by a Dealer Managed Fund pursuant to this Decision, the following conditions are satisfied:

   (a) the Purchase

      (i) represents the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or

      (ii) is, in fact, in the best interests of the Dealer Managed Fund;

   (b) the Purchase is consistent with, or is necessary to meet, the investment objective of the Dealer Managed Fund as disclosed in its simplified prospectus; and

   (c) the Dealer Managed Fund does not place the order to purchase, on a principal or agency basis, with the Related Underwriter.

2. Prior to effecting any Purchase pursuant to this Decision, the Dealer Managed Fund has in place written policies or procedures to ensure that,

   (a) there is compliance with the conditions of this Decision; and

   (b) in connection with any Purchase,

      (i) there are stated factors or criteria for allocating the Trust Units purchased for two or more Dealer Managed Funds and other Managed Accounts, and

      (ii) there is full documentation of the reasons for any allocation to a Dealer Managed Fund or Managed Account that departs from the stated allocation factors or criteria.

3. The Dealer Manager does not accept solicitation by the Related Underwriter for the Purchase of Trust Units for the Dealer Managed Funds.

4. The Related Underwriter does not purchase Trust Units in the Offering for its own account except Trust Units sold by the Related Underwriter on closing.

5. Each Dealer Managed Fund has an Independent Committee to review the Dealer Managed Fund's investments in the Trust Units during the Prohibition Period.

6. The Independent Committee has a written mandate describing its duties and standard of care which, at a minimum, sets out the applicable conditions of this Decision.

7. The members of the Independent Committee exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Funds and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

8. The Dealer Managed Funds do not relieve the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VII above.

9. The Dealer Managed Funds do not incur the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VII above.

10. The cost of any indemnification or insurance coverage paid for by the Dealer Manager, any portfolio manager of the Dealer Managed Funds, or any associate or affiliate of the Dealer Manager or any portfolio manager of the Dealer Managed Funds to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph VII above is not paid either directly or indirectly by the Dealer Managed Funds.

11. The Dealer Manager files a certified report on SEDAR (the SEDAR Report) in respect of each Dealer Managed Fund, no later than 30 days after the end of the Prohibition Period, that contains a certification by the Dealer Manager that contains:

    (a) the following particulars of each Purchase:

        (i) the number of Trust Units purchased by the Dealer Managed Funds;

        (ii) the date of the Purchase and purchase price;

        (iii) whether it is known whether any Underwriter or syndicate member has engaged in market stabilization activities in respect of the Trust Units;

        (iv) if the Trust Units were purchased for two or more Dealer Managed Funds and other Managed Accounts of the Dealer Manager, the aggregate amount so purchased and the percentage of such aggregate amount that was allocated to each Dealer Managed Fund; and

        (v) the dealer from whom the Dealer Managed Fund purchased the Trust Units and the fees or commissions, if any, paid by the Dealer Managed Fund in respect of such Purchase;

    (b) a certification by the Dealer Manager that the Purchase:

        (i) was made free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and

        (ii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interest of the Dealer Managed Funds, or

        (iii) was, in fact, in the best interests of the Dealer Managed Funds;

    (c) confirmation of the existence of the Independent Committee to review the Purchase of the Trust Units by the Dealer Managed Funds, the names of the members of the Independent Committee, the fact that they meet the independence requirements set forth in this Decision, and whether and how they were compensated for their review; and

    (d) a certification by each member of the Independent Committee that after reasonable inquiry the member formed the opinion that the policies and procedures referred to in Condition II(a) above are adequate and effective to ensure compliance with this Decision and that the decision made on behalf of each Dealer Managed Fund by the Dealer Manager to purchase Trust Units for the Dealer Managed Fund and each Purchase by the Dealer Managed Fund:

        (i) was made in compliance with the conditions of this Decision;

        (ii) was made by the Dealer Manager free from any influence by the Related Underwriter or any affiliate or associate thereof

and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and

(iii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Funds, or

(iv) was, in fact, in the best interests of the Dealer Managed Funds.

12. The Independent Committee advises the Decision Makers in writing of:

(a) any determination by it that the condition set out in paragraph XI(d) has not been satisfied with respect to any Purchase of the Trust Units by a Dealer Managed Fund;

(b) any determination by it that any other condition of this Decision has not been satisfied;

(c) any action it has taken or proposes to take following the determinations referred to above; and

(d) any action taken, or proposed to be taken, by the Dealer Manager or a portfolio manager of the Dealer Managed Funds, in response to the determinations referred to above.

13. For Purchases of Trust Units during the Distribution only, the Dealer Manager:

(a) expresses an interest to purchase on behalf of the Dealer Managed Funds and Managed Accounts a fixed number of Trust Units (the Fixed Number) to an Underwriter other than its Related Underwriter;

(b) agrees to purchase the Fixed Number or such lesser amount as has been allocated to the Dealer Manager no more than five (5) business days after the closing of the Offering;

(c) does not place an order with an underwriter of the Offering to purchase an additional number of Trust Units under the Offering prior to the completion of the Distribution, provided that if the Dealer Manager was allocated less than the Fixed Number at the time of the closing of the Offering for the purposes of the closing, the Dealer Manager may place an additional order for such number of additional Trust Units equal to the difference between the Fixed Number and the number of Trust Units allotted to the Dealer Manager at the time of the closing of the Offering in the event the Underwriters exercise the Over-Allotment Option; and

(i) does not sell Trust Units purchased by the Dealer Manager under the Offering, prior to the listing of Trust Units distributed under the Offering on the TSXV.

14. Each Purchase of Trust Units during the 60-Day Period is made on the TSXV.

15. For Purchases of Trust Units during the 60-Day Period only, an Underwriter provides to the Dealer Manager written confirmation that the “dealer restricted period” in respect of the Offering, as defined in OSC Rule 48-501, Trading During Distributions, Formal Bids and Share Exchange Transactions, has ended.

"Josée Deslauriers"
Director of Capital Markets

APPENDIX "A"

THE MUTUAL FUNDS

The Altamira Funds

Altamira Special Growth Fund

National Bank Mutual Funds - 2005

National Bank Small Capitalization Fund
National Bank Québec Growth Fund
National Bank Retirement Balanced Fund

2.1.6 Rockwater Capital Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – subsection 1(10)(b) of Securities Act (Ontario) – Issuer has only one security holder – Issuer not a reporting issuer for purposes of Ontario securities law.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S-5, as am., s. 1(10)(b).

May 28, 2007

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,
NOVA SCOTIA, 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
ROCKWATER CAPITAL CORPORATION
(THE "APPLICANT")**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application for the Applicant for a decision under the securities legislation of the Jurisdictions (the "Legislation") that it be deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for 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 meanings in this decision unless they are defined in this decision.

Representations

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

a) the Applicant's head office is located in Toronto, Ontario;

b) on February 23, 2007, CI Financial International LP ("CI Financial") mailed an offer to purchase all issued and outstanding common shares of the Applicant to all holders thereof (the "Offer"). The Offer expired at 5:00 p.m. Toronto time on April 2, 2007. More than 94% of the Applicant's shareholders accepted the Offer;

c) pursuant to a notice of compulsory acquisition dated April 11, 2007, CI Financial provided shareholders of the Applicant who did not accept the Offer with notice of the intention of CI Financial to exercise its rights under section 188 of the *Business Corporations Act* (Ontario) (the "OBCA") to acquire all common shares of the Applicant not purchased by it under the Offer;

d) pursuant to subsection 188(10) of the OBCA, common shares of the Applicant not tendered to the Offer shall be deemed to have been acquired by CI Financial on May 11, 2007 if no applications pursuant to subsection 188(9) of the OBCA are made by that date;

e) the issuer has confirmed that the securities of all dissenting offerees have been deemed to have been acquired by the Applicant as no applications were made within the time frame set out in subsection 188(9) of the OBCA and that time frame has expired;

f) the Applicant is not in default of any of its obligations as a reporting issuer under the securities legislation of the Jurisdictions, other than its obligation to file interim financial statements, related management's discussion and analysis and certificates in respect of the interim period ended March 31, 2007 by May 15, 2007;

g) as CI Financial became the sole beneficial holder of all of the issued and outstanding common shares of the Applicant prior to the date upon which the Applicant was required to file its interim financial statements and related management's discussion and analysis, the Applicant has not prepared or filed its interim financial statements, related management's discussion and analysis or certificates;

h) 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;

i) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

j) the Applicant has no current intention to seek public financing by way of an offering of securities; and

k) upon the grant of the relief requested herein, the Applicant will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

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.

"Harold P. Hands"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.1.7 Putnam Investments Inc. et al. - MRRS Decision

Headnote

Mutual Review Reliance System for Exemptive Relief Applications – Approval of change of control of manager – Funds and fund manager part of an impending change of control of manager involving its parent and other companies.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.7(1)(a), 5.5.(2).

May 18, 2007

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 TERRITORY, NORTHWEST TERRITORIES
AND NUNAVUT TERRITORY
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF

PUTNAM INVESTMENTS INC.,
PUTNAM CANADIAN BALANCED FUND,
PUTNAM CANADIAN BOND FUND,
PUTNAM CANADIAN EQUITY FUND,
PUTNAM CANADIAN EQUITY GROWTH FUND,
PUTNAM CANADIAN MONEY MARKET FUND,
PUTNAM GLOBAL EQUITY FUND,
PUTNAM U.S. VALUE FUND,
PUTNAM U.S. VOYAGER FUND AND
PUTNAM INTERNATIONAL EQUITY FUND

AND

GREAT-WEST LIFECO INC.
(the "Filer" or "GWL")

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 approval of the Putnam Change In Control (defined below) pursuant to subsection 5.5(2) of National Instrument 81-102 *Mutual Funds* ("**NI 81-102**").

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. Putnam Investments Inc. ("**Putnam**") is a corporation incorporated under the *Business Corporations Act* (Ontario) with its head office in Toronto, Ontario.

2. Putnam is manager, trustee and portfolio manager for Putnam Canadian Balanced Fund, Putnam Canadian Bond Fund, Putnam Canadian Equity Fund, Putnam Canadian Equity Growth Fund, Putnam Canadian Money Market Fund, Putnam Global Equity Fund, Putnam U.S. Value Fund, Putnam U.S. Voyager Fund and Putnam International Equity Fund (collectively the "**Funds**").

3. The Funds are: (i) mutual fund trusts created under the laws of Ontario under the provisions of a master declaration of trust dated March 14, 2002, as amended; (ii) reporting issuers in the Jurisdictions and distribute securities pursuant to a simplified prospectus and annual information form prepared in accordance with National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*; and (iii) subject to, among other laws and regulations, NI 81-102 and National Instrument 81-106 *Investment Fund Continuous Disclosure*.

4. On February 1, 2007, GWL (a subsidiary company of Power Financial Corporation ("**Power Financial"**)) announced that it had signed an agreement (the "**Proposed Transaction**") to purchase Putnam Investments Trust ("**Putnam Investments**"). As Putnam is an indirect subsidiary company of Putnam Investments, there will occur a change in control of Putnam upon the closing of the Proposed Transaction when GWL becomes the new owner and parent company of Putnam Investments (the "**Putnam Change In**

Control"). The expected closing date of the Proposed Transaction is May 31, 2007.

5. GWL, a TSX-listed company (TSX:GWO) and a member of the Power Financial group of companies, is a financial services holding company with interests in the life insurance, health insurance, retirement savings and reinsurance businesses. GWL and its subsidiaries carry on business primarily in Canada, the United States and Europe and have over C$197 billion in assets under management.

6. Power Financial is a holding company that holds substantial interests in the financial services industry through its controlling interest in GWL and in IGM Financial Inc. ("**IGM**"). IGM, in turn, owns Investment Planning Counsel Inc., Investors Group Inc. and Mackenzie Financial Corporation – affiliated companies that, through various other subsidiary companies, have significant experience and market presence in Canada's mutual fund industry.

7. In connection with certain regulatory requirements applicable to the Funds:

   a) a press release describing the Putnam Change in Control was issued by Putnam on February 9, 2007 and filed under SEDAR Project No. #1049701;

   b) a material change report was filed on February 9, 2007 under SEDAR Project #1049700;

   c) an amendment to the Funds' then current annual information form was filed on February 15, 2007 under SEDAR Project No. #891926; and

   d) notice of the Putnam Change in Control was delivered to all unitholders of the Funds on or before March 31, 2007.

8. In respect of how the Proposed Transaction may affect the management and administration of the Funds:

   a) there is no immediate plan to change the current officers and directors of Putnam or the individual members of Putnam's portfolio management team that is responsible for advising the Funds;

   b) systems, back office, fund accounting and other administrative functions are expected to continue to be operated in the same manner as currently being used by the Funds; and

   c) the management fees and operating expenses of the Funds will not change as a result of the Putnam Change In Control.

9. Officers and directors of GWL have the requisite integrity and experience as required under section 5.7(1)(a)(v) of NI 81-102.

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 Putnam Change In Control is hereby approved.

"Leslie Byberg"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.8 Canadian Small Cap Resource Fund 2006 No. 1 Limited Partnership et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 81-106, s.17.1 Continuous Disclosure Requirements for Investment Funds.

AIF requirement - A fund wants relief from subsection 9.2 of NI 81-106 that requires a fund that does not have a current prospectus as at its financial year end to prepare an annual information form - The issuer is a short-term vehicle formed solely to invest its available funds in flow-through shares of resource issuers; the issuer's securities are not redeemable and there is no secondary trading in the issuer's securities; the issuer's other continuous disclosure documents will provide all relevant information necessary for investors to understand the issuer's business, financial position and future plans.

Proxy voting record - A fund wants relief from subsections 10.3 and 10.4 of NI 81-106 that requires a fund to maintain a proxy voting record and annually to post the proxy voting record on its website - The issuer is a short-term vehicle formed solely to invest its available funds in flow-through shares of resource issuers; the issuer's securities are not redeemable and there is no secondary trading in the issuer's securities; the issuer's other continuous disclosure documents will provide all relevant information necessary for investors to understand the issuer's business, financial position and future plans.

Applicable Legislative Provisions

National Instrument 81-106, ss. 9.2, 10.3, 10.4, 17.1.

April 30, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO AND NOVA SCOTIA
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
CANADIAN SMALL CAP RESOURCE FUND 2006 NO. 1 LIMITED PARTNERSHIP
(CSCRF 2006 NO. 1 LP)
CANADIAN SMALL CAP RESOURCE FUND 2006 NO. 2 LIMITED PARTNERSHIP
(CSCRF 2006 NO. 2 LP)

CANADIAN SMALL CAP RESOURCE FUND 2007 NO. 1 LIMITED PARTNERSHIP
(CSCRF 2007 NO. 1 LP)
(each an Applicant Fund and collectively, the Applicant Funds)

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 Applicant Funds for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from:

(a) the requirement in Section 9.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) to prepare and file an annual information form (the AIF);

(b) the requirement in Section 10.3 of NI 81-106 to maintain a proxy voting record (Proxy Voting Record); and

(c) the requirements in Section 10.4 of NI 81-106 to prepare a Proxy Voting Record on an annual basis for the period ending June 30 of each year, to post the Proxy Voting Record on the Applicant Fund's website no later than August 31 of each year, and to send the Proxy Voting Record to the limited partners of the respective Applicant Fund upon request

((a), (b) and (c) are collectively, the Requested Relief).

For the purposes of this decision, the term "Applicant Funds" includes other partnerships that are established from time to time that:

(a) have a general partner with the same parent as the general partner of an Applicant Fund; and

(b) are identical to the Applicant Funds in all other respects that are material to this MRRS decision document.

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

(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 defined in this decision.

Representations

3 This decision is based on the following facts represented by each respective Applicant Fund:

1. the head office of each of the Applicant Funds is currently 570 Granville Street, Suite 1400, Vancouver, British Columbia, V6C 3P1;

2. each Applicant Fund is a non-redeemable investment fund;

3. the general partner of each Applicant Fund is a wholly-owned subsidiary of Western Resource Funds Ltd. (Western) and it is anticipated that Western will complete the sale of each general partner to NovaDx Ventures Corp.; the process for making investment decisions (as described in each Applicant Funds respective prospectus) will remain unchanged if such sale is completed;

4. each Applicant Fund was formed to achieve capital appreciation through investments in a diversified portfolio of equity securities, comprised principally of investments in flow-through common shares of companies engaged primarily in mineral or oil and gas exploration in Canada (Resource Issuers) pursuant to agreements (Resource Agreements) between each respective Applicant Fund and the investee Resource Issuer;

5. under the terms of each Resource Agreement, the relevant Applicant Fund subscribes for flow-through shares of the Resource Issuer and the Resource Issuer agrees to incur and renounce to the Applicant Fund, in amounts equal to the subscription price of the flow-through shares, expenditures in respect of resource exploration and development which qualify as Canadian exploration expense or as Canadian development expense which may be renounced as Canadian exploration expense to the Fund;

6. the limited partnership units of each Applicant Fund are not and will not be listed or quoted for trading on any stock exchange or market; none of the limited partnership units of any of the Applicant Funds are redeemable by the limited partners; generally, limited partnership units are not transferred since limited partners must be holders of units on the last day of each fiscal year of the partnership in order to obtain the desired tax deduction; in addition, other than the issuance of the initial limited partnership unit to the initial limited partner and other than as described in this order, no Applicant Fund has issued any limited partnership units; CSCRF 2007 No. 1 LP, expects to file a final prospectus and close the initial sale of limited partnership units in due course;

7. unless a material change takes place in the business and affairs of an Applicant Fund, the limited partners of each respective Applicant Fund will obtain adequate financial information concerning the Applicant Fund from the interim financial statements and annual audited financial statements of the respective Applicant Fund together with the auditor's report distributed to the limited partners; the final prospectus for each of the Applicant Funds and the interim financial statements provide, and in the case of CSCRF 2007 No. 1 LP will provide, sufficient background materials and the explanations necessary for a limited partner to understand the respective business, financial position and future plans of each respective Applicant Fund; if a material change takes place in the business and affairs of any Applicant Fund, such Applicant Fund will ensure that a timely material change report is filed with the securities regulatory authority in each of the Jurisdictions in compliance with applicable securities laws;

8. CSCRF 2006 No. 1 LP is a limited partnership formed pursuant to the *Partnership Act* (British Columbia) on March 2, 2006;

9. CSCRF 2006 No. 1 LP received a final receipt dated May 17, 2006 on behalf of each of the Decision Makers for CSCRF 2006 No. 1 LP's final prospectus dated May 16, 2005 (the CSCRF 2006 No.1 Prospectus) relating to an offering of up to 5,000,000 limited partnership units in the Jurisdictions; on June 13, 2006, CSCRF 2006 No. 1 LP completed the issue and sale of 477,885 limited partnership units under the CSCRF 2006

No. 1 Prospectus; on July 24, 2006, CSCRF 2006 No. 1 LP completed the issue and sale 286,386 limited partnership units under the CSCRF 2006 No. 1 Prospectus; CSCRF 2006 No. 1 LP became a reporting issuer or the equivalent in each of the Jurisdictions;

10. in accordance with the 2006 No. 1 Partnership Agreement 2006 No. 1 LP, CSCRF 2006 No. 1 LP will be dissolved June 30, 2008, unless the partners approve an alternative to the simple dissolution by extraordinary resolution prior to March 31, 2008;

11. CSCRF 2006 No. 2 LP is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) on August 8, 2006;

12. CSCRF 2006 No. 2 LP received a final receipt dated November 29, 2006 on behalf of each of the Decision Makers for CSCRF 2006 No. 2 LP's final prospectus dated November 28, 2006 (the CSCRF 2006 No. 2 Prospectus) relating to an offering of up to 1,500,000 limited partnership units in the Jurisdictions; CSCRF 2006 No. 2 LP became a reporting issuer or the equivalent in each of the Jurisdictions; on December 12, 2006, CSCRF 2006 No. 2 LP completed the issue and sale of 450,373 limited partnership units under the CSCRF 2006 No. 2 Prospectus;

13. in accordance with the 2006 No. 2 Partnership Agreement, the partnership will be dissolved June 30, 2008 unless the partners approve an alternative to the simple dissolution by extraordinary resolution prior to March 31, 2008;

14. CSCRF 2007 No. 1 LP is a limited partnership formed pursuant to the *Limited Partnership Act* (Ontario) on December 17, 2006;

15. CSCRF 2007 No.1 LP received a receipt dated March 2, 2007 on behalf of each of the Decision Makers for CSCRF 2007 No. 1 LP's preliminary prospectus dated February 28, 2007 (the CSCRF 2007 No. 1 Prospectus) relating to an offering of up to 2,500,000 limited partnership units in the Jurisdictions; CSCRF 2007 No. 1 LP became a reporting issuer or the equivalent in each of the Jurisdictions; CSCRF 2007 No. 1 LP intends to file a final prospectus in each of the Jurisdictions relating to the offering in due course, and thereafter to complete the issue and sale of a minimum of 500,000 and a maximum of 2,500,000 limited partnership units sold under the CSCRF 2007 No. 1 Prospectus;

16. in accordance with the applicable partnership agreement of the Applicant Funds, it is the current intention of the general partners of the Applicant Funds to cause the limited partners to vote on a liquidity alternative to the simple dissolution of each of the Applicant Funds prior to the dissolution; in the event that it is not possible to complete a liquidity alternative described above, the general partner will, in accordance with the applicable partnership agreement, dissolve and distribute the assets of the applicable Applicant Fund to its partners on the dissolution date;

17. each Applicant Fund's range of business activities is limited to (i) completing the issue and sale of limited partnership units under the applicable prospectus, (ii) investing its available funds in flow-through shares of the Resource Issuers and (iii) incurring expenses as described in the applicable prospectus;

18. given the limited range of business activities to be conducted by each respective Applicant Fund, the short duration of their existence and the nature of the investments of the limited partners, the preparation and distribution of an Annual Information Form by each respective Applicant Fund will not be of benefit to the limited partners and may impose a material financial burden on each of the respective Applicant Funds; upon occurrence of any material change to any Applicant Fund, limited partners would receive all relevant information from the material change reports such Applicant Fund is required to file in accordance with applicable securities laws;

19. as a result of the implementation of NI 81-106, investors purchasing units of CSCRF 2006 No. 1 LP and CSCRF 2006 No. 2 LP were provided with, and in the case of and CSCRF 2007 No. 1 LP will be provided with, a prospectus containing written policies on how the flow-through shares or other securities held by the respective Applicant Fund are to be voted (the Proxy Voting Policies) and had or will have, as the case may be, the opportunity to review the Proxy Voting Policies before deciding whether to purchase limited partnership units;

20. the Proxy Voting Policies give the general partner broad discretion whether or not to exercise the partnership's voting rights in respect of securities of an issuer; generally, the general partner of each respective partnership does not intend to exercise such partnership's voting rights on routine matters, but may, in its sole discretion, decide to vote in any circumstance;

21. given the short lifespan of the Applicant Funds, the production of a Proxy Voting Record would provide limited partners very little opportunity for recourse if they disagreed with the manner in which the general partner exercised or failed to exercise any respective partnership's proxy voting rights, as the Applicant Fund would likely be dissolved by the time any potential change could materialize; and

22. preparing and making available the Proxy Voting Record to limited partners will not be of any benefit to limited partners and may impose a material financial burden on the Applicant Funds.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that this exemption shall terminate, only with respect to an affected Applicant Fund, upon the occurrence of a material change in the affairs of that Applicant Fund unless the Applicant Fund satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing.

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

2.1.9 Minera Andes Inc. - MRRS Decision

Headnote

Mutual Reliance Review System - National Instrument 43-101, s. 4.2(1)(j)(ii) & 4.2(5) Standards of Disclosure for Mineral Projects - Obligation to File a Technical Report - An issuer requested relief from the requirement to file a technical report not later than 45 days after the issuance of a news release which disclosed a material change, provided a technical report is filed not later than 76 days after the issuance of the news release.

Applicable Statutory Provisions

National Instrument 43-101 Standards of Disclosure for Mineral Projects, ss. 4.2(1)(j)(ii), 4.2(5).

Citation: Minera Andes Inc., 2007 ABASC 323

May 25, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO (THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
MINERA ANDES 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 for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the requirement in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (**NI 43-101**) to file a technical report concerning mineral reserves and mineral resources no later than 45 days after the disclosure of a material change in the mineral reserves and mineral resources from the most recently filed technical report (the **Requested Relief**).

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

   (a) Alberta is the principal regulator for the Filer;

(b) the Filer is relying on Part 3 of MI 11-101 in British Columbia, Saskatchewan, and Nova Scotia; and

(c) 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 upon the amalgamation of Scotia Prime Minerals, Incorporated and Minera Andes Inc.

(b) The Filer's head office is located in Spokane, Washington in the United States of America.

(c) The Filer is a reporting issuer in each of the Jurisdictions as well as British Columbia, Saskatchewan and Nova Scotia, and is not in default of any requirement of any applicable securities legislation of such jurisdictions.

(d) The common shares of the Filer are traded on the Toronto Stock Exchange and are quoted on the NASDAQ over-the-counter bulletin board.

(e) The authorized capital of the Filer consists of an unlimited number of common shares and an unlimited number of preferred shares. As of May 2, 2007 163,901,131 common shares were issued and outstanding and there are no preferred shares issued and outstanding.

(f) The Filer is in a joint venture with Mauricio Hochschild & Cia Ltda. (**MHC**) for the exploration and possible development of the Filer's epithermal gold-silver exploration land package at El Pluma/Cerro Saavedra (the **San José Project**).

(g) MHC is the operator of the San José Project.

(h) On March 15, 2007, the Filer received the results of a report recently prepared internally by MHC (the **MHC Report**) that showed new mineral resource and reserve estimates, mine life, and mining rates on the San José Project.

(i) The MHC Report was prepared in Spanish, and therefore, required interpretation by the Filer.

(j) MHC is not subject to NI 43-101, did not provide the Filer with a technical report that complies with the requirements for technical reports set out in NI 43-101, and has advised the Filer that it does not intend to do so.

(k) The San José Project is a material property for the Filer and the increase in reserves and resources described in the MHC Report is a material change in respect of the affairs of the Filer.

(l) Sections 4.2(1)(j)(ii) and 4.2(5) of NI 43-101 requires a technical report be filed not later than 45 days after the issuance of a news release that contains a change 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 Filer.

(m) On April 10, 2007, the Filer issued a news release (the **News Release**) and, on April 13, 2007, filed a material change report that disclosed information contained in the MHC Report.

(n) AMEC, who previously prepared the technical reports in accordance with NI 43-101 on the San José Project, are in the process of preparing the technical report to support the News Release.

(o) The Filer has recently been advised by AMEC that the technical report will not be completed until June 25, 2007.

(p) The Filer will not be able to file the technical report required under NI 43-101 to support the disclosure contained in the News Release within the 45 day time period, i.e. May 25, 2007.

Decision

5. The Decision Makers being satisfied that they each have jurisdiction to make this decision and that the relevant test under the Legislation has been met, the Requested Relief is granted provided that:

(a) the Filer issues and files a news release on SEDAR forthwith stating that it will, in accordance with this Decision, file the technical report in support of the News Release by June 25, 2007;

(b) that the Filer files the technical report by June 25, 2007; and

(c) the technical report is accompanied by a news release that reconciles any material differences between the disclosure in the technical report filed and the disclosure in the News Release.

"Blaine Young"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.10 CIX Split Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – subdivided offering exempted from certain requirements of National Instrument 81-102 Mutual Funds since issuer is fundamentally different from a conventional mutual fund.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 2.4(2), 2.4(3), 2.7(2), 2.7(4), 3.3, 10.3, 10.4(1), 12.1(1), 14.1.

May 29, 2007

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

AND

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

AND

IN THE MATTER OF
CIX SPLIT CORP.
(the Filer)

MRRS DECISION DOCUMENT

BACKGROUND

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application (the Application) from the Filer for a decision under section 19.1 of the securities legislation of the Jurisdictions (the **Legislation**) that exempts the Filer from the following requirements of National Instrument 81-102 - Mutual Funds (**NI 81-102**) (the **Requested Relief**) in connection with the Priority equity shares (**Priority Equity Shares**) and Class A shares (**Class A Shares**) (collectively, the **Shares**) to be issued by the Filer and described in the preliminary prospectus dated April 30, 2007 (the **Preliminary Prospectus**):

(a) subsection 2.1(1), which prohibits a mutual fund from purchasing a security of an issuer, or entering into a specified derivatives transaction, if, immediately after the transaction, more than 10 percent of the net assets of the mutual fund, taken at market value at the time of the transaction, would be invested in securities of an issuer;

(b) subsections 2.4(2) and 2.4(3), which (i) prohibit a mutual fund from having invested, for a period of 90 days or more, more than 15% of its net assets, taken at market value, in illiquid assets, and (ii) require a mutual fund that has more than 15% of its net assets, taken at market value, invested in illiquid assets to take all necessary steps, as quickly as commercially reasonable, to reduce the percentage of its net assets made up of illiquid assets to 15% or less;

(c) subsections 2.7(2) and 2.7(4), which (i) prohibit a mutual fund from having the mark-to-market value of its exposure to any one counterparty in respect of its specified derivative positions in excess of 10% of the net assets of the mutual fund for a period of 30 days or more, and (ii) require a mutual fund to close out, in an orderly and timely fashion, its position in any forward contract if the credit rating of the debt of the provider of the forward contract falls below the level of an approved credit rating under NI 81-102;

(d) section 3.3, which prohibits a mutual fund or its securityholders from bearing the costs of the incorporation, formation or initial organization of the mutual fund or the preparation and filing of the preliminary prospectus or initial prospectus of the mutual fund;

(e) section 10.3, which requires that the redemption price of a security of a mutual fund to which a redemption order pertains be the net asset value (**NAV**) of a security of that class, or series of class, next determined after the receipt by the mutual fund of the order;

(f) subsection 10.4(1), which requires that a mutual fund pay the redemption price for securities that are the subject of a redemption order within three business days after the date of calculation of the NAV per security used in establishing the redemption price;

(g) subsection 12.1(1), which requires a mutual fund that does not have a principal distributor to complete and file a compliance report, and accompanying letter of the auditor, in the form and within the time period mandated by subsection 12.1(1); and

(h) section 14.1, which requires that the record date for determining the right of securityholders of a mutual fund to receive a dividend or distribution by the mutual fund to be calculated in accordance with section 14.1.

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

INTERPRETATION

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

REPRESENTATIONS

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

The Filer

1. The Filer is a mutual fund corporation established under the laws of Ontario. The Filer's manager is CI Investments Inc. (the **Manager**).

The Offering

2. The Filer will make an offering (the **Offering**) to the public, on a best efforts basis, of Priority Equity Shares and Class A Shares in each of the provinces of Canada.

3. The Preliminary Prospectus has been filed with the Jurisdictions under Sedar Project No. 1094297.

4. The Priority Equity Shares and Class A Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the **TSX**). An application for conditional listing approval has been made by the Filer to the TSX.

5. The expenses incurred in connection with the Offering (the **Offering Expenses**), including the costs of the incorporation, formation or initial organization of the Filer and of the preparation and filing of the Preliminary Prospectus and prospectus of the Filer, will be borne by the Filer rather than the Manager or promoter of the Filer, provided however, that such expenses will not exceed 1.5% of the gross proceeds of the Offering,

6. The Filer was created to provide tax-efficient exposure to the total return on trust units (**Trust Units**) of CI Financial Income Fund (**CIX**) through the Filer's two classes of Shares. Holders of the Priority Equity Shares will be provided with a stable yield and downside protection on their initial investment while holders of Class A Shares will be provided with leveraged exposure to the performance of CIX.

7. The net proceeds of the Offering will be invested in a portfolio of common shares of Canadian public companies (the **Common Share Portfolio**) and Trust Units. The Filer also will enter into one or more forward purchase and sale agreements

(collectively, the **Forward Agreement)** with the Canadian Imperial Bank of Commerce or an affiliate thereof (the Counterparty) to obtain economic exposure to the total return on a notional investment in Trust Units.

8. Under the Forward Agreement, the Counterparty will agree to pay to the Filer on or about January 31, 2011 (the **Termination Date**), as the purchase price for the Common Share Portfolio, an amount calculated by reference to the market value of the Reference Number (as defined below) of Trust Units and the distributions paid on such Trust Units during the term of the Forward Agreement (such aggregate amount being referred to as the **CIX Total Return Value**). The "**Reference Number**" initially will be equal to the number of Trust Units that could be acquired in the market on or about the effective date of the Forward Agreement for an amount approximately equal to the net proceeds of the Offering, as determined by the Filer and the Counterparty, not including the amount of the net proceeds of the Offering invested by the Filer directly in Trust Units. It is possible that, over time, the value of the Forward Agreement will appreciate to a level where it constitutes more than 10% of the net assets of the Filer.

9. The Filer will partially settle the Forward Agreement prior to the Termination Date in order to fund distributions on Shares, redemptions and retractions of Shares, the payment for purchases of Shares in the market, and expenses of the Filer. The CIX Total Return Value will be adjusted after each partial settlement of the Forward Agreement, generally by first reducing that portion of the CIX Total Return Value determined by reference to the distributions paid on Trust Units.

10. The Counterparty has, and will have at all times, an approved credit rating under NI 81-102. In the event that the Counterparty ceases to have an approved credit rating, the terms of the Forward Agreement will permit the Filer to seek an assignment of the obligations of the Counterparty to a replacement counterparty or counterparties in order to minimize adverse tax consequences to the Filer that may be associated with closing out the Forward Agreement.

11. The Filer may invest directly in Trust Units when the Manager considers it efficient for the Filer to do so. The Filer also may hold a portion of its assets in cash, cash equivalents and other evidences of indebtedness provided such instruments have an approved credit rating under NI 81-102.

The Shares

12. As disclosed in the Preliminary Prospectus, the Filer's objectives in respect of its Priority Equity Shares are (a) to provide holders of the Priority Equity Shares with tax-efficient fixed cumulative preferential monthly cash distributions in the amount of $0.04167 per Priority Equity Share to yield approximately 5.0% per annum on the original issue price, and (b) on or about the Termination Date, to pay holders of Priority Equity Shares the original issue price of those Shares.

13. As disclosed in the Preliminary Prospectus, the Filer's objectives in respect of the Class A Shares are (a) to provide holders of Class A Shares with regular tax-efficient monthly cash distributions targeted to be $0.0875 per Class A Share to yield 7.0% per annum on the original issue price, and (b) on or about the Termination Date, to pay holders of Class A Shares at least the original issue price of those Shares.

14. The record date for shareholders of the Filer entitled to receive dividends will be established in accordance with the requirements of the TSX from time to time.

15. The Class A Shares and Priority Equity Shares may be surrendered for retraction at any time and will be retracted on a monthly basis on the last business day of each month (a **Retraction Date**), provided such shares are surrendered for retraction not less than 20 business days prior to the Retraction Date. The Filer will make payment for any Shares retracted within 15 business days after the Retraction Date.

16. Holders of Priority Equity Shares whose shares are surrendered for retraction will be entitled to receive a price per share (the **Priority Equity Share Retraction Price**) equal to the lesser of (i) $10.00; and (ii) 96% of the NAV per Unit determined as of the Retraction Date less the cost to the Filer of acquiring a Class A Share for cancellation. A "**Unit**" is one Priority Equity Share and one Class A Share, together.

17. Holders of Class A Shares whose shares are surrendered for retraction will be entitled to receive a price per share (the **Class A Share Retraction Price**) equal to 96% of the NAV per Unit determined as of the Retraction Date less the cost to the Filer of acquiring a Priority Equity Share for cancellation.

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 from the following requirements of NI 81-102:

(a) subsection 2.1(1) - to enable the Filer to invest all of its net assets in Trust Units through its exposure under the Forward Agreement (and any replacement or assignment of that agreement) and through its direct investments in Trust Units, provided the Filer does not become an insider of CIX as a result of such investment;

(b) subsections 2.4(2) and 2.4(3) - to permit the Filer's exposure under the Forward Agreement (and any replacement or assignment of that agreement) to exceed the limitations relating to investment in illiquid assets; provided that the mark-to-market exposure to the Counterparty under the Forward Agreement (and any replacement or assignment of that agreement), for a period of 60 days or more, does not exceed 30% of the asset of the Filer;

(c) subsection 2.7(2) - to exempt the Filer from the requirement to close out the Forward Agreement in the event that the Counterparty ceases to have an approved credit rating;

(d) subsection 2.7(4) - to permit the Filer to exceed the prescribed exposure limit under the Forward Agreement (and any replacement or assignment of that agreement), provided that the mark-to-market exposure to the Counterparty under the Forward Agreement (and any replacement or assignment of that agreement), for a period of 60 days or more, does not exceed 30% of the assets of the Filer;

(e) section 3.3 – to permit the Filer to bear the Offering Expenses, provided that such expenses will not exceed 1.5% of the gross proceeds of the Offering;

(f) section 10.3 - to permit the Filer to calculate the Priority Equity Share Retraction Price and the Class A Share Retraction Price in the manner described in the Preliminary Prospectus and on the applicable Retraction Date following the surrender of Priority Equity Shares and Class A Shares for retraction;

(g) subsection 10.4(1) - to permit the Filer to pay the Priority Equity Share Retraction Price and the Class A Share Retraction Price up to fifteen business days following the Retraction Date;

(h) subsection 12.1(1) - to relieve the Filer from the requirement to file the prescribed compliance report; and

(i) section 14.1 - to relieve the Filer from the requirement relating to the record date for payment of dividends or other distributions of the Filer, provided that it complies with the applicable requirements of the TSX.

"Rhonda Goldberg"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.11 Dimensional Fund Advisors Canada Inc. - MRRS Decision

Headnote

MRRS exemption from subsection 2.1(1)(a) of National Instrument 81-105 Mutual Fund Sales Practices (NI 81-105) granted to the extent necessary to permit a member of the organization of certain mutual funds to provide dealer with a list of specific sales representatives that it wishes to directly invite to its educational conferences – filer unable to rely upon exemption provided in s. 5.2 of NI 81-105 for educational conferences – filer exempted from s. 5.2(b) - exemption also granted from subsection 2.2(1) to the extent necessary to permit sales representatives of participating dealers to accept direct invites to educational conferences.

Exemption subject to conditions including that member of organization of mutual funds must obtain the written consent of a representative's participating dealer each time prior to directly inviting representative to a conference and that exemption provided will terminate in two years.

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices, ss. 2.1(1)(a), 2.2(1), 5.2(b), 9.1.

Policies

Companion Policy 81-105CP to National Instrument 81-105 Mutual Fund Sales Practices, s. 7.3(2).

May 18, 2007

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

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS \ (the System)

AND

IN THE MATTER OF
DIMENSIONAL FUND ADVISORS CANADA INC. (the Filer)

MRRS DECISION DOCUMENT

Background

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

(a) the restrictions on providing non-monetary benefits to participating dealers and their representatives in sections 2.1(1)(b) and 2.2(1) of NI 81-105 *Mutual Fund Sales Practices* (NI 81-105) to the extent necessary to permit the Filer to directly invite the sales representatives of participating dealers that may distribute mutual funds managed by the Filer and that are members of the Investment Dealers Association of Canada (IDA), the Mutual Fund Dealers Association of Canada (MFDA), or are dealers that are duly registered in Quebec (collectively, the Participating Dealers) to the Filer's education conferences; and

(b) the requirement contained in section 5.2(b) of NI 81-105 that the selection of the representatives of a dealer to attend a conference or seminar be made exclusively by the dealer, uninfluenced by any member of the organization of the mutual fund to the extent necessary to permit the Filer to directly invite a Participating Dealer's sales representatives to the Filer's education conferences.

(collectively, the Requested Relief)

Under the System:

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

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

Interpretation

Defined terms contained in National Instrument 14-101 *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 registered portfolio manager under the *Securities Act* (British Columbia). Its head office is in British Columbia.

2. The Filer is the Canadian subsidiary of Dimensional Fund Advisors LP, formerly Dimensional Fund Advisors Inc. ("DFA U.S."). DFA U.S. was founded in 1981. DFA U.S. first offered investment management services only to institutional clients. It started offering funds to retail investors in the U.S. in 1990 and, through the Filer, in 2003 in Canada.

3. The Filer is or will be the manager, portfolio manager and promoter of the Dimensional Funds (existing and future) (the Funds). The securities of the Funds are offered or may be offered by simplified prospectus in all the Jurisdictions. The Filer has retained (or will retain) DFA U.S. or other affiliates to act as sub-adviser(s) for the Funds.

4. Each of the Filer, DFA U.S. and other affiliates of the Filer (collectively, the Dimensional Group) is and will be a member of the organization of each of the Funds as defined in section 1.1 of NI 81-105.

5. The Funds are only available to retail investors through sales representatives authorized by the Filer (Approved Representatives).

6. Approved Representatives and the Filer conduct due diligence on each other that includes the following steps:

   (a) The Filer will give the representative applying for approval materials about the Dimensional Group and the research behind its investment philosophy.

   (b) The Filer's Regional Managers and the representative will meet (in person or by phone) to review and discuss the materials provided by the Filer.

   (c) If the Filer and the representative want to take the next step in the due diligence process, the Filer will invite the representative to attend an introductory conference (Introductory Conference) to learn about the Dimensional Group's approach to investing. The Filer will only invite representatives to an Introductory Conference who have completed the preliminary stages of the due diligence process.

   (d) The Filer will obtain the Participating Dealer's written consent prior to directly inviting the representative to attend the Introductory Conference.

   (e) The Filer will authorize the representative as an Approved Representative.

   (f) The Filer will enter into a distribution agreement with the representative's Participating Dealer.

   (g) The Filer will request that an Approved Representative provide its clients with written disclosure explaining the Approved Representative's relationship with the Filer.

7. The Filer and other members of the Dimensional Group will also organize and present regular seminars and educational conferences (Educational Seminars) for Approved Representatives. Only Approved Representatives will be invited to attend Educational Seminars. The Filer will obtain the Participating Dealer's written consent prior to directly inviting an Approved Representative to an Educational Seminar.

8. The Filer's Introductory Conferences and Educational Seminars will be held exclusively for educational purposes. Except as exempted in this Decision, the Filer's Introductory Conferences and Educational Seminars will comply in all respects with NI 81-105 including the requirements that: (1) restrict the location of an Introductory Conference or Educational Seminar to Canada; the continental United States of America, or a location where a portfolio adviser of the Funds carries on business, if the primary purposes of the Introductory Conference or Educational Seminar is the provision of educational information about the investments or activities of the Funds carried on by that portfolio adviser; and (2) prohibit a member of the organization of the Funds from paying any travel, accommodation or personal incidental expenses associated with the attendance of a representative at an Introductory Conference or an Educational Seminar.

9. The Filer does not provide incentives, agree to provide incentives, or imply that it will provide incentives to Approved Representatives or to potential Approved Representatives going through the mutual due diligence process with the Filer.

10. The Decision Makers previously issued an MRRS Decision Document to the Filer dated May 24, 2006 (the Original Decision) under NI 81-105 (NI 81-105). The Original Decision granted the same relief to the Filer that it seeks in this application. The Original Decision provided that the exemptions granted to the Filer terminate one year from the date of the Original Decision. This Decision will replace the Original Decision.

11. The Filer obtained an exemption from NI 81-105 in British Columbia on March 20, 2006.

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 for so long as:

1. The Filer explains to a representative that they must attend an Introductory Conference in order

to become an Approved Representative and may attend Educational Seminars after they become Approved Representatives.

2. The Filer explains to the representative that the Filer must obtain the written consent of the representative's Participating Dealer prior to directly inviting the representative to an Introductory Conference or Educational Seminar.

3. The Filer explains that the representative's Participating Dealer will decide whether the representative can attend an Introductory Conference or Educational Seminar.

4. The Filer obtains the written consent from the person in charge of compliance for the representative at the Participating Dealer prior to directly inviting the representative to each Introductory Conference or Educational Seminar.

5. The Filer requests that an Approved Representative provide its clients with written disclosure explaining the Approved Representative's relationship with the Filer.

It is the further decision of the Decision Makers under the Legislation that the Requested Relief terminates two years from the date of this Decision.

"Harold P. Hands"

"Lawrence E. Ritchie"

2.1.12 Front Street Small Cap Canadian Fund and Front Street Special Opportunities Canadian Fund Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Variation of exemptive relief granted to mutual funds allowing extension of prospectus lapse date.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5 as am., ss. 62(5), 144(1).

May 15, 2007

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

AND

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

AND

IN THE MATTER OF
FRONT STREET SMALL CAP CANADIAN FUND AND FRONT STREET SPECIAL OPPORTUNITIES CANADIAN FUND LTD.
(the "Filers")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (each a "Decision Maker", and together, the "Decision Makers") in each of the Jurisdictions has received an application from Front Street Capital 2004 (the "Manager"), the Manager of the Filers, for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") to vary the decision document issued by the Decision Makers dated April 5, 2007 (the "Original Decision"). The Original Decision granted relief to extend the time limits provided by the Legislation as they apply to the distribution of securities under the simplified prospectus and annual information form of the Filers dated March 24, 2006 (the "2006 Prospectus") to those time limits that would be applicable if the lapse date of the 2006 Prospectus was May 15, 2007. The variation requested is that the time limits provided by the Legislation as they apply to the distribution of securities under the 2006 Prospectus be further extended to those time limits that would be applicable if the lapse date of the

2006 Prospectus was June 15, 2007 (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications

a. the Ontario Securities Commission is the principal regulator for this application, and

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

Interpretation

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

Representations

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

1. The Original Decision extended the lapse date for the 2006 Prospectus to May 15, 2007, in order to provide the Manager with sufficient time to file a pro forma simplified prospectus and annual information form in respect of Front Street Small Cap Canadian Fund ("Small Cap") and to hold a meeting of shareholders of Front Street Special Opportunities Canadian Fund Ltd. ("SOF") to approve certain changes to its structure and operations (the "Reorganization").

2. After discussions with staff in the Jurisdictions, the Manager decided not to proceed with the Reorganization. The Manager issued and filed a press release on May 8, 2007 on SEDAR announcing that it has decided not to proceed with the Reorganization.

3. The Manager intends to file a pro forma simplified prospectus and annual information form for SOF in the Jurisdictions as soon as possible and in any event no later than May 11, 2007.

4. The Manager has filed a pro forma simplified prospectus and annual information form for Small Cap in the Jurisdictions under SEDAR Project No. 1081688.

5. The Manager now requests that the lapse date for the 2006 Prospectus be further extended to June 15, 2007 to provide sufficient time for the pro forma simplified prospectus and annual information form for SOF and the pro forma simplified prospectus and annual information form for Small Cap to be reviewed and filed in final form, and to allow the continued distribution of securities of the Filers until a receipt is issued for the respective final simplified prospectus and annual information form of each Filer.

6. All representations contained in the Original Decision remain true and complete except for Paragraphs 10, 12, 13, 14, 15, and 16, which are no longer applicable as a result of the Manager deciding not to proceed with the Reorganization.

Decision

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

The Decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted.

"Rhonda Goldberg"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.13 CIX Split Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption from National Instrument 81-106 Investment Fund Disclosure granted to permit a fund that uses specified derivatives to calculate its NAV twice a month subject to certain conditions – relief needed from the requirement that an investment fund that uses specified derivatives must calculate its NAV daily.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 14.2(3)(b), 17.1.

May 29, 2007

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

AND

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

AND

IN THE MATTER OF
CIX SPLIT CORP.
(the Filer)

MRRS DECISION DOCUMENT

BACKGROUND

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application (the **Application**) from the Filer for a decision under section 17.1 of the securities legislation of the Jurisdictions (the **Legislation**) that exempts the Filer from the requirement contained in section 14.2(3)(b) of National Instrument 81-106 - Investment Fund Continuous Disclosure (**NI 81-106**) to calculate the net asset value (**NAV**) at least once every business day (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

INTERPRETATION

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

REPRESENTATIONS

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

The Filer

1. The Filer is a mutual fund corporation established under the laws of Ontario. The Filer's manager is CI Investments Inc. (the **Manager**). The head office of the Manager is located in Toronto, Ontario.

The Offering

2. The Filer will make an offering (the **Offering**) to the public, on a best efforts basis, of Priority equity shares (**Priority Equity Shares**) and Class A shares (**Class A Shares**) (collectively, the **Shares**) in each of the provinces of Canada.

3. The Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the **TSX**). An application for conditional listing approval has been made by the Filer to the TSX.

4. The Filer was created to provide tax-efficient exposure to the total return on trust units (**Trust Units**) of CI Financial Income Fund (**CIX**) through the Filer's two classes of Shares. Holders of the Priority Equity Shares will be provided with a stable yield and downside protection on their initial investment while holders of the Class A Shares will be provided with leveraged exposure to the performance of CIX.

5. The net proceeds of the Offering will be invested in a portfolio of common shares of Canadian public companies (the **Common Share Portfolio**) and Trust Units. The Filer also will enter into one or more forward purchase and sale agreements (collectively, the **Forward Agreement**) with the Canadian Imperial Bank of Commerce or an affiliate thereof (the **Counterparty**) to obtain economic exposure to the total return on a notional investment in Trust Units.

6. Under the Forward Agreement, the Counterparty will agree to pay to the Filer on or about January 31, 2011 (the **Termination Date**), as the purchase price for the Common Share Portfolio, an amount calculated by reference to the market value of the Reference Number (as defined below) of Trust Units and the distributions paid on such Trust Units during the term of the Forward Agreement (such aggregate amount being referred to as the **CIX Total Return Value**). The "**Reference**

Number" initially will be equal to the number of Trust Units that could be acquired in the market on or about the effective date of the Forward Agreement for an amount approximately equal to the net proceeds of the Offering, as determined by the Filer and the Counterparty, not including the amount of the net proceeds of the Offering invested by the Filer directly in Trust Units.

7. The Filer will partially settle the Forward Agreement prior to the Termination Date in order to fund distributions on Shares, redemptions and retractions of Shares, the payment for purchases of Shares in the market, and expenses of the Filer. The CIX Total Return Value will be adjusted after each partial settlement of the Forward Agreement, generally by first reducing that portion of the CIX Total Return Value determined by reference to the distributions paid on Trust Units.

8. The Counterparty has, and will have at all times, an approved credit rating under National Instrument 81-102 - Mutual Funds. In the event that the Counterparty ceases to have an approved credit rating, the terms of the Forward Agreement will permit the Filer to seek an assignment of the obligations of the Counterparty to a replacement counterparty or counterparties in order to minimize adverse tax consequences to the Filer that may be associated with closing out the Forward Agreement.

9. The Shares may be surrendered for retraction at any time and will be retracted on a monthly basis on the last business day of each month (a **Retraction Date**), provided such Shares are surrendered for retraction not less than 20 business days prior to the Retraction Date. The Filer will make payment for any Shares retracted within 15 business days after the Retraction Date.

10. Holders of Priority Equity Shares whose shares are surrendered for retraction will be entitled to receive a price per share equal to the lesser of (i) $10.00; and (ii) 96% of the NAV per Unit determined as of the Retraction Date less the cost to the Filer of acquiring a Class A Share for cancellation. A "**Unit**" is one Priority Equity Share and one Class A Share, together.

11. Holders of Class A Shares whose shares are surrendered for retraction will be entitled to receive a price per share equal to 96% of the NAV per Unit determined as of the Retraction Date less the cost to the Filer of acquiring a Priority Equity Share for cancellation.

12. Commencing in 2008, a holder of Shares also may concurrently retract one Class A Share and one Priority Equity Share on the last Retraction Date of the year at a retraction price equal to the NAV per Unit on that date.

NAV Calculation

13. Under clause 14.2(3)(b) of NI 81-106, an investment fund that is a reporting issuer is generally required to calculate the NAV per security of the investment fund on at least a weekly basis. Furthermore, an investment fund that uses or holds permitted derivatives, such as the Filer intends to do, must calculate its NAV per security on a daily basis.

14. The Filer will calculate its NAV per Unit on the last business day of each month for purposes of processing retractions, if any, of its Shares, and on the fifteenth day of each month (or the business day immediately prior thereto if the fifteenth day is not a business day).

15. The preliminary prospectus of the Filer discloses, and the final prospectus of the Filer will disclose, that the NAV per Unit will be provided by the Manager to the public upon request. The public also will be able to access the NAV per Unit on the Manager's website at www.ci.com.

16. NAV calculation on a daily basis is not necessary for redemption purposes because the Filer only allows investors to redeem monthly, thus the Manager believes it would not be prejudicial to investors to allow the Filer to calculate its NAV twice monthly.

DECISION

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

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

(a) the final prospectus of the Filer discloses that the NAV per Unit will be provided by the Manager to the public on request and further discloses that the NAV per Unit is accessible to the public on the Internet at www.ci.com;

(b) the Priority Equity Shares and Class A Shares are listed on the TSX; and

(c) the Filer calculates its NAV per Unit at least twice a month.

"Rhonda Goldberg"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.14 Sapardis S.A. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – take-over bid by German company that is not a reporting issuer in any Canadian jurisdiction – filer acquiring target existing under the laws of Germany – de minimisexemption not available – offeror cannot conclusively determine how many Canadian shareholders there are because target issued bearer securities and does not maintain a share register – evidence suggests the number of Canadian shareholders less than the de minimisthreshold – Germany not recognized by the Commission for the purposes of de minimis exemption – relief granted as take-over bid conducted in accordance with the laws of Germany providing protections to target shareholders – all material provided to foreign shareholders to be provided to Ontario shareholders – all shareholders treated equally.

Applicable Ontario Statutory Provisions

Securities Act,R.S.O. 1990, c. S.5, as am., ss. 93(1)(e), 95 through 100, 104(2)(c).

Recognition Orders Cited

In the Matter of the Recognition of Certain Jurisdictions (Clauses 93(1)(e) and 93(3)(h) of Act) (1997) 20 OSCB 1035.

May 11, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, QUÉBEC,
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
SAPARDIS S.A.
(the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the formal take-over bid requirements in the Legislation, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors' circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the "Take-over Bid Requirements") do not apply to the proposed cash offer (the "Offer") by the Filer for all of the outstanding shares (the "Target Shares") of Puma Aktiengesellschaft Rudolf Dassler Sport ("Target") not already held by the Filer (the "Requested Relief");

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 that decision of each Decision Maker.

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of the French Republic. The object of the Filer's business is: (i) the acquisition, management and sale of all types of securities of or participations in companies acting, inter alia, in the commercial, industrial, service or real estate sector, (ii) the promotion and management of all types of commercial companies, and (iii) the acquisition, management or sale of all types of real property or movable goods.

2. The Filer's registered office is located in Paris, France.

3. The Filer is not a reporting issuer or the equivalent in any of the Jurisdictions. The Filer's securities are not listed or quoted for trading on any Canadian stock exchange or market.

4. Target is a corporation incorporated under the laws of the Federal Republic of Germany, with its common bearer shares ("Target Shares") admitted for trading at the Official Market (*Amtlicher Markt*) of the Stock Exchanges of Frankfurt (Prime Standard) and Munich. Target and its subsidiaries are engaged in the development, design and sales of a broad range of sports and sportlifestyle products under the brand name "PUMA".

5. Target's registered office is located in Herzogenaurach, Germany.

6. Target's issued and outstanding share capital consists of 15,963,714 Target Shares.

7. The Target Shares constitute "equity securities" for the purposes of the definition of "take-over bid" in the Legislation.

8. Target is not a reporting issuer or equivalent in any of the Jurisdictions. Target's securities are not listed or quoted for trading on any Canadian stock exchange or market.

9. On April 10, 2007, the Filer announced its decision to make a cash tender offer for all of the Target Shares not already held by it in exchange for € 330.00 per Target Share. Immediately prior to the announcement of the Filer's intention to make the offer, the Filer held approximately 27% of the outstanding Target Shares.

10. The Offer is being made, and the offer document reflecting the terms of the Offer (the Offer Document") is being prepared, in accordance with the laws of the Federal Republic of Germany and, in particular, the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Ubernahmegesetz*, or the "WpUG"). It is made in compliance with the provisions of the statutory regulations based on the WpUG and in compliance with any applicable provisions of US securities law.

11. The Offer Document was submitted to the applicable securities regulatory authority in Germany on April 27, 2007 for review. The Offer Document is expected to be made available to holders of Target Shares after approval by the German regulator, on or about May 15, 2007. In accordance with German law, the Offer Document will be available on the internet under http://www.ppr.com (where a non-binding English convenience translation will also be available) and a public announcement in a national German newspaper will specify where and how the shareholders may obtain a copy of the Offer Document free of charge.

12. At the same time as the public announcement in the national German newspaper or as soon as practicable following the issuance of this decision, a public announcement in a national Canadian newspaper and in a French newspaper that is widely circulated in Québec will specify where and how holders of the Target Shares in the Jurisdictions may obtain a copy of the Offer Document (or a non-binding English convenience translation) free of charge. As soon as practicable after such date, the Filer will also file a copy of the Offer Document with the Decision Maker in each of the Jurisdictions.

13. As permitted by German law, Target has issued bearer securities and does not maintain a share register. Accordingly, any information about shareholdings of Target Shares in Canada can only be determined on a limited enquiry basis by Target. Based on such enquiry, the Filer believes that, as of April 19, 2007, there are 7 holders of Target Shares resident in Canada (3 in Ontario, 1 in British Columbia and 3 in Quebec), holding an aggregate of 72,257 Target Shares representing approximately 0.50% of the Target Shares outstanding. However, as a result of the fact that the Target has issued bearer securities, the Filer is unable to determine conclusively in which Jurisdictions the 7 holders of Target Shares reside.

14. If any material relating to the Offer is required by law to be sent by the Filer to holders of Target Shares in Germany, such material will also be sent, as applicable, to holders of such shares residing in the Jurisdictions (if addresses are known), along with an English translation for convenience purposes, and in any event will be concurrently filed with each Decision Marker.

15. In accordance with the laws of the Federal Republic of Germany (the home jurisdiction of the Target), all of the holders of Target Shares to whom the Offer is made, will be treated equally under the terms of the Offer.

16. The *de minimis* take-over bid exemption as provided for in the Legislation is not available to the Filer because the Offer is not being made in compliance with the laws of a jurisdiction that is recognized by the applicable Decision Makers for the purposes of the *de minimis* take-over bid exemption. Also, because the Target does not maintain a share register, the Filer is unable to determine conclusively the number of holders of the Target Shares, resident in each of the Jurisdictions, or the number of such shares held by any such persons.

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:

(i) the Offer and all amendments to the Offer are made in compliance with the laws of the Federal Republic of Germany;

(ii) any material relating to the Offer and any amendments thereto that are sent to the holders of the Target Shares in Germany by the Filer, will be sent to the holders of

the Target Shares resident in any of the Jurisdictions (if addresses are known), together with an English convenience translation, and copies thereof filed with the Decision Maker in each Jurisdiction; and

(iii) the Filer makes a public announcement in a national Canadian newspaper and in a French newspaper that is widely circulated in Québec specifying where and how holders of the Target Shares in the Jurisdictions may obtain a copy of the Offer Document (or an English convenience translation) free of charge and files copies thereof with the Decision Maker in each of the Jurisdictions.

"Kevin Kelly"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.1.15 BAM Split Corp. (Formerly BNN Split Corp.) - MRRS Decision

Headnote

MRRS – exemption granted from s. 10.4(3) of NI 81-102 – exemption required to facilitate retraction feature that will provide investor with an unsecured debenture of either the split share company or its parent instead of cash upon retraction – exemption granted on basis that split share company a special purpose entity the preferred shares of which will be listed on the TSX – split share company's prospectus will also disclose terms of the preferred shares including risk factors associated with the retraction feature.

Applicable Legislative Provisions

National Instrument 81-102 – Mutual Funds, ss.10.4(3), 19.1.

May 22, 2007

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

AND

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

AND

IN THE MATTER OF
BAM SPLIT CORP. (FORMERLY BNN SPLIT CORP.)
(the "Company")

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 Company for a decision under the securities legislation of the Jurisdictions (the "Legislation") that it be exempt from the requirement contained in subsection 10.4(3) of National Instrument 81-102 Mutual Funds ("NI 81-102") that a mutual fund shall pay the redemption price of a security in the currency in which the net asset value per security of the redeemed security was denominated or by making good delivery to the securityholder of portfolio assets to enable the Company to pay the retraction price for one or more additional series of Class AA Preferred Shares (the "Additional Preferred Shares") with debentures of the Company or BAM Investments Corp. ("BAM Investments"), if agreed by BAM Investments (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications (the "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

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 Company:

1. The Company was incorporated under the laws of the Province of Ontario on July 13, 2001. The primary undertaking of the Company is to invest in a portfolio of Class A Limited Voting Shares (the "BAM Shares") of Brookfield. The BAM Shares and any cash held by the Company from time to time are the only material assets of the Company.

2. The purpose of the Company is to provide a vehicle through which different investment objectives with respect to participation in the BAM Shares may be satisfied. This is accomplished through the issuance of capital shares (the "Capital Shares") and preferred shares (the "Preferred Shares") of the Company. The Class A Preferred Shares, the Class AA Preferred Shares, Series 1 (the "Series 1 Preferred Shares") and the Class AA Preferred Shares, Series 3 (the "Series 3 Preferred Shares") of the Company are listed on the Toronto Stock Exchange (the "TSX").

3. The Company holds the BAM Shares in order to generate fixed cumulative preferential dividends for the holders of the Preferred Shares and to enable the holders of the Capital Shares to participate in any capital appreciation in the BAM Shares. BAM Investments owns all of the outstanding Class A Voting Shares, Class AA Preferred Shares, Series 2 (the "Series 2 Preferred Shares") and all of the Capital Shares of the Company. BAM Investments is a reporting issuer whose principal business mandate is to provide its common shareholders with a leveraged investment in the securities of Brookfield. Its principal investments consist of the Capital Shares and BAM Shares.

4. The Company is a mutual fund because it is an issuer of securities which entitle the holder to receive an amount computed by reference to the value of a proportionate interest in the whole or part of the net assets of the Company, within a specified period after demand.

5. The Company has previously offered to the public by prospectus and has issued and outstanding 5,000,000 Class A Preferred Shares, 3,199,000 Series 1 Preferred Shares and 8,000,000 Series 3 Preferred Shares.

6. The Company intends to commence an offering (the "First Offering") of Additional Preferred Shares shortly. These Additional Preferred Shares will be issued for $25 and will pay a cumulative quarterly dividend. The Company may also complete future offerings of Additional Preferred Shares (the "Future Offerings"). The Additional Preferred Shares will be retractable at the option of the holder at any time and redeemable at the option of the Company after a period of at least five years. All Additional Preferred Shares of a series will be redeemed on a specified date (the "Redemption Date"). The Additional Preferred Shares will be listed on the TSX. Consequently, holders of such shares will not be relying solely on the retraction privilege to provide liquidity for their investment.

7. In lieu of receiving the retraction price in cash, a retracting holder of an Additional Preferred Share issued pursuant to the First Offering will receive and a retracting holder of an Additional Preferred Share issued pursuant to a Future Offering may receive an unsecured debenture of the Company or, if BAM Investments agrees, an unsecured debenture of BAM Investments (in either case, an "Additional Debenture"), with a principal amount equal to the retraction price, an interest rate that is higher (expected to be ten basis points higher) than the dividend rate on the corresponding Additional Preferred Share, and a maturity date which is the same as the Redemption Date for the corresponding Additional Preferred Share. The Additional Debentures will be redeemable at any time for cash. As a debt security, the Additional Debentures will rank ahead of the Preferred Shares.

8. The Additional Debentures will likely be issued under exemptions from the registration and prospectus requirements under the Legislation. The Additional Debentures will not be listed on the TSX. The Company and BAM Investments possess and are expected to possess, based on the Company's current business plan, a similar credit profile with respect to the Additional Debentures.

9. The First Offering and Future Offerings of Additional Preferred Shares will proceed under a short form prospectus that will contain disclosure of the terms of the Additional Preferred Shares and the Additional Debentures, including the fact that upon retraction a holder of Additional Preferred Shares will receive Additional Debentures of the Company (or, if BAM Investments agrees, BAM Investments) as the

retraction consideration. The prospectus will also contain a risk factor relating to the payment of the retraction price in Additional Debentures that also explains the Additional Debentures will be illiquid investments. The Company will also disclose this risk factor in bold on the cover page to the prospectus. The tax opinion provided under "Canadian Federal Income Tax Considerations" in the prospectus will cover the tax implications of holding and selling Additional Debentures. The trust indenture relating to the Additional Debentures will be filed on SEDAR. The prospectus will also incorporate by reference information on BAM Investments and will describe the use of proceeds from the offering.

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 for so long as any Additional Preferred Shares issued to the public are listed on the TSX.

"Rhonda Goldberg"
Assistant Manager – Investment Funds

2.1.16 Cumberland Resources Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-102 Continuous Disclosure Obligations, s.13.1 - Interim financial statements - An issuer wants relief from the requirements to file and/or deliver interim financial statements for a particular period – A compulsory acquisition procedure pursuant to corporate legislation has been undertaken, prior to the filing deadline, in relation to the issuer and its shareholders pursuant to which all of the issuer's securities will be acquired by the offeror by a fixed date.

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 4.5 – An issuer wants relief from the requirements in Part 3 of MI 52-109 to file interim certificates – The issuer has applied for and received an exemption from filing interim financial statements.

Applicable Ontario Statutory Provisions

National Instrument 51-102, s. 13.1.
Multilateral Instrument 52-109, s. 4.5.

May 15, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUÉBEC, 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
CUMBERLAND RESOURCES LTD.
(Cumberland)

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 Cumberland for a decision under the securities legislation of the Jurisdictions (the Legislation) from each of the Decision Makers in the Jurisdictions granting exemptive relief from:

   (i) the requirement in Part 4.3 of National Instrument 51-102 to prepare, file and

provide to shareholders interim financial statements as at and for the three month period ended March 31, 2007 (the Interim Statements); and

(ii) the requirement in Part 3 of MI 52-109 to file the prescribed officer certification forms relating to the Interim Statements (the Officer Certificates)

(together, the Requested Relief)

Representations

2. This decision is based on the following facts represented by Cumberland:

1. Cumberland was incorporated pursuant to the laws of British Columbia on December 4, 1979;

2. Cumberland's principal office is located at 950 – 505 Burrard Street, Vancouver, BC V7X 1M4 and its registered office is located at 2300 – 1055 Dunsmuir Street, Vancouver, BC V7X 1J1;

3. Cumberland is a reporting issuer in each of the Jurisdictions and is not in default of any of the requirements of the Legislation;

4. Cumberland's common shares are listed for trading on the Toronto Stock Exchange and the American Stock Exchange;

5. Agnico-Eagle Mines Limited (Agnico-Eagle) and Agnico-Eagle Acquisition Corporation (Agnico Acquisition and, together with Agnico-Eagle, the Offerors) made an offer pursuant to an offer and circular dated March 12, 2007 (the Original Offer), as amended and supplemented by the notice of extension and subsequent offering period dated April 17, 2007 (as amended and supplemented, the Offer), to purchase all of the outstanding common shares of Cumberland, together with the associated rights under Cumberland's shareholder rights plan, other than common shares of Cumberland already owned by Agnico-Eagle and its affiliates;

6. the Offer was made on the basis of 0.185 of a common share of Agnico-Eagle (an Agnico-Eagle Share) for each Cumberland Share; the Offer expired at 5:00 p.m. (Toronto time) on April 30, 2007;

7. shareholders of Cumberland holding more than 90% of the issued and outstanding common shares not previously owned by Agnico-Eagle and its affiliates accepted the Offer;

8. the Offerors have taken up and paid for all shares of Cumberland validly deposited under the Offer;

9. on May 7, 2007, pursuant to the provisions of section 300 of the Business Corporations Act (British Columbia) (the BCBCA), the Offerors sent to those shareholders of Cumberland who had not accepted the Offer (the Remaining Shareholders) written notice (the Acquisition Notice) that Agnico Acquisition will acquire the shares of Cumberland held by the Remaining Shareholders;

10. section 300 of the BCBCA provides that once the Acquisition Notice has been sent, Agnico Acquisition is entitled and bound to acquire all of Cumberland's shares held by the Remaining Shareholders for the same price and on the same terms contained in the Offer;

11. a Remaining Shareholder is entitled to make an application to the court within months from the date of the Acquisition Notice upon which the court may by order set the price and terms for payment for Cumberland's shares and make consequential orders and give such directions as the court considers appropriate; as of the date of this application, neither Cumberland nor the Offerors have received notice of any such application;

12. provided the court has not ordered otherwise, under the provisions of section 300 of the BCBCA, Agnico Acquisition intends to deliver to Cumberland on or about July 8, 2007 (the Acquisition Date) a copy of the Acquisition Notice along with such number of common shares of Agnico-Eagle to which the Remaining Shareholders are entitled to receive as payment for their Cumberland Shares;

13. section 300 of the BCBCA provides that upon receipt of the Acquisition Notice and common shares of Agnico-Eagle to which the Remaining Shareholders are entitled, Cumberland must register Agnico Acquisition as the shareholder with respect to the Cumberland shares held by the Remaining Shareholders, and accordingly the acquisition by Agnico

Acquisition of the Cumberland shares held by the Remaining Shareholders is inevitable once the Acquisition Notice and common shares of Agnico-Eagle has been received by Cumberland;

14. section 300 of the BCBCA also provides that such delivery and payment by the Offerors may not be made for a period of at least two months after the date the notice is sent to the Remaining Shareholders;

15. the Remaining Shareholders will continue as shareholders of Cumberland until the Acquisition Date; the Cumberland common shares will continue to be listed on the Toronto Stock Exchange and the American Stock Exchange until the Acquisition Date;

16. assuming the completion of the Agnico Acquisition, Cumberland intends to apply to the securities regulatory authorities in the Jurisdictions for an order that Cumberland no longer be a "reporting issuer" (or equivalent) under the laws of the Jurisdictions; Cumberland also intends to cause its common shares to be delisted from the Toronto Stock Exchange and the American Stock Exchange;

17. Agnico Acquisition has advised Cumberland that it has no need to obtain, in the form of the Interim Statements and Officer Certificates, the information to be set out in the Interim Statements and Officer Certificates; and

18. absent the granting of the relief requested hereby, Cumberland would be required to prepare, certify, file, and deliver to the Remaining Shareholders the Interim Statements before May 15, 2007

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.

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

2.1.17 Liquor Stores Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Take-over Bid - Offeror needs relief from the requirement in subsection 97(1) of the Act that all holders of the same class of securities must be offered identical consideration – Under the take-over bid, Canadian resident securityholders will receive trust units: US securityholders will receive substantially the same value as Canadian securityholders, in the form of cash paid to the US securityholders based on the proceeds from the sale of their shares; the number of shares held by US residents is de minimis; the US does not have an identical consideration requirement.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 97(1), 104(2).

Citation: Liquor Stores Income Fund, 2007 ABASC 305

May 23, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, 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
LIQUOR STORES 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**) for an exemption from the requirement in the Legislation to offer identical consideration to all holders of the class of securities subject to a take-over bid (the **Identical Consideration Requirement**) in connection with the securities exchange take-over bid (and related merger transaction) made by the Filer for all of the issued and outstanding trust units (the **Liquor Barn Units**) of Liquor Barn

Income Fund (**Liquor Barn**) (collectively, the **Requested Relief**).

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

   (a) the Alberta 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 in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined differently in this decision.

Representations

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

   (a) The Filer is a public trust formed under the laws of the Province of Alberta that is administered by Liquor Stores GP Inc., an indirect wholly-owned subsidiary of the Filer. The head and registered offices of the Filer and Liquor Stores GP Inc. are located in Edmonton, Alberta.

   (b) The Filer is a reporting issuer or the equivalent in each of the provinces of Canada.

   (c) The trust units of the Filer (the **Liquor Stores Units**) are listed and posted for trading on the Toronto Stock Exchange (the **TSX**).

   (d) Liquor Barn is a public trust formed under the laws of the Province of Alberta that is administered by Liquor Barn GP Inc., a direct wholly-owned subsidiary of Liquor Barn. The head and registered offices of Liquor Barn and Liquor Barn GP Inc. are located in Edmonton, Alberta.

   (e) Liquor Barn is a reporting issuer or the equivalent in each of the provinces of Canada.

   (f) The Liquor Barn Units are listed and posted for trading on the TSX.

   (g) On April 10, 2007, the Filer: (i) publicly announced an offer (the **Offer**) to purchase all of the issued and outstanding Liquor Barn Units on the basis of 0.53 of a Liquor Stores Unit of the Filer for each one Liquor Barn Unit; (ii) formally commenced the Offer by way of advertisements published in the Globe and Mail and La Presse; and (iii) filed the Offer and take-over bid circular (the **Offer and Circular**) with Canadian securities regulatory authorities.

   (h) The Offer includes a merger transaction option (the **Merger Transaction**, and together with the Offer, the **Take-Over Bid**) pursuant to which holders (**Liquor Barn Unitholders**) of Liquor Barn Units have the opportunity to exchange their Liquor Barn Units for Liquor Stores Units pursuant to the Merger Transaction on a tax-deferred "roll-over" basis for Canadian income tax purposes so as to defer the recognition of any gain (or loss) for Canadian income tax purposes. The Filer will complete the Merger Transaction immediately following and conditional on the take-up under the Offer.

   (i) Approximately 7.25% of the issued and outstanding Liquor Barn Units on a non-diluted basis (approximately 4.62% on a fully diluted basis) are currently beneficially held by Liquor Barn Unitholders who are resident in the United States (**US Unitholders**).

   (j) Because the Liquor Stores Units issuable pursuant to the Take-Over Bid to the US Unitholders have not been registered under the 1933 Act and are not eligible for sale under the securities laws of a substantial number of states in the United States without registration, the offer, sale and delivery of such Liquor Stores Units to US Unitholders without further action by the Filer would constitute a violation of United States securities laws.

   (k) Rule 802 under the 1933 Act (Rule 802) provides an exemption from the registration requirements of the 1933 Act for offers and sales in any exchange offer for a class of securities of a foreign private issuer or in any exchange of securities for the securities of a foreign private issuer in any business combination if the holders of the foreign subject company resident in the United States hold no more than 10% of the securities that are the subject of the exchange offer or business combination. Rule 802 provides that for the purposes of this calculation, securities held by persons who hold more than 10% of the subject securities are to be excluded, as are securities held by the offeror. In order for this exemption to apply, holders

resident in the United States must participate in the exchange offer or business combination on terms at least as favourable as those offered to the other holders of the subject securities, subject to an exception which allows the offeror to offer cash consideration to securityholders resident in states of the United States that do not have an applicable state "blue sky" exemption from the registration or qualification requirements of state securities laws.

(l) The Filer is a "foreign private issuer" within the meaning of Rule 405 of Regulation C adopted by the SEC under the 1933 Act.

(m) As the 10% ownership condition and the other conditions of Rule 802 have been met, the offer and sale of the Liquor Stores Units is exempt from the registration requirements of the 1933 Act.

(n) There is no general exemption from state "blue sky" laws that coordinates with Rule 802. As a result, the securities laws of a significant number of states would prohibit delivery of the Liquor Stores Units to US Unitholders without registration of the Liquor Stores Units to be issued to US Unitholders resident in such states unless such holders are otherwise exempt investors under the laws of such states. The Multijurisdictional Disclosure System does not provide relief from the registration or qualification requirements of United States state securities laws.

(o) Registration under the 1933 Act and/or applicable state securities laws of the Liquor Stores Units deliverable to US Unitholders would be costly and burdensome to the Filer.

(p) For US Unitholders (and Liquor Barn Unitholders who appear to the Filer or to the depositary (the Depositary) designated under the Take-Over Bid to be US Unitholders) who are resident in one of the subject states with no available registration exemption and who are not exempt investors, the Filer proposes to deliver to the Depositary the Liquor Stores Units that those US Unitholders would otherwise be entitled to receive under the Take-Over Bid, and the Depositary will then sell (or cause to be sold) the Liquor Stores Units on behalf of those US Unitholders and through the facilities of the TSX. As soon as possible after the completion of the sale, the Depositary or selling agent will deliver to each such holder their respective pro rata share of the cash proceeds of sale, less commissions and applicable withholding taxes.

(q) Any sale of Liquor Stores Units described in the paragraph (p) above will be completed as soon as commercially reasonable following (i) the date on which the Filer takes up the Liquor Barn Units tendered by the US Unitholders under the Offer, and (ii) the date on which the Filer acquires the remainder of the Liquor Barn Units held by US Unitholders under the Merger Transaction, as applicable.

(r) The Offer and Circular sent to all holders of Liquor Barn Units discloses the procedure described in paragraph (p) above to be followed for US Unitholders who tender their Liquor Barn Units to the Offer or have their Liquor Barn Units acquired pursuant to the Merger Transaction.

(s) Except to the extent that relief from the Identical Consideration Requirement is granted, the Take-Over Bid will otherwise be made in compliance with the requirements under the Legislation governing take-over bids.

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, in connection with the Take-Over Bid, the Requested Relief is granted so that US Unitholders who would otherwise receive Liquor Store Units under the Take-Over Bid instead receive cash proceeds from the sale of those Liquor Stores Units in accordance with the procedure set out in paragraph (p) above.

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

"Stephen R. Murison"
Vice-Chair
Alberta Securities Commission

2.2 Orders

2.2.1 Jason Wong et al. - ss. 127(1), 127(5)

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

AND

**IN THE MATTER OF
JASON WONG, DAVID WATSON, NATHAN ROGERS,
AMY GILES, JOHN SPARROW, KERVIN FINDLAY,
LEASESMART, INC.,
ADVANCED GROWING SYSTEMS, INC.,
PHARM CONTROL LTD., THE BIGHUB.COM, INC.,
UNIVERSAL SEISMIC ASSOCIATES INC.,
POCKETOP CORPORATION, ASIA TELECOM LTD.,
INTERNATIONAL ENERGY LTD.,
CAMBRIDGE RESOURCES CORPORATION,
NUTRIONE CORPORATION AND
SELECT AMERICAN TRANSFER CO.**

**TEMPORARY ORDER
(Sections 127(1) and (5))**

WHEREAS it appears to the Ontario Securities Commission that:

1. Select American Transfer Co. ("Select American") is a Delaware corporation that operates out of Toronto as a transfer agent;

2. Jason Wong, David Watson, Nathan Rogers and Amy Giles are the principals, or former principals, of Select American;

3. With the assistance of Select American, its principals, former principals and others, including John Sparrow and Kervin Findlay, the following companies have assumed the corporate identities of dormant or inactive companies, the securities of which were previously quoted for trading on the Pink Sheets LLC in the over-the-counter securities market in the United States:

   - The Bighub.Com, Inc. ("Bighub.Com");
   - Advanced Growing Systems, Inc. ("Advanced Growing Systems");
   - LeaseSmart, Inc. ("LeaseSmart");
   - Cambridge Resources Corporation ("Cambridge Resources");
   - NutriOne Corporation ("NutriOne");
   - International Energy Ltd. ("International Energy");
   - Universal Seismic Associates Inc. ("Universal Seismic");
   - Pocketop Corporation ("Pocketop");
   - Asia Telecom Ltd. ("Asia Telecom"); and
   - Pharm Control Ltd. ("Pharm Control");

4. Select American, acting as the transfer agent to these companies, may have issued false share certificates for trading in securities of these issuers in the over-the-counter securities market via the Pink Sheets;

5. Staff of the Commission ("Staff") are conducting an investigation into the conduct described herein and it appears that Select American, its principals, its former principals and others, may have breached sections 25 and 53 of Ontario Securities law and further, may have engaged in acts, practices or courses of conduct relating to the securities of the above listed companies that they knew or reasonably ought to have known:

   - resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for, the securities contrary to subsection 126.1(a) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act"); and/or
   - perpetrated a fraud on any person or company contrary to subsection 126.1(b) of the Act.

6. The Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest; and

7. The Commission is of the opinion that it is in the public interest to make this order.

AND WHEREAS by Commission Order made April 4, 2007, pursuant to section 3.5(3) of the Act, any one of W. David Wilson, James E. A. Turner, Lawrence E. Ritchie, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone, is authorized to make Orders under section 127 of the Act;

IT IS ORDERED, pursuant to subsections 127(1) and 127(5) of the Act, that trading in any securities by Select American shall cease and that any exemptions contained in Ontario securities law do not apply to them;

IT IS FURTHER ORDERED, that pursuant to section 127(6) of the Act this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

DATED at Toronto this 22nd day of May, 2007.

"David Wilson"

2.2.2 Jason Wong et al. - ss. 127(1), 127(5)

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

AND

**IN THE MATTER OF
JASON WONG, DAVID WATSON, NATHAN ROGERS,
AMY GILES, JOHN SPARROW, KERVIN FINDLAY,
LEASESMART, INC.,
ADVANCED GROWING SYSTEMS, INC.,
PHARM CONTROL LTD.,
THE BIGHUB.COM, INC.,
UNIVERSAL SEISMIC ASSOCIATES INC.,
POCKETOP CORPORATION, ASIA TELECOM LTD.,
INTERNATIONAL ENERGY LTD.,
CAMBRIDGE RESOURCES CORPORATION,
NUTRIONE CORPORATION AND
SELECT AMERICAN TRANSFER CO.**

**TEMPORARY ORDER
(Sections 127(1) and (5))**

WHEREAS it appears to the Ontario Securities Commission that:

1. Select American Transfer Co. ("Select American") is a Delaware corporation that operates out of Toronto as a transfer agent;

2. Jason Wong, David Watson, Nathan Rogers and Amy Giles are the principals, or former principals, of Select American;

3. With the assistance of Select American, its principals, former principals and others, including John Sparrow and Kervin Findlay, the following companies have assumed the corporate identities of dormant or inactive companies, the securities of which were previously quoted for trading on the Pink Sheets LLC in the over-the-counter securities market in the United States:

   - The Bighub.Com, Inc. ("Bighub.Com");
   - Advanced Growing Systems, Inc. ("Advanced Growing Systems");
   - LeaseSmart, Inc. ("LeaseSmart");
   - Cambridge Resources Corporation ("Cambridge Resources");
   - NutriOne Corporation ("NutriOne");
   - International Energy Ltd. ("International Energy");
   - Universal Seismic Associates Inc. ("Universal Seismic");

- Pocketop Corporation ("Pocketop");
- Asia Telecom Ltd. ("Asia Telecom"); and
- Pharm Control Ltd. ("Pharm Control");

4. Select American, acting as the transfer agent to these companies, may have issued false share certificates for trading in securities of these issuers in the over-the-counter securities market via the Pink Sheets;

5. Staff of the Commission ("Staff") are conducting an investigation into the conduct described herein and it appears that Select American, its principals, its former principals and others, including John Sparrow and Kervin Findlay, may have breached sections 25 and 53 of Ontario Securities law and further, may have engaged in acts, practices or courses of conduct relating to the securities of the above listed companies that they knew or reasonably ought to have known:

   - resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for, the securities contrary to subsection 126.1(a) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act"); and/or
   - perpetrated a fraud on any person or company contrary to subsection 126.1(b) of the Act.

6. In addition, with respect to Yevgen D. Konaryev ("Kron"), it appears that Pharm Control issued press releases at the direction of Kron that contained misleading or untrue material statements with respect to the financial state of the company;

7. The Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest; and

8. The Commission is of the opinion that it is in the public interest to make this order.

AND WHEREAS by Commission Order made April 4, 2007, pursuant to section 3.5(3) of the Act, any one of W. David Wilson, James E. A. Turner, Lawrence E. Ritchie, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone, is authorized to make Orders under section 127 of the Act;

IT IS ORDERED, pursuant to subsections 127(1) and 127(5) of the Act, that trading in the securities of the following companies shall cease and that any exemptions contained in Ontario securities law do not apply to them: The Bighub.Com; Advanced Growing Systems; LeaseSmart; Cambridge Resources; NutriOne; International Energy; Universal Seismic; Pocketop; Asia Telecom; and Pharm Control;

IT IS FURTHER ORDERED, pursuant to subsections 127(1) and 127(5) of the Act, that all trading in any securities by Jason Wong, David Watson, Nathan Rogers, Amy Giles, John Sparrow and Kervin Findlay shall cease;

IT IS FURTHER ORDERED, that pursuant to section 127(6) of the Act this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

DATED at Toronto this 18th day of May, 2007.

“David Wilson”

2.3 Rulings

2.3.1 Cumberland Private Wealth Management Inc. et al.

Headnote

Relief from the prospectus requirements of the Act to permit the distribution on an exempt basis of pooled fund securities to managed accounts held by non-accredited investors - Non-accredited investors are specified family members or indirectly connected to core managed account clients that are accredited investors - ss. 53 and 74(1) of Securities Act (Ontario).

Applicable Legislative Provisions

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

Rules Cited

National Instrument 45-106 Prospectus and Registration Exemptions.

May 18, 2007

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

AND

IN THE MATTER OF
CUMBERLAND PRIVATE WEALTH MANAGEMENT INC. (CPWM),
CUMBERLAND INVESTMENT MANAGEMENT INC. (CIMI) (CPWM and CIMI, collectively, the Filers)

AND

CUMBERLAND OPPORTUNITIES FUND
(the Opportunities Fund)

RULING

Background

The Ontario Securities Commission (the **Commission**) has received an application (the **Application**) from the Filers on behalf of themselves and the Opportunities Fund and any pooled fund established and managed by CIMI after the date hereof (a **Future Cumberland Pooled Fund**, and together with the Opportunities Fund, the **Cumberland Pooled Funds**), for a ruling pursuant to subsection 74(1) of the Act, that distributions of units of the Cumberland Pooled Funds to Secondary Managed Accounts (as defined below) will not be subject to the prospectus requirements under section 53 of the Act (the **Prospectus Requirements**).

Interpretation

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

Representations

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

1. CPWM is a corporation organized under the *Business Corporations Act* (Ontario). CPWM is registered as an investment dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. CPWM is a member of the Investment Dealers Association of Canada.

2. CIMI is a corporation organized under the *Business Corporations Act* (Ontario). It is not a registrant in any jurisdiction.

3. The Filers are “affiliates” as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* (“**NI 45-106**”).

4. Each of the Cumberland Pooled Funds is or will be an open-end mutual fund trust established under the laws of the Province of Ontario. The Opportunities Fund is, and the Future Cumberland Pooled Funds will each be, a "mutual fund" under the Act. The Opportunities Fund is not, and the Future Cumberland Pooled Funds will each not be, a reporting issuer under the Act.

5. CIMI is or will be the manager and trustee of the Cumberland Pooled Funds. CPWM is or will be the portfolio advisor and principal distributor of the Cumberland Pooled Funds. From time to time CIMI may engage CPWM to enter into a sub-advisory agreement for one or more of the Cumberland Pooled Funds.

6. All of the investors in the Cumberland Pooled Funds (the **Accountholders**) will be clients of CPWM who have entered into a discretionary investment management agreement (**Managed Account Agreements**) with CPWM. The Cumberland Pooled Funds may redeem units held by persons who have ceased to be clients of CPWM.

7. CPWM provides discretionary investment management services (**Managed Services**) to clients pursuant to the Managed Account Agreements between the clients and CPWM. Pursuant to the Managed Account Agreement the client authorizes CPWM to supervise, manage and direct purchases and sales, at CPWM's full discretion on a continuing basis. Based on the size of the assets of the clients and depending on

the allocation of a client's assets to a particular asset class, CPWM either manages the client's assets on a segregated account basis or invests the client's assets in a fund managed by CIMI.

8. Pursuant to the Managed Account Agreements with its clients, CPWM has full authority to provide its investment management services, including investing clients in mutual funds for which CPWM is the portfolio advisor and changing those funds as CPWM determines in accordance with the mandate of the clients.

9. The Managed Services are provided by employees of CPWM who are registered under the Securities Legislation of the applicable Jurisdiction to trade in securities. CPWM acts as an advisor without registration under applicable securities legislation in Ontario in accordance with the requirements of Section 3.8 of NI 45-106.

10. The Managed Services consist of the following:

    (a) each client who accepts Managed Services executes a Managed Account Agreement whereby the client authorizes CPWM to supervise, manage and direct purchases and sales, at the CPWM's full discretion on a continuing basis;

    (b) CPWM's qualified employees perform investment research, securities selection and management functions with respect to all securities, investments, cash equivalents or other assets in the managed account;

    (c) each Managed Account holds securities as selected by CPWM, including units of the Cumberland Pooled Funds; and

    (d) CPWM retains overall responsibility for the Managed Services provided to its clients and has designated a senior officer to oversee and supervise the Managed Services.

11. CPWM's minimum aggregate balance for all the managed accounts of a client is $500,000. From time to time, CPWM will accept a client who does not meet this minimum threshold if there are exceptional factors that have persuaded CPWM for business reasons to accept such persons as clients and waive the minimum aggregate balance. Managed accounts of a client which on aggregate satisfy the minimum balance requirement are hereinafter referred to as **Primary Managed Accounts**.

12. Most of the holders of the Primary Managed Accounts investing in the Opportunities Fund and any Future Cumberland Pooled Fund qualify as accredited investors under NI 45-106.

13. From time to time, CPWM may provide Managed Services to clients with less than $500,000 under management. Such clients consist of family members of Primary Managed Account Clients. Assets managed by CPWM for the family members are incidental to the assets it manages for holders of Primary Managed Accounts. Managed accounts where the minimum aggregate balance has been waived for the reasons given above are hereinafter referred to as **Secondary Managed Accounts**. Together, the Primary Managed Accounts and the Secondary Managed Accounts are hereinafter referred to as the **Managed Accounts**.

14. The holders of Secondary Managed Accounts do not always themselves qualify as accredited investors under NI 45-106. CPWM typically services these Secondary Managed Account clients as a courtesy to its Primary Managed Account clients.

15. Investments in individual securities may not be ideal for the Secondary Managed Account clients since they may not receive the same asset diversification benefits and may incur disproportionately higher brokerage commissions relative to the Primary Managed Account clients due to minimum commission charges.

16. Unless relief from the Prospectus Requirements is granted, the Cumberland Pooled Funds will be available only to clients that are accredited investors or are able to invest a minimum of $150,000 ("Private Placement Minimum") in a Cumberland Pooled Fund in accordance with the requirements of NI 45-106. These requirements either act as a barrier to Secondary Managed Account clients investing in the Cumberland Pooled Funds, or may create a potential conflict for a CPWM portfolio manager in considering whether to invest more of a Secondary Managed Account client's portfolio in a Cumberland Pooled Fund than the portfolio manager might otherwise consider.

17. To improve the diversification and cost benefits to Secondary Managed Account clients whose assets under management are not enough to replicate CPWM's model portfolios on a discretionary basis with appropriate diversification, CPWM wishes to distribute units of the Cumberland Pooled Funds to Secondary Managed Accounts, without requiring that the client either be an accredited investor or invest the Private Placement Minimum. The Secondary Managed Account client would thereby be able to receive the benefit of CPWM's investment management expertise, regarding both asset allocation and individual stock selection, as well as receive the benefits of lower costs and broader asset diversification associated with pooled

investments relative to direct holdings of individual securities.

18. Managed Services provided by CPWM under a Managed Account Agreement are covered by a base management fee calculated as a fixed percentage of the assets under management in the Managed Account (the "**Base Management Fee**"). The Base Management Fee includes investment research, portfolio selection and management with respect to all securities or other assets in the Managed Account. The Base Management Fee is not intended to cover brokerage commissions and other transaction charges in respect of each transaction which occurs in a Managed Account, nor does it cover interest charges on funds borrowed or charges for standard administrative services provided in connection with the operation of the Managed Account, such as account transfers, withdrawals, safekeeping charges, service charges, wire transfer requests and record-keeping. The terms of the Base Management Fee are detailed in the Managed Account Agreement. In some cases in addition to the Base Management Fee CPWM charges clients, a Cumberland Pooled Fund may charge a performance fee. Clients are asked, in accordance with current securities law requirements, to specifically acknowledge and agree that a performance fee is payable by a Cumberland Pooled Fund prior to Cumberland causing the client's assets to be invested in units of a Cumberland Pooled Fund where a performance fee might be payable. In such cases a subscription agreement is used to approve the transaction and acknowledge the performance fee.

19. The Cumberland Pooled Funds will be sold in Ontario under applicable exemptions from the Prospectus Requirements with CPWM acting as the dealer on the trades in units of the Cumberland Pooled Funds.

20. There will be no commission payable by a client on the sale of units of the Cumberland Pooled Funds to a Managed Account.

21. In Ontario only, CPWM is not considered to be an accredited investor in respect of a Cumberland Pooled Fund for the purposes of the accredited investor exemption available under NI 45-106. In subsection 1.1(q) of NI 45-106 the term "accredited investor" is defined to include "a person acting on behalf of a fully managed account managed by the person, if that person

    (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and

    (ii) in Ontario, is purchasing a security that is not a security of an investment fund".

    As a result of paragraph (ii) of this definition, a distribution of securities of a Cumberland Pooled Fund to a Managed Account in Ontario is not exempt from the Prospectus Requirements of the Act.

22. Unless relief is granted from the Prospectus Requirements, CPWM will be prohibited from selling units of a Cumberland Pooled Fund to a Secondary Managed Account where the client is not an accredited investor or where the client is investing not less than the Private Placement Minimum in the Cumberland Pooled Fund.

Ruling

The Commission being satisfied that the relevant test contained in subsection 74(1) of the Act has been met, the Commission rules pursuant to subsection 74(1) of the Act, that relief from the Prospectus Requirements is granted in connection with the distribution of units of the Cumberland Pooled Funds to Secondary Managed Accounts provided that:

(a) this Ruling will terminate upon the coming into force of any legislation or rule of the Commission exempting a trade in a security of a mutual fund to a fully managed account from the Prospectus Requirements;

(b) his Ruling shall only apply where the holder of the Secondary Managed Account is, and in the case of clauses (iii) to (v) remains,

    (i) an individual (of the opposite sex or same sex) who is or has been married to the holder of a Primary Managed Account, or is living or has lived with the holder of a Primary Managed Account in a conjugal relationship outside of marriage;

    (ii) a parent, grandparent, child, grandchild or sibling of either the holder of a Primary Managed Account or the individual referred to in clause (i);

    (iii) a personal holding company controlled by an individual referred to in clause (i) or (ii) above;

    (iv) a trust, other than a commercial trust, of which an individual

referred to in clause (i) or (ii) above is a beneficiary; or

(v) a private foundation controlled by an individual referred to in clause (i) or (ii) above; and

(c) CPWM does not receive any compensation in respect of a sale or redemption of units of the Cumberland Pooled Funds (other than redemption fees disclosed in the offering documents of the Cumberland Pooled Funds) and CPWM does not pay a referral fee to any person or company who refers Secondary Managed Account clients who invest in units of the Cumberland Pooled Funds.

"Harold P. Hands"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

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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
Grove Energy Ltd.	14 May 07	25 May 07	25 May 07	
Pan American Gold Corporation	10 May 07	22 May 07		24 May 07
Place Montfort Apartment Project	10 May 07	22 May 07		24 May 07
Ridgeway Petroleum Corp.	11 May 07	23 May 07		25 May 07
St. Genevieve Resources Ltd.	11 May 07	23 May 07		24 May 07
The Loyalist Insurance Group Limited	04 May 05	16 May 05	16 May 05	25 May 07

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
Consolidated HCI Holdings Corporation	16 May 07	29 May 07		30 May 07	
Fareport Capital Inc.	13 Sep 05	26 Sep 05	26 Sep 05	29 May 07	
True North Corporation	22 May 07	4 June 07			
Western Forest Products Inc.	24 May 07	6 June 07			

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
AireSurf Networks Holdings Inc.	02 May 07	15 May 07	15 May 07		
AldeaVision Solutions Inc.	03 May 07	16 May 07	16 May 07		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Consolidated HCI Holdings Corporation	16 May 07	29 May 07		30 May 07	
Dragon Capital Corporation	18 May 07	31 May 07			
Fareport Capital Inc.	13 Sep 05	26 Sep 05	26 Sep 05	29 May 07	
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 Apr 06		
IMAX Corporation	03 Apr 07	16 Apr 07	16 Apr 07		
Interquest Incorporated	02 May 07	15 May 07	15 May 07		
Luxell Technologies Inc.	27 Apr 07	10 May 07	11 May 07		
Menu Foods Income Fund	18 May 07	31 May 07			
Pearl River Holdings Limited	08 May 07	18 May 07	18 May 07		
Sierra Minerals Inc.	04 Apr 07	17 Apr 07	17 Apr 07		
Simplex Solutions Inc.	07 May 07	18 May 07	18 May 07		
SR Telecom Inc.	05 Apr 07	18 Apr 07	19 Apr 07		
True North Corporation	22 May 07	4 June 07			
Urbanfund Corp.	07 May 07	18 May 07	18 May 07		
Western Forest Products Inc.	24 May 07	6 June 07			

Chapter 6

Request for Comments

6.1.1 Notice and Request for Comment - Proposed Amendments to NI 81-106 Investment Fund Continuous Disclosure, Form 81-106F1 and Companion Policy 81-106CP Investment Fund Continuous Disclosure and Related Amendments

NOTICE AND REQUEST FOR COMMENT

PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 81-106 *INVESTMENT FUND CONTINUOUS DISCLOSURE*,
FORM 81-106F1 AND COMPANION POLICY 81-106CP *INVESTMENT FUND CONTINUOUS DISCLOSURE*
AND RELATED AMENDMENTS

Introduction

The Canadian Securities Administrators (CSA or we), are publishing for comment proposed amendments to:

- National Instrument 81-106 *Investment Fund Continuous Disclosure* (the Rule),
- Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (the Form), and
- Companion Policy 81-106CP *Investment Fund Continuous Disclosure* (the Policy).

The Rule and the Form are together referred to as the Instrument.

We are also publishing for comment proposed amendments to:

- National Instrument 81-102 *Mutual Funds* (NI 81-102) and Companion Policy 81-102CP,
- Form 81-101F2 *Contents of Annual Information Form*, and
- proposed National Instrument 41-101 *General Prospectus Requirements* (NI 41-101) (a corresponding amendment to the one proposed for Form 81-101F2 is also proposed for the long form prospectus rule, which was published for comment on December 22, 2006).

We are publishing all of the proposed amendments with this Notice. You can also find the proposed amendments on websites of CSA members, including

- www.bcsc.bc.ca
- www.albertasecurities.com
- www.sfsc.gov.sk.ca
- www.msc.gov.mb.ca
- www.osc.gov.on.ca
- www.lautorite.qc.ca

Substance and purpose of the amendments

Background

The Instrument, which came into force on June 1, 2005, harmonized continuous disclosure (CD) requirements among Canadian jurisdictions and replaced most existing local CD requirements. It sets out the disclosure obligations of investment funds for

financial statements, management reports of fund performance, material change reporting, information circulars, proxies and proxy solicitation, delivery obligations, proxy voting disclosure and other CD-related matters.

The proposed amendments primarily serve two purposes: (1) to modify the requirements regarding the calculation of net asset value following the introduction of section 3855 *Financial Instruments – Recognition and Measurement* of the CICA Handbook (s. 3855); and (2) to clarify or correct certain provisions of the Instrument.

Section 3855 mirrors an international accounting standard and applies to all industries. The new accounting requirements set out in s. 3855, which is effective for fiscal years beginning on or after October 1, 2006, provide more specific guidance on how to measure financial instruments at fair value for financial statement purposes when fair value measurement is required.

Implications of s. 3855

To comply with the guidance in s. 3855, investment funds would have needed to change how they value a large portion of the securities in their portfolios, particularly those that are traded on a recognized exchange. These securities would need to be valued at bid or ask price on each valuation day, whereas now they are predominantly valued at closing price.

The Rule currently requires investment funds to calculate net asset value in accordance with Canadian generally accepted accounting principles (GAAP). Maintaining this requirement after the introduction of s. 3855 would mean that investment funds would have to change long-standing industry valuation practices. The CSA granted an exemption until September 30, 2007 permitting investment funds to calculate net asset value for purposes other than financial statements without giving effect to s. 3855. CSA members will likely need to consider extending the exemption.

In December 2006 in a written submission to the CSA, the Investment Funds Institute of Canada stated that requiring investment funds to change their current valuation practice would not be in the best interests of securityholders for a number of reasons, including:

- generally, the bid price will be lower than closing price, which will decrease the value of the units of the fund when the change is implemented
- sophisticated investors could engage in arbitrage when the change is implemented
- the use of bid pricing may tend to cause ongoing systematic dilution of existing securityholders (portfolio securities purchased with new money are acquired at a price between bid and ask during the day, but the net asset value of the fund would be valued at bid at the end of the day)
- changing the manner in which net asset value is calculated would alter the commercial bargain made by current investors
- the change to bid pricing would require cost, time, and effort to modify existing systems and operations
- bid prices may not be available in all markets
- Canadian investment funds would be valued differently than funds in other countries, most notably the U.S. where the prevailing practice is to use closing price.

In addition to considering these submissions, we researched approaches in other countries and independently assessed the potential impact of s. 3855. We accept the industry's submissions and think that amendments to the Instrument are necessary in order to avoid potentially adverse consequences to investment fund securityholders due to the current link between the requirements in the Instrument for calculating net asset value and the changes to Canadian GAAP created by s. 3855.

Proposed approach

The proposed amendments will permit investment funds to have two different net asset values: one for financial statements, which will be prepared in accordance with Canadian GAAP (and referred to as "net assets"); and another for all other purposes, including unit pricing (referred to as "net asset value"). We propose to require a reconciliation between net assets and net asset value, and disclosure of how the valuation principles and practices established by the investment fund manager for the purposes of calculating net asset value differ from those required under Canadian GAAP.

We propose to remove the requirement in the Rule to calculate net asset value in accordance with Canadian GAAP and replace it with a requirement to fair value assets and liabilities. For this purpose, fair value of assets and liabilities will mean the current market value based on reported prices and quotations in an active market. When the current market value is not available or

the manager determines that it is unreliable, fair value will mean a value that is fair and reasonable as determined by the manager.

We propose to mandate this approach to fair value instead of maintaining a link to Canadian GAAP for net asset value calculations as this approach maintains the principles of the existing requirement while allowing investment funds to maintain their current valuation practices. Although the calculation of net asset value will no longer be tied to Canadian GAAP, investment funds will be required to comply with the fair value standard established in the Rule. For the majority of investment funds, this should not be a significant change to their current valuation practices, while it ensures that the industry is subject to a more consistent standard than existed before the Instrument came into force.

We consulted with the investment fund industry throughout the process of developing our proposed approach and we understand that the industry is supportive.

Summary of proposed amendments

We summarized the significant proposed amendments in Appendix A. This is not a complete list of all the amendments.

We are publishing amending instruments as follows:

- for the Rule (Appendix B)
- for the Form (Appendix C)
- for the Policy (Appendix D)
- for NI 81-101 (Appendix E)
- for NI 81-102 (Appendix F)
- for 81-102CP (Appendix G)
- for proposed NI 41-101 (Appendix H)

We are also publishing black-lined versions of the Instrument and Policy that show the proposed changes (Appendix I).

Authority for proposed amendments – Ontario

Appendix J sets out the provisions of the *Securities Act* (Ontario) which provide the Ontario Securities Commission with the authority to make the proposed amendments.

Alternatives considered

We considered other alternatives to address the issues created by the introduction of s. 3855:

No change to the Instrument

This option would have required investment funds to continue calculating net asset value in accordance with Canadian GAAP. We rejected it because of the implications of s. 3855 discussed above under “Substance and purpose of the amendments”.

Qualified audit opinions

This option would have permitted investment funds to continue to calculate net asset value in accordance with existing practice and file qualified audit opinions with their financial statements because that calculation would not be in accordance with Canadian GAAP. The qualified opinion would indicate that the investment fund had calculated net asset value in accordance with Canadian GAAP except for parts of s. 3855. This option was rejected because of potential investor concern about a qualified audit opinion and because it would have created problems for investment funds subject to other requirements (for example, in their constating documents or other applicable statutes) that they have unqualified financial statements. This option would have resulted in the Canadian investment fund industry being the only one where participants file qualified statements, and could have created a negative impression of the industry both domestically and internationally.

Other bases of accounting

One variation of this option would have permitted investment funds to prepare financial statements (and calculate net asset value) in accordance with U.S. GAAP. This option would have permitted investment funds to continue to calculate net asset value in accordance with existing practice, but have the advantage that the audit opinion would not be qualified because U.S. GAAP allows the use of closing prices. This alternative was rejected because of concerns about whether adequate expert knowledge of U.S. rules exists in the Canadian investment fund industry and in the audit firms. There is also additional uncertainty as to how U.S. GAAP will align with international financial reporting standards in the future.

A second variation of this option would have allowed investment funds to prepare financial statements (and calculate net asset value) in accordance with a disclosed basis of accounting, other than GAAP. Under this option, the audit opinion would not have been qualified. We also rejected this option because financial statements prepared on this basis would not be general purpose financial statements and their use would be severely restricted to specified users, which may or may not include current and future investors.

GAAP except for "bid/ask"

This option would have essentially maintained the status quo – investment funds would file financial statements prepared in accordance with Canadian GAAP, and would have calculated a different net asset value in accordance with Canadian GAAP, except for the specific provisions of s. 3855 to use bid/ask prices to value actively traded securities. This option was rejected because the introduction of s. 3855 illustrated how future changes to Canadian GAAP could negatively affect investment funds and their securityholders. As a result, the CSA determined that maintaining a link to Canadian GAAP for non-financial statement purposes (such as the calculation of net asset value for fund pricing) could create on-going practical issues. There is the possibility that Canadian GAAP might change again as a result of further changes to international standards.

Anticipated costs and benefits

The proposed amendments to the calculation of net asset value are intended to avoid additional costs. If we do not amend the requirements regarding the calculation of net asset value, the investment fund industry will incur costs to modify their systems and operations so as to comply with s. 3855. In some cases these costs could be significant and any costs that are incurred could be passed along to securityholders.

We do not anticipate that the proposed requirement to fair value an investment fund's assets and liabilities will result in increased costs. Prior to the introduction of s. 3855, investment funds were required to value their portfolio in accordance with the fair value principles articulated in Accounting Guideline 18 *Investment Companies*. The fair value standard included in the proposed amendments is intended to codify the industry's current practice, essentially maintaining the status quo.

Some of the proposed amendments are intended to only clarify or correct certain provisions of the Instrument. We believe that they will not add any additional costs, and will generate benefits because ambiguities in the Instrument will be eliminated.

Related amendments

Local Amendments

We propose to amend Form 81-101F2 (annual information form for mutual funds) to add a requirement to disclose the differences between the valuation principles and practices established by the manager and those in Canadian GAAP. We also propose to make a corresponding amendment for the long form prospectus rule, proposed NI 41-101, which was published for comment on December 22, 2006. If proposed NI 41-101 is not adopted as a final rule, we will make consequential amendments to local rules (for example, Ontario Securities Commission Rule 41-501 *General Prospectus Requirements*) to include a disclosure requirement that corresponds to the one proposed for Form 81-101F2.

Unpublished materials

In proposing the amendments, we have not relied on any significant unpublished study, report or other written materials.

Request for Comments

We welcome your comments on the proposed amendments.

Please submit your comments in writing on or before August 31, 2007. If you are not sending your comments by email, you should also send a diskette containing your submission (in Windows format, Word).

Address your submission to all of the CSA member commissions, as follows:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Newfoundland and Labrador Securities Commission
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

Deliver your comments **only** to the addresses that follow. Your comments will be forwarded to the remaining CSA member jurisdictions.

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario M5H 3S8
e-mail: requestforcomment@osc.gov.on.ca

Anne-Marie Beaudoin
Directrice du secrétariat
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22e étage
Montréal, Québec H4Z 1G3
Fax: (514) 864-6381
e-mail: consultation-en-cours@lautorite.qc.ca

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period.

Questions

Please refer your questions to any of:

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The text of the proposed amendments follows or can be found on a CSA member website.

June 1, 2007

APPENDIX A

SUMMARY OF PROPOSED AMENDMENTS

The Rule

Part 1 Definitions and Applications

Section 1.1

- amend the definition of "net asset value" to include a reference to Part 14 of the Rule

  The term "net asset value" will mean the value calculated in accordance with Part 14 of the Rule, which is the value to be used for all purposes other than financial statements (for example, purchases and redemptions of the investment fund's securities). The term "net assets" will mean net assets as determined under Canadian GAAP, which is the amount to be used for financial statements and certain information derived from the financial statements (for example, certain disclosure in the management reports of fund performance).

Part 2 Financial Statements

Section 2.9

- correct the requirements for interim financial statements in a transition year and a new financial year by removing the reference to statements of investment portfolio as these statements are not prepared on a comparative basis

Section 2.10

- clarify the requirement for a change in legal structure notice by indicating that this notice must be filed if the investment fund terminates

Part 3 Financial Disclosure Requirements

Section 3.1

- change the term "net asset value" to "net assets" on the statement of net assets

Section 3.2

- add a requirement to show revenue from repurchase and reverse repurchase transactions as a separate line item on the statement of operations

- add a requirement to show commissions and other portfolio transaction costs as a separate line item on the statement of operations

  As s. 3855 requires portfolio transaction costs to be expensed, we have added a line item to the statement of operations for this disclosure and have removed the requirement to show this amount in the notes to the financial statements. Portfolio transaction costs continue to be excluded from the management expense ratio.

Section 3.5

- add a look-through requirement to the statement of investment portfolio for investment funds substantially invested in only one underlying fund

  This is consistent with the existing requirement for the summary of investment portfolio in the management report of fund performance and quarterly portfolio disclosure.

Section 3.6

- remove the requirement to show commissions and other transactions costs in the notes to the financial statements as this will be shown on the statement of operations (see section 3.2 above)

- add a requirement to provide a reconciliation in the notes to the financial statements between net asset value at the date of the financial statements and net assets as shown on the financial statements

Part 9 Annual Information Form

Section 9.2

- clarify the requirement for filing an annual information form – an investment fund must file an annual information form if it has not filed a prospectus within its last financial year

Part 10 Proxy Voting Disclosure for Portfolio Securities Held

Section 10.3

- clarify that the proxy voting record must be maintained for meetings of all publicly held companies

Part 14 Calculation of Net Asset Value

Section 14.2

- remove the requirement that investment funds calculate their net asset value in accordance with Canadian GAAP, and replace it with a requirement to determine a fair value for the investment fund's assets and liabilities
- add a requirement to establish written policies and procedures regarding the fair valuation of the investment fund's assets and liabilities

Part 15 Calculation of Management Expense Ratio

Sections 15.1 and 15.2

- exclude commissions and other portfolio transaction costs from the calculation of the management expense ratio

Part 18 Effective Date and Transition

Sections 18.2, 18.3, 18.4 and 18.5

- remove transitional provisions that are no longer necessary

The Form

Part A Instructions and interpretation

Item 1 – General

- add paragraph (f) to explain the difference between the term "net assets" (used only for references to financial statements) and "net asset value" (used for all purposes other than financial statements)

Part B Content Requirements for Annual Management Report of Fund Performance

Item 3 – Financial Highlights

- amend the financial highlights tables so that "The Fund's Net Assets per [Unit/Share]" table contains information derived from the financial statements, while the "Ratios and Supplemental Data" table is based on the fund's net asset value (usually calculated daily for conventional mutual funds)
- change the references to "net asset value" to "net assets" as appropriate

  As there may be a difference between the net asset value at the end of the last financial year and the net assets at the beginning of the new financial year, investment funds may add an explanation of those differences to the financial highlights tables.

Item 5 – Summary of Investment Portfolio

- change the references to "net assets" to "net asset value" as appropriate

The Policy

The proposed amendments to the Policy reflect the changes to the Instrument, and add guidance to Part 9 concerning the requirement to calculate net asset value by determining a fair value for the investment fund's assets and liabilities. The proposed amendments to the Policy also confirm that brokerage commissions and other portfolio transaction costs are not included in the management expense ratio (section 10.1).

Prospectus Disclosure

We propose requiring an investment fund to disclose the differences between the valuation principles and practices established by the manager and those in Canadian GAAP.

APPENDIX B

NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE
AMENDMENT INSTRUMENT

1. Section 1.1 of NI 81-106 *Investment Fund Continuous Disclosure* is amended by repealing the definition of "net asset value" and substituting the following:

    ""net asset value" means the value of the total assets of the investment fund less the value of the total liabilities of the investment fund, as at a specific date, determined in accordance with Part 14;"

2. Section 2.9 of NI 81-106 *Investment Fund Continuous Disclosure* is amended

    (a) in subparagraph (4)(a)(i) by striking out "and a statement of investment portfolio"; and

    (b) in subparagraph (4)(b)(i) by striking out "and a statement of investment portfolio".

3. Section 2.10 of NI 81-106 *Investment Fund Continuous Disclosure* is amended by

    (a) repealing paragraph (a) and substituting the following:

        "(a) the investment fund terminating or ceasing to be a reporting issuer,"; and

    (b) repealing paragraph (h) and substituting the following:

        "(h) if applicable, the names of each party that terminated or ceased to be a reporting issuer following the transaction and of each continuing entity;".

4. Section 3.1 of NI 81-106 *Investment Fund Continuous Disclosure* is amended in item 15 by striking out "net asset value" and substituting "net assets".

5. Section 3.2 of NI 81-106 *Investment Fund Continuous Disclosure* is amended by

    (a) adding the following after item 4:

        "4.1 revenue from repurchase and reverse repurchase transactions."; and

    (b) adding the following after item 10:

        "10.1 commissions and other portfolio transaction costs.".

6. Section 3.5 of NI 81-106 *Investment Fund Continuous Disclosure* is amended by adding the following after subsection (8):

    "(8.1) If an investment fund invests substantially all of its assets directly, or indirectly through the use of derivatives, in securities of one other investment fund, the investment fund must disclose in the statement of investment portfolio or the notes to that statement the holdings of the other investment fund."

7. Section 3.6 of NI 81-106 *Investment Fund Continuous Disclosure* is amended by

    (a) repealing subparagraph 3.6(1)3. and substituting the following:

        "3. to the extent the amount is ascertainable, the soft dollar portion of the total commissions and other portfolio transaction costs paid or payable to dealers by the investment fund, where the soft dollar portion is the amount paid or payable for goods and services other than order execution."; and

    (b) adding the following after subparagraph 3.6(1)4.:

        "5. a reconciliation of the net assets and net assets per security in the financial statements to the net asset value and net asset value per security, as at the date of the financial statements, and an explanation of the differences between these amounts.".

8. Subsection 3.11(2) of NI 81-106 *Investment Fund Continuous Disclosure* is amended by striking out " "net asset value per security" " and substituting " "net assets per security" ".

9. Subsection 8.2(c) of NI 81-106 *Investment Fund Continuous Disclosure* is amended by striking out "net asset value" and substituting "net assets".

10. Section 8.4 of NI 81-106 *Investment Fund Continuous Disclosure* is amended by striking out "net asset value" and substituting "net assets".

11. Section 9.2 of NI 81-106 *Investment Fund Continuous Disclosure* is repealed and the following is substituted:

> "**9.2 Requirement to File Annual Information Form** – An investment fund must file an annual information form if the investment fund has not filed a prospectus during the last 12 months preceding its financial year end."

12. Section 10.3 of NI 81-106 *Investment Fund Continuous Disclosure* is amended by striking out "reporting issuer" and substituting "reporting issuer or the equivalent of a reporting issuer in a foreign jurisdiction".

13. Section 14.2 of NI 81-106 *Investment Fund Continuous Disclosure* is amended

(a) by repealing subsection (1) and substituting the following:

"(1) The net asset value of an investment fund must be calculated using the fair value of the investment fund's assets and liabilities.

(b) by adding the following after subsection (1):

"(1.1) The net asset value of an investment fund must include income and expenses of the investment fund accrued up to the date of calculation of the net asset value.

(1.2) For the purposes of subsection (1), fair value means

(a) the market value based on reported prices and quotations in an active market, or

(b) if the market value is not available, or the manager of the investment fund believes that it is unreliable, a value that is fair and reasonable in all the relevant circumstances.

(1.3) The manager of an investment fund must

(a) establish and maintain appropriate written policies and procedures for determining the fair value of the investment fund's assets and liabilities; and

(b) consistently follow those policies and procedures.

(1.4) The manager of an investment fund must maintain a record of every determination of fair value and the reasons supporting that determination.";

(c) in subsection (2) by striking out "Despite subsection (1), for" and substituting "For"; and

(d) in subsection (5) by striking out "Despite subsection (3)" and substituting "Despite paragraph (3)(a)".

14. Section 15.1 of NI 81-106 *Investment Fund Continuous Disclosure* is amended by repealing clause (1)(a)(i)(A) and substituting the following:

"(A) total expenses of the investment fund, excluding commissions and other portfolio transaction costs, before income taxes, for the financial year or interim period, as shown on its statement of operations; and".

15. Section 15.2 of NI 81-106 *Investment Fund Continuous Disclosure* is amended by

(a) repealing subparagraph (1)(a)(i) and substituting the following:

"(i) multiplying the total expenses of each underlying investment fund, excluding commissions and other portfolio transaction costs, before income taxes, for the financial year or interim period, by"; and

(b) repealing paragraph (1)(b) and substituting the following:

"(b) the total expenses of the investment fund, excluding commissions and other portfolio transaction costs, before income taxes, for the period.".

16. Sections 18.2, 18.3, 18.4 and 18.5 of NI 81-106 *Investment Fund Continuous Disclosure* are repealed.

17. This Instrument comes into force on _____.

APPENDIX C

FORM 81-106F1 CONTENTS OF ANNUAL AND INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE AMENDMENT INSTRUMENT

1. Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* is amended in Item 1 of Part A by adding the following after subsection (e):

"**(f) Terminology**

All references to "net assets" or "net assets per security" in this Form are references to net assets in accordance with Canadian GAAP as presented in the financial statements of the investment fund. All references to "net asset value" or "net asset value per security" in this Form are references to net asset value as determined in accordance with Part 14 of the Instrument.

Investment funds must use net assets as shown on the financial statements in the ''*The Fund's Net Assets per [Unit/Share]*" table. All other calculations for the purposes of the MRFP must be made using net asset value.".

2. Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* is amended in Item 3 of Part B by

(a) striking out the sentence "This information is derived from the Fund's audited annual financial statements." at the end of the introduction in subsection 3.1(1);

(b) repealing the "*The Fund's Net Asset Value (NAV) per [Unit/Share]"* table in subsection 3.1(1) and substituting the following:

The Fund's Net Assets per [Unit/Share][(1)]

	[insert year]	[insert year]	[insert year]	[insert year]	[insert year]
Net Assets, beginning of year	$	$	$	$	$
Increase (decrease) from operations:					
total revenue	$	$	$	$	$
total expenses	$	$	$	$	$
realized gains (losses) for the period	$	$	$	$	$
unrealized gains (losses) for the period	$	$	$	$	$
Total increase (decrease) from operations[(2)]	$	$	$	$	$
Distributions:					
From income (excluding dividends)	$	$	$	$	$
From dividends	$	$	$	$	$
From capital gains	$	$	$	$	$
Return of capital	$	$	$	$	$
Total Annual Distributions[(3)]	$	$	$	$	$
Net assets at [insert last day of financial year] of year shown	$	$	$	$	$

(1) *This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. [An explanation of these differences can be found in the notes to the financial statements./This difference is due to [explain].]*

(2) *Net assets and distributions are based on the actual number of [units/shares] outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of [units/shares] outstanding over the financial period.*

(3) *Distributions were [paid in cash/reinvested in additional [units/shares] of the Fund], or both.*

(c) repealing the "*Ratios and Supplemental Data*" table in subsection 3.1(1) and substituting the following:

Ratios and Supplemental Data

	[insert year]	[insert year]	[insert year]	[insert year]	[insert year]
Total net asset value (000's)(1)	$	$	$	$	$
Number of [units/shares] outstanding(1)					
Management expense ratio(2)	%	%	%	%	%
Management expense ratio before waivers or absorptions	%	%	%	%	%
Trading expense ratio(3)	%	%	%	%	%
Portfolio turnover rate(4)	%	%	%	%	%
Net asset value per [unit/share]	$	$	$	$	$
Closing market price [if applicable]	$	$	$	$	$

(1) *This information is provided as at [insert date of end of financial year] of the year shown.*

(2) *Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.*

(3) *The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.*

(4) *The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.*

(d) repealing subsection 3.1(2);

(e) repealing subsection 3.1(6) and substituting the following:

"(6) Except for net assets, net asset value and distributions, calculate per unit/share values on the basis of the weighted average number of unit/shares outstanding over the financial period.";

(f) repealing subsection 3.1(12) and substituting the following:

"(12) (a) Calculate the trading expense ratio by dividing

(i) the total commissions and other portfolio transaction costs disclosed in the statement of operations; by

(ii) the same denominator used to calculate the management expense ratio.

(b) If an investment fund invests in securities of other investment funds, calculate the trading expense ratio using the methodology required for the calculation of the management expense ratio in section 15.2 of the Instrument.";

(g) repealing subsection 3.1(13) and substituting the following:

"(13) Provide the closing market price only if the investment fund is traded on an exchange."; and

(h) repealing the introduction to the "*Financial & Operating Highlights (with comparative figures)"* table in section 3.2 and substituting the following:

"An investment fund that is a scholarship plan must comply with Item 3.1, except that the following table must replace "The Fund's Net Assets per [Unit/Share]" table and the "Ratios and Supplemental Data" table.".

3. Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* is amended in Item 4 of Part B by striking out "or" in paragraph 4.3(1)(a) and substituting "and".

4. Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* is amended in Item 5 of Part B by

   (a) striking out “net assets” and substituting “net asset value” in paragraph (2)(b);

   (b) striking out “net assets” and substituting “net asset value” in paragraph (2)(d);

   (c) striking out “another” and substituting “one other” in Instruction (8); and

   (d) striking out “net assets” and substituting “net asset value” in Instruction (8).

5. This Instrument comes into force on _____.

APPENDIX D

COMPANION POLICY 81-106CP-
TO NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE
AMENDMENT INSTRUMENT

1. Section 2.1 of Companion Policy 81-106CP *Investment Fund Continuous Disclosure* is amended by repealing subsection (1).

2. Section 2.9 of Companion Policy 81-106CP *Investment Fund Continuous Disclosure* is repealed.

3. Part 9 of Companion Policy 81-106CP *Investment Fund Continuous Disclosure* is amended by

   (a) striking out the heading "PUBLICATION OF NET ASSET VALUE PER SECURITY" and substituting the heading "NET ASSET VALUE"; and

   (b) by adding the following after section 9.1:

   "**9.2 Fair Value Guidance –** Section 14.2 of the Instrument requires an investment fund to calculate its net asset value based on the fair value of the investment fund's assets and liabilities. While investment funds are required to comply with the definition of "fair value" in the Instrument when calculating net asset value, they may also look to the Handbook for guidance on the measurement of fair value. The fair value principles articulated in the Handbook can be applied by investment funds when valuing assets and liabilities.

   9.3 Meaning of Fair Value – The Handbook defines fair value as being the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Accordingly, fair value should not reflect the amount that would be received or paid in a forced transaction, involuntary liquidation or distress sale.

   9.4 Determination of Fair Value

   (1) A market is generally considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices reflect actual and regularly occurring market transactions on an arm's length basis.

   (2) A market is not considered to be active, and prices derived from it may be unreliable for valuation purposes, if, at the time the investment fund begins to calculate its net asset value, any of the following circumstances are present:

   - markets on which portfolio securities are principally traded closed several hours earlier (e.g. some foreign markets may close as much as 15 hours before the time the investment fund begins to calculate its net asset value)
   - trading is halted
   - events occur that unexpectedly close entire markets (e.g. natural disasters, power blackouts, public disturbances, or similar major events)
   - markets are closed due to scheduled holidays
   - the security is illiquid and trades infrequently.

   If an investment fund manager determines that an active market does not exist for a security, the manager should consider whether the last available quoted market price is representative of fair value. If a significant event (i.e. one that may impact the value of the portfolio security) has occurred between the time the last quoted market price was established and the time the investment fund begins to calculate its net asset value, the last quoted market price may not be representative of fair value.

(3) Whether a particular event is a significant event for a security depends on whether the event may affect the value of the security. Generally, significant events fall into one of three categories: (i) issuer specific events – e.g. the resignation of the CEO or an after-hours earnings announcement, (ii) market events – e.g. a natural disaster, a political event, or a significant governmental action like raising interest rates, and (iii) volatility events – e.g. a significant movement in North American equity markets that may directly impact the market prices of securities traded on overseas exchanges.

Whether a market movement is significant is a matter to be determined by the manager through the establishment of tolerance levels which it may choose to base on, for example, a specified intraday and/or interday percentage movement of a specific index, security or basket of securities. In all cases, the appropriate triggers should be determined based on the manager's own due diligence and understanding of the correlations relevant to each investment fund's portfolio.

9.5 Fair Value Techniques – The CSA do not endorse any particular fair value technique as we recognize that this is a constantly evolving process. However, whichever technique is used, it should be applied consistently for a portfolio security throughout the fund complex, reviewed for reasonableness on a regular basis, and approved by the manager's board of directors. The manager should also consider whether its valuation process is a conflict of interest matter as defined in NI 81-107.

9.6 Valuation Policies and Procedures – The valuation policies and procedures should describe the process for monitoring significant events or other situations that could call into question whether a quoted market price is representative of fair value. They should also describe the methods by which the manager will review and test valuations to evaluate the quality of the prices obtained as well as the general functioning of the valuation process.".

4. Section 10.1 of Companion Policy 81-106CP *Investment Fund Continuous Disclosure* is amended by

(a) striking out "of all types" in subsection (2); and

(b) repealing subsection (4) and substituting the following:

"While brokerage commissions and other portfolio transaction costs are expenses of an investment fund for accounting purposes, they are not included in the MER. These costs are reflected in the trading expense ratio."

5. Appendix B of Companion Policy 81-106CP *Investment Fund Continuous Disclosure* is amended by

(a) striking out the title "CONTACT ADDRESSES FOR FILING OF NOTICES" and substituting the title "CONTACT ADDRESSES";

(b) in the address for the Alberta Securities Commission, striking out "Attention: Director, Capital Markets" and substituting "Attention: Corporate Finance";

(c) striking out the address for the Manitoba Securities Commission and substituting the following:

"Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5
Attention: Corporate Finance"; and

(d) striking out "Securities Commission of Newfoundland and Labrador" and substituting "Newfoundland and Labrador Securities Commission".

6. This Instrument comes into force on _____.

APPENDIX E

NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE
FORM 81-101F2 CONTENTS OF ANNUAL INFORMATION FORM
AMENDMENT INSTRUMENT

1. Form 81-101F2 *Contents of Annual Information Form* is amended in Item 6 by adding the following after subsection (1):

   "(1.1) If the valuation principles and practices established by the manager differ from Canadian GAAP, describe the differences.".

2. This Instrument comes into force on _____.

APPENDIX F

NATIONAL INSTRUMENT 81-102
MUTUAL FUNDS
AMENDMENT INSTRUMENT

1. Section 1.1 of NI 81-102 *Mutual Funds* is amended by adding the following after the definition of "mutual fund conflict of interest reporting requirements":

> ""net asset value" means the value of the total assets of the investment fund less the value of the total liabilities of the investment fund, as at a specific date, determined in accordance with Part 14 of National Instrument 81-106 *Investment Fund Continuous Disclosure*;".

2. Section 9.4 of NI 81-102 *Mutual Funds* is amended by repealing subsection (3).

3. Section 10.4 of NI 81-102 *Mutual Funds* is amended by repealing subsection (4).

4. This Instrument comes into force on _____.

APPENDIX G

COMPANION POLICY 81-102CP-
TO NATIONAL INSTRUMENT 81-102 MUTUAL FUNDS
AMENDMENT INSTRUMENT

1. Section 2.15 of Companion Policy 81-102CP *Mutual Funds* is amended by striking out "(which include a statement of portfolio transactions)" in subsection (4).

2. This Instrument comes into force on _____.

APPENDIX H

AMENDMENT TO PROPOSED NATIONAL INSTRUMENT 41-101 GENERAL PROSPECTUS REQUIREMENTS FORM 41-101F2 INFORMATION REQUIRED IN AN INVESTMENT FUND PROSPECTUS

This Appendix sets out an amendment to proposed National Instrument 41-101 *General Prospectus Requirements* (NI 41-101) which was published by the CSA for comment on December 22, 2006. If approved, this amendment will be incorporated into proposed NI 41-101 when that instrument is approved and adopted in final form. If proposed NI 41-101 is not adopted, this amendment will be incorporated into Ontario Securities Commission Rule 41-502 – *Prospectus Requirements for Mutual Funds*.

Proposed amendment to proposed NI 41-101:

Form 41-101F2 *Information Required in an Investment Fund Prospectus* is amended in Item 23.1 by

(a) adding the following after subsection (a):

"(b) If the valuation principles and practices established by the manager differ from Canadian GAAP, describe the differences; and"; and

(b) reordering subsection "(b)" as subsection "(c)".

APPENDIX I

BLACKLINES

Black-lined versions showing the proposed amendments to:

- National Instrument 81-106 Investment Fund Continuous Disclosure
- Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance
- Companion Policy 81-106CP

NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

(BLACK-LINED)

NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

PART 1 DEFINITIONS AND APPLICATIONS

1.1 Definitions – In this Instrument

"annual management report of fund performance" means a document prepared in accordance with Part B of Form 81-106F1;

"current value" means, for an asset held by, or a liability of, an investment fund, the value calculated in accordance with Canadian GAAP;

"education savings plan" means an agreement between one or more persons and another person or organization, in which the other person or organization agrees to pay or cause to be paid, to or for one or more beneficiaries designated in connection with the agreement, scholarship awards;

"EVCC" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;

"independent valuation" means a valuation of the assets and liabilities, or of the venture investments, of a labour sponsored or venture capital fund that contains the opinion of an independent valuator as to the current value of the assets and liabilities, or of the venture investments, and that is prepared in accordance with Part 8;

"independent valuator" means a valuator that is independent of the labour sponsored or venture capital fund and that has appropriate qualifications;

"interim management report of fund performance" means a document prepared in accordance with Part C of Form 81-106F1;

"interim period" means, in relation to an investment fund,

(a) a period of at least three months that ends six months before the end of a financial year of the investment fund, or

(b) in the case of a transition year of the investment fund, a period commencing on the first day of the transition year and ending six months after the end of its old financial year;

"investment fund" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

"labour sponsored or venture capital fund" means an investment fund that is

(a) a labour sponsored investment fund corporation or a labour sponsored venture capital corporation under provincial legislation,

(b) a registered or prescribed labour sponsored venture capital corporation as defined in the ITA,

(c) an EVCC, or

(d) a VCC;

"management expense ratio" means the ratio, expressed as a percentage, of the expenses of an investment fund to its average net asset value, calculated in accordance with Part 15;

"management fees" means the total fees paid or payable by an investment fund to its manager or one or more portfolio advisers or sub-advisers, including incentive or performance fees, but excluding operating expenses of the investment fund;

"management report of fund performance" means an annual management report of fund performance or an interim management report of fund performance;

"material change" means, in relation to an investment fund,

(a) a change in the business, operations or affairs of the investment fund that would be considered important by a reasonable investor in determining whether to purchase or continue to hold securities of the investment fund, or

(b) a decision to implement a change referred to in paragraph (a) made

(i) by the board of directors of the investment fund or the board of directors of the manager of the investment fund or other persons acting in a similar capacity,

(ii) by senior management of the investment fund who believe that confirmation of the decision by the board of directors or such other persons acting in a similar capacity is probable, or

(iii) by senior management of the manager of the investment fund who believe that confirmation of the decision by the board of directors of the manager or such other persons acting in a similar capacity is probable;

"material contract" means, for an investment fund, a document that the investment fund would be required to list in an annual information form under Item 16 of Form 81-101F2 if the investment fund filed a simplified prospectus under National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;

"mutual fund in the jurisdiction" means an incorporated or unincorporated mutual fund that is a reporting issuer in, or that is organized under the laws of, the local jurisdiction, but does not include a private mutual fund;

"National Instrument 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"net asset value" means the ~~current~~ value of the total assets of the investment fund less the ~~current~~ value of the total liabilities of the investment fund, as at a specific date, determined in accordance with Part 14;

"non-redeemable investment fund" means an issuer,

(a) whose primary purpose is to invest money provided by its securityholders,

(b) that does not invest,

(i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or

(ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and

(c) that is not a mutual fund;

"quarterly portfolio disclosure" means the disclosure prepared in accordance with Part 6;

"scholarship award" means any amount, other than a refund of contributions, that is paid or payable directly or indirectly to further the education of a beneficiary designated under an education savings plan;

"scholarship plan" means an arrangement under which contributions to education savings plans are pooled to provide scholarship awards to designated beneficiaries;

"transition year" means the financial year of an investment fund in which a change of year end occurs;

"VCC" means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments; and

"venture investment" means an investment in a private company or an investment made in accordance with the requirements of provincial labour sponsored or venture capital fund legislation or the ITA.

1.2 Application

(1) Except as otherwise provided in this Instrument, this Instrument applies to

(a) an investment fund that is a reporting issuer; and

(b) subject to subsection (2), a mutual fund in the jurisdiction.

(2) Despite paragraph (1)(b), in Alberta, British Columbia, Manitoba and Newfoundland and Labrador, this Instrument does not apply to a mutual fund that is not a reporting issuer.

(3) In Saskatchewan, this Instrument does not apply to a Type B corporation within the meaning of *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan).

(4) In Québec, this Instrument does not apply to a reporting issuer organized under

(a) an Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) R.S.Q., chapter F-3.2.1;

(b) an Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (R.S.Q., chapter F-3.1.2); or

(c) an Act constituting Capital régional et coopératif Desjardins, Loi constituant Capital régional et coopératif Desjardins (R.S.Q., chapter C-6.1).

1.3 Interpretation

(1) Each section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio of assets is considered to be a separate investment fund for the purposes of this Instrument.

(2) Terms defined in National Instrument 81-102 *Mutual Funds*, Multilateral Instrument 81-104 *Commodity Pools* and National Instrument 81-105 *Mutual Fund Sales Practices* and used in this Instrument have the respective meanings ascribed to them in those Instruments except that references in those definitions to “mutual fund” must be read as references to “investment fund”.

1.4 Language of Documents

(1) A document that is required to be filed under this Instrument must be prepared in French or English.

(2) If an investment fund files a document in French or in English, and a translation of the document into the other language is sent to a securityholder, the investment fund must file the translated document not later than when it is sent to the securityholder.

(3) In Québec, the linguistic obligations and rights prescribed by Québec law must be complied with.

PART 2 FINANCIAL STATEMENTS

2.1 Comparative Annual Financial Statements and Auditor’s Report

(1) An investment fund must file annual financial statements for the investment fund’s most recently completed financial year that include

(a) a statement of net assets as at the end of that financial year and a statement of net assets as at the end of the immediately preceding financial year;

(b) a statement of operations for that financial year and a statement of operations for the immediately preceding financial year;

(c) statement of changes in net assets for that financial year and a statement of changes in net assets for the immediately preceding financial year;

(d) a statement of cashflows for that financial year and a statement of cashflows for the immediately preceding financial year, unless it is not required by Canadian GAAP;

(e) a statement of investment portfolio as at the end of that financial year; and

(f) notes to the annual financial statements.

(2) Annual financial statements filed under subsection (1) must be accompanied by an auditor's report.

2.2 Filing Deadline for Annual Financial Statements – The annual financial statements and auditor's report required to be filed under section 2.1 must be filed on or before the 90th day after the investment fund's most recently completed financial year.

2.3 Interim Financial Statements – An investment fund must file interim financial statements for the investment fund's most recently completed interim period that include

(a) a statement of net assets as at the end of that interim period and a statement of net assets as at the end of the immediately preceding financial year;

(b) a statement of operations for that interim period and a statement of operations for the corresponding period in the immediately preceding financial year;

(c) a statement of changes in net assets for that interim period and a statement of changes in net assets for the corresponding period in the immediately preceding financial year;

(d) a statement of cashflows for and as at the end of that interim period and a statement of cashflows for the corresponding period in the immediately preceding financial year, unless it is not required by Canadian GAAP;

(e) a statement of investment portfolio as at the end of that interim period; and

(f) notes to the interim financial statements.

2.4 Filing Deadline for Interim Financial Statements – The interim financial statements required to be filed under section 2.3 must be filed on or before the 60th day after the end of the most recent interim period of the investment fund.

2.5 Approval of Financial Statements

(1) The board of directors of an investment fund that is a corporation must approve the financial statements of the investment fund before those financial statements are filed or made available to securityholders or potential purchasers of securities of the investment fund.

(2) The trustee or trustees of an investment fund that is a trust, or another person or company authorized to do so by the constating documents of the investment fund, must approve the financial statements of the investment fund, before those financial statements are filed or made available to securityholders or potential purchasers of securities of the investment fund.

2.6 Acceptable Accounting Principles – The financial statements of an investment fund must be prepared in accordance with Canadian GAAP as applicable to public enterprises.

2.7 Acceptable Auditing Standards

(1) Financial statements that are required to be audited must be audited in accordance with Canadian GAAS.

(2) Audited financial statements must be accompanied by an auditor's report prepared in accordance with Canadian GAAS and the following requirements:

1. The auditor's report must not contain a reservation.

2. The auditor's report must identify all financial periods presented for which the auditor has issued an auditor's report.

3. If the investment fund has changed its auditor and a comparative period presented in the financial statements was audited by a different auditor, the auditor's report must refer to the former auditor's report on the comparative period.

4. The auditor's report must identify the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements.

2.8 Acceptable Auditors – An auditor's report must be prepared and signed by a person or company that is authorized to sign an auditor's report by the laws of a jurisdiction of Canada, and that meets the professional standards of that jurisdiction.

2.9 Change in Year End

(1) This section applies to an investment fund that is a reporting issuer.

(2) Section 4.8 of National Instrument 51-102 applies to an investment fund that changes its financial year end, except that

(a) a reference to "interim period" must be read as "interim period" as defined in this Instrument;

(b) a requirement under National Instrument 51-102 to include specified financial statements must be read as a requirement to include the financial statements required under this Part; and

(c) a reference to "filing deadline" in subsection 4.8(2) of National Instrument 51-102 must be read as a reference to the filing deadlines provided for under section 2.2 and 2.4 of this Instrument.

(3) Despite section 2.4, an investment fund is not required to file interim financial statements for any period in a transition year if the transition year is less than nine months in length.

(4) Despite subsections 4.8(7) and (8) of National Instrument 51-102,

(a) for interim financial statements for an interim period in the transition year, the investment fund must include as comparative information

(i) a statement of net assets ~~and a statement of investment portfolio~~ as at the end of its old financial year; and

(ii) a statement of operations, a statement of changes in net assets, and, if applicable, a statement of cashflows, for the interim period of the old financial year;

(b) for interim financial statements for an interim period in a new financial year, the investment fund must include as comparative information

(i) a statement of net assets ~~and a statement of investment portfolio~~ as at the end of the transition year; and

(ii) a statement of operations, a statement of changes in net assets, and, if applicable, a statement of cashflows, for the period that is one year earlier than the interim period in the new financial year.

2.10 Change in Legal Structure – If an investment fund that is a reporting issuer is party to an amalgamation, arrangement, merger, winding-up, reorganization or other transaction that will result in

(a) the investment fund terminating or ceasing to be a reporting issuer,

(b) another entity becoming an investment fund,

(c) a change in the investment fund's financial year end, or

(d) a change in the name of the investment fund,

the investment fund must, as soon as practicable, and in any event not later than the deadline for the first filing required by this Instrument following the transaction, file a notice stating:

(e) the names of the parties to the transaction;

(f) a description of the transaction;

(g) the effective date of the transaction;

(h) if applicable, the names of each party that terminated or ceased to be a reporting issuer following the transaction and of each continuing entity;

(i) if applicable, the date of the investment fund's first financial year end following the transaction; and

(j) if applicable, the periods, including the comparative periods, if any, of the interim and annual financial statements required to be filed for the investment fund's first financial year following the transaction.

2.11 Filing Exemption for Mutual Funds that are Non-Reporting Issuers – A mutual fund that is not a reporting issuer is exempt from the filing requirements of section 2.1 for a financial year or section 2.3 for an interim period if

(a) the mutual fund prepares the applicable financial statements in accordance with this Instrument;

(b) the mutual fund delivers the financial statements to its securityholders in accordance with Part 5 within the same time periods as if the financial statements were required to be filed;

(c) the mutual fund has advised the regulator or securities regulatory authority that it is relying on this exemption not to file its financial statements; and

(d) the mutual fund has included in a note to the financial statements that it is relying on this exemption not to file its financial statements.

2.12 Disclosure of Auditor Review of Interim Financial Statements

(1) This section applies to an investment fund that is a reporting issuer.

(2) If an auditor has not performed a review of the interim financial statements required to be filed, the interim financial statements must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

(3) If an investment fund engaged an auditor to perform a review of the interim financial statements required to be filed and the auditor was unable to complete the review, the interim financial statements must be accompanied by a notice indicating that the auditor was unable to complete a review of the interim financial statements and the reasons why.

(4) If an auditor has performed a review of the interim financial statements required to be filed and the auditor has expressed a reservation in the auditor's interim review report, the interim financial statements must be accompanied by a written review report from the auditor.

PART 3 FINANCIAL DISCLOSURE REQUIREMENTS

3.1 Statement of Net Assets – The statement of net assets of an investment fund must disclose the following as separate line items, each shown at current value:

1. cash, term deposits and, if not included in the statement of investment portfolio, short term debt instruments.

2. investments.

3. accounts receivable relating to securities issued.

4. accounts receivable relating to portfolio assets sold.

5. accounts receivable relating to margin paid or deposited on futures or forward contracts.

6. amounts receivable or payable in respect of derivatives transactions, including premiums or discounts received or paid.

7. deposits with brokers for portfolio securities sold short.

8. accrued expenses.

9. accrued incentive arrangements or performance compensation.10. portfolio securities sold short.

11. liabilities for securities redeemed.

12. liabilities for portfolio assets purchased.

13. income tax payable.

14. total net assets and securityholders' equity and, if applicable, for each class or series.

15. net assets ~~value~~ per security, or if applicable, per security of each class or series.

3.2 Statement of Operations – The statement of operations of an investment fund must disclose the following information as separate line items:

1. dividend revenue.

2. interest revenue.

3. income from derivatives.

4. revenue from securities lending.

4.1 revenue from repurchase and reverse repurchase transactions.

5. management fees, excluding incentive or performance fees.

6. incentive or performance fees.

7. audit fees.

8. directors' or trustees' fees.

9. custodial fees.

10. legal fees.

10.1 commissions and other portfolio transaction costs.

11. securityholder reporting costs.

12. capital tax.

13. amounts that would otherwise have been payable by the investment fund that were waived or paid by the manager or a portfolio adviser of the investment fund.

14. provision for income tax.

15. net investment income or loss for the period.

16. realized gains or losses.

17. unrealized gains or losses.

18. increase or decrease in net assets from operations and, if applicable, for each class or series.

19. increase or decrease in net assets from operations per security or, if applicable, per security of each class or series.

3.3 Statement of Changes in Net Assets – The statement of changes in net assets of an investment fund must disclose, for each class or series, the following as separate line items:

1. net assets at the beginning of the period to which the statement applies.

2. increase or decrease in net assets from operations.

3. proceeds from the issuance of securities of the investment fund.

4. aggregate amounts paid on redemption of securities of the investment fund.

5. securities issued on reinvestment of distributions.

6. distributions, showing separately the amount distributed out of net investment income and out of realized gains on portfolio assets sold, and return of capital.

7. net assets at the end of the period reported upon.

3.4 Statement of Cashflows – The statement of cashflows of an investment fund must disclose the following as separate line items:

1. net investment income or loss.

2. proceeds of disposition of portfolio assets.

3. purchase of portfolio assets.

4. proceeds from the issuance of securities of the investment fund.

5. aggregate amounts paid on redemption of securities of the investment fund.

6. compensation paid in respect of the sale of securities of the investment fund.

3.5 Statement of Investment Portfolio

(1) The statement of investment portfolio of an investment fund must disclose the following for each portfolio asset held or sold short:

1. the name of the issuer of the portfolio asset.

2. a description of the portfolio asset, including

(a) for an equity security, the name of the class of the security.

(b) for a debt instrument not included in paragraph (c), all characteristics commonly used commercially to identify the instrument, including the name of the instrument, the interest rate of the instrument, the maturity date of the instrument, whether the instrument is convertible or exchangeable and, if used to identify the instrument, the priority of the instrument.

(c) for a debt instrument referred to in the definition of "money market fund" in National Instrument 81-102 *Mutual Funds*, the name, interest rate and maturity date of the instrument.

(d) for a portfolio asset not referred to in paragraph (a), (b) or (c), the name of the portfolio asset and the material terms and conditions of the portfolio asset commonly used commercially in describing the portfolio asset.

3. the number or aggregate face value of the portfolio asset.

4. the cost of the portfolio asset.

5. the current value of the portfolio asset.

(2) For the purposes of subsection (1), disclosure for a long portfolio must be segregated from the disclosure for a short portfolio.

(3) For the purposes of subsection (1) and subject to subsection (2), disclosure must be aggregated for portfolio assets having the same description and issuer.

(4) Despite subsection (1) and (3) and subject to subsection (2), the information referred to in subsection (1) may be provided in the aggregate for those short term debt instruments that

(a) are issued by a bank listed in Schedule I, II or III to the *Bank Act* (Canada) or a loan corporation or trust corporation registered under the laws of a jurisdiction, or

(b) have achieved an investment rating within the highest or next highest categories of ratings of each approved credit rating organization.

(5) If an investment fund discloses short term debt instruments as permitted by subsection (4), the investment fund must disclose separately the aggregate short term debt instruments denominated in any currency if the aggregate exceeds 5% of the total short term debt.

(6) If an investment fund holds positions in derivatives, the investment fund must disclose in the statement of investment portfolio or the notes to that statement,

(a) for long and short positions in options,

(i) the quantity of the underlying interest, the number of options, the underlying interest, the strike price, the expiration month and year, the cost and the current value, and

(ii) if the underlying interest is a future, information about the future in accordance with subparagraph (i);

(b) for positions in futures and forwards, the number of futures and forwards, the underlying interest, the price at which the contract was entered into, the delivery month and year and the current value;

(c) for positions in swaps, the number of swap contracts, the underlying interest, the principal or notional amount, the payment dates, and the current value; and

(d) if a rating of a counterparty has fallen below the approved credit rating level.

(7) If applicable, the statement of investment portfolio included in the financial statements of the investment fund, or the notes to the statement of investment portfolio, must identify the underlying interest that is being hedged by each position taken by the investment fund in a derivative.

(8) An investment fund may omit the information required by subsection (1) about mortgages from a statement of investment portfolio if the statement of investment portfolio discloses

(a) the total number of mortgages held;

(b) the aggregate current value of mortgages held;

(c) a breakdown of mortgages, by reference to number and current value among mortgages insured under the *National Housing Act* (Canada), insured conventional mortgages and uninsured conventional mortgages;

(d) a breakdown of mortgages, by reference to number and current value, among mortgages that are pre-payable and those that are not pre-payable; and

(e) a breakdown of mortgages, by reference to number, current value, amortized cost and outstanding principal value, among groups of mortgages having contractual interest rates varying by no more than one quarter of one percent.

(8.1) If an investment fund invests substantially all of its assets directly, or indirectly through the use of derivatives, in securities of one other investment fund, the investment fund must disclose in the statement of investment portfolio or the notes to that statement the holdings of the other investment fund.

(9) An investment fund must maintain records of all portfolio transactions undertaken by the investment fund.

3.6 Notes to Financial Statements

(1) The notes to the financial statements of an investment fund must disclose the following:

1. the basis for determining current value and cost of portfolio assets and, if a method of determining cost other than by reference to the average cost of the portfolio assets is used, the method used.

2. if the investment fund has outstanding more than one class or series of securities ranking equally against its net assets, but differing in other respects,

   (a) the number of authorized securities of each class or series;

   (b) the number of securities of each class or series that have been issued and are outstanding;

   (c) the differences between the classes or series, including differences in sales charges, and management fees;

   (d) the method used to allocate income and expenses, and realized and unrealized capital gains and losses, to each class;

   (e) the fee arrangements for any class-level expenses paid to affiliates; and

   (f) transactions involving the issue or redemption of securities of the investment fund undertaken in the period for each class of securities to which the financial statements pertain.

3. ~~(a) total commissions and other transaction costs paid or payable to dealers by the investment fund for its portfolio transactions during the period reported upon; and~~

   ~~(b)~~ to the extent the amount is ascertainable, ~~separate disclosure of~~ the soft dollar portion of the total commissions and other portfolio transaction costs paid or payable to dealers by the investment fund~~these payments~~, where the soft dollar portion is the amount paid or payable for goods and services other than order execution.

4. the total cost of distribution of the investment fund's securities recorded in the statement of changes in net assets.

5. a reconciliation of the net assets and net assets per security in the financial statements to the net asset value and net asset value per security, as at the date of the financial statements, and an explanation of the differences between these amounts.

(2) If not disclosed elsewhere in the financial statements, an investment fund that borrows money must, in a note to the financial statements, disclose the minimum and maximum amount borrowed during the period to which the financial statements or management report of fund performance pertain.

3.7 Inapplicable Line Items – Despite the requirements of this Part, an investment fund may omit a line item from the financial statements for any matter that does not apply to the investment fund or for which the investment fund has nothing to disclose.

3.8 Disclosure of Securities Lending Transactions

(1) An investment fund must disclose, in the statement of investment portfolio included in the financial statements of the investment fund, or in the notes to the financial statements,

(a) the aggregate dollar value of portfolio securities that were lent in the securities lending transactions of the investment fund that are outstanding as at the date of the financial statements; and

(b) the type and aggregate amount of collateral received by the investment fund under securities lending transactions of the investment fund that are outstanding as at the date of the financial statements.

(2) The statement of net assets of an investment fund that has received cash collateral from a securities lending transaction that is outstanding as of the date of the financial statements must disclose separately

(a) the cash collateral received by the investment fund; and

(b) the obligation to repay the cash collateral.

(3) The statement of operations of an investment fund must disclose income from a securities lending transaction as revenue.

3.9 Disclosure of Repurchase Transactions

(1) An investment fund, in the statement of investment portfolio included in the financial statements of the investment fund, or in the notes to that statement, must, for a repurchase transaction of the investment fund that is outstanding as at the date of the statement, disclose

(a) the date of the transaction;

(b) the expiration date of the transaction;

(c) the nature and current value of the portfolio securities sold by the investment fund;

(d) the amount of cash received and the repurchase price to be paid by the investment fund; and

(e) the current value of the sold portfolio securities as at the date of the statement.

(2) The statement of net assets of an investment fund that has entered into a repurchase transaction that is outstanding as of the date of the statement of net assets must disclose separately the obligation of the investment fund to repay the collateral.

(3) The statement of operations of an investment fund must disclose income from the use of the cash received on a repurchase transaction as revenue.

(4) The information required by this section may be presented on an aggregate basis.

3.10 Disclosure of Reverse Repurchase Transactions

(1) An investment fund, in the statement of investment portfolio or in the notes to that statement, must, for a reverse repurchase transaction of the investment fund that is outstanding as at the date of the statement, disclose

(a) the date of the transaction;

(b) the expiration date of the transaction;

(c) the total dollar amount paid by the investment fund;

(d) the nature and current value or principal amount of the portfolio securities received by the investment fund; and

(e) the current value of the purchased portfolio securities as at the date of the statement.

(2) The statement of net assets of an investment fund that has entered into a reverse repurchase transaction that is outstanding as of the date of the financial statements must disclose separately the reverse repurchase agreement relating to the transaction at current value.

(3) The statement of operations of an investment fund must disclose income from a reverse repurchase transaction as revenue.

(4) The information required by this section may be presented on an aggregate basis.

3.11 Scholarship Plans

(1) In addition to the requirements of this Part, an investment fund that is a scholarship plan must disclose, as of the end of its most recently completed financial year, a separate statement or schedule to the financial statements that provides

(a) a summary of education savings plans and units outstanding by year of eligibility, including

(i) disclosure of the number of units by year of eligibility for the opening units, units purchased, units forfeited and the ending units,

(ii) disclosure of the principal amounts and the accumulated income per year of eligibility, and their total balances, and

(iii) a reconciliation of the total balances of the principal amounts and the accumulated income in the statement or schedule to the statement of net assets of the scholarship plan;

(b) the total number of units outstanding; and

(c) a statement of scholarship awards paid to beneficiaries, and a reconciliation of the amount of scholarship awards paid with the statement of operations.

(2) Despite the requirements of sections 3.1 and 3.2, an investment fund that is a scholarship plan may omit the "net assets ~~value~~ per security" and "increase or decrease in net assets from operations per security" line items from its financial statements.

PART 4 MANAGEMENT REPORTS OF FUND PERFORMANCE

4.1 Application – This Part applies to an investment fund that is a reporting issuer.

4.2 Filing of Management Reports of Fund Performance – An investment fund, other than an investment fund that is a scholarship plan, must file an annual management report of fund performance for each financial year and an interim management report of fund performance for each interim period at the same time that it files its annual financial statements or its interim financial statements for that financial period.

4.3 Filing of Annual Management Report of Fund Performance for an Investment Fund that is a Scholarship Plan – An investment fund that is a scholarship plan must file an annual management report of fund performance for each financial year at the same time that it files its annual financial statements.

4.4 Contents of Management Reports of Fund Performance – A management report of fund performance required by this Part must

(a) be prepared in accordance with Form 81-106F1; and

(b) not incorporate by reference information from any other document that is required to be included in a management report of fund performance.

4.5 Approval of Management Reports of Fund Performance

(1) The board of directors of an investment fund that is a corporation must approve the management report of fund performance of the investment fund before the report is filed or made available to a holder or potential purchaser of securities of the investment fund.

(2) The trustee or trustees of an investment fund that is a trust, or another person or company authorized to do so by the constating documents of the investment fund, must approve the management report of fund performance of the investment fund before the report is filed or made available to a holder or potential purchaser of securities of the investment fund.

PART 5 DELIVERY OF FINANCIAL STATEMENTS AND MANAGEMENT REPORTS OF FUND PERFORMANCE

5.1 Delivery of Certain Continuous Disclosure Documents

(1) In this Part, "securityholder" means a registered holder or beneficial owner of securities issued by an investment fund.

(2) Subject to section 5.2 or section 5.3, an investment fund must send to a securityholder, by the filing deadline for the document, the following:

(a) annual financial statements;

(b) interim financial statements;

(c) if required to be prepared by the investment fund, the annual management report of fund performance;

(d) if required to be prepared by the investment fund, the interim management report of fund performance.

(3) An investment fund must apply the procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* when complying with this Part.

(4) Despite subsection (3), National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* does not apply to an investment fund with respect to a requirement under this Part if the investment fund has the necessary information to communicate directly with a beneficial owner of its securities.

5.2 Sending According to Standing Instructions

(1) Subsection 5.1(2) does not apply to an investment fund that requests standing instructions from a securityholder in accordance with this section and sends the documents listed in subsection 5.1(2) according to those instructions.

(2) An investment fund relying on subsection 5.2(1) must send, to each securityholder, a document that

(a) explains the choices a securityholder has to receive the documents listed in subsection 5.1(2);

(b) solicits instructions from the securityholder about delivery of those documents; and

(c) explains that the instructions provided by the securityholder will continue to be followed by the investment fund until they are changed by the securityholder.

(3) If a person or company becomes a securityholder of an investment fund, the investment fund must solicit instructions in accordance with subsection (2) from the securityholder as soon as reasonably practicable after the investment fund accepts a purchase order from the securityholder.

(4) An investment fund must rely on instructions given under this section until a securityholder changes them.

(5) At least once a year, an investment fund must send each securityholder a reminder that

(a) the securityholder is entitled to receive the documents listed in subsection 5.1(2);

(b) the investment fund is relying on delivery instructions provided by the securityholder;

(c) explains how a securityholder can change the instructions it has given; and

(d) the securityholder can obtain the documents on the SEDAR website and on the investment fund's website, if applicable, and by contacting the investment fund.

5.3 Sending According to Annual Instructions

(1) Subsection 5.1(2) does not apply to an investment fund that requests annual instructions from a securityholder in accordance with this section and sends the documents listed in subsection 5.1(2) according to those instructions.

(2) Subsection (1) does not apply to an investment fund that has previously relied on subsection 5.2(1).

(3) An investment fund relying on subsection 5.3(1) must send annually to each securityholder a request form the securityholder may use to instruct the investment fund as to which of the documents listed in subsection 5.1(2) the securityholder wishes to receive.

(4) The request form described in subsection (3) must be accompanied by a notice explaining that

(a) the securityholder is providing delivery instructions for the current year only; and

(b) the documents are available on the SEDAR website and on the investment fund's website, if applicable, and by contacting the investment fund.

5.4 General

(1) If a securityholder requests any of the documents listed in subsection 5.1(2), an investment fund must send a copy of the requested documents by the later of

(a) the filing deadline for the requested document; and

(b) ten calendar days after the investment fund receives the request.

(2) An investment fund must not charge a fee for sending the documents referred to in this Part and must ensure that securityholders can respond without cost to the solicitations of instructions required by this Part.

(3) Investment funds under common management may solicit one set of delivery instructions from a securityholder that will apply to all of the investment funds under common management held by that securityholder.

(4) Despite subsection 7.1(3), for the purposes of delivery to a securityholder, an investment fund may bind its management report of fund performance with the management report of fund performance for one or more other investment funds if the securityholder holds each investment fund.

5.5 Websites – An investment fund that is a reporting issuer and that has a website must post to the website any documents listed in subsection 5.1(2) no later than the date that those documents are filed.

PART 6 QUARTERLY PORTFOLIO DISCLOSURE

6.1 Application – This Part applies to an investment fund that is a reporting issuer, other than a scholarship plan or a labour sponsored or venture capital fund.

6.2 Preparation and Dissemination

(1) An investment fund must prepare quarterly portfolio disclosure that includes

(a) a summary of investment portfolio prepared in accordance with Item 5 of Part B of Form 81-106F1 as at the end of

(i) each period of at least three months that ends three or nine months before the end of a financial year of the investment fund; or

(ii) in the case of a transition year of the investment fund, each period commencing on the first day of the transition year and ending either three, nine or twelve months, if applicable, after the end of its old financial year; and

(b) the total net asset value of the investment fund as at the end of the periods specified in (a)(i) or (ii).

(2) An investment fund that has a website must post to the website the quarterly portfolio disclosure within 60 days of the end of the period for which the quarterly portfolio disclosure was prepared.

(3) An investment fund must promptly send the most recent quarterly portfolio disclosure, without charge, to any securityholder of the investment fund, upon a request made by the securityholder 60 days after the end of the period to which the quarterly portfolio disclosure pertains.

PART 7 BINDING AND PRESENTATION

7.1 Binding of Financial Statements and Management Reports of Fund Performance

(1) An investment fund must not bind its financial statements with the financial statements of another investment fund in a document unless all information relating to the investment fund is presented together and not intermingled with information relating to the other investment fund.

(2) Despite subsection (1), if a document contains the financial statements of more than one investment fund, the notes to the financial statements may be combined and presented in a separate part of the document.

(3) An investment fund must not bind its management report of fund performance with the management report of fund performance for another investment fund.

7.2 Multiple Class Investment Funds

(1) An investment fund that has more than one class or series of securities outstanding that are referable to a single portfolio must prepare financial statements and management reports of fund performance that contain information concerning all of the classes or series.

(2) If an investment fund has more than one class or series of securities outstanding, the distinctions between the classes or series must be disclosed in the financial statements and management reports of fund performance.

PART 8 INDEPENDENT VALUATIONS FOR LABOUR SPONSORED OR VENTURE CAPITAL FUNDS

8.1 Application – This Part applies to a labour sponsored or venture capital fund that is a reporting issuer.

8.2 Exemption from Requirement to Disclose Individual Current Values for Venture Investments – Despite item 5 of subsection 3.5(1), a labour sponsored or venture capital fund is exempt from the requirement to present separately in a statement of investment portfolio the current value of each venture investment that does not have a market value if

(a) the labour sponsored or venture capital fund discloses in the statement of investment portfolio

(i) the cost amounts for each venture investment,

(ii) the total cost of the venture investments,

(iii) the total adjustment from cost to current value of the venture investments, and

(iv) the total current value of the venture investments;

(b) the labour sponsored or venture capital fund discloses in the statement of investment portfolio tables showing the distribution of venture investments by stage of development and by industry classification including

(i) the number of venture investments in each stage of development and industry class,

(ii) the total cost and aggregate current value of the venture investments for each stage of development and industry class, and

(iii) the total cost and aggregate current value of venture investments for each stage of development and industry class as a percentage of total venture investments;

(c) for a statement of investment portfolio contained in annual financial statements, the labour sponsored or venture capital fund has obtained an independent valuation relating to the value of the venture investments or to the net assets ~~value~~ of the fund and has filed the independent valuation concurrently with the filing of the annual financial statements;

(d) for a statement of investment portfolio contained in interim financial statements, the labour sponsored or venture capital fund obtained and filed the independent valuation referred to in paragraph (c) in connection with the preparation of the most recent annual financial statements of the labour sponsored or venture capital fund; and

(e) the labour sponsored or venture capital fund has disclosed in the applicable financial statements that an independent valuation has been obtained as of the end of the applicable financial year.

8.3 Disclosure Concerning Independent Valuator – A labour sponsored or venture capital fund that obtains an independent valuation must include, in the statement of investment portfolio contained in its annual financial statements, or in the notes to the annual financial statements,

(a) a description of the independent valuator's qualifications, and

(b) a description of any past, present or anticipated relationship between the independent valuator and the labour sponsored or venture capital fund, its manager or portfolio adviser.

8.4 Content of Independent Valuation – An independent valuation must provide the aggregate current value of the venture investments or the net assets ~~value~~ of the labour sponsored or venture capital fund as at the fund's financial year end.

8.5 Independent Valuator's Consent – A labour sponsored or venture capital fund obtaining an independent valuation must

(a) obtain the independent valuator's consent to its filing; and

(b) include a statement in the valuation report, signed by the independent valuator, in substantially the following form:

"We refer to the independent valuation of the [net assets/venture investments] of [name of labour sponsored or venture capital fund] as of [date of financial year end] dated ●. We consent to the filing of the independent valuation with the securities regulatory authorities."

PART 9 ANNUAL INFORMATION FORM

9.1 Application – This Part applies to an investment fund that is a reporting issuer.

9.2 Requirement to File Annual Information Form – An investment fund must file an annual information form if the investment fund has ~~does~~ not filed ~~have~~ a ~~current~~ prospectus during the last 12 months preceding ~~as at~~ its financial year end.

9.3 Filing Deadline for Annual Information Form – An investment fund required under section 9.2 to file an annual information form must file the annual information form no later than 90 days after the end of its most recently completed financial year.

9.4 Preparation and Content of Annual Information Form

(1) An annual information form required to be filed under section 9.2 must be prepared as of the end of the most recently completed financial year of the investment fund to which it pertains.

(2) An annual information form required to be filed must be prepared in accordance with Form 81-101F2, except that

(a) a reference to "mutual fund" must be read as a reference to "investment fund";

(b) General Instructions (3), (10) and (14) of Form 81-101F2 do not apply;

(c) subsections (3), (4) and (6) of Item 1.1 of Form 81-101F2 do not apply;

(d) subsections (3), (4) and (6) of Item 1.2 of Form 81-101F2 do not apply;

(e) Item 5 of Form 81-101F2 must be completed in connection with all of the securities of the investment fund;

(f) Item 15 of Form 81-101F2 does not apply to an investment fund that is a corporation; and

(g) Items 19, 20, 21 and 22 of Form 81-101F2 do not apply.

(3) An investment fund required to file an annual information form must at the same time file copies of all material incorporated by reference in the annual information form that it has not previously filed.

PART 10 PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

10.1 Application – This Part applies to an investment fund that is a reporting issuer.

10.2 Requirement to Establish Policies and Procedures

(1) An investment fund must establish policies and procedures that it will follow to determine whether, and how, to vote on any matter for which the investment fund receives, in its capacity as securityholder, proxy materials for a meeting of securityholders of an issuer.

(2) The policies and procedures referred to in subsection (1) must include

(a) a standing policy for dealing with routine matters on which the investment fund may vote;

(b) the circumstances under which the investment fund will deviate from the standing policy for routine matters;

(c) the policies under which, and the procedures by which, the investment fund will determine how to vote or refrain from voting on non-routine matters; and

(d) procedures to ensure that portfolio securities held by the investment fund are voted in accordance with the instructions of the investment fund.

(3) An investment fund that has not prepared an annual information form in accordance with Part 9 or in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* must include a summary of the policies and procedures required by this section in its prospectus.

10.3 Proxy Voting Record – An investment fund must maintain a proxy voting record that includes, for each time that the investment fund receives, in its capacity as securityholder, materials relating to a meeting of securityholders of a reporting issuer or the equivalent of a reporting issuer in a foreign jurisdiction,

(a) the name of the issuer;

(b) the exchange ticker symbol of the portfolio securities, unless not readily available to the investment fund;

(c) the CUSIP number for the portfolio securities;

(d) the meeting date;

(e) a brief identification of the matter or matters to be voted on at the meeting;

(f) whether the matter or matters voted on were proposed by the issuer, its management or another person or company;

(g) whether the investment fund voted on the matter or matters;

(h) if applicable, how the investment fund voted on the matter or matters; and

(i) whether votes cast by the investment fund were for or against the recommendations of management of the issuer.

10.4 Preparation and Availability of Proxy Voting Record

(1) An investment fund must prepare a proxy voting record on an annual basis for the period ending on June 30 of each year.

(2) An investment fund that has a website must post the proxy voting record to the website no later than August 31 of each year.

(3) An investment fund must promptly send the most recent copy of the investment fund's proxy voting policies and procedures and proxy voting record, without charge, to any securityholder upon a request made by the securityholder after August 31.

PART 11 MATERIAL CHANGE REPORTS

11.1 Application – This Part applies to an investment fund that is a reporting issuer.

11.2 Publication of Material Change

(1) If a material change occurs in the affairs of an investment fund, the investment fund must

(a) promptly issue and file a news release that is authorized by an executive officer of the manager of the investment fund and that discloses the nature and substance of the material change;

(b) post all disclosure made under paragraph (a) on the website of the investment fund or the investment fund manager;

(c) as soon as practicable, but in any event no later than 10 days after the date on which the change occurs, file a report containing the information required by Form 51-102F3, except that a reference in Form 51-102F3 to

(i) the term "material change" must be read as "material change" under this Instrument;

(ii) "section 7.1 of National Instrument 51-102" in Item 3 of Part 2 must be read as a reference to "section 11.2 of National Instrument 81-106";

(iii) "subsection 7.1(2) or (3) of National Instrument 51-102" in Item 6 of Part 2 must be read as a reference to "subsection 11.2(2) or (3) of National Instrument 81-106";

(iv) "subsection 7.1(5) of National Instrument 51-102" in Items 6 and 7 of Part 2 must be read as a reference to "subsection 11.2(4) of National Instrument 81-106"; and

(v) "executive officer of your company" in Item 8 of Part 2 must be read as a reference to "officer of the investment fund or of the manager of the investment fund"; and

(d) file an amendment to its prospectus or simplified prospectus that discloses the material change in accordance with the requirements of securities legislation.

(2) If

(a) in the opinion of the board of directors or trustee of an investment fund or the manager, and if that opinion is arrived at in a reasonable manner, the disclosure required by subsection (1) would be unduly detrimental to the investment fund's interest; or

(b) the material change

(i) consists of a decision to implement a change made by senior management of the investment fund or senior management of the manager of the investment fund who believe that confirmation of the decision by the board of directors or persons acting in a similar capacity is probable; and

(ii) senior management of the investment fund or senior management of the manager of the investment fund has no reason to believe that persons with knowledge of the material change have made use of that knowledge in purchasing or selling securities of the investment fund,

the investment fund may, instead of complying with subsection (1), immediately file the report required under paragraph (1)(c) marked to indicate that it is confidential, together with written reasons for non-disclosure.

(3) Subsection (1) does not apply to an investment fund in Québec if

(a) senior management of the investment fund has reasonable grounds to believe that disclosure as required by subsection (1) would be seriously prejudicial to the interests of the investment fund and that no transaction in securities of the investment fund has been or will be carried out on the basis of the information not generally known;

(b) the investment fund immediately files the report required under paragraph (1)(c) marked so as to indicate that it is confidential, together with written reasons for non-disclosure; and

(c) the investment fund complies with subsection (1) when the circumstances that justify non-disclosure cease to exist.

(4) If a report has been filed under subsection (2), the investment fund must advise the regulator or securities regulatory authority in writing within ten days of the initial filing of the report if it believes the report should continue to remain confidential and every 10 days thereafter until the material change is generally disclosed in the manner referred to in subsection (1) or, if the material change consists of a decision of the type referred to in paragraph (2)(b), until that decision has been rejected by the board of directors of the investment fund or the board of directors of the manager of the investment fund.

(5) Despite filing a report under subsection (2), an investment fund must promptly and generally disclose the material change in the manner referred to in subsection (1) upon the investment fund becoming aware, or having reasonable grounds to believe, that a person or company is purchasing or selling securities of the investment fund with knowledge of the material change that has not been generally disclosed.

PART 12 PROXY SOLICITATION AND INFORMATION CIRCULARS

12.1 Application – This Part applies to an investment fund that is a reporting issuer.

12.2 Sending of Proxies and Information Circulars

(1) If management of an investment fund or the manager of an investment fund gives or intends to give notice of a meeting to registered holders of the investment fund, management or the manager must, at the same time as or before giving that notice, send to each registered holder who is entitled to notice of the meeting a form of proxy for use at the meeting.

(2) A person or company that solicits proxies from registered holders of an investment fund must

(a) in the case of a solicitation by or on behalf of management of the investment fund, send with the notice of meeting to each registered holder whose proxy is solicited a completed Form 51-102F5; or

(b) in the case of a solicitation by or on behalf of any person or company other than management of the investment fund, at the same time as or before the solicitation, send a completed Form 51-102F5 and a form of proxy to each registered holder whose proxy is solicited.

(3) In Québec, subsections (1) and (2) apply, adapted as required, to a meeting of holders of debt securities of an investment fund that is a reporting issuer in Québec, whether called by management of the investment fund or by the trustee of the debt securities.

12.3 Exemption

(1) Subsection 12.2(2) does not apply to a solicitation by a person or company in respect of securities of which the person or company is the beneficial owner.

(2) Paragraph 12.2(2)(b) does not apply to a solicitation if the total number of securityholders whose proxies are solicited is not more than 15.

(3) For the purposes of subsection (2), two or more persons or companies who are joint registered owners of one or more securities are considered to be one securityholder.

12.4 Compliance with National Instrument 51-102 – A person or company that solicits proxies under section 12.2 must comply with sections 9.3 and 9.4 of National Instrument 51-102 as if those sections applied to the person or company.

PART 13 CHANGE OF AUDITOR DISCLOSURE

13.1 Application – This Part applies to an investment fund that is a reporting issuer.

13.2 Change of Auditor – Section 4.11 of National Instrument 51-102 applies to an investment fund that changes its auditor, except that references in that section to the “board of directors” are to be read as references to,

(a) if the investment fund is a corporation, the "board of directors of the investment fund", or

(b) if the investment fund is a trust, the "trustee or trustees or another person or company authorized by the constating documents of the investment fund".

PART 14 CALCULATION OF NET ASSET VALUE

14.1 Application – This Part applies to an investment fund that is a reporting issuer.

14.2 Calculation, Frequency and Currency

(1) The net asset value of an investment fund must be calculated using the fair value of the investment fund's assets and liabilities. ~~in accordance with Canadian GAAP.~~

(1.1) The net asset value of an investment fund must include income and expenses of the investment fund accrued up to the date of calculation of the net asset value.

(1.2) For the purposes of subsection (1), fair value means

(a) the market value based on reported prices and quotations in an active market, or

(b) if the market value is not available, or the manager of the investment fund believes that it is unreliable, a value that is fair and reasonable in all the relevant circumstances.

(1.3) The manager of an investment fund must

(a) establish and maintain appropriate written policies and procedures for determining the fair value of the investment fund's assets and liabilities; and

(b) consistently follow those policies and procedures.

(1.4) The manager of an investment fund must maintain a record of every determination of fair value and the reasons supporting that determination.

(2) ~~Despite subsection (1), for~~ For the purposes of calculating net asset value for purchases and redemptions of its securities as required by Parts 9 and 10 of National Instrument 81-102 *Mutual Funds*, a labour sponsored or venture capital fund that has included a deferred charge for sales commissions in the calculation may continue to do so, provided that

(a) the calculation reflects the amortization of this deferred charge over the remaining amortization period, and

(b) the labour sponsored or venture capital fund ceased adding to this deferred charge by December 31, 2003.

(3) The net asset value of an investment fund must be calculated,

(a) if the investment fund does not use specified derivatives, at least once in each week; or

(b) if the investment fund uses specified derivatives, at least once every business day.

(4) A mutual fund that holds securities of other mutual funds must have dates for the calculation of net asset value that are compatible with those of the other mutual funds.

(5) Despite paragraph ~~subsection~~ (3)(a), an investment fund that, at the date that this Instrument comes into force, calculates net asset value no less frequently than once a month may continue to calculate net asset value at least as frequently as it does at that date.

(6) The net asset value of an investment fund must be calculated in the currency of Canada or in the currency of the United States of America or both.

(7) An investment fund that arranges for the publication of its net asset value in the financial press must ensure that its current net asset value is provided on a timely basis to the financial press.

14.3 Portfolio Transactions – The net asset value of an investment fund must include each purchase or sale of a portfolio asset no later than in the next calculation of the net asset value after the date the purchase or sale becomes binding.

14.4 Capital Transactions – The investment fund must include each issue or redemption of a security of the investment fund in the next calculation of net asset value the investment fund makes after the calculation of net asset value used to establish the issue or redemption price.

PART 15 CALCULATION OF MANAGEMENT EXPENSE RATIO

15.1 Calculation of Management Expense Ratio

(1) An investment fund may disclose its management expense ratio only if the management expense ratio is calculated for the financial year or interim period of the investment fund and if it is calculated by

(a) dividing

(i) the aggregate of

(A) total expenses of the investment fund, excluding commissions and other portfolio transaction costs, before income taxes, for the financial year or interim period, as shown on its statement of operations; and

(B) any other fee, charge or expense of the investment fund that has the effect of reducing the investment fund's net asset value;

by

(ii) the average net asset value of the investment fund for the financial year or interim period, obtained by

(A) adding together the net asset values of the investment fund as at the close of business of the investment fund on each day during the financial year or interim period on which the net asset value of the investment fund has been calculated, and

(B) dividing the amount obtained under clause (A) by the number of days during the financial year or interim period on which the net asset value of the investment fund has been calculated; and

(b) multiplying the result obtained under paragraph (a) by 100.

(2) If any fees and expenses otherwise payable by an investment fund in a financial year or interim period were waived or otherwise absorbed by a member of the organization of the investment fund, the investment fund must disclose, in a note to the disclosure of its management expense ratio, details of

(a) what the management expense ratio would have been without any waivers or absorptions;

(b) the length of time that the waiver or absorption is expected to continue;

(c) whether the waiver or absorption can be terminated at any time by the member of the organization of the investment fund; and

(d) any other arrangements concerning the waiver or absorption.

(3) Investment fund expenses rebated by a manager or an investment fund to a securityholder must not be deducted from total expenses of the investment fund in determining the management expense ratio of the investment fund.

(4) An investment fund that has separate classes or series of securities must calculate a management expense ratio for each class or series, in the manner required by this section, modified as appropriate.

(5) The management expense ratio of an investment fund for a financial period of less than or greater than twelve months must be annualized.

(6) If an investment fund provides its management expense ratio to a service provider that will arrange for public dissemination of the management expense ratio,

(a) the investment fund must provide the management expense ratio calculated in accordance with this Part; and

(b) the requirement to provide note disclosure contained in subsection (2) does not apply if the investment fund indicates, as applicable, that fees have been waived, expenses have been absorbed, or that fees or expenses were paid directly by investors during the period for which the management expense ratio was calculated.

15.2 Fund of Funds Calculation

(1) For the purposes of subparagraph 15.1(1)(a)(i), the total expenses for a financial year or interim period of an investment fund that invests in securities of other investment funds is equal to the sum of

(a) the total expenses incurred by the investment fund that are for the period for which the calculation of the management expense ratio is made and that are attributable to its investment in each underlying investment fund, as calculated by

(i) multiplying the total expenses of each underlying investment fund, excluding commissions and other portfolio transaction costs, before income taxes, for the financial year or interim period, by

(ii) the average proportion of securities of the underlying investment fund held by the investment fund during the financial year or interim period, calculated by

(A) adding together the proportion of securities of the underlying investment fund held by the investment fund on each day in the period, and

(B) dividing the amount obtained under clause (A) by the number of days in the period; and

(b) the total expenses of the investment fund, excluding commissions and other portfolio transaction costs, before income taxes, for the period.

(2) An investment fund that has exposure to one or more other investment funds through the use of derivatives in a financial year or interim period must calculate its management expense ratio for the financial year or interim period in the manner described in subsection (1), treating each investment fund to which it has exposure as an "underlying investment fund" under subsection (1).

(3) Subsection (2) does not apply if the derivatives do not expose the investment fund to expenses that would be incurred by a direct investment in the relevant investment funds.

(4) Management fees rebated by an underlying fund to an investment fund that invests in the underlying fund must be deducted from total expenses of the underlying fund if the rebate is made for the purpose of avoiding duplication of fees between the two investment funds.

PART 16 ADDITIONAL FILING REQUIREMENTS

16.1 Application – This Part applies to an investment fund that is a reporting issuer.

16.2 Additional Filing Requirements – If an investment fund sends to its securityholders any disclosure document other than those required by this Instrument, the investment fund must file a copy of the document on the same date as, or as soon as practicable after, the date on which the document is sent to its securityholders.

16.3 Voting Results – An investment fund must, promptly following a meeting of securityholders at which a matter was submitted to a vote, file a report that discloses, for each matter voted upon

(a) a brief description of the matter voted upon and the outcome of the vote; and

(b) if the vote was conducted by ballot, the number and percentage of votes cast, which includes votes cast in person and by proxy, for, against, or withheld from, each vote.

16.4 Filing of Material Contracts – An investment fund that is not subject to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, or securities legislation that imposes a similar requirement, must file a copy of any material contract of the investment fund not previously filed, or any amendment to any material contract of the investment fund not previously filed

(a) with the final prospectus of the investment fund; or

(b) upon the execution of the material contract or amendment.

PART 17 EXEMPTIONS

17.1 Exemption

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

(2) Despite subsection (1), in Ontario only the regulator may grant an exemption from any part of this Instrument.

PART 18 EFFECTIVE DATE AND TRANSITION

18.1 Effective Date – This Instrument comes into force on June 1, 2005.

18.2 ~~Transition~~ ~~– Despite section 18.1, this Instrument applies to~~

~~(a) annual financial statements and annual management reports of fund performance for financial years that end on or after June 30, 2005;~~

~~(b) for investment funds in existence on June 1, 2005, interim financial statements and interim management reports of fund performance for interim periods that end after the financial years determined in paragraph (a);~~

~~(c) quarterly portfolio disclosure for periods that end on or after June 1, 2005;~~

~~(d) annual information forms for financial years ending on or after June 30, 2005;~~

~~(e) proxy voting records for the annual period beginning July 1, 2005; and~~

~~(f) proxy solicitation and information circulars from and after July 1, 2005.~~ [repealed]

18.3 ~~Filing of Financial Statements and Management Reports of Fund Performance~~ ~~– Despite section 2.2 and section 4.2, the first annual financial statements and the first annual management report of fund performance that are required to be prepared in accordance with this Instrument must be filed on or before the 120th day after the end of the financial year of the investment fund to which they pertain.~~ [repealed]

18.4 ~~Filing of Annual Information Form~~ ~~– Despite section 9.3, the first annual information form to be prepared under this Instrument must be filed on or before the 120th day after the end of the financial year of the investment fund to which it pertains.~~ [repealed]

18.5 ~~Initial Delivery of Annual Management Report of Fund Performance~~ ~~– Despite Part 5, an investment fund must send to each securityholder, by the filing deadline, its first annual management report of fund performance with an explanation of the new continuous disclosure requirements, including the availability of quarterly portfolio disclosure and proxy voting disclosure.~~ [repealed]

18.6 Existing Exemptions

(1) An investment fund that has obtained an exemption or waiver from, or approval under, securities legislation, National Policy 39, National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, National Instrument 81-102 *Mutual Funds*, National Instrument 81-104 *Commodity Pools* or National Instrument 81-105 *Mutual Fund Sales Practices* relating to its continuous disclosure obligations is exempt from any substantially similar provision of this Instrument to the same extent and on the same conditions, if any, as contained in the exemption, waiver or approval, unless the regulator or securities regulatory authority has revoked that exemption, waiver or approval under authority provided to it in securities legislation.

(2) An investment fund must, at the time that it first intends to rely on subsection (1) in connection with a filing requirement under this Instrument, inform the securities regulatory authority in writing of

(a) the general nature of the prior exemption, waiver or approval and the date on which it was granted; and

(b) the provision in respect of which the prior exemption, waiver or approval applied and the substantially similar provision of this Instrument.

FORM 81-106F1
CONTENTS OF ANNUAL AND INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

(BLACK-LINED)

FORM 81-106F1
CONTENTS OF ANNUAL AND INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

PART A INSTRUCTIONS AND INTERPRETATION

Item 1 General

(a) The Form

The Form describes the disclosure required in an annual or interim management report of fund performance (MRFP) of an investment fund. Each item of the Form outlines disclosure or format requirements. Instructions to help you comply with these requirements are printed in italic type.

(b) Plain Language

An MRFP must state the required information concisely and in plain language (as defined in National Instrument 81-101 *Mutual Fund Prospectus Disclosure*). Refer to Part 1 of Companion Policy 81-106CP for a discussion concerning plain language and presentation.

When preparing an MRFP, respond as simply and directly as is reasonably possible and include only as much information as is necessary for readers to understand the matters for which you are providing disclosure.

(c) Format

Present the MRFP in a format that assists readability and comprehension. The Form generally does not mandate the use of a specific format to achieve these goals, except in the case of disclosure of financial highlights and past performance as required by Items 3 and 4 of each of Parts B and C of the Form; that disclosure must be presented in the format specified in the Form.

An MRFP must use the headings and sub-headings shown in the Form. Within this framework, investment funds are encouraged to use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely. Disclosure provided in response to any item does not need to be repeated elsewhere. The interim MRFP must use the same headings as used in the annual MRFP.

The Form does not prohibit including information beyond what the Form requires. An investment fund may include artwork and educational material (as defined in National Instrument 81-101 *Mutual Fund Prospectus Disclosure*) in its annual and interim MRFP. However, an investment fund must take reasonable care to ensure that including such material does not obscure the required information and does not lengthen the MRFP excessively.

(d) Focus on Material Information

You do not need to disclose information that is not material. You do not need to respond to any item in this Form that is inapplicable and you may omit negative answers.

(e) What is Material?

Would a reasonable investor's decision to buy, sell or hold securities of an investment fund likely be influenced or changed if the information in question was omitted or misstated? If so, the information is material. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook. In determining whether information is material, take into account both quantitative and qualitative factors.

(f) Terminology

All references to "net assets" or "net assets per security" in this Form are references to net assets in accordance with Canadian GAAP as presented in the financial statements of the investment fund. All references to "net asset value" or "net asset value per security" in this Form are references to net asset value as determined in accordance with Part 14 of the Instrument.

Investment funds must use net assets as shown on the financial statements in the "*The Fund's Net Assets per [Unit/Share]*" table. All other calculations for the purposes of the MRFP must be made using net asset value.

Item 2 Management Discussion of Fund Performance

The management discussion of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. The discussion is the equivalent to the corporate management discussion and analysis (MD&A) with specific modifications for investment funds. It provides the manager of an investment fund with the opportunity to discuss the investment fund's position and financial results for the relevant period. The discussion is intended to give a reader the ability to look at the investment fund through the eyes of management by providing both a historical and prospective analysis of the investment activities and operations of the investment fund. Coupled with the financial highlights, this information should enable readers to better assess the investment fund's performance and future prospects.

Focus the management discussion on material information about the performance of the investment fund, with particular emphasis on known material trends, commitments, events, risks or uncertainties that the manager reasonably expects to have a material effect on the investment fund's future performance or investment activities.

The description of the disclosure requirements is intentionally general. This Form contains a minimum number of specific instructions in order to allow, as well as encourage, investment funds to discuss their activities in the most appropriate manner and to tailor their comments to their individual circumstances.

PART B CONTENT REQUIREMENTS FOR ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Item 1 First Page Disclosure

The first page of an annual MRFP must contain disclosure in substantially the following words:

"This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling [toll-free/collect call telephone number], by writing to us at [insert address] or by visiting our website at [insert address] or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure."

INSTRUCTION:

If the MRFP is bound with the financial statements of the investment fund, modify the first page wording appropriately.

Item 2 Management Discussion of Fund Performance

2.1 Investment Objective and Strategies

Disclose under the heading "Investment Objective and Strategies" a brief summary of the fundamental investment objective and strategies of the investment fund.

INSTRUCTION:

Disclosing the fundamental investment objective provides investors with a reference point for assessing the information contained in the MRFP. It must be a concise summary of the fundamental investment objective and strategies of the investment fund, and not merely copied from the prospectus.

2.2 Risk

Disclose under the heading "Risk" a discussion of how changes to the investment fund over the financial year affected the overall level of risk associated with an investment in the investment fund.

INSTRUCTION:

Ensure that the discussion is not merely a repeat of information contained in the prospectus of the investment fund, but rather a discussion that reflects any changes in risk level of the investment fund over the financial year.

Consider how the changes in the risks associated with an investment in the investment fund affect the suitability or investor risk tolerance stated in the prospectus or offering document. All investment funds should refer to Items 9 and 10 of Part B of Form 81-101F1 as if those sections applied to them.

2.3 Results of Operations

(1) Under the heading "Results of Operations" provide a summary of the results of operations of the investment fund for the financial year to which the MDFP pertains, including a discussion of

(a) any material changes in investments in specific portfolio assets and overall asset mix from the previous period;

(b) how the composition and changes to the composition of the investment portfolio relate to the investment fund's fundamental investment objective and strategies or to changes in the economy, markets or unusual events;

(c) unusual trends in redemptions or sales and the effect of these on the investment fund;

(d) significant components and changes to the components of revenue and expenses;

(e) risks, events, trends and commitments that had a material effect on past performance; and

(f) unusual or infrequent events or transactions, economic changes and market conditions that affected performance.

(2) An investment fund that borrows money, other than immaterial operating overdrafts, must disclose,

(a) the minimum and maximum amount borrowed during the period;

(b) the percentage of net assets of the investment fund that the borrowing represented as of the end of the period;

(c) how the borrowed money was used; and

(d) the terms of the borrowing arrangements.

INSTRUCTION:

Explain the nature of and reasons for changes in your investment fund's performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid the use of boilerplate language. Your discussion should assist the reader to understand the significant factors that have affected the performance of the investment fund.

2.4 Recent Developments

Under the heading "Recent Developments" discuss the developments affecting the investment fund, including

(a) known changes to the strategic position of the investment fund;

(b) known material trends, commitments, events or uncertainties that might reasonably be expected to affect the investment fund;

(c) changes to the manager or portfolio adviser, or change of control of the manager, of the investment fund;

(d) the effects of any actual or planned reorganizations, mergers or similar transactions; and

(e) the estimated effects of changes in accounting policies adopted subsequent to year end.

INSTRUCTION:

(1) Preparing the management discussion necessarily involves some degree of prediction or projection. The discussion must describe anticipated events, decisions, circumstances, opportunities and risks that management considers reasonably likely to materially impact performance. It must also describe management's vision, strategy and targets.

(2) There is no requirement to provide forward-looking information. If any forward-looking information is provided, it must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, your material assumptions and appropriate risk disclosure and cautionary language. You must also discuss any forward-looking information disclosed for a prior period which, in light of intervening events and absent further explanations, may be misleading.

2.5 Related Party Transactions

Under the heading "Related Party Transactions" discuss any transactions involving related parties to the investment fund.

INSTRUCTIONS:

(1) In determining who is a related party, investment funds should look to the Handbook. In addition, related parties include the manager and portfolio adviser (or their affiliates) and a broker or dealer related to any of the investment fund, its manager or portfolio adviser.

(2) When discussing related party transactions, include the identity of the related party, the relationship to the investment fund, the purpose of the transaction, the measurement basis used to determine the recorded amount and any ongoing commitments to the related party.

(3) Related party transactions include portfolio transactions with related parties of the investment fund. When discussing these transactions, include the dollar amount of commission, spread or any other fee that the investment fund paid to any related party in connection with a portfolio transaction.

Item 3 Financial Highlights

3.1 Financial Highlights

(1) Provide selected financial highlights for the investment fund under the heading "Financial Highlights" in the form of the following tables, appropriately completed, and introduced using the following words:

"The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past [insert number] years. ~~This information is derived from the Fund's audited annual financial statements.~~"

The Fund's Net Assets ~~Value (NAV)~~ per [Unit/Share] [1]

	[insert year]	[insert year]	[insert year]	[insert year]	[insert year]
Net Assets ~~Value~~, beginning of year	$	$	$	$	$
Increase (decrease) from operations:					
total revenue	$	$	$	$	$
total expenses	$	$	$	$	$
realized gains (losses) for the period	$	$	$	$	$
unrealized gains (losses) for the period	$	$	$	$	$
Total increase (decrease) from operations (2~~1~~)	$	$	$	$	$
Distributions:					
From income (excluding dividends)	$	$	$	$	$
From dividends	$	$	$	$	$
From capital gains	$	$	$	$	$
Return of capital	$	$	$	$	$
Total Annual Distributions(3~~2~~)	$	$	$	$	$
Net assets ~~value~~ at [insert last day of financial year] of year shown	$	$	$	$	$

(1) *This information is derived from the fund's audited annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. [An explanation of these differences can be found in the notes to the financial statements./This difference is due to [explain].]*

(2) *Net assets ~~value~~ and distributions are based on the actual number of [units/shares] outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of [units/shares] outstanding over the financial period.*

(3~~2~~) *Distributions were [paid in cash/reinvested in additional [units/shares] of the Fund~~]~~, or both].*

Ratios and Supplemental Data

	[*insert year*]	[*insert year*]	[*insert year*]	[*insert year*]	[*insert year*]
Total n~~N~~et assets value (000's)[1]	$	$	$	$	$
Number of [units/shares] outstanding[1]					
Management expense ratio[2]	%	%	%	%	%
Management expense ratio before waivers or absorptions	%	%	%	%	%
Trading expense ratio~~Portfolio turnover rate~~[3]	%	%	%	%	%
Portfolio turnover rate~~Trading expense ratio~~[4]	%	%	%	%	%
Net asset value per [unit/share]	$	$	$	$	$
Closing market price ~~or pricing NAV,~~ [if applicable]	$	$	$	$	$

(1) *This information is provided as at [insert date of end of financial year] of the year shown.*

(2) *Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net assets value during the period.*

(3) *The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. ~~The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.~~*

(4) *The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. ~~The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.~~*

(2) ~~Derive the selected financial information from the audited annual financial statements of the investment fund.~~ [repealed]

(3) Modify the table appropriately for corporate investment funds.

(4) Show the financial highlights individually for each class or series, if a multi-class fund.

(5) Provide per unit or per share amounts to the nearest cent, and provide percentage amounts to two decimal places.

(6) Except for net assets, net asset value and distributions, calculate per unit/share values on the basis of the weighted average number of unit/shares outstanding over the financial period.

(7) Provide the selected financial information required by this Item in chronological order for each of the five most recently completed financial years of the investment fund for which audited financial statements have been filed, with the information for the most recent financial year in the first column on the left of the table.

(8) If the investment fund has merged with another investment fund, include in the table only the financial information of the continuing investment fund.

(9) Calculate the management expense ratio of the investment fund as required by Part 15 of the Instrument. Include a brief description of the method of calculating the management expense ratio in a note to the table.

(10) If the investment fund,

(a) changed, or proposes to change, the basis of the calculation of the management fees or of the other fees, charges or expenses that are charged to the investment fund; or

(b) introduces or proposes to introduce a new fee,

and if the change would have had an effect on the management expense ratio for the last completed financial year of the investment fund if the change had been in effect throughout that financial year, disclose the effect of the change on the management expense ratio in a note to the "Ratios and Supplemental Data" table.

(11) Do not include disclosure concerning portfolio turnover rate for a money market fund.

(12) (a) Calculate the trading expense ratio by dividing

(i) the total commissions and other portfolio transaction costs disclosed in the statement of operations ~~notes to the financial statements~~; by

(ii) the same denominator used to calculate the management expense ratio.

(b) If an investment fund invests in securities of other investment funds, calculate the trading expense ratio using the methodology required for the calculation of the management expense ratio in section 15.2 of the Instrument.

(13) Provide the closing market price only if the investment fund is traded on an exchange. ~~If the investment fund is a labour sponsored or venture capital fund provide the pricing NAV per security if different than the NAV for accounting purposes.~~

INSTRUCTIONS:

(1) Calculate the investment fund's portfolio turnover rate by dividing the lesser of the amounts of the cost of purchases and proceeds of sales of portfolio securities for the financial year by the average of the value of the portfolio securities owned by the investment fund in the financial year. Calculate the monthly average by totalling the values of portfolio securities as at the beginning and end of the first month of the financial year and as at the end of each of the succeeding 11 months and dividing the sum by 13. Exclude from both numerator and denominator amounts relating to all portfolio securities having a remaining term to maturity on the date of acquisition by the investment fund of one year or less.

(2) Further to instruction (1), include:

(a) proceeds from a short sale in the value of the portfolio securities sold during the period;

(b) the cost of covering a short sale in the value of portfolio securities purchased during the period;

(c) premiums paid to purchase options in the value of portfolio securities purchased during the period; and

(d) premiums received from the sale of options in the value of the portfolio securities sold during the period.

(3) If the investment fund acquired the assets of another investment fund in exchange for its own shares during the financial year in a purchase-of-assets transaction, exclude from the calculation of portfolio turnover rate the value of securities acquired and sold to realign the fund's portfolio. Adjust the denominator of the portfolio turnover computation to reflect these excluded purchases and sales and disclose them in a footnote.

3.2 Scholarship Plans

An investment fund that is a scholarship plan must comply with Item 3.1, except that the following table must replace "The Fund's Net Assets ~~Value~~ per [Unit/Share]" table and the "Ratios and Supplemental Data" table.

Financial & Operating Highlights (with comparative figures)

	[*insert year*]	[*insert year*]	[*insert year*]	[*insert year*]	[*insert year*]
Balance Sheet					
Total Assets	$	$	$	$	$
Net Assets	$	$	$	$	$
% change of Net Assets	%	%	%	%	%
Statement of Operations					
Scholarship Awards	$	$	$	$	$
Canadian Education Savings Grant	$	$	$	$	$
Net investment income	$	$	$	$	$
Other					
Total number of [agreements/units] in plans					
% change in the total number of agreements	%	%	%	%	%

3.3 Management Fees

Disclose the basis for calculating the management fees paid by the investment fund and a breakdown of the services received in consideration of the management fees, as a percentage of management fees.

INSTRUCTION:

The disclosure must list the major services paid for out of the management fees, including portfolio adviser compensation, trailing commissions and sales commissions, if applicable.

Item 4 Past Performance

4.1 General

(1) In responding to the requirements of this Item, an investment fund must comply with sections 15.2, 15.3, 15.9, 15.10, 15.11 and 15.14 of National Instrument 81-102 Mutual Funds as if those sections applied to the annual MRFP.

(2) Despite the specific requirements of this Item, do not provide performance data for any period if the investment fund was not a reporting issuer at all times during the period.

(3) Set out in footnotes to the chart or table required by this Item the assumptions relevant to the calculation of the performance information, and include a statement of the significance of the assumption that distributions are reinvested for taxable investments.

(4) In a general introduction to the "Past Performance" section, indicate, as applicable, that

(a) the performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund;

(b) the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance; and

(c) how the investment fund has performed in the past does not necessarily indicate how it will perform in the future.

(5) Use a linear scale for each axis of the bar chart required by this Item.

(6) The x-axis must intersect the y-axis at 0 for the "Year-by-Year Returns" bar chart.

4.2 Year-by-Year Returns

(1) Provide a bar chart, under the heading "Past Performance" and under the sub-heading "Year-by-Year Returns", that shows, in chronological order with the most recent year on the right of the bar chart, the annual total return of the investment fund for the lesser of

(a) each of the ten most recently completed financial years; and

(b) each of the completed financial years in which the investment fund has been in existence and which the investment fund was a reporting issuer.

(2) Provide an introduction to the bar chart that

(a) indicates that the bar chart shows the investment fund's annual performance for each of the years shown, and illustrates how the investment fund's performance has changed from year to year; and

(b) indicates that the bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

(3) If the investment fund holds short portfolio positions, show separately the annual total return for both the long portfolio positions and the short portfolio positions in addition to the overall total return.

4.3 Annual Compound Returns

(1) If the investment fund is not a money market fund, disclose, in the form of a table, under the sub-heading "Annual Compound Returns"

(a) the investment fund's past performance for the ten, five, three and one year periods ended on the last day of the investment fund's financial year; and ~~or~~

(b) if the investment fund was a reporting issuer for more than one and less than ten years, the investment fund's past performance since the inception of the investment fund.

(2) Include in the table, for the same periods for which the annual compound returns of the investment fund are provided, the historical annual compound total returns or changes of

(a) one or more appropriate broad-based securities market indices; and

(b) at the option of the investment fund, one or more non-securities indices or narrowly-based market indices that reflect the market sectors in which the investment fund invests.

(3) Include a brief description of the broad-based securities market index (or indices) and provide a discussion of the relative performance of the investment fund as compared to that index.

(4) If the investment fund includes in the table an index that is different from the one included in the most recently filed MRFP, explain the reasons for the change and include the disclosure required by this Item for both the new and former indices.

(5) Calculate the annual compound return in accordance with the requirements of Part 15 of National Instrument 81-102.

(6) If the investment fund holds short portfolio positions, show separately the annual compound returns for both the long and the short portfolio positions in addition to the overall annual compound returns.

INSTRUCTIONS:

(1) An "appropriate broad-based securities market index" is one that

(a) is administered by an organization that is not affiliated with any of the mutual fund, its manager, portfolio adviser or principal distributor, unless the index is widely recognized and used; and

(b) has been adjusted by its administrator to reflect the reinvestment of dividends on securities in the index or interest on debt.

(2) It may be appropriate for an investment fund that invests in more than one type of security to compare its performance to more than one relevant index. For example, a balanced fund may wish to compare its performance to both a bond index and an equity index.

(3) In addition to the appropriate broad-based securities market index, the investment fund may compare its performance to other financial or narrowly-based securities indices (or a blend of indices) that reflect the market sectors in which the investment fund invests or that provide useful comparatives to the performance of the investment fund. For example, an investment fund could compare its performance to an index that measured the performance of certain sectors of the stock market (e.g. communications companies, financial sector companies, etc.) or to a non-securities index, such as the Consumer Price Index, so long as the comparison is not misleading.

4.4 Scholarship Plans

An investment fund that is a scholarship plan must comply with this Item, except that year-by-year returns and annual compound returns must be calculated based on the scholarship plan's total portfolio adjusted for cash flows.

Item 5 Summary of Investment Portfolio

(1) Include, under the heading "Summary of Investment Portfolio", a summary of the investment fund's portfolio as at the end of the financial year of the investment fund to which the annual MRFP pertains.

(2) The summary of investment portfolio

(a) must break down the entire portfolio of the investment fund into appropriate subgroups, and must show the percentage of the aggregate net asset value of the investment fund constituted by each subgroup;

(b) must disclose the top 25 positions held by the investment fund, each expressed as a percentage of net ~~assets~~ value of the investment fund;

(c) must disclose long positions separately from short positions; and

(d) must disclose separately the total percentage of net assets value represented by the long positions and by the short positions.

(3) Indicate that the summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund and a quarterly update is available.

INSTRUCTIONS:

(1) The summary of investment portfolio is designed to give the reader an easily accessible snapshot of the portfolio of the investment fund as at the end of the financial year for which the annual MRFP pertains. As with the other components of the annual MRFP, care should be taken to ensure that the information in the summary of investment portfolio is presented in an easily accessible and understandable way.

(2) The Canadian securities regulatory authorities have not prescribed the names of the categories into which the portfolio should be broken down. An investment fund should use the most appropriate categories given the nature of the fund. If appropriate, an investment fund may use more than one breakdown, for instance showing the portfolio of the investment fund broken down according to security type, industry, geographical locations, etc.

(3) Instead of a table, the disclosure required by (2)(a) of this Item may be presented in the form of a pie chart.

(4) If the investment fund owns more than one class of securities of an issuer, those classes should be aggregated for the purposes of this Item, however, debt and equity securities of an issuer must not be aggregated.

(5) Portfolio assets other than securities should be aggregated if they have substantially similar investment risks and profiles. For instance, gold certificates should be aggregated, even if they are issued by different financial institutions.

(6) Treat cash and cash equivalents as one separate discrete category.

(7) In determining its holdings for purposes of the disclosure required by this Item, an investment fund should, for each long position in a derivative that is held by the investment fund for purposes other than hedging and for each index participation unit held by the investment fund, consider that it holds directly the underlying interest of that derivative or its proportionate share of the securities held by the issuer of the index participation unit.

(8) If an investment fund invests substantially all of its assets directly or indirectly (through the use of derivatives) in securities of one another fund, list only the 25 largest holdings of the other investment fund by percentage of net assets value of the other investment fund, as disclosed by the other investment fund as at the most recent quarter end.

(9) If the investment fund invests in other investment funds, include a statement to the effect that the prospectus and other information about the underlying investment funds are available on the internet at www.sedar.com.

Item 6 Other Material Information

Provide any other material information relating to the investment fund not otherwise required to be disclosed by this Part, including information required to be disclosed pursuant to an order or exemption received by the investment fund.

PART C CONTENT REQUIREMENTS FOR INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Item 1 First Page Disclosure

The first page of an interim MRFP must contain disclosure in substantially the following words:

"This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling [toll-free/collect call telephone number], by writing to us at [insert address] or by visiting our website at [insert address] or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure."

INSTRUCTION:

If the MRFP is bound with the financial statements of the investment fund, modify the first page wording appropriately.

Item 2 Management Discussion of Fund Performance

2.1 Results of Operations

Update the analysis of the investment fund's results of operations provided in the most recent annual MRFP. Discuss any material changes to any of the components listed in Item 2.3 of Part B.

2.2 Recent Developments

If there have been any significant developments affecting the investment fund since the most recent annual MRFP, discuss those developments and their impact on the investment fund, in accordance with the requirements of Item 2.4 of Part B.

2.3 Related Party Transactions

Provide the disclosure required by Item 2.5 of Part B.

INSTRUCTIONS:

(1) If the first MRFP you file in this Form is not an annual MRFP, you must provide all the disclosure required by Part B, except for Items 3 and 4, in the first MRFP.

(2) The discussion in an interim MRFP is intended to update the reader on material developments since the date of the most recent annual MRFP. You may assume the reader has access to your annual MRFP, so it is not necessary to restate all of the information contained in the most recent annual discussion.

*(3) The discussion in a*n interim MRFP should deal with the financial period to which the interim MRFP pertains.

Item 3 Financial Highlights

(1) Provide the disclosure required by Item 3.1 of Part B, with an additional column on the left of the table representing the interim period.

(2) Provide the disclosure required by Item 3.3 of Part B of the form.

INSTRUCTION:

If the distributions cannot be allocated by type at the end of the interim period, provide only total distributions by unit/share.

Item 4 Past Performance

Provide a bar chart prepared in accordance with Item 4.2 of Part B, and include the total return calculated for the interim period.

Item 5 Summary of Investment Portfolio

(1) Include a summary of investment portfolio as at the end of the financial period to which the interim MRFP pertains.

(2) The summary of investment portfolio must be prepared in accordance with Item 5 of Part B.

Item 6 Other Material Information

Provide any other material information relating to the investment fund not otherwise required to be disclosed by this Part including information required to be disclosed pursuant to an order or exemption received by the investment fund.

COMPANION POLICY 81-106 CP TO NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

(BLACK-LINED)

COMPANION POLICY 81-106CP TO NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

PART 1 PURPOSE AND APPLICATION OF THE COMPANION POLICY

1.1 Purpose – The purpose of this Companion Policy (the Policy) is to help you understand how the Canadian securities regulatory authorities (CSA or we) interpret or apply certain provisions of National Instrument 81-106 *Investment Fund Continuous Disclosure* (the Instrument).

1.2 Application

(1) The Instrument applies to investment funds. The general nature of an investment fund is that the money invested in it is professionally managed on the basis of a stated investment policy, usually expressed in terms of investment objectives and strategies, and is invested in a portfolio of securities. The fund has the discretion to buy and sell investments within the constraints of its investment policy. Investment decisions are made by a manager or portfolio adviser acting on behalf of the fund. An investment fund provides a means whereby investors can have their money professionally managed rather than making their own decisions about investing in individual securities.

(2) An investment fund generally does not seek to obtain control of or become involved in the management of companies in which it invests. Exceptions to this include labour sponsored or venture capital funds, where some degree of involvement in the management of the investees is an integral part of the investment strategy.

Investment funds can be distinguished from holding companies, which generally exert a significant degree of control over the companies in which they invest. They can also be distinguished from the issuers known as "Income Trusts" which generally issue securities that entitle the holder to net cash flows generated by (i) an underlying business owned by the trust or other entity, or (ii) the income-producing property owned by the trust or other entity. Examples of entities that are not investment funds are business income trusts, real estate investment trusts and royalty trusts.

(3) Investment funds that meet the definition of "mutual fund" in securities legislation – generally because their securities are redeemable on demand or within a specified period after demand at net asset value per security – are referred to as mutual funds. Other investment funds are generally referred to as non-redeemable investment funds. The definition of "non-redeemable investment fund" included in this instrument summarises the concepts discussed above. Because of their similarity to mutual funds, they are subject to similar reporting requirements. Examples include closed-end funds, funds traded on exchanges with limited redeemability, certain limited partnerships investing in portfolios of securities such as flow-through shares, and scholarship plans (other than self-directed RESPs as defined in OSC Rule 46-501 *Self-Directed Registered Education Savings Plans*).

(4) Labour sponsored and venture capital funds may or may not be considered to be mutual funds depending on the requirements of the provincial legislation under which they are established (for example, shares of Ontario labour sponsored funds are generally redeemable on demand, while shares of British Columbia employee venture capital corporations are not). Nevertheless, these issuers are investment funds and must comply with the general disclosure rules for investment funds as well as specific requirements for labour sponsored and venture capital funds included in Part 8 of this Instrument.

1.3 Definitions

(1) A term used in the Instrument and defined in the securities statute of a local jurisdiction has the meaning given to it in that statute unless (a) the definition in that statute is restricted to a specific portion of the statute that does not govern continuous disclosure, or (b) the context otherwise requires.

(2) For instance, the term "material change" is defined in local securities legislation of most jurisdictions. The CSA consider the meaning given to this term in securities legislation to be substantially similar to the definition set out in the Instrument.

1.4 Plain Language Principles – The CSA believe that plain language will help investors understand an investment fund's disclosure documents so that they can make informed investment decisions. You can achieve this by

- using short sentences
- using definite, everyday language

- using the active voice
- avoiding unnecessary words
- organizing the document into clear, concise sections, paragraphs and sentences
- avoiding jargon
- using personal pronouns to speak directly to the reader
- avoiding reliance on glossaries and defined terms unless it helps to understand the disclosure
- using technical terms only where necessary and explaining those terms clearly
- avoiding boilerplate wording
- using concrete terms and examples
- using charts and tables where it makes the disclosure easier to understand.

1.5 Signature and Certificates – The directors, trustee or manager of an investment fund are not required to file signed or certified continuous disclosure documents. They are responsible for the information in the investment fund's disclosure documents whether or not a document is signed or certified, and it is an offence under securities legislation to make a false or misleading statement in any required document.

1.6 Filings on SEDAR – All documents required to be filed under the Instrument must be filed in accordance with National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*.

1.7 Corporate Law Requirements – Some investment funds may be subject to requirements of corporate law that address matters similar to those addressed by the Instrument, and which may impose additional or more onerous requirements. For example, applicable corporate law may require investment funds to deliver annual financial statements to securityholders. This Instrument cannot provide exemptions from these requirements.

PART 2 FINANCIAL STATEMENTS

2.1 Interrelationship of Financial Statements with Canadian GAAP

(1) ~~The Instrument requires investment funds to prepare their financial statements and management reports of fund performance and to calculate their net asset value in accordance with both Canadian GAAP and the Instrument.~~ [repealed]

(2) Canadian GAAP provides some general requirements for the preparation of financial statements that apply to investment fund financial statements. Canadian GAAP does not contain detailed requirements for the contents of investment fund financial statements. The CSA believe that an investment fund's financial statements must include certain information, at a minimum, in order to provide full disclosure. The Instrument sets out these minimum requirements. When preparing these documents, include any additional information necessary to ensure that all material information concerning the financial position and results of the investment fund is disclosed.

(3) Handbook Section 1100 *Generally Accepted Accounting Principles* has changed the definition of what was considered to be Canadian GAAP. Prior to the introduction of Section 1100, the investment funds industry relied on paragraph 1000.60(a), which permitted accounting policies that "are generally accepted by virtue of their use in similar circumstances by a significant number of entities in Canada." This is no longer the case as Section 1100 requires the application of all relevant primary sources of Canadian GAAP. Accounting Guideline 18 *Investment Companies* provides specific guidance on certain topics. When no relevant primary source of Canadian GAAP is available, professional judgement and the concepts described in Section 1000 should be used to set accounting policies consistent with Canadian GAAP.

2.2 Filing Deadline for Annual Financial Statements and Auditor's Report – Section 2.2 of the Instrument sets out the filing deadline for annual financial statements. While section 2.2 of the Instrument does not address the auditor's report date, investment funds are encouraged to file their annual financial statements as soon as possible after the date of the auditor's report.

2.3 **Timing and Content of Interim Financial Statements** – Handbook Section 1751 *Interim Financial Statements* requires that interim financial statements include each of the headings and subtotals included in the most recent annual financial statements. In addition, the principles of paragraph 14 of Section 1751 should be applied to the requirements in section 3.6 of the Instrument regarding the notes to the financial statements.

2.4 **Length of Financial Year –** For the purposes of the Instrument, unless otherwise expressly provided, references to a financial year apply regardless of the length of that year. The first financial year of an investment fund commences on the date of its incorporation or organization and ends at the close of that year.

2.5 **Contents of Statement of Operations** – The amount of fund expenses waived or paid by the manager or portfolio adviser of the investment fund disclosed in the statement of operations excludes amounts waived or paid due to an expense cap that would require securityholder approval to change.

2.6 **Disclosure of Soft Dollars** – The notes to the financial statements of an investment fund must contain disclosure of soft dollar amounts when such amounts are ascertainable. When calculating these amounts, investment funds should include the quantifiable value of goods and services, beyond the amount attributed to order execution, received directly from the dealer executing the fund's portfolio transactions, or from a third party.

2.7 **Accounting for Securities Lending Transactions**

(1) Section 3.8 of the Instrument imposes certain reporting requirements on investment funds in connection with any securities lending transactions entered into by the investment fund. These requirements were included to ensure that all securities lending transactions are accounted for on the same basis.

The general accounting principle concerning whether a given transaction is a recordable transaction is based on determining whether risk and rewards have transferred in the transaction. The substance of a securities lending transaction is that the manager treats the original securities as if they had not been lent. The investment fund must be able to call the original securities back at any time, and the securities returned must be the same or substantially the same as the original securities. These conditions reduce the risk of the investment fund not being able to transact the original securities. The original securities remain on the books of the investment fund.

(2) The accounting treatment of the collateral in a securities lending transaction depends on the ability of the lender to control what happens with the collateral. If non-cash collateral is received by the investment fund, the collateral is not reflected on the statement of net assets of the investment fund if the non-cash collateral cannot be sold or repledged. If the investment fund lender receives cash collateral, the investment fund has the ability to either hold or reinvest the cash. The lender has effective control over the cash, even though it uses an agent to effect the reinvestment on its behalf. The cash collateral, subsequent reinvestment, and obligation to repay the collateral are recorded on the books of the investment fund.

2.8 **Change in Year End**

(1) The change in year end reporting requirements are adopted from National Instrument 51-102, with appropriate modifications to reflect that investment funds report on a six month interim period.

(2) The definition of "interim period" in the Instrument differs from the definition of this term in National Instrument 51-102. An investment fund cannot have more than one interim period in a transition year.

(3) Interim financial statements for the new financial year will have comparatives from the corresponding months in the preceding year, whether or not they are from the transition year or from the old financial year, they were previously prepared or not, or they straddle a year-end.

(4) If an investment fund voluntarily reports on a quarterly basis, it should follow the requirements set out in National Instrument 51-102 for a change in year end, with appropriate modifications.

(5) Appendix A to this Policy outlines the financial statement filing requirements under section 2.9 of the Instrument for an investment fund that changes its year end.

2.9 ~~**Change in Legal Structure** – Section 2.10 of the Instrument requires a reporting issuer to file a notice if it has been involved in certain restructuring transactions. This notice should be filed with the securities regulatory authority or regulator in the applicable jurisdictions at the addresses set out in Appendix B to this Policy.~~ [repealed]

2.10 Mutual Funds that are Non-Reporting Issuers – The requirement in subsection 2.11(c) to advise the applicable regulator or securities regulatory authority of a mutual fund's reliance on the financial statement filing exemption provided in section 2.11 of the Instrument can be satisfied by a one-time notice.

PART 3 AUDITORS AND THEIR REPORTS

3.1 Acceptable Auditor – Securities legislation in most jurisdictions prohibits a regulator or securities regulatory authority from issuing a receipt for a prospectus if it appears that a person or company who has prepared any part of the prospectus, or is named as having prepared or certified a report used in connection with a prospectus, is not acceptable.

Investment funds that are reporting issuers, and their auditors, should refer to National Instrument 52-108 *Auditor Oversight* for requirements relating to auditor oversight by the Canadian Public Accountability Board.

3.2 Reservations in an Auditor's Report

(1) The Instrument generally prohibits an auditor's report from containing a reservation, qualification of opinion, or other similar communication that would constitute a reservation under Canadian GAAS.

(2) Part 17 of the Instrument permits the regulator or securities regulatory authority to grant exemptive relief from the Instrument, including the requirement that an auditor's report not contain a reservation, qualification of opinion or other similar communication that would constitute a reservation under Canadian GAAS. However, we believe that such exemptive relief should not be granted if the reservation, qualification of opinion or other similar communication is

(a) due to a departure from accounting principles permitted by the Instrument, or

(b) due to a limitation in the scope of the auditor's examination that

(i) results in the auditor being unable to form an opinion on the financial statements as a whole,

(ii) is imposed or could reasonably be eliminated by management, or

(iii) could reasonably be expected to be recurring.

3.3 Auditor's Involvement with Management Reports of Fund Performance – Investment funds' auditors are expected to comply with Handbook Section 7500 *Auditor Association with Annual Reports, Interim Reports and Other Public Documents*, when preparing the annual and interim management reports of fund performance required by the Instrument.

3.4 Auditor Involvement with Interim Financial Statements

(1) The board of directors of an investment fund that is a corporation or the trustees of an investment fund that is a trust, in discharging their responsibilities for ensuring reliable interim financial statements, should consider engaging an external auditor to carry out a review of the interim financial statements.

(2) Section 2.12 of the Instrument requires an investment fund to disclose if an auditor has not performed a review of the interim financial statements, to disclose if an auditor was unable to complete a review and why, and to file a written report from the auditor if the auditor performed a review and expressed a reservation in the auditor's interim review report. No positive statement is required when an auditor performed a review and provided an unqualified communication. If an auditor was engaged to perform a review on interim financial statements applying review standards set out in the Handbook, and the auditor was unable to complete the review, the investment fund's disclosure of the reasons why the auditor was unable to complete the review should normally include a discussion of

(a) inadequate internal control,

(b) a limitation on the scope of the auditor's work, or

(c) a failure of management to provide the auditor with written representations the auditor believes are necessary.

(3) The terms "review" and "written review report" used in section 2.12 of the Instrument refer to the auditor's review of and report on interim financial statements using standards for a review of interim financial statements by the auditor as set out in Handbook Section 7050 *Auditor Review of Interim Financial Statements*.

(4) The Instrument does not specify the form of notice that should accompany interim financial statements that have not been reviewed by the auditor. The notice accompanies, but does not form part of, the interim financial statements. We expect that the notice will normally be provided on a separate page appearing immediately before the interim financial statements, in a manner similar to an audit report that accompanies annual financial statements.

PART 4 DELIVERY OF FINANCIAL STATEMENTS AND MANAGEMENT REPORTS OF FUND PERFORMANCE

4.1 Delivery Instructions

(1) The Instrument gives investment funds the following choices for the delivery of financial statements and management reports of fund performance:

(a) send these documents to all securityholders;

(b) obtain standing instructions from securityholders with respect to the documents they wish to receive; or

(c) obtain annual instructions from securityholders by sending them an annual request form they can use to indicate which documents they wish to receive.

The choices are intended to provide some flexibility concerning the delivery of continuous disclosure documents to securityholders. However, the Instrument specifies that once an investment fund chooses option (b), it cannot switch back to option (c) at a later date. The purpose of this requirement is to encourage investment funds to obtain standing instructions and to ensure that if a securityholder provides standing instructions, the investment fund will abide by those instructions unless the securityholder specifically changes them.

(2) When soliciting delivery instructions from a securityholder, an investment fund can deem no response from the securityholder to be a request by the securityholder to receive all, some or none of the documents listed in subsection 5.1(2) of the Instrument. When soliciting delivery instructions, an investment fund should make clear what the consequence of no response will be to its securityholders.

(3) Investment funds should solicit delivery instructions sufficiently ahead of time so that securityholders can receive the requested documents by the relevant filing deadline. Securityholders should also be given a reasonable amount of time to respond to a request for instructions. Investment funds should provide securityholders with complete contact information for the investment fund, including a toll-free telephone number or a number for collect calls.

(4) Investment funds under common management can solicit one set of delivery instructions from a securityholder that will apply to all of the funds in the same fund family that the securityholder owns. If a securityholder has given an investment fund standing delivery instructions and then later acquires the securities of another investment fund managed by the same manager, the newly acquired fund can rely on those standing instructions.

(5) The Instrument requires investment funds to deliver the quarterly portfolio disclosure and the proxy voting record to securityholders upon request, but does not require investment funds to solicit delivery instructions from securityholders with respect to this disclosure. Investment funds are obligated to state on the first page of their management reports of fund performance that this disclosure is available.

4.2 Communication with Beneficial Owners – Generally, investment funds must apply the procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* for the purposes of Part 5 of the Instrument, but an exemption from National Instrument 54-101 is available to investment funds that have beneficial owner information.

We recognize that different types of investment funds have different access to beneficial owner information (for example, mutual funds are more likely to have beneficial owner information than exchange-traded funds) and that the procedures in National Instrument 54-101 may not be efficient for every investment fund. Therefore, we intend the

provisions in Part 5 of the Instrument to provide investment funds with flexibility to communicate directly with the beneficial owners of their securities.

4.3 **Binding** – For the purposes of delivery to a securityholder, the Instrument permits more than one management report of fund performance to be bound together if the securityholder owns all of the funds to which the management reports relate. There is no prohibition in the Instrument against binding the management report of fund performance with the financial statements for one investment fund for the purposes of delivering these documents to a securityholder who has requested them.

4.4 **Electronic Delivery** – Any documents required to be sent under the Instrument may be sent by electronic delivery, as long as such delivery is made in compliance with National Policy 11-201 *Delivery of Documents by Electronic Means* and, in Quebec, Quebec Staff Notice *The Delivery of Documents by Electronic Means*. In particular, the annual reminder required by section 5.2 and the request form required by section 5.3 of the Instrument may be given in electronic form and may be combined with other notices. Request forms and notices may alternatively be sent with account statements or other materials sent to securityholders by an investment fund.

PART 5 INDEPENDENT VALUATIONS

5.1 Independent Valuations

(1) Part 8 of the Instrument is designed to address the concerns raised by labour sponsored or venture capital funds that disclosing a fair value for their venture investments may disadvantage the private companies in which they invest. Section 8.2 permits alternative disclosure by a labour sponsored or venture capital fund of its statement of investment portfolio. Labour sponsored or venture capital funds must disclose the individual securities in which they invest, but may aggregate all changes from costs of the venture investments, thereby only showing an aggregate adjustment from cost to fair value for these securities. This alternative disclosure is only permitted if the labour sponsored or venture capital fund has obtained an independent valuation in accordance with Part 8 of the Instrument.

(2) The CSA expect the independent valuator's report to provide either a number or a range of values which the independent valuator considers to be a fair and reasonable expression of the value of the venture investments or of the net asset value of the labour sponsored or venture capital fund. The independent valuation should include a critical review of the valuation methodology and an assessment of whether it was properly applied. A report on compliance with stated valuation policies and practices cannot take the place of an independent valuation.

The valuation report should disclose the scope of the review, including any limitations on the scope, and the implications of these limitations on the independent valuator’s conclusion.

(3) The independent valuator should refer to the reporting standards of the Canadian Institute of Chartered Business Valuators for guidance.

(4) A labour sponsored or venture capital fund obtaining an independent valuation should furnish the independent valuator with access to its manager, advisers and all material information in its possession relevant to the independent valuation.

5.2 Independent Valuators

(1) It is a question of fact as to whether a valuator is independent of the labour sponsored or venture capital fund. In determining the independence of the valuator, a number of factors may be relevant, including whether

(a) the valuator or an affiliated entity has a material financial interest in future business in respect of which an agreement, commitment or understanding exists involving the fund or a person or company listed in paragraph (2)(a); or

(b) the valuator or its affiliated entity is a lender of a material amount of indebtedness to any of the issuers of the fund’s illiquid investments.

(2) The CSA would generally consider a valuator not to be independent of a labour sponsored or venture capital fund where

(a) the valuator or an affiliated entity of the valuator is

(i) the manager of the fund,

(ii) a portfolio adviser of the fund,

(iii) an insider of the fund,

(iv) an associate of the fund,

(v) an affiliated entity of the fund, or

(vi) an affiliated entity of any of the persons or companies named in this paragraph (a);

(b) the compensation of the valuator or an affiliated entity of the valuator depends in whole or in part upon an agreement, arrangement or understanding that gives the valuator, or its affiliated entity, a financial incentive in respect of the conclusions reached in the valuation; or

(c) the valuator or an affiliated entity of the valuator has a material investment in the labour sponsored or venture capital fund or in a portfolio asset of the fund.

PART 6 PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

6.1 Proxy Voting Disclosure

(1) An investment fund's manager, acting on the investment fund's behalf, has the right and obligation to vote proxies relating to the investment fund's portfolio securities. As a practical matter, the manager may delegate this function to the investment fund's portfolio adviser as part of the adviser's general management of investment fund assets. In either case, the manager or portfolio adviser voting proxies on behalf of an investment fund must do so in a manner consistent with the best interests of the fund and its securityholders.

(2) Because of the substantial institutional voting power held by investment funds, the increasing importance of the exercise of that power to securityholders, and the potential for conflicts of interest with respect to the exercise of proxy voting, we believe that investment funds should disclose their proxy voting policies and procedures, and should make their actual proxy voting records available to securityholders.

(3) The Instrument requires that the investment fund establish policies and procedures for determining whether, and how, to vote on any matter for which the investment fund receives proxy materials for a meeting of securityholders of an issuer. The CSA consider an investment fund to “receive” a document when it is delivered to any service provider or to the investment fund in respect of securities held beneficially by the investment fund. Proxy materials may be delivered to a manager, a portfolio adviser or sub-adviser, or a custodian. All of these deliveries are considered delivered “to” the investment fund.

(4) The Instrument requires an investment fund to maintain an annual proxy voting record as of June 30 and to post this to the fund’s website if it has one. However, investment funds may choose to disclose their proxy votes throughout the course of the year, and may also choose to disclose how they intend to vote prior to the shareholder meeting.

6.2 Proxy Voting Policies and Procedures

(1) Section 10.2 of the Instrument sets out, in general terms, what the securities regulatory authorities consider to be minimum policies and procedures for the proxy voting process. Investment funds are responsible for adopting any additional policies relevant to their particular situation. For example, investment funds should consider whether they require any specific policies dealing with shareholder meetings of issuers resident in other countries.

(2) An investment fund sometimes needs to vote securities held by it in order to protect its interests in connection with corporate transactions or developments relating to the issuers of its portfolio securities. The manager and portfolio adviser, or the agent of the investment fund administering a securities lending program on behalf of the investment fund, should monitor corporate developments relating to portfolio securities that are loaned by the investment fund in securities lending transactions, and take all necessary steps to ensure that the investment fund can exercise a right to vote the securities when necessary.

PART 7 MATERIAL CHANGE

7.1 Material Changes – Determining whether a change is a material change will depend on the specific facts and circumstances surrounding the change. However, the CSA is of the view that

(a) the change of portfolio adviser of an investment fund will generally constitute a material change for the investment fund, and

(b) the departure of a high-profile individual from the employ of a portfolio adviser of an investment fund may constitute a material change for the investment fund, depending on how prominently the investment fund featured that individual in its marketing. An investment fund that emphasized the ability of a particular individual to encourage investors to purchase the fund could not later take the position that the departure of that individual was immaterial to investors and therefore not a material change.

7.2 Confidential Material Change Report – The CSA are of the view that in order for an investment fund to file a confidential material change report under Section 11.2 of the Instrument, the investment fund or its manager should advise insiders of the prohibition against trading during the filing period of a confidential material change report and must also take steps to monitor trading activity.

PART 8 INFORMATION CIRCULARS

8.1 Sending of Proxies and Information Circulars – Investment funds are reminded that National Instrument 54-101 prescribes certain procedures relating to the delivery of proxy-related materials sent to beneficial owners of securities.

PART 9 ~~PUBLICATION OF~~ NET ASSET VALUE ~~PER SECURITY~~

9.1 Publication of Net Asset Value Per Security – An investment fund that arranges for the publication of its net asset value per security should calculate its net asset value per security and make the results of that calculation available to the financial press as quickly as is commercially practicable. An investment fund should attempt to meet the deadlines of the financial press for publication in order to ensure that its net asset values per security are publicly available as quickly as possible.

9.2 Fair Value Guidance – Section 14.2 of the Instrument requires an investment fund to calculate its net asset value based on the fair value of the investment fund's assets and liabilities. While investment funds are required to comply with the definition of "fair value" in the Instrument when calculating net asset value, they may also look to the Handbook for guidance on the measurement of fair value. The fair value principles articulated in the Handbook can be applied by investment funds when valuing assets and liabilities.

9.3 Meaning of Fair Value – The Handbook defines fair value as being the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Accordingly, fair value should not reflect the amount that would be received or paid in a forced transaction, involuntary liquidation or distress sale.

9.4 Determination of Fair Value

(1) A market is generally considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices reflect actual and regularly occurring market transactions on an arm's length basis.

(2) A market is not considered to be active, and prices derived from it may be unreliable for valuation purposes, if, at the time the investment fund begins to calculate its net asset value, any of the following circumstances are present:

- markets on which portfolio securities are principally traded closed several hours earlier (e.g. some foreign markets may close as much as 15 hours before the time the investment fund begins to calculate its net asset value)
- trading is halted
- events occur that unexpectedly close entire markets (e.g. natural disasters, power blackouts, public disturbances, or similar major events)

- markets are closed due to scheduled holidays
- the security is illiquid and trades infrequently.

If an investment fund manager determines that an active market does not exist for a security, the manager should consider whether the last available quoted market price is representative of fair value. If a significant event (i.e. one that may impact the value of the portfolio security) has occurred between the time the last quoted market price was established and the time the investment fund begins to calculate its net asset value, the last quoted market price may not be representative of fair value.

(3) Whether a particular event is a significant event for a security depends on whether the event may affect the value of the security. Generally, significant events fall into one of three categories: (i) issuer specific events – e.g. the resignation of the CEO or an after-hours earnings announcement, (ii) market events – e.g. a natural disaster, a political event, or a significant governmental action like raising interest rates, and (iii) volatility events – e.g. a significant movement in North American equity markets that may directly impact the market prices of securities traded on overseas exchanges.

Whether a market movement is significant is a matter to be determined by the manager through the establishment of tolerance levels which it may choose to base on, for example, a specified intraday and/or interday percentage movement of a specific index, security or basket of securities. In all cases, the appropriate triggers should be determined based on the manager's own due diligence and understanding of the correlations relevant to each investment fund's portfolio.

9.5 Fair Value Techniques – The CSA do not endorse any particular fair value technique as we recognize that this is a constantly evolving process. However, whichever technique is used, it should be applied consistently for a portfolio security throughout the fund complex, reviewed for reasonableness on a regular basis, and approved by the manager's board of directors. The manager should also consider whether its valuation process is a conflict of interest matter as defined in NI 81-107.

9.6 Valuation Policies and Procedures – The valuation policies and procedures should describe the process for monitoring significant events or other situations that could call into question whether a quoted market price is representative of fair value. They should also describe the methods by which the manager will review and test valuations to evaluate the quality of the prices obtained as well as the general functioning of the valuation process.

PART 10 CALCULATION OF MANAGEMENT EXPENSE RATIO

10.1 Calculation of Management Expense Ratio

(1) Part 15 of the Instrument sets out the method to be used by an investment fund to calculate its management expense ratio (MER). The requirements apply in all circumstances in which an investment fund calculates and discloses an MER. This includes disclosure in a sales communication, a prospectus, an annual information form, financial statements, a management report of fund performance or a report to securityholders.

(2) Paragraph 15.1(1)(a) requires the investment fund to use its "total expenses" before income taxes for the relevant period as the basis for the calculation of MER. Total expenses, before income taxes, include interest charges and taxes ~~of all types~~, including sales taxes, GST and capital taxes payable by the investment fund. Canadian GAAP currently permits an investment fund to deduct withholding taxes from the income to which they apply. Accordingly, withholding taxes are not recorded as "total expenses" on the investment fund's income statement and need not be included in its MER calculation.

Non-optional fees paid directly by investors in connection with the holding of an investment fund's securities do not have to be included in the MER calculation, which differs from the previous requirement in NI 81-102.

(3) The CSA recognize that an investment fund may incur fees and charges that are not included in total expenses, but that reduce the net asset value and the amount of investable assets of the investment fund. Sales commissions paid by an investment fund in connection with the sale of the investment fund's securities are an example of such fees and charges. We believe that these fees and charges should be reflected in the MER of the investment fund.

(4) While brokerage commissions ~~Brokerage charges~~ and other portfolio transaction costs are expenses of an investment fund for accounting purposes, they are not included in the MER. These costs are reflected in the

trading expense ratio ~~considered to be part of total expenses as they are included in the cost of purchasing, or netted out of the proceeds from selling, portfolio assets~~.

(5) In its management report of fund performance, an investment fund must disclose historical MERs for five years calculated in accordance with Part 15. If the investment fund has not calculated the historical MERs in the manner required by the Instrument, we are of the view that the change in the method of calculating the MER should be treated in a manner similar to a change in accounting policy under Handbook Section 1506 *Accounting Changes*. Under Canadian GAAP, a change in accounting policy requires a retroactive restatement of the financial information for all periods shown. However, the Handbook acknowledges that there may be circumstances where the data needed to restate the financial information is not reasonably determinable.

If an investment fund retroactively restates its MER for any of the five years it is required to show, the investment fund should describe this restatement in the first document released and in the first management report of fund performance in which the restated MERs are reported.

If an investment fund does not restate its MER for prior periods because, based on specific facts and circumstances, the information required to do so is not reasonably determinable, the MER for all financial periods ending after the effective date of the Instrument must be calculated in accordance with Part 15. In this case, the investment fund must also disclose

(i) that the method of calculating MER has changed, specifying for which periods the MER has been calculated in accordance with the change;

(ii) that the investment fund has not restated the MER for specified prior periods;

(iii) the impact that the change would have had if the investment fund had restated the MER for the specified prior periods (for example, would the MER have increased or decreased and an estimate of the increase or decrease); and

(iv) a description of the main differences between an MER calculated in accordance with the Instrument and the previous calculations.

The disclosure outlined above should be provided for all periods presented until such time as all MERs presented are calculated in accordance with the Instrument.

APPENDIX A EXAMPLES OF FILING REQUIREMENTS FOR CHANGES IN YEAR END

The following examples assume the old financial year ended on December 31, 20X0

Transition Year	Comparative Annual Financial Statements to Transition Year	New Financial Year	Comparative Annual Financial Statements to New Financial Year	Interim Periods for Transition Year	Comparative Interim Periods to Transition Year	Interim Periods for New Financial Year	Comparative Interim Periods to New Financial Year
Up to 3 months							
3 months ended 3/31/X1	12 months ended 12/31/X0	3/31/X2	3 months ended 3/31/X1 and 12 months ended 12/31/X0	Not applicable	Not applicable	6 months ended 9/30/X1	6 months ended 9/30/X0
4 to 6 months							
6 months ended 6/30/X1	12 months ended 12/31/X0	6/30/X2	6 months ended 6/30/X1 and 12 months ended 12/31/X0	Not applicable	Not applicable	6 months ended 12/31/X1	6 months ended 12/31/X0
7 or 8 months							
8 months ended 8/31/X1	12 months ended 12/31/X0	8/31/X2	8 months ended 8/31/X1 and 12 months ended 12/31/X0	Not applicable	Not applicable	6 months ended 2/28/X2	6 months ended 2/28/X1
9 to 11 months							
11 months ended 11/30/X1	12 months ended 12/31/X0	11/30/X2	11 months ended 11/30/X1	6 months ended 6/30/X1	6 months ended 6/30/X0	6 months ended 5/31/X2	6 months ended 5/31/X1
11 to 15 months							
15 months ended 3/31/X2	12 months ended 12/31/X0	3/31/X3	15 months ended 3/31/X2	6 months ended 6/30/X1	6 months ended 6/30/X0	6 months ended 9/30/X2	6 months ended 9/30/X1

APPENDIX B CONTACT ADDRESSES ~~FOR FILING OF NOTICES~~

Alberta Securities Commission
4th Floor
300 – 5th Avenue S.W.
Calgary, Alberta
T2P 3C4
Attention: Corporate Finance ~~Director, Capital Markets~~

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2
Attention: Financial Reporting

Manitoba Securities Commission
500 ~~1130~~ – 400 ~~405~~ St. Mary Avenue ~~Broadway~~
Winnipeg, Manitoba
R3C 4K5 ~~3L6~~
Attention: Corporate Finance

New Brunswick Securities Commission
606 - 133 Prince William Street
Saint John, NB
E2L 2B5
Attention: Corporate Finance

~~Securities Commission of~~ Newfoundland and Labrador Securities Commission
P.O. Box 8700
2nd Floor, West Block
Confederation Building
75 O'Leary Avenue
St. John's, NFLD
A1B 4J6
Attention: Director of Securities

Department of Justice, Northwest Territories
Legal Registries
P.O. Box 1320
1st Floor, 5009-49th Street
Yellowknife, NWT X1A 2L9
Attention: Director, Legal Registries

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, Nova Scotia B3J 3J9
Attention: Corporate Finance

Department of Justice, Nunavut
Legal Registries Division
P.O. Box 1000 – Station 570
1st Floor, Brown Building
Iqaluit, NT X0A 0H0
Attention: Director, Legal Registries Division

Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Continuous Disclosure, Investment Funds

Registrar of Securities, Prince Edward Island
P.O. Box 2000
95 Rochford Street, 5th Floor,
Charlottetown, PEI
C1A 7N8
Attention: Registrar of Securities

Autorité des marchés financiers
800 Square Victoria, 22nd Floor
P.O. Box 246, Tour de la Bourse
Montréal, Québec
H4Z 1G3
Attention: Direction des marchés des capitaux

Saskatchewan Financial Services Commission – Securities Division
6th Floor,
1919 Saskatchewan Drive
Regina, SK S4P 3V7
Attention: Deputy Director, Corporate Finance

Registrar of Securities, Government of Yukon
Corporate Affairs J-9
P.O. Box 2703
Whitehorse, Yukon
Y1A 5H3
Attention: Registrar of Securities

APPENDIX J

ADDITIONAL INFORMATION REQUIRED IN ONTARIO

Authority for the Amendments - Ontario

The following provisions of the *Securities Act* (Ontario) (the Act) provide the Ontario Securities Commission (the OSC) with authority to adopt the amendments:

Paragraph 143(1) 22 authorizes the OSC to make rules prescribing requirements in respect of the preparation and dissemination, by reporting issuers, of documents providing for continuous disclosure that are in addition to the requirements under the Act, including requirements in respect of annual reports, annual information forms and supplemental analysis of financial statements.

Paragraph 143(1) 24 authorizes the OSC to make rules requiring issuers to comply with Part XVIII (Continuous Disclosure) of the Act or rules made under paragraph 143(1) 22.

Paragraph 143(1) 25 authorizes the OSC to prescribe requirements in respect of financial accounting, reporting and auditing, including defining accounting principles and auditing standards acceptable to the OSC.

Paragraph 143(1) 31 authorizes the OSC to make rules regulating mutual funds or non-redeemable investment funds, including varying the application of Part XVIII (Continuous Disclosure) of the Act by prescribing additional disclosure requirements and requiring or permitting the use of particular forms or types of documents in connection with the funds and prescribing requirements in respect of the calculation of net asset value.

Paragraph 143(1) 39 authorizes the OSC to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by the Act, the regulations or the rules and all documents determined by the regulations or rules to be ancillary to the documents, including interim financial statements and financial statements.

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/01/2007	11	Advanced Explorations Inc. - Units	200,000.00	1,000,000.00
04/30/2007 to 05/02/2007	7	Aldershot Resources Ltd. - Common Shares	494,000.00	N/A
03/16/2007	1	APT Pipelines Limited - Notes	55,633,366.78	1.00
05/08/2007	62	Arcan Resources Ltd. - Common Shares	15,200,000.00	4,000,000.00
04/04/2007	2	Arden Park Estates Limited Partnership - Limited Partnership Units	180,000.00	180,000.00
05/16/2007	117	Aveiro Investment Corp. - Common Shares	2,575,846.00	2,575,846.00
05/04/2007	2	Avenue Special Situations Fund V, L.P. - Limited Partnership Interest	27,777,778.00	N/A
05/07/2007	65	Beartooth Platinum Corporation - Units	3,000,000.00	27,272,727.00
03/13/2007	2	Belden CDT Inc. - Notes	3,384,155.00	3,000.00
05/01/2007	1	Blackstone Strategic Alliance Fund L.P. - Limited Partnership Interest	11,111,111.00	N/A
05/04/2007	14	Blastgard International Inc. - Units	892,000.30	2,973,334.00
05/16/2007	3	Blind Creek Resources Ltd. - Special Warrants	630,000.00	1,260,000.00
05/04/2007	2	Blind Creek Resources Ltd. - Warrants	55,000.00	157,142.00
05/04/2007	22	Blue Note Metals Inc. - Units	25,000,000.00	25,000.00
04/27/2007	1	Brandimensions Inc. - Common Shares	5,210,000.00	26,050,000.00
05/08/2007	91	Burid Hill Energy (Cyprus) Public Company Limited - Receipts	78,271,649.90	47,235,539.00
05/01/2007	14	B.B.B. Plaza Associates, Ltd. and 2800 Weston Road Associates Ltd. - Units	2,664,000.00	N/A
05/07/2007	1	Canaco Resources Inc. - Options	75,000.00	N/A
05/10/2007	1	Chesapeake Capital Corporation - Notes	1,111,100.00	1,000.00
04/27/2007	39	China CITIC Bank Corporation Limited - Common Shares	508,394.45	607,000.00
05/04/2007	10	Cityzen Properties Limited Partnership - Limited Partnership Units	720,000.00	720,000.00
05/05/2007 to 05/14/2007	20	CMC Markets Canada Inc. - Contracts for Differences	155,190.00	20.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
04/30/2007	16	Compagnie de Financement Foncier - Notes	499,645,000.00	N/A
05/09/2007	3	Constellation Brands, Inc.\ - Notes	9,330,450.00	8,500.00
05/08/2007	1	Credit Suisse - Notes	22,094,000.00	20,000.00
05/11/2007	1	Currie Rose Resources Inc. - Common Shares	116,132.00	397,714.00
05/14/2007	21	Cymat Technologies Ltd. - Units	1,073,750.00	4,682,267.00
05/02/2007	3	DoveCorp Enterprises Inc. - Units	91,200.00	570,000.00
04/14/2007	49	Dumont Nickel Inc. - Units	1,000,000.00	10,000,000.00
05/03/2007	3	DynaMotive Energy Systems Corporation - Common Shares	934,788.00	699,143.00
05/08/2007	6	EUROFIMA - Units	98,760,000.00	N/A
05/04/2007	2	First Leaside Fund - Notes	153,265.00	153,265.00
05/11/2007	1	First Leaside Properties Limited Partnership - Notes	120,000.00	120,000.00
05/08/2007	1	First Leaside Unity Limited Partnership - Notes	10,000.00	10,000.00
10/03/2005 to 09/29/2006	3	GE Institutional International Equity Fund Investment Class - Special Trust Securities	7,089,005.40	437,979.21
10/04/2005 to 09/29/2006	1	GE Institutional U.S. Equity Fund Investment Class - Special Trust Securities	267,172.54	18,727.19
10/07/2005 to 09/28/2006	1	GE Institutional Value Equity Fund Investment Class - Special Trust Securities	801,440.64	64,869.36
04/30/2007 to 05/08/2007	9	Global Trader Europe Limited - Special Trust Securities	17,292.00	12,412.00
05/15/2007	1	Grande Portage Resources Ltd. - Options	310,000.00	N/A
05/02/2007	23	GuestLogix Inc. - Receipts	9,000,040.00	12,857,200.00
05/01/2007	1	Hardcore Computer Inc. - Common Shares	27,500.00	50,000.00
05/04/2007	1	Haussmann Holdings NV - Common Shares	25,847.70	10.00
12/15/2006 to 04/30/2007	6	Hempline Inc. - Common Shares	545,000.00	545,000.00
04/18/2007 to 04/26/2007	2	Henfeng Evergreen Inc. - Common Shares	80,604,980.00	12,959,000.00
05/08/2007	8	Hinterland Metals Inc. - Units	75,000.00	375,000.00
05/03/2007	3	Industri Kapital 2007 Limited Partnership IV - Limited Partnership Interest	120,103,000.00	3.00
05/11/2007	1	Integra Canadian Fixed Income Plus Fund - Units	1,000.00	100.00
05/09/2007	40	Inter-Citic Minerals Inc. - Units	6,746,240.00	4,818,600.00
05/09/2007	116	International Tower Hill Mines Ltd. - Common Shares	14,650,800.00	6,104,500.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
05/14/2007	2	Kansas City Southern de Mexico, S.A. de C.V. - Notes	1,646,550.00	1,500.00
05/08/2007	1	KBSH Income Trust Fund - Units	125,000.00	9,832.46
05/08/2007	1	KBSH Private - Fixed Income Fund - Units	125,000.00	12,245.50
05/08/2007	1	KBSH Private Global Value Fund - Units	200,000.00	18,634.12
05/04/2007	1	KBSH Private North American Special Equity Fund - Units	180,000.00	6,372.58
05/08/2007	4	Leeward Capital Corp. - Flow-Through Shares	2,500,000.76	5,882,354.00
04/12/2007	1	LightPoint CLO VII, Ltd. - Notes	3,437,940.00	3,000.00
04/27/2007	1	Longpoint Re Ltd. - Notes	1,691,550.00	1.00
05/04/2007	1	Mengold Resources Inc. - Common Shares	0.00	30,000.00
05/07/2007	106	Mexican Silver Mines Ltd. - Units	2,190,000.00	8,760,000.00
04/23/2007	2	Mobile Mini Inc. - Notes	2,240,400.00	2,000.00
01/01/2007	8	Montrachet Investments Limited Partnership - Limited Partnership Units	2,490,000.00	249,000.00
05/07/2007	19	Neuromed Pharmaceuticals Inc. - Units	16,610,015.48	21,658.00
05/07/2007	19	Neuromed Pharmaceuticals Ltd. - Units	23,823,826.28	21,658.00
05/08/2007	1	Neutron Enterprises, Inc. - Units	150,000.00	N/A
05/07/2007	6	New Nadina Explorations Limited - Common Shares	397,500.00	1,590,000.00
05/01/2007	47	Next Millennium Commercial Corp. - Units	3,780,000.00	14,000,000.00
05/03/2007	1	Nomura House - Notes	57,491,200.00	N/A
05/11/2007	72	North American Gem Inc. - Flow-Through Shares	1,109,700.00	4,775,000.00
05/02/2007	10	Northern Gold Mining Inc. - Warrants	900,500.00	2,137,500.00
05/02/2007	2	Northern Nanotechnologies Inc. - Common Shares	500,000.00	2,202,640.00
05/04/2007	16	Nstein Technologies Inc. - Common Shares	2,484,998.10	384,615.00
05/03/2007	72	Oilsands Quest Inc. - Common Shares	38,225,000.00	13,900,000.00
05/03/2007	62	Oilsands Quest Inc. - Flow-Through Shares	8,332,039.10	2,164,666.00
05/11/2007	1	Ondah Inc. - Notes	11,135.00	N/A
05/11/2007	10	Opel International Inc. - Units	4,279,112.00	6,445,300.00
04/04/2007	8	Pearson International Fuel Facilities Corporation - Bonds	76,000,000.00	N/A
05/02/2007	14	Penfund Capital Fund III Limited Partnership - Limited Partnership Units	240,000,000.00	240,000,000.00
05/09/2007	19	Petromin Resources Ltd. - Common Shares	841,750.00	2,405,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
05/01/2007	2	Pinnacle Natural Resources Offshore Ltd. - Common Shares	16,666,667.00	15,000.00
05/16/2007	3	Regional Power Inc. - Common Shares	1,200,000.00	1,200,000.00
02/02/2007	54	Reservoir Capital Corp. - Units	4,000,000.00	8,000,000.00
05/01/2007	7	Rival North American Growth Fund L.P. - Limited Partnership Units	1,425,000.00	137,239.61
05/04/2007	5	Royal Roads Corp. - Units	3,000,000.00	N/A
05/10/2007	3	Sheffield Resources Ltd. - Flow-Through Shares	254,999.90	485,714.00
05/07/2007	34	Sunshine Oilsands Ltd. - Units	2,502,956.00	2,502,956.00
12/21/2006	25	Sutchliffe Resources Ltd. - Receipts	1,799,810.00	21,590,000.00
05/04/2007	33	Syscan International Inc. - Units	754,824.00	5,032,166.00
04/01/2007	1	Tellus Ltd - Common Shares	576,502.00	500.00
05/07/2007	1	Textron Financial Corporation - Bonds	55,435,000.00	N/A
05/07/2007 to 05/15/2007	8	TMIC Inc. - Common Shares	409,000.00	N/A
05/15/2007	15	TNR Gold Corp. - Units	2,900,000.00	14,500,000.00
05/16/2007	34	Trevali Resources Corp. - Common Shares	607,500.00	6,075,000.00
05/08/2007	84	Tri-Gold Resources Corp. - Units	2,765,000.00	3,260,000.00
05/10/2007	7	Tribute Resources Inc. - Units	4,230,000.00	21,150,000.00
05/01/2007	1	Uranium North Resources Corp. - Common Shares	50,000.00	42,337.00
05/15/2007	1	Uranium World Energy Inc. - Common Shares	200,000.00	2,000,000.00
04/30/2007	2	Value Partners Investments Inc. - Common Shares	35,000.00	11,513.00
04/10/2007	5	Van Lee Limited Partnership - Loans	175,000.00	N/A
04/23/2007	1	Van Lee Limited Partnership - Loans	25,000.00	N/A
04/30/2007	153	Vertex Fund - Trust Units	18,158,619.43	126.29
05/08/2007	45	View 22 Technology Inc. - Units	5,425,000.00	3,100,000.00
05/03/2007	157	VMS Ventures Inc. - Units	2,500,000.00	10,724,004.00
05/04/2007	1	VRX Worldwide Inc. - Debentures	250,000.00	250,000.00
05/04/2007	6	Wellstar Energy Corp. - Flow-Through Shares	549,000.00	1,568,570.00
05/07/2007	49	Zappa Resources Ltd. - Common Shares	549,949.80	3,666,332.00

Chapter 9

Legislation

9.1.1 Bill 187, Budget Measures and Interim Appropriation Act, 2007

BILL 187, BUDGET MEASURES AND INTERIM APPROPRIATION ACT, 2007

Explanatory Note

Schedule 38
Securities Act

Technical amendments are made to Part XV of the *Securities Act*, which governs prospectuses and distributions. A related amendment is made to section 143 of the Act. Highlights of the technical amendments include the following:

1. Amendments to section 57 of the Act provide that an issuer cannot proceed with a distribution or an additional distribution of securities pursuant to an amendment to a prospectus unless the Director has issued a receipt for the amendment. Exceptions may be made by regulation.

2. An amendment to the definition of "waiting period" in subsection 65 (1) of the Act, which establishes the minimum period between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for a prospectus, permits the waiting period to be prescribed by regulation.

Technical amendments are made to expressions used in the French version of sections 35 and 72 of the Act.

Part XX of the Act, which governs take-over bids and issuer bids, is re-enacted. The current requirements are reorganized, and technical amendments are made. Related amendments are made to sections 1, 131, 133, 138.1, 138.5 and 143 of the Act. Highlights of the technical amendments include the following:

1. The definitions of "take-over bid" and "issuer bid", which are set out in subsection 89 (1) of the Act, are amended to exclude purchases that are a step in a transaction that requires the approval of security holders. The definition of "issuer bid" is also amended to exclude purchases where no valuable consideration is paid for the securities.

2. Section 91 of the Act re-enacts the provision governing the circumstances in which a person or company will be treated as acting jointly or in concert with an offeror. The technical amendments reduce the burden of proof in certain circumstances where it is alleged that an offeror has acted jointly or in concert with another person or company.

3. Section 97 of the Act re-enacts the current requirement that all holders of the same class of securities must be offered identical consideration, if a formal bid is made. The new subsection 97 (2) states that this requirement does not prohibit an offeror from offering an identical choice of consideration to those security holders.

4. Section 97.1 of the Act re-enacts the current prohibition against entering into a collateral agreement, commitment or understanding that has the effect of providing to one security holder consideration of greater value than the consideration offered to other holders of the same class of securities. An amendment creates an exception for certain employment-related arrangements.

5. Current exemptions from the formal bid requirements are re-enacted. Sections 100.3 and 101.4 create new exemptions for take-over bids and issuer bids that are carried out in accordance with the laws of a foreign jurisdiction, if more than 90 per cent of the securities that are subject to the bid are held outside Canada.

Technical amendments are also made to section 143.10 of the Act which governs certain agreements, memorandums of understanding and arrangements entered into by the Commission. The amendments concern those that the Commission is not required to publish in its Bulletin. The amendments provide for their review by the Minister and for the date on which they come into effect.

SCHEDULE 38
SECURITIES ACT

1. (1) Clause (a) of the definition of "associate" in subsection 1 (1) of the *Securities Act* is repealed and the following substituted:

(a) except in Part XX, any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of the company for the time being outstanding,

(a.1) in Part XX, any issuer of which such person or company beneficially owns or controls, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of the issuer for the time being outstanding,

(2) Subsection 1 (1.1) of the Act is amended by adding ""consultant"" after ""business combination"".

(3) Subsection 1 (2) of the Act is amended by adding at the beginning "Except for the purposes of Part XX".

(4) Subsection 1 (3) of the Act is amended by adding at the beginning "Except for the purposes of Part XX".

(5) Subsection 1 (4) of the Act is amended by adding at the beginning "Except for the purposes of Part XX".

2. The French version of subparagraph 3 iii.2 of subsection 35 (1) of the Act is repealed and the following substituted:

iii.2 un courtier inscrit dans la catégorie de courtier en bourse, de courtier en valeurs mobilières ou de courtier négociant,

3. (1) Subsection 57 (1) of the Act is amended by striking out "Subject to subsection (2)" at the beginning.

(2) Subsection 57 (2) of the Act is repealed and the following substituted:

Same, additional securities

(2) If, after a receipt for a prospectus or for an amendment to a prospectus is issued but before the distribution under the prospectus or amendment is completed, securities in addition to those previously disclosed in the prospectus or amendment are to be distributed, the issuer making the distribution shall file an amendment to the prospectus disclosing the additional securities as soon as practicable and, in any event, within 10 days after the decision to increase the number of securities offered is made.

Receipt

(2.1) The Director shall issue a receipt for an amendment to a prospectus that must be filed under subsection (1) or (2) unless the Director refuses in accordance with subsection 61 (2) to issue the receipt.

Restriction

(2.2) Unless otherwise permitted by regulation, an issuer shall not proceed with a distribution or an additional distribution until a receipt is issued for an amendment to the prospectus that must be filed under subsection (1) or (2).

4. (1 Subsection 58 (1) of the Act is amended,

(a) by striking out "a certificate in the following form" and substituting "a certificate in the prescribed form"; and

(b) by striking out "*The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XV of the Securities Act and the regulations thereunder*" at the end.

(2) Subsection 58 (2) of the Act is amended,

(a) by striking out "a certificate in the following form" and substituting "a certificate in the prescribed form"; and

(b) by striking out "*The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by Part XV of the Securities Act and the regulations thereunder*" at the end.

5. Subsection 59 (1) of the Act is amended,

(a) by striking out "a certificate in the following form" and substituting "a certificate in the prescribed form"; and

(b) by striking out "*To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XV of the Securities Act and the regulations thereunder*" at the end.

6. The definition of "waiting period" in subsection 65 (1) of the Act is repealed and the following substituted:

"waiting period" means the period prescribed by regulation or, if no period is prescribed, the period between the Director's issuance of a receipt for a preliminary prospectus relating to the offering of a security and the Director's issuance of a receipt for the prospectus.

7. The French version of subclause 72 (1) (a) (iii.2) of the Act is repealed and the following substituted:

(iii.2) un courtier inscrit dans la catégorie de courtier en bourse, de courtier en valeurs mobilières ou de courtier négociant;

8. Part XX of the Act is repealed and the following substituted:

PART XX
TAKE-OVER BIDS AND ISSUER BIDS

INTERPRETATION

Definitions

89. (1) In this Part,

"bid circular" means a bid circular prepared in accordance with section 94.2; ("circulaire d'offre")

"business day" means a day other than a Saturday or holiday; ("jour ouvrable")

"class of securities" includes a series of a class of securities; ("catégorie de valeurs mobilières")

"equity security" means a security of an issuer that carries a residual right to participate in the earnings of the issuer and, on liquidation or winding up of the issuer, in its assets; ("titre de participation")

"formal bid" means a formal take-over bid or a formal issuer bid; ("offre formelle")

"formal bid requirements" means sections 93 to 99.1; ("exigences relatives aux offres formelles")

"formal issuer bid" means an issuer bid that is not exempt from the formal bid requirements by sections 101 to 101.7; ("offre formelle de l'émetteur")

"formal take-over bid" means a take-over bid that is not exempt from the formal bid requirements by sections 100 to 100.6; ("offre formelle d'achat visant à la mainmise")

"issuer bid" means an offer to acquire or redeem securities of an issuer made by the issuer to one or more persons or companies, any of whom is in Ontario or whose last address as shown on the books of the offeree issuer is in Ontario, and also includes an acquisition or redemption of securities of the issuer by the issuer from those persons or companies, but does not include an offer to acquire or redeem or an acquisition or redemption,

(a) if no valuable consideration is offered or paid by the issuer for the securities,

(b) if the offer to acquire or redeem, or the acquisition or redemption is a step in an amalgamation, merger, reorganization or arrangement that requires approval in a vote of security holders, or

(c) if the securities are debt securities that are not convertible into securities other than debt securities; ("offre de l'émetteur")

"offeree issuer" means an issuer whose securities are the subject of a take-over bid, an issuer bid or an offer to acquire; ("pollicité")

"offeror" means, except in sections 93 to 93.4, a person or company that makes a take-over bid, an issuer bid or an offer to acquire; ("pollicitant")

"offeror's securities" means securities of an offeree issuer beneficially owned, or over which control or direction is exercised, on the date of an offer to acquire, by an offeror or by any person or company acting jointly or in concert with the offeror; ("valeurs mobilières du pollicitant")

"offer to acquire" means,

(a) an offer to purchase, or a solicitation of an offer to sell, securities,

(b) an acceptance of an offer to sell securities, whether or not the offer has been solicited, or

(c) any combination of the above; ("offre d'acquisition")

"published market" means, with respect to any class of securities, a market in Canada or outside of Canada on which the securities are traded, if the prices at which they have been traded on that market are regularly,

(a) disseminated electronically, or

(b) published in a newspaper or business or financial publication of general and regular paid circulation; ("marché organisé")

"subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; ("filiale")

"take-over bid" means an offer to acquire outstanding voting securities or equity securities of a class made to one or more persons or companies, any of whom is in Ontario or whose last address as shown on the books of the offeree issuer is in Ontario, where the securities subject to the offer to acquire, together with the offeror's securities, constitute in the aggregate 20 per cent or more of the outstanding securities of that class of securities at the date of the offer to acquire but does not include an offer to acquire if the offer to acquire is a step in an amalgamation, merger, reorganization or arrangement that requires approval in a vote of security holders. ("offre d'achat visant à la mainmise")

Deemed affiliate of an issuer

(2) For the purposes of this Part, an issuer shall be deemed to be an affiliate of another issuer if one of them is the subsidiary of the other or if each of them is controlled by the same person or company.

Control

(3) For the purposes of this Part, a person or company controls a second person or company,

(a) if the first person or company, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person or company carrying votes which, if exercised, would entitle the first person or company to elect a majority of the directors of the second person or company, unless the first person or company holds the voting securities only to secure an obligation;

(b) if the second person or company is a partnership, other than a limited partnership, and the first person or company holds more than 50 per cent of the interests of the partnership; or

(c) if the second person or company is a limited partnership and the general partner of the limited partnership is the first person or company.

Computation of time

(4) For the purposes of this Part, a period of days is to be computed as beginning on the day following the event that began the period and ending at 11:59 p.m. on the last day of the period if that day is a business day or at 11:59 p.m. on the next business day if the last day of the period does not fall on a business day.

Deemed convertible securities

(5) For the purposes of this Part,

(a) a security shall be deemed to be convertible into a security of another class if, whether or not on conditions, it is or may be convertible into or exchangeable for, or if it carries the right or obligation to acquire, a security of the other class, whether of the same or another issuer; and

(b) a security that is convertible into a security of another class shall be deemed to be convertible into a security or securities of each class into which the second-mentioned security may be converted, either directly or through securities of one or more other classes of securities that are themselves convertible.

Deemed beneficial ownership

90. (1) For the purposes of this Part, in determining the beneficial ownership of securities of an offeror or of any person or company acting jointly or in concert with the offeror, at any given date, the offeror or the person or company shall be deemed to have acquired and to be the beneficial owner of a security, including an unissued security, if the offeror or the person or company is the beneficial owner of a security convertible into the security within 60 days following that date or has a right or obligation permitting or requiring the offeror or the person or company, whether or not on conditions, to acquire beneficial ownership of the security within 60 days, by a single transaction or a series of linked transactions.

Calculation of outstanding securities

(2) The number of outstanding securities of a class in respect of an offer to acquire includes securities that are beneficially owned as determined in accordance with subsection (1).

Calculation of holdings, joint offerors

(3) If two or more offerors acting jointly or in concert make one or more offers to acquire securities of a class, the securities subject to the offer or offers to acquire shall be deemed to be securities subject to the offer to acquire of each offeror for the purpose of determining whether an offeror is making a take-over bid.

Limitation

(4) For the purposes of this section, an offeror is not a beneficial owner of securities solely because there is an agreement, commitment or understanding that a security holder will tender the securities under a formal bid made by the offeror.

Acting jointly or in concert

91. (1) For the purposes of this Part, it is a question of fact as to whether a person or company is acting jointly or in concert with an offeror and, without limiting the generality of the foregoing,

(a) the following shall be deemed to be acting jointly or in concert with an offeror:

(i) a person or company who, as a result of any agreement, commitment or understanding with the offeror or with any other person or company acting jointly or in concert with the offeror, acquires or offers to acquire securities of the same class as those subject to the offer to acquire, and

(ii) an affiliate of the offeror; and

(b) the following shall be presumed to be acting jointly or in concert with an offeror:

(i) a person or company who, as a result of any agreement, commitment or understanding with the offeror or with any other person or company acting jointly or in concert with the offeror, intends to exercise jointly or in concert with the offeror or with any person or company acting jointly or in concert with the offeror any voting rights attaching to any securities of the offeree issuer, and

(ii) an associate of the offeror.

Exception, registered dealers

(2) Subsection (1) does not apply to a registered dealer acting solely in an agency capacity for the offeror in connection with a bid and not executing principal transactions in the class of securities subject to the offer to acquire or performing services beyond the customary functions of a registered dealer.

Exception, agreements to tender securities

(3) For the purposes of this section, a person or company is not acting jointly or in concert with an offeror solely because there is an agreement, commitment or understanding that the person or company will tender securities under a formal bid made by the offeror.

Application to direct and indirect offers

92. For the purposes of this Part, a reference to an offer to acquire or to the acquisition or ownership of securities or to control or direction over securities includes a direct or indirect offer to acquire or the direct or indirect acquisition or ownership of securities, or the direct or indirect control or direction over securities, as the case may be.

BID INTEGRATION RULES FOR FORMAL BIDS

Definition, offeror

93. In sections 93.1 to 93.4,

"offeror" means,

(a) a person or company making a formal bid,

(b) a person or company acting jointly or in concert with a person or company referred to in clause (a),

(c) a control person of a person or company referred to in clause (a), or

(d) a person or company acting jointly or in concert with the control person referred to in clause (c).

Restrictions on acquisitions during formal take-over bid

93.1 (1) An offeror shall not offer to acquire, or make or enter into an agreement, commitment or understanding to acquire beneficial ownership of any securities of the class that are subject to a formal take-over bid or securities convertible into securities of that class otherwise than under the bid on and from the day of the announcement of the offeror's intention to make the bid until the expiry of the bid.

Exception

(2) Subsection (1) does not apply to an offeror's acquisitions of beneficial ownership of five per cent or less, in the aggregate, of the outstanding securities of the class that is subject to the bid if the acquisitions satisfy such conditions as may be specified by regulation.

Same

(3) For the purposes of subsection (2), the acquisition of beneficial ownership of securities that are convertible into securities of the class that is subject to the bid shall be deemed to be an acquisition of the securities as converted.

Restrictions on acquisitions during formal issuer bid

(4) An offeror shall not offer to acquire, or make or enter into an agreement, commitment or understanding to acquire, beneficial ownership of any securities of the class that are subject to a formal issuer bid, or securities that are convertible into securities of that class, otherwise than under the bid on and from the day of the announcement of the offeror's intention to make the bid until the expiry of the bid.

Exceptions by regulation

(5) Subsections (1) and (4) do not apply in such other circumstances as may be specified by regulation.

Restrictions on acquisitions before formal take-over bid

93.2 (1) If, within the period of 90 days immediately preceding a formal take-over bid, an offeror acquired beneficial ownership of securities of the class subject to the bid in a transaction not generally available on identical terms to holders of that class of securities,

(a) the offeror shall offer,

(i) consideration for securities deposited under the bid at least equal to and in the same form as the highest consideration that was paid on a per security basis under any such prior transaction, or

(ii) at least the cash equivalent of that consideration; and

(b) the offeror shall offer to acquire under the bid that percentage of the securities of the class subject to the bid that is at least equal to the highest percentage that the number of securities acquired from a seller in any such prior transaction was of the total number of securities of that class beneficially owned by that seller at the time of that prior transaction.

Exception

(2) Subsection (1) does not apply to trades effected in the normal course on a published market if the trades satisfy such conditions as may be specified by regulation.

Same

(3) Subsection (1) does not apply in such other circumstances as may be specified by regulation.

Restrictions on acquisitions after formal bid

93.3 (1) During the period beginning with the expiry of a formal bid and ending at the end of the 20th business day after that, whether or not any securities are taken up under the bid, an offeror shall not acquire or offer to acquire beneficial ownership of securities of the class that was subject to the bid except by way of a transaction that is generally available to holders of that class of securities on identical terms.

Exception

(2) Subsection (1) does not apply to trades effected in the normal course on a published market if the trades satisfy such conditions as may be specified by regulation.

Same

(3) Subsection (1) does not apply in such other circumstances as may be specified by regulation.

Prohibition on sales during formal bid

93.4 (1) An offeror, except pursuant to the formal bid, shall not sell, or make or enter into an agreement, commitment or understanding to sell, any securities of the class subject to the bid, or securities that are convertible into securities of that class, beginning on the day of the announcement of the offeror's intention to make the bid until the expiry of the bid.

Exception

(2) Despite subsection (1), an offeror may, before the expiry of a bid, make or enter into an agreement, commitment or understanding to sell securities that may be taken up by the offeror under the bid, after the expiry of the bid, if the intention to sell is disclosed in the bid circular.

Same

(3) Subsection (1) does not apply in such other circumstances as may be specified by regulation.

MAKING A FORMAL BID

Duty to make bid to all security holders

94. An offeror shall make a formal bid to all holders of the class of securities subject to the bid who are in Ontario by sending the bid,

(a) to each holder of that class of securities whose last address as shown on the books of the offeree issuer is in Ontario; and

(b) to each holder of securities that, before the expiry of the deposit period referred to in the bid, are convertible into securities of that class, whose last address as shown on the books of the offeree issuer is in Ontario.

Commencement of formal bid

Take-over bid

94.1 (1) An offeror shall commence a formal take-over bid,

(a) by publishing an advertisement containing a brief summary of the bid in at least one major daily newspaper of general and regular paid circulation in Ontario; or

(b) by sending the bid to the security holders described in section 94.

Issuer bid

(2) An offeror shall commence a formal issuer bid by sending the bid to the security holders described in section 94.

Duty to prepare and send offeror's circular

94.2 (1) An offeror making a formal bid shall prepare a take-over bid circular or an issuer bid circular, as the case may be, containing the information required by the regulations and in the form required by the regulations and shall send the bid circular either as part of the bid or together with the bid.

Formal take-over bid commenced by advertising

(2) An offeror commencing a formal take-over bid by means of an advertisement under clause 94.1 (1) (a) shall,

(a) on or before the date of first publication of the advertisement, deliver the bid and the bid circular to the offeree issuer's principal office and file the bid, the bid circular and the advertisement;

(b) on or before the date of first publication of the advertisement, request from the offeree issuer a list of security holders described in section 94; and

(c) not later than two business days after receipt of the list of security holders referred to in clause (b), send the bid and the bid circular to those security holders.

Filing and delivery of take-over bid circular

(3) An offeror commencing a take-over bid under clause 94.1 (1) (b) shall file the bid and the bid circular and deliver them to the offeree issuer's principal office on the day the bid is sent, or as soon as practicable after that.

Filing of issuer bid circular

(4) An offeror making a formal issuer bid shall file the bid and the bid circular on the day the bid is sent, or as soon as practicable after that.

Change in information

94.3 (1) If, before the expiry of a formal bid or after the expiry of a bid but before the expiry of all rights to withdraw the securities deposited under the bid, a change has occurred in the information contained in the bid circular or any notice of change or notice of variation that would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the bid, the offeror shall promptly,

(a) issue and file a news release; and

(b) send a notice of the change to every person or company to whom the bid was required to be sent and whose securities were not taken up before the date of the change.

Exception

(2) Subsection (1) does not apply to a change that is not within the control of the offeror or of an affiliate of the offeror unless it is a change in a material fact relating to the securities being offered in exchange for securities of the offeree issuer.

Variation not a change

(3) For the purposes of this section, a variation in the terms of a bid does not constitute a change in information.

Form and contents of notice

(4) A notice of change in relation to a bid circular shall contain the information required by the regulations and be in the form required by the regulations.

Variation of terms

94.4 (1) If there is a variation in the terms of a formal bid, including any extension of the period during which securities may be deposited under the bid, and whether or not that variation results from the exercise of any right contained in the bid, the offeror shall promptly issue and file a news release and send a notice of variation to every person or company to whom the bid was required to be sent and whose securities were not taken up before the date of the variation.

Form and contents of notice

(2) A notice of variation in relation to a formal bid shall contain the information required by the regulations and be in the form required by the regulations.

Expiry of bid after variation

(3) If there is a variation in the terms of a formal bid, the period during which securities may be deposited under the bid shall not expire before 10 days after the date of the notice of variation.

Exception

(4) Subsections (1) and (3) do not apply to a variation in the terms of a bid consisting solely of the waiver of a condition in the bid and any extension of the bid resulting from the waiver where the consideration offered for the

securities consists solely of cash, but in that case the offeror shall promptly issue and file a news release announcing the waiver.

No variation after deposit period

(5) A variation in the terms of a formal bid, other than a variation that is the waiver by the offeror of a condition that is specifically stated in the bid as being waivable at the sole option of the offeror, shall not be made after the expiry of the period, including any extension of the period, during which the securities may be deposited under the bid.

Filing and sending notice of change or variation

94.5 A notice of change or notice of variation in respect of a formal bid shall be filed and, in the case of a take-over bid, delivered to the offeree issuer's principal office on the day the notice of change or notice of variation is sent to security holders of the offeree issuer or as soon as practicable after that.

Change or variation in advertised take-over bid

94.6 (1) If a change or variation occurs to a formal take-over bid that was commenced by means of an advertisement and if the offeror has complied with clauses 94.2 (2) (a) and (b) but has not yet sent the bid and the bid circular as required by clause 94.2 (2) (c), the offeror shall,

(a) publish an advertisement that contains a brief summary of the change or variation in at least one major daily newspaper of general and regular paid circulation in Ontario;

(b) concurrently with the date of first publication of the advertisement,

(i) file the advertisement, and

(ii) file and deliver a notice of change or notice of variation to the offeree issuer's principal office; and

(c) subsequently send the bid, the bid circular and the notice of change or notice of variation to the security holders of the offeree issuer before the expiration of the period set out in clause 94.2 (2) (c).

Exemption from s. 94.5

(2) If an offeror satisfies the requirements of subsection (1), the notice of change or notice of variation is not required to be filed and sent under section 94.5.

Consent of expert, bid circular

94.7 (1) If a report, valuation, statement or opinion of an expert is included in or accompanies a bid circular or any notice of change or notice of variation, the written consent of the expert to the use of the report, valuation, statement or opinion shall be filed concurrently with the bid circular or notice of change or notice of variation.

Definition

(2) For the purposes of this section,

"expert" includes a notary in Quebec, a solicitor, an auditor, an accountant, an engineer, a geologist, an appraiser or any other person or company whose profession or business gives authority to a statement made in a professional capacity by that person or company.

Delivery and date of bid documents

94.8 (1) A formal bid, a bid circular and every notice of change or notice of variation shall be mailed by pre-paid mail to the intended recipient or delivered to the intended recipient by personal delivery, courier or other manner acceptable to the Director.

Same

(2) Except for a take-over bid commenced by means of an advertisement under clause 94.1 (1) (a), a bid, bid circular, notice of change or notice of variation sent in accordance with subsection (1) shall be deemed to be dated as of the date it was sent to all or substantially all of the persons and companies entitled to receive it.

Same

(3) If a take-over bid is commenced by means of an advertisement under clause 94.1 (1) (a), the bid, bid circular, notice of change or notice of variation shall be deemed to have been dated as of the date of first publication of the relevant advertisement.

OFFEREE ISSUER'S OBLIGATIONS

Duty to prepare and send directors' circular

95. (1) If a formal take-over bid has been made, the board of directors of the offeree issuer shall prepare and send, not later than 15 days after the date of the bid, a directors' circular to every person or company to whom the bid was required to be sent.

Duty to evaluate and advise

(2) The board of directors of the offeree issuer shall evaluate the terms of a formal take-over bid and, in the directors' circular,

(a) shall recommend to security holders that they accept or reject the bid and give reasons for the recommendation;

(b) shall advise security holders that the board is unable to make, or is not making, a recommendation and state the reasons for being unable to make a recommendation or for not making a recommendation; or

(c) shall advise security holders that the board is considering whether to make a recommendation to accept or reject the bid, shall state the reasons for not making a recommendation in the directors' circular and may advise security holders that they should not deposit their securities under the bid until they receive further communication from the board in accordance with clause (a) or (b).

Further communication

(3) If clause (2) (c) applies, the board of directors shall communicate to security holders a recommendation or the decision that it is unable to make, or is not making, a recommendation, together with the reasons for the recommendation or the decision, at least seven days before the scheduled expiry of the period during which securities may be deposited under the bid.

Form and contents of circular

(4) A directors' circular shall contain the information required by the regulations and be in the form required by the regulations.

Notice of change

95.1 (1) If, before the expiry of a take-over bid or after the expiry of a take-over bid but before the expiry of all rights to withdraw the securities deposited under the bid, a change has occurred in the information contained in the directors' circular or in any notice of change to the directors' circular that would reasonably be expected to affect the decision of the security holders to accept or reject the bid, the board of directors of the offeree issuer shall promptly issue and file a news release relating to the change and send a notice of the change to every person or company to whom the take-over bid was required to be sent disclosing the nature and substance of the change.

Form and contents of notice

(2) A notice of change in relation to a directors' circular shall contain the information required by the regulations and be in the form required by the regulations.

Filing directors' circular or notice of change

95.2 The board of directors of the offeree issuer shall concurrently file the directors' circular or a notice of change in relation to it and deliver it to the principal office of the offeror not later than the date on which it is sent to the security holders of the offeree issuer, or as soon as practicable after that.

Individual director's or officer's circular

96. (1) An individual director or officer may recommend acceptance or rejection of a take-over bid if the director or officer sends with the recommendation a separate director's or officer's circular to every person or company to whom the take-over bid was required to be sent.

Notice of change

(2) If, before the expiry of a take-over bid or after the expiry of a take-over bid but before the expiry of all rights to withdraw the securities deposited under the bid, a change has occurred in the information contained in a director's or officer's circular or any notice of change in relation to it that would reasonably be expected to affect the decision of the security holders to accept or reject the bid, other than a change that is not within the control of the director or officer, as the case may be, that director or officer shall promptly send a notice of change to every person or company to whom the take-over bid was required to be sent.

Form and contents of circular

(3) A director's or officer's circular shall contain the information required by the regulations and be in the form required by the regulations.

Delivery to offeree issuer

(4) A director's or officer's obligation to send a circular under subsection (1) or to send a notice of change under subsection (2) may be satisfied by sending the circular or the notice of change, as the case may be, to the board of directors of the offeree issuer.

Circulation of documents

(5) If a director or officer sends to the board of directors of the offeree issuer a circular under subsection (1) or a notice of change under subsection (2), the board, at the offeree issuer's expense, shall promptly send a copy of the circular or notice to every person or company to whom the take-over bid was required to be sent.

Filing

(6) The board of directors of the offeree issuer or the individual director or officer, as the case may be, shall concurrently file the director's or officer's circular or a notice of change in relation to it and send it to the principal office of the offeror not later than the date on which it is sent to the security holders of the offeree issuer, or as soon as practicable after that.

Form and contents of notice

(7) A notice of change in relation to a director's or officer's circular shall contain the information required by the regulations and be in the form required by the regulations.

Consent of expert, directors' circular, etc.

96.1 If a report, valuation, statement or opinion of an expert, as defined in subsection 94.7 (2), is included in or accompanies a directors' circular, an individual director's or officer's circular or a notice of change, the written consent of the expert to the use of the report, valuation, statement or opinion shall be filed concurrently with the circular or notice.

Methods of delivery of offeree issuer's documents

96.2 (1) A directors' circular, an individual director's or officer's circular and every notice of change shall be mailed by pre-paid mail to the intended recipient or delivered to the intended recipient by personal delivery, courier or other manner acceptable to the Director.

Date of documents

(2) Any circular or notice sent in accordance with this section shall be deemed to be dated as of the date it was sent to all or substantially all of the persons and companies entitled to receive it.

OFFEROR'S OBLIGATIONS

Consideration

97. (1) If a formal bid is made, all holders of the same class of securities shall be offered identical consideration.

Same

(2) Subsection (1) does not prohibit an offeror from offering an identical choice of consideration to all holders of the same class of securities.

Increase in consideration

(3) If a variation in the terms of a formal bid before the expiry of the bid increases the value of the consideration offered for the securities subject to the bid, the offeror shall pay that increased consideration to each person or company whose securities are taken up under the bid, whether or not the securities were taken up by the offeror before the variation of the bid.

Prohibition against collateral agreements

97.1 (1) If a person or company makes or intends to make a formal bid, the person or company or any person or company acting jointly or in concert with that person or company shall not enter into any collateral agreement, commitment or understanding that has the effect, directly or indirectly, of providing a security holder of the offeree issuer with consideration of greater value than that offered to the other security holders of the same class of securities.

Exception, employment benefit arrangements

(2) Subsection (1) does not apply to such employment compensation arrangements, severance arrangements or other employment benefit arrangements as may be specified by regulation.

Proportionate take up and payment

97.2 (1) If a formal bid is made for less than all of the class of securities subject to the bid and a greater number of securities is deposited under the bid than the offeror is bound or willing to acquire under the bid, the offeror shall take up and pay for the securities proportionately, disregarding fractions, according to the number of securities deposited by each security holder.

Deemed deposit, pre-bid transactions

(2) For the purposes of subsection (1), any securities acquired in a pre-bid transaction to which subsection 93.2 (1) applies shall be deemed to have been deposited under the bid by the person or company who was the seller in the pre-bid transaction.

Exceptions

(3) Subsection (1) does not apply in such circumstances as may be specified by regulation.

Financing arrangements

97.3 (1) If a formal bid provides that the consideration for the securities deposited under the bid is to be paid in cash or partly in cash, the offeror shall make adequate arrangements before the bid to ensure that the required funds are available to make full payment for the securities that the offeror has offered to acquire.

Conditional financing arrangements

(2) The financing arrangements required to be made under subsection (1) may be subject to conditions if, at the time the bid is commenced, the offeror reasonably believes the possibility to be remote that, if the conditions of the bid are satisfied or waived, the offeror will be unable to pay for the securities deposited under the bid due to a financing condition not being satisfied.

BID MECHANICS

Minimum deposit period

98. (1) An offeror shall allow securities to be deposited under a formal bid for at least 35 days from the date of the bid.

Prohibition on take up

(2) An offeror shall not take up securities deposited under a formal bid until the expiration of 35 days from the date of the bid.

Withdrawal of securities

98.1 (1) A security holder may withdraw securities deposited under a formal bid,

(a) at any time before the securities have been taken up by the offeror;

(b) at any time before the expiration of 10 days from the date of a notice of change under section 94.3 or a notice of variation under section 94.4; or

(c) if the securities have not been paid for by the offeror within three business days after the securities have been taken up.

Exceptions

(2) The right of withdrawal under clause (1) (b) does not apply if the securities have been taken up by the offeror before the date of the notice of change or notice of variation or if one or both of the following circumstances occur:

1. A variation in the terms of the bid consisting only of an increase in consideration offered for the securities and an extension of the time for deposit to not later than 10 days after the date of the notice of variation.

2. A variation in the terms of the bid consisting solely of the waiver of one or more of the conditions of the bid where the consideration offered for the securities subject to the bid consists solely of cash.

Method of withdrawing

(3) The withdrawal of any securities under subsection (1) shall be made by sending a written notice to the depository designated in the bid circular and becomes effective on its receipt by the depository.

Duty to return securities

(4) If notice is given in accordance with subsection (3), the offeror shall promptly return the securities to the security holder.

Effect of market purchases

98.2 If an offeror purchases securities under an exemption to subsection 93.1 (1), those purchased securities shall be counted in determining whether a condition as to the minimum number of securities to be deposited under a bid has been fulfilled, but shall not reduce the number of securities the offeror is bound to take up under the bid.

Obligation to take up and pay for deposited securities

98.3 (1) If all the terms and conditions of a formal bid have been complied with or waived, the offeror shall take up and pay for securities deposited under the bid not later than 10 days after the expiry of the bid or at the time required by subsection (2) or (3), whichever is earliest.

Same

(2) An offeror shall pay for any securities taken up under a formal bid as soon as possible, and in any event not later than three business days after the securities deposited under the bid are taken up.

Same

(3) Securities deposited under a formal bid subsequent to the date on which the offeror first takes up securities deposited under the bid shall be taken up and paid for by the offeror not later than 10 days after the deposit of the securities.

Bid not to be extended

(4) An offeror may not extend its formal bid if all the terms and conditions of the bid have been complied with or waived, unless the offeror first takes up all securities deposited under the bid and not withdrawn.

Maximum number of securities required to be taken up

(5) Despite subsections (3) and (4), if a formal bid is made for less than all of the class of securities subject to the bid, an offeror is only required to take up, by the times specified in those subsections, the maximum number of securities that the offeror can take up without contravening section 97 or 97.2 at the expiry of the bid.

Effect of waiver of terms or conditions

(6) Despite subsection (4), if the offeror waives any terms or conditions of a formal bid and extends the bid in circumstances where the rights of withdrawal conferred by clause 98.1 (1) (b) are applicable, the bid shall be extended without the offeror first taking up the securities which are subject to the rights of withdrawal.

Expiry of the bid

98.4 A formal bid expires at the later of,

(a) the end of the period, including any extension, during which securities may be deposited under the bid; and

(b) the time at which the offeror becomes obligated by the terms of the bid to take up or reject securities deposited under the bid.

Return of deposited securities

98.5 If, following the expiry of a bid, an offeror knows that it will not take up securities deposited under the bid, the offeror shall promptly issue and file a news release to that effect and return the securities to the security holders.

News release on expiry of bid

98.6 If all the terms and conditions of a bid have been complied with or waived, the offeror shall issue and file a news release to that effect promptly after the expiry of the bid, and the news release shall disclose,

(a) the approximate number of securities deposited; and

(b) the approximate number that will be taken up.

Filing of documents

98.7 An offeror making a formal bid, and an offeree issuer whose securities are the subject of a formal bid, shall file copies of the documents required by the regulations and any amendments to those documents, in accordance with the regulations, unless the documents and amendments have been previously filed.

Certification of bid circulars

99. (1) A bid circular, or a notice of change or notice of variation in respect of the bid circular required under this Part shall contain a certificate of the offeror in the form required by the regulations and the certificate must be signed,

(a) if the offeror is a person or company other than an individual, by each of the following:

(i) the chief executive officer or, in the case of a person or company that does not have a chief executive officer, the individual who performs similar functions to a chief executive officer,

(ii) the chief financial officer or, in the case of a person or company that does not have a chief financial officer, the individual who performs similar functions to a chief financial officer, and

(iii) two directors, other than the chief executive officer and the chief financial officer, who are duly authorized by the board of directors of that person or company to sign on behalf of the board of directors; or

(b) if the offeror is an individual, by the individual.

Same, fewer than four directors

(2) For the purposes of clause (1) (a), if the offeror has fewer than four directors and officers, the certificate must be signed by all of the directors and officers.

Same, directors' circulars

(3) A directors' circular or a notice of change in respect of a directors' circular required under this Part must contain a certificate of the board of directors of the offeree issuer in the form required by the regulations and the certificate must be signed by two directors who are duly authorized by the board of directors of the offeree issuer to sign on behalf of the board of directors.

Same, individual director's or officer's circular

(4) Every person who files and sends an individual director's or officer's circular or a notice of change in respect of an individual director's or officer's circular under this Part shall ensure that the circular or notice contains a certificate in the form required by the regulations and the certificate must be signed by or on behalf of the director or officer sending the circular or notice.

Substitute signatories

(5) If the Director is satisfied that either or both of the chief executive officer or chief financial officer cannot sign a certificate required under this Part, the Director may accept a certificate signed by another officer or director.

Obligation to provide security holder list

99.1 (1) If a person or company makes or proposes to make a formal take-over bid for a class of securities of an issuer that is not otherwise required by law to provide a list of its security holders to the person or company, the issuer shall provide a list of holders of that class of securities, and any known holder of an option or right to acquire securities of that class, to enable the person or company to carry out the bid in compliance with this Part.

Access to corporate records

(2) For the purposes of subsection (1), section 21 of the *Canada Business Corporations Act* applies with necessary modifications to the person or company making or proposing to make the take-over bid and to the issuer,

except that the affidavit that accompanies the request for the list of security holders shall state that the list will not be used except in connection with a formal take-over bid for securities of the issuer.

EXEMPT TAKE-OVER BIDS

Normal course purchase exemption

100. A take-over bid is exempt from the formal bid requirements if all of the following conditions are satisfied:

1. The bid is for not more than 5 per cent of the outstanding securities of a class of securities of the offeree issuer.

2. The aggregate number of securities acquired in reliance on this exemption by the offeror and any person or company acting jointly or in concert with the offeror within any period of 12 months, when aggregated with acquisitions otherwise made by the offeror and any person or company acting jointly or in concert with the offeror within the same 12-month period, other than under a formal bid, does not exceed 5 per cent of the outstanding securities of that class at the beginning of the 12-month period.

3. There is a published market for the class of securities that are the subject of the bid.

4. The value of the consideration paid for any of the securities acquired is not in excess of the market price at the date of acquisition as determined in accordance with the regulations, plus reasonable brokerage fees or commissions actually paid.

Private agreement exemption

100.1 (1) A take-over bid is exempt from the formal bid requirements if all of the following conditions are satisfied:

1. Purchases are made from not more than five persons or companies in the aggregate, including persons or companies located outside of Ontario.

2. The bid is not made generally to security holders of the class of securities that is the subject of the bid, so long as there are more than five security holders of the class.

3. If there is a published market for the securities acquired, the value of the consideration paid for any of the securities, including brokerage fees or commissions, is not greater than 115 per cent of the market price of the securities at the date of the bid as determined in accordance with the regulations.

4. If there is no published market for the securities acquired, there is a reasonable basis for determining that the value of the consideration paid for any of the securities is not greater than 115 per cent of the value of the securities.

Determination of number of security holders

(2) For the purposes of subsection (1), if an offeror makes an offer to acquire securities from a person or company and the offeror knows or ought to know after reasonable enquiry that the person or company acquired the securities in order that the offeror might make use of the exemption under subsection (1), then each person or company from whom those securities were acquired shall be included in the determination of the number of persons and companies to whom an offer to acquire has been made.

Same

(3) For the purposes of subsection (1), if an offeror makes an offer to acquire securities from a person or company and the offeror knows or ought to know after reasonable enquiry that the person or company from whom the acquisition is being made is acting as a nominee, agent, trustee, executor, administrator or other legal representative for one or more other persons or companies having a direct beneficial interest in those securities, then each of those other persons or companies shall be included in the determination of the number of persons and companies to whom an offer to acquire has been made.

Same

(4) Despite subsection (3), a trust or estate is to be considered a single security holder in the determination of the number of persons and companies to whom an offer to acquire has been made,

(a) if an *inter vivos* trust has been established by a single settlor; or

(b) if an estate has not vested in all who are beneficially entitled to it.

Non-reporting issuer exemption

100.2 A take-over bid is exempt from the formal bid requirements if the offeree issuer is not a reporting issuer and if such other conditions as may be specified by regulation are satisfied.

Foreign take-over bid exemption

100.3 Subject to section 100.5, a take-over bid is exempt from the formal bid requirements if all of the following conditions are satisfied:

1. Security holders whose last address as shown on the books of the offeree issuer is in Canada hold less than 10 per cent of the outstanding securities of the class subject to the bid at the commencement of the bid.

2. The offeror reasonably believes that security holders in Canada beneficially own less than 10 per cent of the outstanding securities of the class subject to the bid at the commencement of the bid.

3. The published market on which the greatest dollar volume of trading in securities of that class occurred during the 12 months immediately preceding the commencement of the bid was not in Canada.

4. Security holders in Ontario are entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of security holders of the same class.

Exemption, fewer than 50 beneficial owners

100.4 Subject to section 100.5, a take-over bid is exempt from the formal bid requirements if both of the following conditions are satisfied:

1. The number of beneficial owners of securities of the class subject to the bid in Ontario is fewer than 50 and the securities held by them constitute, in aggregate, less than 2 per cent of the outstanding securities of that class.

2. Security holders in Ontario are entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of security holders of the same class.

Restriction, required disclosure

100.5 A take-over bid described in section 100.3 or 100.4 is not exempt from the formal bid requirements unless,

(a) the information and documents specified by regulation are provided to security holders in Ontario in accordance with the regulations; and

(b) the information specified by regulation about the bid is made public in accordance with the regulations.

Exemption by regulation

100.6 A take-over bid is exempt from the formal bid requirements if it is exempted by the regulations.

EXEMPT ISSUER BIDS

Issuer acquisition or redemption exemption

101. An issuer bid for a class of securities is exempt from the formal bid requirements if any of the following conditions is satisfied:

1. The securities are purchased, redeemed or otherwise acquired in accordance with the terms and conditions attaching to the class of securities that permit the purchase, redemption or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or the securities are acquired to meet sinking fund or purchase fund requirements.

2. The purchase, redemption or other acquisition is required by the terms and conditions attaching to the class of securities or by the statute under which the issuer was incorporated, organized or continued.

3. The terms and conditions attaching to the class of securities contain a right of the owner to require the issuer of the securities to redeem, repurchase, or otherwise acquire the securities, and the securities are acquired pursuant to the exercise of the right.

Employee, executive officer, director and consultant exemption

101.1 An issuer bid is exempt from the formal bid requirements if the securities are acquired from a current or former employee, executive officer, director or consultant of the issuer or of an affiliate of the issuer and, if there is a published market in respect of the securities,

(a) the value of the consideration paid for any of the securities acquired is not greater than the market price of the securities at the date of the acquisition, determined in accordance with the regulations; and

(b) the aggregate number of securities or, in the case of convertible debt securities, the aggregate principal amount of securities acquired by the issuer within any period of 12 months in reliance on the exemption provided by this subsection does not exceed 5 per cent of the securities of that class outstanding at the beginning of the 12-month period.

Normal course issuer bid exemptions

Designated exchange

101.2 (1) An issuer bid that is made in the normal course through the facilities of a designated exchange is exempt from the formal bid requirements if the bid is made in accordance with the bylaws, rules, regulations and policies of that exchange.

Other published markets

(2) An issuer bid that is made in the normal course on a published market, other than a designated exchange, is exempt from the formal bid requirements if all of the following conditions are satisfied:

1. The bid is for not more than 5 per cent of the outstanding securities of a class of securities of the issuer.

2. The aggregate number of securities or, in the case of convertible debt securities, the aggregate principal amount of securities acquired in reliance on this exemption by the issuer and any person or company acting jointly or in concert with the issuer within any period of 12 months does not exceed 5 per cent of the outstanding securities of that class at the beginning of the 12-month period.

3. The value of the consideration paid for any of the securities acquired is not in excess of the market price at the date of acquisition as determined in accordance with the regulations, plus reasonable brokerage fees or commissions actually paid.

News release

(3) An issuer making a bid under subsection (1) shall promptly file any news releases that the designated exchange requires to be issued.

Same

(4) An issuer making a bid under subsection (2) shall issue and file, at least five days before the commencement of the bid, a news release containing the information prescribed by the regulations.

Definition

(5) In this section,

"designated exchange" means the Toronto Stock Exchange, the TSX Venture Exchange or other exchange designated by the Commission for the purpose of this section.

Non-reporting issuer exemption

101.3 An issuer bid is exempt from the formal bid requirements if the issuer is not a reporting issuer and if such other conditions as may be specified by regulation are satisfied.

Foreign issuer bid exemption

101.4 Subject to section 101.6, an issuer bid is exempt from the formal bid requirements if all of the following conditions are satisfied:

1. Security holders whose last address as shown on the books of the offeree issuer is in Canada hold less than 10 per cent of the outstanding securities of the class subject to the bid at the commencement of the bid.

2. The offeror reasonably believes that security holders in Canada beneficially own less than 10 per cent of the outstanding securities of the class subject to the bid at the commencement of the bid.

3. The published market on which the greatest dollar volume of trading in securities of that class occurred during the 12 months immediately preceding the commencement of the bid was not in Canada.

4. Security holders in Ontario are entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of security holders of the same class.

Exemption, fewer than 50 beneficial owners

101.5 Subject to section 101.6, an issuer bid is exempt from the formal bid requirements if both of the following conditions are satisfied:

1. The number of beneficial owners of securities of the class subject to the bid in Ontario is fewer than 50 and the securities held by them constitute, in aggregate, less than 2 per cent of the outstanding securities of that class.

2. Security holders in Ontario are entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of security holders of the same class.

Restriction, required disclosure

101.6 An issuer bid described in section 101.4 or 101.5 is not exempt from the formal bid requirements unless,

(a) the information and documents specified by regulation are provided to security holders in Ontario in accordance with the regulations; and

(b) the information specified by regulation about the bid is made public in accordance with the regulations.

Exemption by regulation

101.7 An issuer bid is exempt from the formal bid requirements if it is exempted by the regulations.

EARLY WARNING SYSTEM

Definitions

102. For the purposes of sections 102.1 and 102.2,

"acquiror" means a person or company who acquires a security other than by way of a formal bid; ("acquéreur")

"acquiror's securities" means securities of an offeree issuer that are beneficially owned, or over which control or direction is exercised, on the date of an offer to acquire, by an acquiror or by any person or company acting jointly or in concert with the acquiror. ("valeurs mobilières de l'acquéreur")

10 per cent rule

102.1 (1) Every acquiror who acquires beneficial ownership of, or the power to exercise control or direction over, voting or equity securities of any class of a reporting issuer or securities convertible into voting or equity securities of any class of a reporting issuer that, when added to the acquiror's securities of that class, would constitute 10 per cent or more of the outstanding securities of that class, shall disclose the acquisition in the manner and form required by regulation.

Same, further 2 per cent rule

(2) An acquiror who is required to make disclosure under subsection (1) shall make further disclosure in the manner and form required by regulation each time any of the following events occur:

1. The acquiror or any person or company acting jointly or in concert with the acquiror acquires beneficial ownership of, or the power to exercise control or direction over,

   i. an additional 2 per cent or more of the outstanding securities of the class to which the disclosure required under subsection (1) relates, or

   ii. securities convertible into an additional 2 per cent or more of the outstanding securities referred to in subparagraph i.

2. There is a change in any material fact in the disclosure required under paragraph 1 or under subsection (1).

Period when acquisitions prohibited

(3) During the period beginning on the occurrence of an event in respect of which disclosure is required to be made under this section and ending on the expiry of one business day after the date that the disclosure is made, the acquiror required to make the disclosure or any person or company acting jointly or in concert with the acquiror shall not acquire or offer to acquire beneficial ownership of any securities of the class in respect of which the disclosure is made or any securities convertible into securities of that class.

Exemption

(4) Subsection (3) does not apply to an acquiror who has beneficial ownership of, or the power to exercise control or direction over, securities that, together with the acquiror's securities of that class, constitute 20 per cent or more of the outstanding securities of that class.

Acquisitions during a bid by an acquiror, 5 per cent rule

102.2 (1) If, after a formal bid has been made for voting or equity securities of a reporting issuer and before the expiry of the bid, an acquiror acquires beneficial ownership of, or the power to exercise control or direction over, securities of the class subject to the bid which, when added to the acquiror's securities of that class, constitute 5 per cent or more of the outstanding securities of that class, the acquiror shall disclose the acquisition in the manner and form required by regulation.

Same, further 2 per cent rule

(2) An acquiror who is required to make disclosure under subsection (1) shall make further disclosure in the manner and form required by regulation each time the acquiror or any person or company acting jointly or in concert with the acquiror acquires beneficial ownership of, or the power to exercise control or direction over, an additional 2 per cent or more of the outstanding securities of the class to which the disclosure required under subsection (1) relates.

APPLICATIONS AND EXEMPTIONS

Definition

103. In sections 104 and 105,

"interested person" means,

(a) an offeree issuer,

(b) a security holder, director or officer of an offeree issuer,

(c) an offeror,

(d) an acquiror as defined in section 102,

(e) the Director, and

(f) any person or company who in the opinion of the Commission or the Superior Court of Justice, as the case may be, is proper to make an application under section 104 or 105, as the case may be.

Application to the Commission

104. (1) On application by an interested person, if the Commission considers that a person or company has not complied with, or is not complying with, a requirement under this Part or the regulations related to this Part, the Commission may make an order,

(a) restraining the distribution of any document or any communication used or issued in connection with a take-over bid or an issuer bid;

(b) requiring an amendment to or variation of any document or any communication used or issued in connection with a take-over bid or an issuer bid and requiring the distribution of amended, varied or corrected documents or communications;

(c) directing any person or company to comply with a requirement under this Part or the regulations related to this Part;

(d) restraining any person or company from contravening a requirement under this Part or the regulations related to this Part; and

(e) directing the directors and officers of any person or company to cause the person or company to comply with or to cease contravening a requirement under this Part or the regulations related to this Part.

Exemptions

(2) On application by an interested person and subject to such terms and conditions as the Commission may impose, if the Commission is satisfied that it would not be prejudicial to the public interest, the Commission may,

(a) decide for the purposes of section 97.1 that an agreement, commitment or understanding with a selling security holder is made for reasons other than to increase the value of the consideration paid to the selling security holder for the securities of the selling security holder and that the agreement, commitment or understanding may be entered into despite that section;

(b) vary any time period set out in this Part or the regulations related to this Part; and

(c) exempt a person or company from any of the requirements of this Part or the regulations related to this Part.

Application to the court

105. On application by an interested person, if the Superior Court of Justice is satisfied that a person or company has not complied with a requirement under this Part or the regulations related to this Part, the Superior Court of Justice may make such interim or final order as the Court thinks fit, including, without limitation, an order,

(a) compensating any interested person who is a party to the application for damages suffered as a result of a contravention of a requirement of this Part or the regulations related to this Part;

(b) rescinding a transaction with any interested person, including the issue of a security or an acquisition and sale of a security;

(c) requiring any person or company to dispose of any securities acquired under or in connection with a take-over bid or an issuer bid;

(d) prohibiting any person or company from exercising any or all of the voting rights attaching to any securities; or

(e) requiring the trial of an issue.

TRANSITIONAL MATTERS

Transition

105.1 This Part and the regulations related to it, as they read immediately before this section comes into force, continue to apply in respect of every take-over bid and issuer bid commenced before this section comes into force.

9. (1) The French version of subsection 131 (2) of the Act is amended by striking out "une circulaire de la direction" and substituting "une circulaire des administrateurs".

(2) The French version of clause 131 (5) (a) of the Act is amended by striking out "la circulaire de la direction" and substituting "la circulaire des administrateurs".

(3) The French version of clause 131 (5) (b) of the Act is amended by striking out "la circulaire de la direction" and substituting "la circulaire des administrateurs".

(4) Subsection 131 (10) of the Act is repealed and the following substituted:

Deemed issuer bid circular

(10) Where the offeror in an issuer bid that is exempted by subsection 101.2 (1) from the formal bid requirements of Part XX is required, by the by-laws, regulations or policies of the applicable designated stock exchange to file with it or deliver to security holders of the offeree issuer a disclosure document, the disclosure document shall be deemed, for the purposes of this section, to be an issuer bid circular delivered to the security holders as required by Part XX.

10. Section 133 of the Act is amended by striking out "were required to be delivered but were not delivered in compliance with section 95 or section 98" and substituting "were required under Part XX to be sent or delivered but were not sent or delivered in accordance with that Part".

11. (1) The French version of clause (a) of the definition of "core document" in section 138.1 of the Act is amended by striking out "une circulaire de la direction" in the portion before subclause (i) and substituting "une circulaire des administrateurs".

(2) The French version of clause (b) of the definition of "core document" in section 138.1 of the Act is amended by striking out "une circulaire de la direction" in the portion before subclause (i) and substituting "une circulaire des administrateurs".

(3) The French version of the definition of "expert" in section 138.1 of the Act is amended by striking out "estimateur" and substituting "évaluateur".

12. (1) The French version of sub-subparagraph 2 ii A of subsection 138.5 (1) of the Act is amended by striking out "le marché officiel" and substituting "un marché organisé".

(2) The French version of sub-subparagraph 2 ii B of subsection 138.5 (1) of the Act is amended by striking out "marché officiel" and substituting "marché organisé".

(3) The French version of subparagraph 3 i of subsection 138.5 (1) of the Act is amended by striking out "le marché officiel" and substituting "un marché organisé".

(4) The French version of subparagraph 3 ii of subsection 138.5 (1) of the Act is amended by striking out "marché officiel" and substituting "marché organisé".

(5) The French version of sub-subparagraph 2 ii A of subsection 138.5 (2) of the Act is amended by striking out "le marché officiel" and substituting "un marché organisé".

(6) The French version of sub-subparagraph 2 ii B of subsection 138.5 (2) of the Act is amended by striking out "marché officiel" and substituting "marché organisé".

(7) The French version of subparagraph 3 i of subsection 138.5 (2) of the Act is amended by striking out "le marché officiel" and substituting "un marché organisé".

(8) The French version of subparagraph 3 ii of subsection 138.5 (2) of the Act is amended by striking out "marché officiel" and substituting "marché organisé".

13. (1) The French version of paragraph 27 of subsection 143 (1) of the Act is amended by striking out "valeurs mobilières participantes" and substituting "titres de participation" and by striking out "les valeurs mobilières sont détenues" and substituting "ces valeurs et ces titres sont détenus".

(2) Paragraph 28 of subsection 143 (1) of the Act is repealed and the following substituted:

28. Regulating take-over bids, issuer bids, insider bids, going-private transactions, business combinations and related party transactions, including,

    i. providing for the matters that, under Part XX, may be specified by regulation or required by the regulations or that, under Part XX, must or may be determined or done in accordance with the regulations,

    ii. varying the requirements of sections 93.1 to 93.4, providing exemptions from any of those sections or removing any exemption set out in those sections,

    iii. varying the requirements of sections 94 to 99.1 or providing exemptions from any of those sections,

    iv. removing any exemption set out in sections 100 to 100.4 or 101 to 101.5,

    v. establishing exemptions under sections 100.6 and 101.7,

    vi. varying the requirements of sections 102.1 and 102.2 or providing exemptions from either of those sections,

    vii. prescribing requirements in respect of issuer bids, insider bids, going-private transactions and related party transactions, for disclosure, valuations, review by independent committees of boards of directors and approval by minority security holders,

    viii. prescribing requirements respecting defensive tactics in connection with take-over bids, and

    ix. varying any or all of the time periods in Part XX.

(3) The French version of subparagraph 39 v of subsection 143 (1) of the Act is amended by striking out "les circulaires de la direction" at the end and substituting "les circulaires des administrateurs".

(4) Subsection 143 (1) of the Act is amended by adding the following paragraph:

52.1 Permitting a distribution or additional distribution under subsection 57 (2.2) to proceed without a receipt for an amendment.

14. (1) Section 143.10 of the Act is amended by adding the following subsection:

Exception

(1.1) Despite subsection (1), the Commission is not required to publish an agreement, memorandum of understanding or arrangement if the principal purpose of the agreement, memorandum of understanding or arrangement relates to,

(a) the provision of products or services by a party not named in subsection (1);

(b) the sharing of costs incurred by a party named in subsection (1); or

(c) the provision of services by, or the temporary transfer of, an employee of a party named in subsection (1).

(2) Subsection 143.10 (2) of the Act is amended by adding at the end "or, if publication under subsection (1) is not required, within 60 days after it is delivered to the Minister".

(3) Subsection 143.10 (4) of the Act is repealed and the following substituted:

Same

(4) If the Minister does not approve or reject the agreement, memorandum of understanding or arrangement within the 60-day period described in subsection (2), it comes into effect on the date specified in it or, if no date is specified, upon the expiry of that 60-day period.

(4) Subsection 143.10 (6) of the Act is repealed.

Commencement

15. (1) Subject to subsection (2), this Schedule comes into force on the day the *Budget Measures and Interim Appropriation Act, 2007* receives Royal Assent.

Same

(2) Sections 1, 3, 4, 5, 6, 8, 9, 10, 11 and 13 come into force on a day to be named by proclamation of the Lieutenant Governor.

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Ascendant Copper Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 29, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
$15,000,000.00 to $20,000,000.00 - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Laurentian Bank Securities Inc.
Raymond James Ltd.
Dundee Securities Corporation
Jennings Capital Inc.
Promoter(s):
-
Project #1109410

Issuer Name:
Bell Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Shelf Prospectus dated May 22, 2007
Mutual Reliance Review System Receipt dated May 23, 2007
Offering Price and Description:
$3,000,000,000.00 - Debt Securities (Unsecured) Unconditionally guaranteed as to payment of principal, interest and other payment obligations by BCE Inc.
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1106063

Issuer Name:
Boralex Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 23, 2007
Mutual Reliance Review System Receipt dated May 23, 2007
Offering Price and Description:
$100,000,005.00 - 6,666,667 Class A Shares Price: $15.00 per Class A Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
National Bank Financial Inc.
GMP Securities L.P.
CIBC World Markets Inc.
Desjardins Securities Inc.
TD Securities Inc.
Promoter(s):
-
Project #1106716

Issuer Name:
C Level II International Holding Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated May 22, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
Minimum Offering: $500,000.00 or 5,000,000 Common Shares; Maximum Offering: $1,000,000.00 or 10,000,000 Common Shares Price: $0.10 per share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #1105931

Issuer Name:
Co-operators General Insurance Company
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 28, 2007
Mutual Reliance Review System Receipt dated May 28, 2007
Offering Price and Description:
$100,000,000.00 - (4,000,000 Shares) Non-Cumulative Redeemable Class E Preference Shares, Series C
Price: $25.00 per Series C Preference Share to yield 5.00%
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #1108655

Issuer Name:
Continental Nickel Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 28, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
$13,500,00.00 to $16,500,000.00 - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Promoter(s):
Goldstream Mining NL
Project #1109121

Issuer Name:
Copernican British Banks Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 22, 2007
Mutual Reliance Review System Receipt dated May 24, 2007
Offering Price and Description:
Maximum $ * - * Units (Each Unit consisting of a Trust Unit and one-half of a Warrant for one Trust Unit)
Price: $10.00 per Unit Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Bieber Securities Inc.
Blackmont Capital Inc.
Burgeonvest Securities Limited
Laurentian Bank Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Copernican Capital Corp.
Project #1106838

Issuer Name:
Coro Mining Corp.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Prospectus dated May 23, 2007
Mutual Reliance Review System Receipt dated May 23, 2007
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
RBC Dominion Securities Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #1074196

Issuer Name:
C.A. Bancorp Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
$* - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Canccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Dundee Securities Corporation
Richardson Partners Financial Ltd.
Wellington West Capital Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
GMP Securities L.P.
Haywood Securities Inc.
Research Capital Corporation
Promoter(s):
John F. Driscoll
Project #1107931

Issuer Name:
Essential Energy Services Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
$30,000,000.00 - 4,477,612 Units Price: $6.70 per Unit
Underwriter(s) or Distributor(s):
Raymond James Ltd.
GMP Securities L.P.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Orion Securities Inc.
Acumen Capital Finance Partners Inc.
Blackmont Capital Inc.
Promoter(s):
-
Project #1108278

Issuer Name:
Excel India Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 24, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
CIBC World Market Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Berkshire Securities Inc.
Blackmont Capital Inc.
IPC Securities Corporation
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
Excell Funds Management Inc.
Project #1108849

Issuer Name:
Focused Global Trends Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 28, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
$* - * Maximum $10.00 per Class A Combined Unit $ * - * Maximum $10.00 per Class F Combined Unit
Each Class A Combined Unit consists of one Class A Unit and one-half of a Warrant for one Class A Unit.
Each Class F Combined Unit consists of one Class F Unit and one-half of a Warrant for one Class F Unit.
Price: $10.00 per Class A Combined Unit Minimum Purchase: 100 Class A Combined Units
Price: $10.00 per Class F Combined Unit Minimum Purchase: 100 Class F Combined Units
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #1109644

Issuer Name:
Fortune Valley Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated May 24, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
$ * - * Units Price: $0.45 Per Unit
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
MICHAEL J. GINGLES
JOE KAJSZO
MAX ALBERTO OEMICK
WILLIAM C. HOWALD
Project #1108194

Issuer Name:
Iseemedia Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 29, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
$8,000,000.00 -10,000,000 Units Price: $.80 per Unit
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Orion Securities Inc.
Wellington West Capital Markets Inc.
Promoter(s):
Anthony DeCristofaro
Project #1109946

Issuer Name:
Jura Energy Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 23, 2007
Mutual Reliance Review System Receipt dated May 23, 2007
Offering Price and Description:
$30,015,000.00 - 26,100,000 Common Shares Price: $1.15 per Common Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Westwind Partners Inc.
Promoter(s):
-
Project #1106703

Issuer Name:
Mavrix Multi Series Fund Ltd. - Global Enterprise Series
Mavrix Multi Series Fund Ltd. - Growth Series
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 23, 2007
Mutual Reliance Review System Receipt dated May 24, 2007
Offering Price and Description:
Mutual Fund Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mavrix Fund Management Inc.
Project #1107175

Issuer Name:
MD Balanced Fund
MD Bond and Mortgage Fund
MD Bond Fund
MD Dividend Fund
MD Equity Fund
MD Income & Growth Fund
MD International Growth Fund
MD International Value Fund
MD Select Fund
MD US Large Cap Growth Fund
MD US Large Cap Value Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 28, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
Class S Units
Underwriter(s) or Distributor(s):
MD Management Limited
Promoter(s):
MD Private Trust Company
Project #1108798

Issuer Name:
NovaBay Pharmaceuticals, Inc.
Principal Regulator - Ontario
Type and Date:
Second Amended and Restated Preliminary PREP Prospectus dated May 29, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
$US * - * Shares Price: $US * per Share
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Promoter(s):
-
Project #1051403

Issuer Name:
Premium Income Corporation II
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 28, 2007
Offering Price and Description:
$ * - Class A Shares and * Preferred Shares Price: $15.00 per Class A Share and $10.00 per Preferred Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
Mulvhill Capital Management Inc.
Project #1108501

Issuer Name:
RBC $U.S. Income Fund
RBC $U.S. Money Market Fund
RBC Canadian Money Market Fund
RBC Canadian T-Bill Fund
RBC Global Resources Fund
RBC Canadian Short-Term Income Fund
RBC Bond Fund
RBC O'Shaughnessy Canadian Equity Fund
RBC O'Shaughnessy All-Canadian Equity Fund
RBC Global Consumer and Financials Fund
RBC Global Technology Fund
RBC Life Science and Technology Fund
RBC Global Energy Fund
RBC Global Health Sciences Fund
RBC Canadian Equity Fund
RBC Monthly Income Fund
RBC Global Bond Fund
RBC Global Corporate Bond Fund
RBC Global High Yield Fund
RBC Tax Managed Return Fund
RBC Canadian Diversified Income Trust Fund
RBC North American Growth Fund
RBC North American Value Fund
RBC U.S. Equity Fund
RBC U.S. Equity Currency Neutral Fund
RBC U.S. Mid-Cap Equity Currency Neutral Fund
RBC U.S. Mid-Cap Equity Fund
RBC O'Shaughnessy U.S. Growth Fund
RBC O'Shaughnessy U.S. Value Fund
RBC Asian Equity Fund
RBC European Equity Fund
RBC O'Shaughnessy International Equity Fund
RBC International Equity Fund
RBC O'Shaughnessy Global Equity Fund
RBC Balanced Growth Fund
RBC Jantzi Balanced Fund
RBC Jantzi Canadian Equity Fund
RBC Jantzi Global Equity Fund
RBC Balanced Fund
RBC Canadian Dividend Fund
RBC Global Titans Fund
RBC North American Dividend Fund
RBC Target 2025 Education Fund
RBC Global Precious Metals Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 28, 2007
Mutual Reliance Review System Receipt dated May 28, 2007
Offering Price and Description:
Series A, D, F, T, O and I Units
Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc.
RBC Direct Investing Inc.
Royal Mutual Funds Inc.
RBC Asset Management Inc.
RBC Dominion Securities Inc.
Royal Mutual Funds Inc./RBD Direct Investing Inc.
Promoter(s):
RBC Asset Management Inc.
Project #1108387

Issuer Name:
Redcorp Ventures Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
Up to $240,000,000.00 - Up to 140,000 Series D Subscription Receipts and Up to * Series E Subscription Receipts
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Octagon Capital Corporation
Blackmont Capital Inc.
MGI Securities Inc.
Promoter(s):
-
Project #1107927

Issuer Name:
Riverside Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated May 23, 2007
Mutual Reliance Review System Receipt dated May 28, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #1108257

Issuer Name:
Sereno Capital Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated May 24, 2007
Mutual Reliance Review System Receipt dated May 24, 2007
Offering Price and Description:
$300,000.00 - 1,500,000 Common Shares at a price of $0.20 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Envoy Capital Group Inc.
Project #1107074

Issuer Name:
Sino-Forest Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 28, 2007
Mutual Reliance Review System Receipt dated May 28, 2007
Offering Price and Description:
$175,835,000.00 - 13,900,000 Common Shares Price: $12.65 per Common Share
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
CIBC World Markets Inc.
Merrill Lynch Canada, Inc.
Credit Suisse Securities (Canada) Inc.
UBS Securities Canada Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #1108525

Issuer Name:
TeraGo Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated May 24, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Genuity Capital Markets G.P.
Canaccord Capital Corporation
Wellington West Capital Markets Inc.
Orion Securities Inc.
Promoter(s):
-
Project #1104644

Issuer Name:
Terrane Metals Corp.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated May 23, 2007
Mutual Reliance Review System Receipt dated May 23, 2007
Offering Price and Description:
$20,020,000.00 - 30,800,000 Units $5,000,000 - 6,250,000 Flow-Through Shares
Price: $0.65 per Unit and $0.80 per Flow-Through Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Genuity Capital Markets
Haywood Securities Inc.
Blackmont Capital Inc.
Promoter(s):
-
Project #1105845

Issuer Name:
Value Partners Canadian Equity Pool
Value Partners Canadian Income Pool
Value Partners Foreign Equity Pool
Principal Regulator - Manitoba
Type and Date:
Preliminary Simplified Prospectuses dated May 28, 2007
Mutual Reliance Review System Receipt dated May 28, 2007
Offering Price and Description:
Series B, F and Cardinal Series Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Value Partners Investments Inc.
Project #1108529

Issuer Name:
West Energy Ltd. (formerly Rio Alto Resources International Inc.)
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 28, 2007
Mutual Reliance Review System Receipt dated May 28, 2007
Offering Price and Description:
$62,500,320.00 - 13,020,900 Common Shares Price: $4.80 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
Tristone Capital Inc.
Promoter(s):
-
Project #1108784

Issuer Name:
YPG Holdings Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
$200,000,000.00 - (8,000,000 shares) 5.00% Cumulative Redeemable First Preferred Shares, Series 2 Price: $25.00 per Series 2 Share to yield 5.00%
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #1107783

Issuer Name:
Artis Real Estate Investment Trust
Principal Regulator - Manitoba
Type and Date:
Final Short Form Prospectus dated May 29, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
$80,080,000.00 - 4,550,000 Units Price: $17.60 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Canaccord Capital Corporation
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Trilon Securities Corporation
Bieber Securities Inc.
WestWind Partners Inc.
Promoter(s):
-
Project #1104030

Issuer Name:
Caldwell Balanced Fund
Caldwell Canada Fund
Caldwell Exchange Fund
Caldwell Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 22, 2007
Mutual Reliance Review System Receipt dated May 23, 2007
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Caldwell Securities Ltd.
Promoter(s):
-
Project #1082344

Issuer Name:
Cobalt Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
Minimum Offering: 5,000 Units ($5,000,000.00); Maximum Offering: 7,000 Units ($7,000,000.00) Price: $1,000 Per Unit - Minimum Subscription: Five Units ($5,000.00)
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Dundee Securities Corporation
Jennings Capital Inc.
Promoter(s):
Mickey D. Taylor
Project #1082894

Issuer Name:
Corridor Resources Inc.
Principal Regulator - Nova Scotia
Type and Date:
Final Short Form Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
$40,002,000.00 - 3,540,000 Common Shares; and $20,020,000.00 - 1,400,000 Flow-Through Shares Price: $11.30 per Common Share $14.30 per Flow-Through Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Jennings Capital Inc.
D & D Securities Company
Beacon Securities Limited
Promoter(s):
-
Project #1104530

Issuer Name:
Duvernay Oil Corp.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
$60,525,000.00 - 1,500,000 Common Shares Price: $40.35 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
FirstEnergy Capital Corp.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Cormark Securities Inc.
Octagon Capital Corporation
Raymond James Ltd.
Promoter(s):
-
Project #1104763

Issuer Name:
EnCana Corporation
Principal Regulator - Alberta
Type and Date:
Final Short Form Shelf Prospectus dated May 24, 2007
Mutual Reliance Review System Receipt dated May 24, 2007
Offering Price and Description:
$2,000,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #1099593

Issuer Name:
Eveready Income Fund
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 28, 2007
Mutual Reliance Review System Receipt dated May 28, 2007
Offering Price and Description:
$43,500,315.00 - 8,130,900 Units Price: $5.35 per Unit
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Cormark Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #1105196

Issuer Name:
Fidelity Global Bond Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 18, 2007 to the Simplified Prospectus and Annual Information Form dated March 13, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Promoter(s):
Fidelity Investments Canada Limited
Project #1050112, 1042365

Issuer Name:
Global Uranium Fund Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 29, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
Maximum $200,000,000.00 - 20,000,000 Units @ $10.00/unit Minimum $$60,000,000.00 - 6,000,000 @ $10.00/unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Dundee Securities Corp.
IPC Securities Corporation
Research Capital Corporation
Wellington West Capital Inc.
Richardson Partners Financial Limited
Promoter(s):
Brompton Funds Management Limited
Project #1087190

Issuer Name:
Harvest Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
$200,025,000.00 - 6,350,000 Trust Units Price: $31.50 per Trust Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #1103073

Issuer Name:
MGM Energy Corp.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 23, 2007
Mutual Reliance Review System Receipt dated May 23, 2007
Offering Price and Description:
$115,261,100.00 - 37,181,000 Common Shares; and $40,040,000.00 - 10,400,000 Flow-Through Shares
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Cormark Securities Inc.
BMO Nesbitt Burns Inc.
Peters & Co. Limited
TD Securities Inc.
FirstEnergy Capital Corp.
Promoter(s):
Paramount Resources Inc.
Project #1101684

Issuer Name:
Middlefield Canadian Growth Class
Middlefield Equity Index Class
Middlefield U.S. Growth Class
Middlefield Global Growth Class
Middlefield Income Plus Class
Middlefield Resource Class
Middlefield Uranium Focused Metals Class
Middlefield Canadian Balanced Class
Middlefield Short-Term Income Class
(Classes of Middlefield Mutual Funds Limited)
Middlefield Enhanced Yield Fund
Middlefield Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated May 23, 2007
Mutual Reliance Review System Receipt dated May 24, 2007
Offering Price and Description:
Mutual Fund Shares and Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Middlefield Capital Corporation
Promoter(s):
Middlefield Fund Management Limited
Project #1095088

Issuer Name:
Neurochem Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Shelf Prospectus dated May 23, 2007
Mutual Reliance Review System Receipt dated May 23, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1098579

Issuer Name:
Picasso Inc.
Principal Regulator - Alberta
Type and Date:
Final CPC Prospectus dated May 24, 2007
Mutual Reliance Review System Receipt dated May 28, 2007
Offering Price and Description:
$1,500,000.00 - 7,500,000 Common Shares PRICE: $0.20 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Clark I. Swanson
Project #1093968

Issuer Name:
Sentry Select Primary Metals Corp.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
Maximum: $175,000,000.00 (17,500,000 Units) Each Unit consisting of a Class A Share and one full Class A Share Purchase Warrant
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Dundee Securities Corporation
GMP Securities L.P.
Richardson Partners Financial Ltd.
Wellington West Capital Inc.
Berkshire Securities Inc.
Desjardins Securities Inc.
Haywood Securities Inc.
Jory Capital Inc.
Industrial Alliance Securities Inc.
MGI Securities Inc.
Research Capital Corporation
Union Securities Ltd.
Promoter(s):
Sentry Select Capital Corp.
Project #1086937

Issuer Name:
SL Resources Inc.
Type and Date:
Final Prospectus dated May 22, 2007
Receipted on May 23, 2007
Offering Price and Description:
2,000,000 Shares ($200,00.00) $0.10 per Common Share
Underwriter(s) or Distributor(s):
Northern Securities Inc.
Promoter(s):
Robert L. Gordon
Project #1081029

Issuer Name:
True Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 24, 2007
Mutual Reliance Review System Receipt dated May 24, 2007
Offering Price and Description:
$50,020,000.00 - 8,200,000 Trust Units Price: $6.10 per Trust Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
National Bank Financial Inc.
Promoter(s):
-
Project #1103187

Issuer Name:
Vendome Capital II Corp.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 29, 2007
Offering Price and Description:
MINIMUM OFFERING: $250,000.00 or 2,500,000 Common Shares; MAXIMUM OFFERING: $350,000.00 or 3,500,000 Common Shares PRICE: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
Claude Ayache
Project #1066666

Issuer Name:
WesternOne Equity Income Fund
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 25, 2007
Mutual Reliance Review System Receipt dated May 25, 2007
Offering Price and Description:
$18,000,000.00 - 4,500,000 Units Price: $4.00 per Unit
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Dundee Securities Corporation
Canaccord Capital Corporation
Raymond James Ltd.
HSBC Securities (Canada) Inc.
Sora Group Wealth Advisors Inc.
Promoter(s):
Darren Financial Group Inc.
Project #1095813

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Berrie White Capital Corporation	Limited Market Dealer	May 23, 2007
Name Change	Old Name: P.J. Doherty & Associates Co. Ltd. New Name: Doherty & Associates Ltd.	Limited Market Dealer and Investment Counsel and Portfolio Manager.	May 23, 2007.
New Registration	Mackay Shields LLC	International Adviser (Investment Counsel And Portfolio Manager)	May 28, 2007
New Registration	London House Capital Management Inc.	Limited Market Dealer	May 29, 2007
New Registration	Kirchner Investment Management Corporation	Limited Market Dealer	May 29, 2007
Change of Registration Category	Lazard Asset Management (Canada), Inc.	From: Non-Canadian Adviser (Investment Counsel & Portfolio Manager) To: Non-Canadian Adviser (Investment Counsel & Portfolio Manager) & Limited Market Dealer.	May 29, 2007

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Hearing Panel Approves Settlement Agreement with IQON Financial Inc.

NEWS RELEASE
For immediate release

MFDA HEARING PANEL APPROVES
SETTLEMENT AGREEMENT WITH
IQON FINANCIAL INC.

May 25, 2007 (Vancouver, British Columbia) – A Settlement Hearing in the matter of IQON Financial Inc. was held yesterday before a Hearing Panel of the Pacific Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA"). The Hearing Panel approved the Settlement Agreement between the MFDA and IQON Financial Inc. The following is a summary of the Orders made by the Hearing Panel:

- A fine in the amount of $100,000;
- Costs in the amount of $7,500; and
- The Respondent shall retain an independent monitor to address deficiencies in its trade supervision and compliance in accordance with the terms set out in Schedule "B" of the Settlement Agreement.

The Hearing Panel advised that an Order will be issued in due course. The Order will contain amendments to the version attached as Schedule "A" to the Settlement Agreement, as requested by the Hearing Panel.

A copy of the Settlement Agreement with IQON Financial Inc. is available on the MFDA website 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 162 Members and their approximately 75,000 Approved Persons 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

13.1.2 MFDA Central Regional Council Hearing Panel Makes Findings Against John Quigley

NEWS RELEASE
For immediate release

MFDA CENTRAL REGIONAL COUNCIL
HEARING PANEL MAKES FINDINGS AGAINST
JOHN QUIGLEY

May 28, 2007 (Toronto, Ontario) – A disciplinary hearing in the matter of John Quigley was held today before a Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") in Toronto, Ontario.

The Hearing Panel made the following orders at the conclusion of the hearing and advised that it would issue written reasons for its decision in due course:

- A permanent prohibition on the authority of Mr. Quigley to conduct securities-related business in any capacity;
- Fines in the aggregate amount of $290,000; and
- Costs in the amount of $7,500

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 162 Members and their approximately 75,000 Approved Persons 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

13.1.3 MFDA issues Notice of Settlement Hearing regarding Rodney Jacobson

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF SETTLEMENT HEARING
REGARDING RODNEY JACOBSON

May 28, 2007 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has issued a Notice of Settlement Hearing regarding the presentation, review and considerations of a proposed settlement agreement by the Prairie Regional Council.

The settlement agreement will be between staff of the MFDA and Rodney Jacobson and involves matters for which Rodney Jacobson may be disciplined by the Regional Council, pursuant to MFDA By-laws.

The subject matter of the proposed settlement agreement concerns allegations that Mr. Jacobson failed to deal fairly, honestly and in good faith with two clients, acted contrary to the public interest and breached his obligations under s. 22 of MFDA By-Law No. 1 during the course of the MFDA investigation into his conduct.

The hearing is scheduled to commence at 10:00 a.m. on Monday, June 11, 2007 at a Hearing Room located at the Fairmont Palliser, 133 9th Avenue SW, Calgary, Alberta. The hearing is open to the public except as may be required for the protection of confidential matters. A copy of the Notice of Settlement Hearing is available on the MFDA website 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 162 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

13.1.4 TSX Inc. Notice - Approval of Amendments to the Rules of the Toronto Stock Exchange: Part 6 – Exchange Take-Over Bids and Exchange Issuer Bids

TSX INC. NOTICE

APPROVAL OF AMENDMENTS TO
THE RULES OF THE TORONTO STOCK EXCHANGE: PART 6 –
EXCHANGE TAKE-OVER BIDS AND EXCHANGE ISSUER BIDS

Introduction

In accordance with the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals (Protocol) between the Ontario Securities Commission (OSC) and TSX Inc. (TSX), TSX has adopted and the OSC has approved certain amendments (Amendments) to Part 6 of the Rules of the Toronto Stock Exchange (Rule Book). The Amendments will become effective on June 1, 2007.

Purpose

Exchange Take-Over Bids and Substantial Issuer Bids

Over time, Toronto Stock Exchange (Exchange) has had a significant decline in the number of applications received for exchange take-over and substantial issuer bids. Over the past four years, the Exchange has not received any applications for exchange take-over or substantial issuer bids. As a result of the declining use of such bids, TSX has removed from the Toronto Stock Exchange Company Manual (Manual) the provisions for bids, other than provisions related to normal course issuer bids (NCIBs) and debt substantial issuer bids (DSIBs). The Amendments remove exchange take-over bid and (equity) substantial issuer bid provisions from the Rule Book to be consistent with the Manual deletions.

Normal Course Issuer Bids and Debt Substantial Issuer Bids

Revisions to the Manual that amend NCIB and DSIB provisions have been proposed and published for comment on numerous occasions. The most recent notice of approval for these Manual amendments was published on April 27, 2007. The Amendments import into the Rule Book portions of the revised NCIB and DSIB Manual rules that are of particular relevance to Participating Organizations.

The fundamental objectives of the NCIB and DSIB policies are to provide issuers with the ability to buy back their own securities in a cost effective way that treats public security holders fairly while not adversely impacting the market. In an attempt to balance these objectives, TSX has considered, among other things, the variances in liquidity, public float, distribution and market capitalization of TSX listed issuers.

The Amendments do not include rules relating to the use of derivatives and accelerated buy backs in connection with NCIBs. TSX has decided to postpone the implementation of these rules.

Non-Public Interest Rule

The Amendments are not considered to be a “public interest” rule. The Amendments are consistent with changes that have already been made, and are being made, to the Manual effective June 1, 2007. The public has been given the opportunity to comment on the Manual amendments that are the same in substance to the Amendments.

Amendments

The Amendments are provided in Appendix A. A table of concordance between the Rule Book and the Manual is provided in Appendix B.

Division 1 – Definitions and Interpretation

This division has been revised to conform to amendments made throughout Part 6 of the Rule Book.

Division 2 – General Rules Applicable to Bids

This division has been repealed. Rules about DSIBs are now located in division 4. Rules about NCIBs are now located in division 5.

Division 3 – Special Rules Applicable to Stock Exchange Take-Over Bids

This division has been repealed.

Division 4 – Debt Substantial Issuer Bids

This division has been revised to focus solely on DSIBs instead of substantial issuer bids generally. Cross-reference is made to sections 628 and 629.2 of the Manual.

Division 5 – Normal Course Issuer Bids

This division clarifies the broker's role and obligations in an NCIB. Cross-reference is made to sections 628, 629 and 629.1 of the Manual.

Division 6 – Powers of the Exchange

This division has been revised to conform to amendments made throughout Part 6 of the Rule Book.

Timing and Transition

Because the Amendments are not considered to be a public interest rule, in accordance with the Protocol, the Amendments were deemed to be approved by the OSC at the time TSX filed its Amendments submission on May 25, 2007**.** The Amendments will become effective on June 1, 2007 (the Effective Date).

As of the Effective Date:

1. all Notices of Intention to make a NCIB or DSIB **filed on or after the Effective Date** must be made in accordance to the Manual amendments;

2. Issuer Bids whose commencement date was prior to the Effective Date, or which TSX has accepted notice thereof in writing prior to the Effective Date but have not yet commenced, may comply with the former rules until the expiry of the bid; and

3. Issuer Bids that are eligible to be grandfathered under the former rules may choose to comply with the Manual amendments and the Amendments, provided that a revised Notice of Intention is accepted by TSX and a news release reflecting the revisions is released at the time of acceptance.

For further transition information, see section 629.3 in the Manual.

APPENDIX A
Rules of the Toronto Stock Exchange

Amendments to Part 6 – Exchange Take-Over Bids and Exchange Issuer Bids

The Rules of the Toronto Stock Exchange are amended as follows:

1. Rule 6-101 is amended by:

(a) deleting the definitions "average bid value", "bid", "closing price", "competing stock exchange take-over bid", "insider bid", "last bid", "market price", "normal course purchase", "notice", "ranking bid", "shares sought", "shares not sought", "stock exchange take-over bid", "substantial issuer bid", and "take-over bid".

(b) adding the following definition of "average daily trading volume":

"**average daily trading volume**" or "**ADTV**" means the trading volume on the Exchange for the most recently completed six calendar months preceding the date of acceptance of the notice of normal course issuer bid by the Exchange, excluding any purchases made by the listed issuer through the facilities of the Exchange under its normal course issuer bid during such six months, divided by the number of trading days for the relevant six months. In the case of listed securities which have been listed on the Exchange for a period of less than six months, the ADTV for such securities shall be based on the period since the date of listing, but must be at least four weeks preceding the date of acceptance of the notice of normal course issuer bid by the Exchange.

(c) adding the following definition of "block":

"**block**" means a quantity of securities that either:
(a) has a purchase price of $200,000 or more; or
(b) is at least 5,000 securities and has a purchase price of at least $50,000; or
(c) is at least 20 board lots of the security and total 150% or more of the ADTV for that security,
and are not owned, directly or indirectly, by an insider of the listed issuer.

(d) adding the following definition of "broker":

"**broker**" means the Participating Organization designated by the listed issuer to make all purchases of listed securities for the purposes of the normal course issuer bid.

(e) revising the following definition of "circular bid":

~~"~~"**circular bid**"~~"~~ means a formal take-over bid or ~~an~~a formal issuer bid made in compliance with the requirements of Part XX of the *Securities Act* ~~or, if applicable, Part XVII of the *Canada Business Corporations Act*~~.

(f) adding the following definition of "debt substantial issuer bid":

"**debt substantial issuer bid**" means an issuer bid, other than a normal course issuer bid, for debt securities that are not convertible into securities other than debt securities.

(g) adding the following definition of "insider":

"**insider**" has the same definition found in section 601 of the Company Manual.

(h) adding the following definition of "investment fund":

"**investment fund**" has the same definition found in National Instrument 51-102 *Continuous Disclosure Obligations*.

(i) revising the definition of "issuer bid" by:

(i) inserting "made through the facilities of the Exchange," after "means an offer";

(ii) replacing "company" with "issuer"; and

(iii) inserting "the" before "instrument".

(j) revising the following definition of "normal course issuer bid":

""**normal course issuer bid**"" means an issuer bid by a listed issuer to acquire its listed securities where the purchases (other than purchases by way of a substantial issuer bid):

(a) if the issuer is not an investment fund, do not, when aggregated with all other purchases by the listed issuer during the same trading day, aggregate more than the greater of: (i) 25% of the average daily trading volume of the listed securities of that class; and (ii) 1,000 securities;

(b) (a) do not, when aggregated with the total ofif the issuer is an investment fund, do not, when aggregated with all other purchases inby the listed issuer during the preceding 30 days, whether through the facilities of a stock exchange or otherwise, aggregate more than 2% of the listed securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by the Exchange; and

(c) (b) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of:

(i) 10% of the public float, on the date of acceptance of the notice of normal course issuer bid by the Exchange; or

(ii) 5% of such class of securities issued and outstanding on the date of acceptance of the notice of normal course issuer bid by the Exchange, excluding any securities held by or on behalf of the listed issuer on the date of acceptance of the notice of normal course issuer bid by the Exchange, whether such purchases are made through the facilities of a stock exchange or otherwise.

and for the purposes of (b) and (c), whether such purchases are made through the facilities of a stock exchange or otherwise, but excluding purchases made under a circular bid.

(k) replacing in the definition of "principal shareholder" the word "shareholder" with "securityholder", the word "company" with "listed issuer", and the word "shares" with "securities".

(l) revising the following definition of "public float":

""**public float**"" means the number of sharessecurities of the class which are issued and outstanding, less the number of shares of the classsecurities that are pooled, escrowed or non-transferable, and less the number of securities of the class, known to the issuer after reasonable inquiry, beneficially owned, or over which control or direction is exercised by:

(a) the listed issuer;

(b) (a) every senior officer or director of the listed company;issuer; and

(c) (b) every principal shareholdersecurityholder of the listed company; andissuer.

(c) the number of shares that are pooled, escrowed or non-transferable.

2. Rule 6-102 is amended as follows:

6-102 Interpretation

(1) For the purposes of this Part, a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted.

(2) For the purposes of this Part,

(2) (a) For the purposes of this Part, in determining the beneficial ownership of securities of an offerora security holder or of any person or company acting jointly or in concert with the offeror shall be determined in accordance with section 90 of the *Securities Act*; and

~~(b) where any~~security holder, at any given date, the security holder, person or company ~~is deemed by Rule 6-102(2)(a) to~~shall be deemed to have acquired and be the beneficial owner of ~~unissued securities, the number of outstanding securities of a class in respect of an offer to acquire shall be determined in accordance with subsection 90(3) of the *Securities Act*~~a security if the security holder, person or company is the beneficial owner of any issued security on that date.

(3) For the purposes of this Part, ~~whether~~in calculating the number of securities acquired by the listed issuer, securities purchased by a person or company ~~is~~ acting jointly or in concert with ~~an offeror shall be~~the listed issuer, as determined in accordance with section 91 of the *Securities Act*, during the period of an outstanding normal course issuer bid will be included.

(4) For the purposes of this Part, the number of securities that may be acquired by a listed issuer shall be adjusted to account for stock splits, consolidations and stock dividends, or other similar events.

(5) For the purposes of section 93(3)(e) of the *Securities Act*, an issuer bid may only be completed as a normal course issuer bid in accordance with sections 629 and 629.1 of the Company Manual. A debt substantial issuer bid may only be completed in accordance with section 629.2 of the Company Manual

3. Rules 6-201 to 6-207 inclusive and Policy 6-201 are repealed.

4. Rules 6-301 to 6-305 inclusive are repealed.

5. Division 4 is renamed “Debt Substantial Issuer Bids”.

6. Rule 6-401 is amended by:

(a) renaming it “Debt Substantial Issuer Bids”; and

(b) deleting the text of the rule and replacing it with “A debt substantial issuer bid shall be made in accordance with the prescribed terms and procedures set out in sections 628 and 629.2 of the Company Manual.”

7. Rule 6-402 is amended by renaming it “Special Procedures for Debt Substantial Issuer Bids”.

8. Rule 6-402(1) is amended by:

(a) inserting “debt” before “substantial”;

(b) deleting “for securities that are neither voting nor equity securities” before “provided”; and

(c) replacing “shareholders” with “securityholders”.

9. Rule 6-402 subsections (2) to (7) inclusive are deleted and replaced by the following:

2. ~~(6)~~ A book for receipt of tenders to the debt substantial issuer bid shall be opened on the Exchange not sooner than the ~~twenty-first~~thirty-fifth calendar day after the date on which notice of the bid is accepted by the Exchange and at such time, and for such length of time, as may be determined by the Exchange.

3. Where in a debt substantial issuer bid, more securities are tendered than the number of securities sought, the listed issuer shall take up a proportion of all securities tendered equal to the number of securities sought divided by the number of securities tendered, and Participating Organizations shall make allocations in respect of securities tendered in accordance with the instructions of the Exchange.

4. In respect of a debt substantial issuer bid:

(a) no Participating Organization shall knowingly assist or participate in the tendering of more securities than are owned by the tendering party; and

(b) tendering, trading and settlement by Participating Organizations shall be in accordance with such rules as the Exchange shall specify to govern each bid.

5. A Participating Organization acting jointly or in concert with the listed issuer shall not enter into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the listed issuer

subject to the bid that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

10. Rule 6-501 is amended by adding these words after "procedures": "set out in sections 628, 629 and 629.1 of the Company Manual and the provisions of this Rule and Policy."

11. Policy 6-501(1) is amended by renaming it "Requirements" and by deleting the text in subsection (1) to (14) inclusive and replacing it with the following:

The Exchange has set the following rulesA full list of requirements for listed issuers andis set out in sections 629 and 629.1 of the Company Manual. Participating Organizations, when acting as a broker making purchases on their own behalf of a listed issuer pursuant to a normal course issuer bid, must comply with the following requirements that are imposed on listed issuers in sections 629 and 629.1 of the Company Manual:

1. ***Price Limitations*** - It is inappropriate for ana listed issuer making a normal course issuer bid to abnormally influence the market price of its sharessecurities. Therefore, purchases made by listed issuers pursuant to a normal course issuer bid other than purchases made in the eVWAP Facility or the POSIT Call Market or in the Closing Call shall be made at a price which is not higher than the last independent trade of a board lot of the class of sharessecurities which is the subject of the normal course issuer bid. In particular, the following are not "independent trades":

(a) trades directly or indirectly for the account of (or an account under the direction of) an insider of the issuer, or any associate or affiliate of either the issuer or an insider of the issuer;

(b) trades for the account of (or an account under the direction of) the Approved Trader making purchases for the bid; andbroker making purchases for the bid;

(c) trades solicited by the Approved Trader making purchases for the bid.broker making purchases for the bid; and

Amended (March 29, 2004)

(d) trades directly or indirectly by the broker making purchases for the bid which are made in order to facilitate a subsequent block purchase by the issuer at a certain price.

2. ***Prearranged Trades*** - It is important to investor confidence that all holders of identical sharessecurities be treated in a fair and even-handed manner by the listed issuer. Therefore, aan intentional cross or pre-arranged trade under a normal course issuer bid is not permitted where the seller is an insider of the issuer, an associate of an insider, or an associate or affiliate of the issuer, unless such trade is made in connection with the block purchase exception.

3. ***Private Agreements*** - It is the view of the Exchange that it is in the interest of shareholderssecurity holders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the *Securities Act*, which provides very limited exemptions for private agreement purchases. The Exchange, therefore, will not normally accept a notice which indicates thatTherefore, purchases willmust be made other than by means of open market transactions.

4. ***Sales from Control*** -. Purchases pursuant to a normal course issuer bid shall not be made from a person or company effecting a sale from control block pursuant to subsection 72(7) of thePart 2 of Multilateral Instrument 45-102 *Resale of Securities Act* and Policy 4-305 on Sales from Control Blocks Through the Facilities of the Exchangeand sections 630-633 of the Company Manual. It is the responsibility of the Participating Organizationbroker acting as agent for the listed issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a Participating Organizationbroker is offering the same class of securities of the listed issuer under a sale from control.

5. ***Purchases During a Take-OverCircular Bid*** - An A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a take-overcircular bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof. This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan. In addition, if the listed issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid

~~pursuant to OSC Policy 9.3.~~other than those permitted by OSC Rule 48-501 *Trading During Distributions, Formal Bids and Share Exchange Transactions*.

~~(10) Participating Organization~~

6. ***Undisclosed Material Information*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid while the listed issuer possesses any material information which has not been disseminated. Reference is made to the Exchange's Timely Disclosure Policy (in Part 4 of the Company Manual) in this regard. This restriction does not apply to normal course issuer bids carried out pursuant to automatic securities purchase plans established by the listed issuer in accordance with applicable securities laws, particularly Section 175 if Regulation 1015 of the *Securities Act*. All such plans must be precleared by the Exchange prior to implementation. See OSC Staff Notice 55-701- *Automatic Securities Dispositions Plans and Automatic Securities Purchase Plans*, or any successor notice, policy or instruments, for additional guidance.

7. ***Block Purchase Exception*** – A listed issuer may make one block purchase per calendar week which exceeds the daily repurchase restriction contained in subsection 628(a)(ix)(a) of the Company Manual, subject to maximum annual aggregate limits. Once the block purchase exception has been relied on, the listed issuer may not make any further purchases under the normal course issuer bid for the remainder of that calendar day.

8. ***Purchases at the Opening and Closing*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid at the opening of a trading session, or during the 30 minutes before the scheduled close of a trading session. However, notwithstanding Policy 6-501(1)(1), purchases of securities pursuant to a normal course issue bid may be effected through the Exchange's Market-On-Close facility.

9. ***Time Period*** – A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

(2) Broker

~~The~~A listed issuer shall appoint only one ~~Participating Organization~~broker at any one time as its broker to make purchases. The listed issuer shall inform the Exchange in writing of the name of the responsible broker~~. The Participating Organization~~ and registered representative. The broker shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions ~~of this Policy~~herein, the provisions of sections 628, 629 and 629.1 of the Company Manual, and the terms of such notice~~. The Exchange will look to its Participating Organizations to make purchases in accordance with such instructions~~. To assist the Exchange in its surveillance function, the listed issuer is required to receive ~~the~~prior written consent of the Exchange where it intends to change its broker.

~~(11) Powers of the Exchange~~

~~The powers of the Exchange with respect to normal course issuer bids are set out in Rule 6-601. They include the power to exempt any person from Exchange Requirements where in the opinion of the Exchange, it would not be prejudicial to the public interest to do so. Blanket exemptions will only be granted after prior discussions with and the concurrence of the Commission.~~

(3)~~(12) Suspension for~~ Non-Compliance

Failure of a broker making purchases pursuant to a normal course issuer bid to comply with any requirement herein or in sections 629 and 629.1 of the Company Manual may result in the suspension of the bid.

12. Rule 6-601(a) is amended by:

(a) replacing "company" with "listed issuer";

(b) replacing "stock exchange take-over bid" with "debt"; and

(c) deleting ",normal course purchase".

13. Rule 6-601(b) is amended by replacing "company" with "listed issuer".

14. Rule 6-601(c) is revised as follows:

(c) delay the date upon which the book in respect of a ~~stock exchange take-over bid or~~debt substantial issuer bid is to be opened to such date as it may, in its discretion, determine on the occurrence of any of the following:

(i) the announcement or making of a ~~competing stock exchange bid or~~ circular bid for securities of the same ~~offeree~~listed issuer,

(ii) the ~~acceptance of a notice of change or a notice of amendment of the terms of the stock exchange take-over bid or of a competing bid, or the~~ announcement of a change in the terms of a circular bid for securities of the same ~~offeree~~listed issuer, or

(iii) any other event that, in the opinion of the Exchange, justifies such a delay;

15. Rule 6-601(d) is amended by:

(a) replacing “an offeror” with “a listed issuer”;

(b) replacing “stock exchange take over bid or” with “debt”; and

(c) replacing “referred to in Rule 6-207;” with “of a material change; and”.

16. Rule 6-601(e) is deleted and replaced with former rule 6-601(g).

17. Rule 6-601(f) is deleted.

APPENDIX B
TABLE OF CONCORDANCE

Topic	TSX Trading Rule Section	TSX Company Manual Section
Definitions	Rule 6-101	628(a)
Interpretation	Rule 6-102	628(b) and (c)
Debt Substantial Issuer Bids	Rule 6-401	629.2
Special Procedures for Debt Substantial Issuer Bids	Rule 6-402(1) Rule 6-402(2) Rule 6-402(3) Rule 6-402(4) Rule 6-402(5)	629.2(a) 629.2(d) 629.2(e) 629.2(f) 629.2(g)
Normal Course Issuer Bids	Rule 6-501 Policy 6-501(1)(1) Policy 6-501(1)(2) Policy 6-501(1)(3) Policy 6-501(1)(4) Policy 6-501(1)(5) Policy 6-501(1)(6) Policy 6-501(1)(7) Policy 6-501(1)(8) Policy 6-501(1)(9) Policy 6-501(2) Policy 6-501(3)	629(a) 629(l)(1) 629(l)(2) 629(l)(3) 629(l)(4) 629(l)(5) 629(l)(6) 629(l)(7) 629(l)(8) 629(e) 629(m) 629(n)

13.1.5 TSX Notice of Approval - Housekeeping Amendments to the TSX Company Manual

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

HOUSEKEEPING AMENDMENTS TO THE TORONTO STOCK EXCHANGE COMPANY MANUAL

Introduction

In accordance with the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals between the Ontario Securities Commission (the "OSC") and Toronto Stock Exchange ("TSX"), TSX has adopted and the OSC has approved, various amendments (the "Amendments") to the TSX Company Manual (the "Manual"). The Amendments are housekeeping in nature and therefore, are considered non-public interest amendments.

Reasons for the Amendments

The Amendments have been made to TSX Form 4 – Personal Information Form ("PIF") and Declaration. The Amendments revise the form of consent which is required by the Ontario Provincial Police ("OPP") in order for them to execute a criminal record check. The Amendments also delete references to Market Regulation Services Inc. ("RS") because investigative research functions have been moved from RS to TSX effective June 1, 2007.

Summary of the Amendments

There are no changes being made to the rules. Changes are being made only to Form 4 in Appendix H of the Manual. The changes to the PIF and Declaration are minimal. References to the OPP's consent form are being changed to reflect the form's new name – "Release and Discharge Relating to Consent to Disclosure of Criminal Record Information".

Personal Information Form

A new section 1(g) of the PIF has been added which requires the individual to provide a photocopy of his/her government issued photo identification (e.g. Driver's License or Passport). This is a new OPP requirement.

Exhibit 1 to the PIF is the OPP's new consent form. The new form includes revised release and discharge language as well as a more succinct consent to the release of criminal record information. References to RS have been deleted as RS will no longer be providing investigative research services for TSX as of June 1, 2007.

Declaration

Exhibit 1 to the Declaration is identical to the PIF's Exhibit 1. Therefore, the changes made to the Declaration's Exhibit 1 are the same as those described above for the PIF Exhibit 1. The Declaration itself has been revised to reflect the new name of the OPP consent form and to add a bracket that was missing in part (b) of the statutory declaration.

Text of Amendments

The Amendments are attached as **Appendix A**.

Effective Date

The Amendments become effective on **June 1, 2007**.

Appendix A

Non-Public Interest Amendments to the TSX Company Manual

Appendix H

1. In Appendix H, Form 4 – Personal Information Form is amended as follows:

   (I) In the paragraph on the cover page subtitled "The Form", the second paragraph has been revised to read as follows:

   "**In all cases the Release and Discharge Relating to Consent to Disclosure of Criminal Record Information, which is attached as Exhibit 1, must be completed.**";

   (II) Question 1(G) has been added:

   "G. A photocopy of a piece of identification issued by a government authority (such as a driver's license or passport) that is acceptable to the Exchange, is legible and contains a recognizable photograph of you taken within the last 5 years, must be attached. If the piece of identification is not a passport, it must contain your full given name, surname, date of birth, gender and current mailing address. Check this box if attached."; and

   (III) Exhibit 1 formerly titled "Consent for Disclosure of Criminal Record Information" has been renamed "Release and Discharge Relating to Consent to Disclosure of Criminal Record Information." The new Exhibit 1 is attached hereto as Exhibit 1.

2. In Appendix H, the Declaration is amended as follows:

   (I) In the first paragraph, the final two sentences are revised as follows:

   "**In all cases, Exhibit 1 – Release and Discharge Relating to Consent to ~~Consent for~~ Disclosure of Criminal Record Information, must be completed and a photocopy of a piece of identification issued by a government authority (such as a driver's license or passport) that is acceptable to the Exchange, is legible and contains a recognizable photograph of the individual taken within the last 5 years, must be attached. If the piece of identification is not a passport, it must contain the individual's full given name, surname, date of birth, gender and current mailing address.**"

   (II) In paragraph (b) a bracket has been added after the reference to ("SRAs"); and

   (III) Exhibit 1 formerly titled "Consent for Disclosure of Criminal Record Information" has been renamed "Release and Discharge Relating to Consent to Disclosure of Criminal Record Information." The new Exhibit 1 is attached hereto as Exhibit 1.

EXHIBIT 1

TSX

TORONTO STOCK EXCHANGE COMPANY MANUAL

EXHIBIT 1: RELEASE AND DISCHARGE RELATING TO CONSENT TO DISCLOSURE OF CRIMINAL RECORD INFORMATION

ONTARIO Provincial Police

Release and Discharge Relating to Consent to Disclosure of Criminal Record Information

Surname	Given Name	Middle Name	Date of Birth *(dd/mmm/yyyy)*	☐ Male ☐ Female

Previous Surnames *(eg. Former marriage, maiden)*

Address *(number, street, apt., lot, concession, township, rural route #, city, postal code)*

Occupation

I hereby authorize the Ontario Provincial Police (the OPP) to release records of criminal convictions for which a pardon has not been granted, records of discharges which have not been removed from the CPIC system in accordance with the Criminal Records Act, and records of outstanding criminal charges of which the OPP is aware, to the person(s) listed below.

Name	Title
Jim Manderville	**Manager, Investigative Research**
Mary Lorimer	**Supervisor, Investigative Research**
Lois Badley	**Supervisor, Investigative Research**

Department and Branch

Compliance & Disclosure

Name of Organization

Toronto Stock Exchange

RELEASE AND DISCHARGE

I hereby release and forever discharge Her Majesty the Queen in right of Ontario, the Commissioner of the Ontario Provincial Police and all members and employees of the OPP from any and all actions, claims and demands for damages, loss or injury howsoever arising which may hereafter be sustained by myself as a result of the disclosure of information by the OPP to the above named organization.

I acknowledge that information so disclosed may be confirmed only by a comparison of the fingerprints on file to which the information relates and my fingerprints.

SIGNATURE DATE

Declaration
(as at June 1, 2007)

TORONTO STOCK EXCHANGE COMPANY MANUAL

CONFIDENTIAL

This record and the information contained therein, is being provided in confidence and shall not be disclosed to any person with the exception of the person(s) named above without the express written consent of the Commissioner of the OPP.

Based on a name check only, and having a birth date as provided above – a records check:

☐ fails to reveal any record relating to the above subject.

☐ indicates the following information may relate to the above subject.

Details cannot be certified as relating to the subject of inquiry, without a fingerprint comparison.

LE 219 (Rev. 12/05)

Declaration
(as at June 1, 2007)

13.1.6 Notice and Request for Comment – Application to Vary the Recognition and Designation Order of CDS as a Clearing Agency

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED ("CDS Ltd.")

And

CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS Clearing")

(collectively, "CDS")

APPLICATION TO VARY THE RECOGNITION AND DESIGNATION OF CDS AS A CLEARING AGENCY

NOTICE AND REQUEST FOR COMMENT

A. INTRODUCTION

CDS has applied to the Commission for an order pursuant to section 144 of the *Securities Act* (Ontario), to vary the current recognition and designation order of CDS as a clearing agency ("Recognition Order").

The Commission is publishing for a 30-day comment period CDS's application (the "Application"). The Application includes in Appendix A, the relevant provisions of CDS's by-laws and the shareholders pooling agreement that are to be revised, and in Appendix B, a draft section 144 order ("Draft Order").

B. BACKGROUND

The board of directors of CDS at their meeting on February 2, 2007 approved certain amendments to the by-laws of CDS and the shareholders pooling agreement for recommendation to the shareholders of CDS at their meeting on April 4, 2007, where such amendments were approved with minor changes. The board of directors also approved changes to the board committees' guidelines and terms of reference.

C. DRAFT ORDER

The Draft Order would amend the Recognition Order by adding two new terms and conditions, one related to each of CDS Ltd. and CDS Clearing. In particular, the new provisions would address the number of independent directors on the board of directors and the quorum requirement for the transaction of business by the board.

D. THE COMMENT PROCESS

You are asked to provide your comments in writing and to send them on or before **July 1, 2007** to:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario
M5H 3S8
jstevenson@osc.gov.on.ca

We request that you submit an electronic version of your submission by email or on a diskette. Confidentiality of submissions cannot be maintained as a summary of written comments received during the comment period will be published.

Following the comment period, staff of the Commission will consider the comments received on the Application and Draft Order. Subject to comments received, staff will recommend that the Order be granted to CDS Ltd. and CDS Clearing.

Questions may be referred to:

Winfield Liu
Senior Legal Counsel, Market Regulation
Capital Markets,
Ontario Securities Commission
(416) 593-8250
wliu@osc.gov.on.ca

June 1, 2007

13.1.7 CDS Application Regarding Restructuring of The Canadian Depository for Securities Limited

Cindy Petlock
Manager, Market Regulation
Ontario Securities Commission
20 Queen Street West, Suite 800
Toronto, Ontario
M5H 3S8

May 14, 2007

Dear Ms. Petlock:

Re: Corporate Governance Amendments for The Canadian Depository for Securities Limited ("CDS Ltd.") and CDS Clearing and Depository Services Inc. ("CDS Clearing")

CDS Ltd. and CDS Clearing (referred to jointly as "CDS") hereby make application to the Ontario Securities Commission ("Commission") for an order of the Commission pursuant to section 144 of the Ontario Securities Act varying the recognition order of CDS dated October 17, 2006 (the "Current Order").

Current Order

Section 2 of the Current Order provides as follows:

2.0 GOVERNANCE

2.1. CDS Ltd.'s governance arrangements shall be designed to fulfill public interest requirements and to promote the objectives of its shareholders.

2.2. Without limiting the generality of the foregoing, CDS Ltd.'s governance structure shall provide for:

(a) fair and meaningful representation on its board of directors and any committee of the board of directors;

(b) appropriate representation of persons independent of the shareholders on the board of directors and any committees of the board of directors, and, for such purpose, a person is "independent" if the person is not:

(i) an associate, partner, director, officer or employee of a shareholder of CDS Ltd.,

(ii) an associate, partner, director, officer or employee of a participant of CDS Ltd. or its affiliates or an associate of such director, partner, officer or employee, or

(iii) an officer or employee of CDS Ltd. or its affiliates or an associate of such officer or employee; and

(c) appropriate qualifications, remuneration, conflict of interest guidelines and limitation of liability and indemnification protections for directors, officers and employees of CDS Ltd.

2.3. CDS Ltd. shall not, without the Commission's prior written approval, make significant changes to its governance structure or constating documents.

2.4. CDS Ltd. shall not, without the Commission's prior written approval, enter into any contract, agreement or arrangement that may limit its ability to comply with the terms and conditions contained in this Schedule "A".

Section 10 is in identical terms for CDS Clearing.

This application for a variation of the Current Order is being made in compliance with sections 2.3 and 10.3 of the Current Order and to request the amendment of the Terms and Conditions of the Current Order by the addition of new sections 2.2.1 in the following terms:

"CDS Ltd's governance structure shall provide for;

(a) at least 5 (33%) independent directors on the board of directors,

(b) a quorum of directors shall be 60% of the number of directors;"

Section 10.2.1 is requested to be in identical terms for CDS Clearing.

Governance Amendments

The Board of Directors at their meeting on February 2, 2007 approved the amendments to the By-laws of CDS and the Shareholders Pooling Agreement for recommendation to the shareholders of CDS at their meeting on April 4, 2007, where such amendments were approved with minor changes, subject to regulatory approval, which has been received from the Autorité des marchés financiers and the Bank of Canada. The Board of Directors also approved changes to the Board Committees Guidelines and Terms of Reference and a form of indemnification agreement to be entered into by the directors and officers of CDS.

The major amendments are highlighted below for your reference:

CDS By-laws

- Previously, CDS by-laws were silent in respect of the requirement for directors outside of the securities industry. "Independent director" is defined now in the proposed by-laws, as required by the Current Order (s. 1.1)
- A new section has been added in order to prevent spillover of risk to the regulated companies; CDS Limited and CDS Clearing are permitted to extend guarantees only to wholly-owned subsidiaries subject to the same regulation (s. 3.1(c))
- Existing quorum rule required one director from each of the original "industry groups", banking, trust and investment dealer to be present for a valid quorum and Board and Committee meetings. The previous quorum rule will be replaced by the requirement for 60% of directors to be present (s. 4.1)
- Audit Committee terms of reference moved from By-laws to Board Manual to be consistent with other committee mandates and permit more expeditious updating (s. 5.3)
- Addition of a new requirement for CDS to enter into indemnification agreement with directors and officers of CDS Limited and CDS Clearing (s. 7.3)

Shareholders Pooling Agreement

- Current agreement (signed October 31, 1996) updated for changes in shareholders (s. 3); since 1996 TSX has acquired the Montreal Exchange's shares in CDS and the Canadian Venture Exchange being the successor to the Vancouver and Alberta Stock Exchanges; the shareholder banks have acquired the trust industry's share in CDS.
- The Recitals have been amended to reflect the corporate restructuring of CDS on November 1, 2007, to form a holding company, CDS Limited, with three operating subsidiaries (Recitals C, D)
- Number of directors established at 15, unless otherwise resolved by shareholders; if less than 15, then shareholders must advise whose nominee position is being reduced (s. 2)
- Vancouver/Alberta Stock Exchange/TSX Venture Board seat deleted (s. 4)
- Requirement added to pooling agreement for not less than five independent directors as defined in by-law (s. 4)
- New section giving pre-emptive right to shareholders in the event of the issuance of additional shares (s. 11)

Committees Guidelines and Terms of Reference

- Powers of committees to "act on behalf of full Board between Board meetings" deleted
- No less than five members on each committee, including at least one independent director as defined in by-law
- Existing quorum rules replaced by requirement for 60% of committee directors to be present at meeting

Clean and blacklined copies of these documents have been submitted to the Commission for review. Appendix A to this letter excerpts the primary amendments which are proposed to the corporate governance documents for your convenient reference.

Submission

CDS respectfully requests the Commission to vary the Terms and Conditions to the Current Order in the form attached hereto as Appendix B.

Yours truly,

"Toomas Marley"

Toomas Marley
Chief Legal Officer

APPENDIX A

**Excerpts of Primary Amendments to
Corporate Governance Documents for
The Canadian Depository for Securities Limited ("CDS Ltd.") and
CDS Clearing and Depository Services Inc. ("CDS Clearing")**

CDS By-laws

1.1 Definitions (additional text)

"independent director" means a person who is not:

(i) an associate, partner, director, officer or employee of a shareholder of the Corporation;

(ii) an associate, partner, director, officer or employee of a participant of the Corporation or its affiliates or an associate of such director, partner, officer or employee; or

(iii) an officer or employee of the Corporation or its affiliates or an associate of such officer or employee;

3.1 (c) Borrowing Power (additional text)

Without limiting the borrowing powers of the Corporation as provided by the Act, but subject to the articles and any unanimous shareholder agreement, the Board may from time to time on behalf of the Corporation, without authorization of the shareholders: …

(c) give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation only in favour of a wholly-owned subsidiary which is subject to regulation by the same authorities and subject to substantially the same terms as the Corporation;

4.1 Number of Directors and Quorum (substantially revised text)

Subject to the articles, the Board shall consist of the number of directors specified in the articles, except that if the articles provide for a minimum and maximum number of directors, the Board shall consist of the number of directors determined from time to time by the shareholders within such minimum and maximum. Subject to Section 4.8, a sixty (60) percent majority of the number of directors so specified or determined shall constitute a quorum at any meeting of the Board.

5.3 Audit Committee (new text shown)

The Board shall elect annually from among its members an Audit Committee to consist of not less than five members, of whom a majority must be resident Canadians and at least one of whom shall be an independent director as defined in section 1.1 of this by-law.

7.3 Indemnity Agreement (additional text)

Subject to the Act, the Corporation shall be required to enter into an agreement with each director and officer of the Corporation, the purpose of which shall be the indemnification of such director or officer as referred to in section 7.2, above.

Shareholders Pooling Agreement

2. Number of Directors (substantially revised text)

The number of the directors of CDS from time to time shall be determined by unanimous resolution of the Shareholders. Until resolved otherwise by the Shareholders, the number of directors of CDS shall be 15. If the Shareholders resolve to decrease the number of directors, the Shareholders will advise CDS at the same time which Shareholder nominee(s) will be decreased in section 3 below.

4. At Least Five Independent Directors (substantially revised text)

The board of directors of CDS may nominate one officer of CDS for election as director. The board of directors of CDS shall nominate for election as independent directors not less than five individuals who satisfy the definition of

"independent director" in the by-law of CDS. Each nominee must be an individual who is not disqualified under the Act from holding office as a director.

11. Issuance of Additional Shares (additional text)

(a) **Pre-emptive Right to Shareholders.** CDS shall not issue any additional shares of CDS or its Subsidiaries, including but not limited to common, preferred, voting or non-voting shares, or any options or rights to purchase or subscribe for any such additional shares ("Additional Securities") without having first made an offer to all of the Shareholders in accordance with this section 11.

(b) **Notice to Shareholders.** If the CDS proposes to issue Additional Securities, CDS shall give notice (an "Issue Notice") to the Shareholders of the proposed issuance. The Issue Notice shall constitute an offer for subscription by each of the Shareholders of that number of the Additional Securities ("Proportionate Entitlement") which bear the same relationship to the total number of Additional Securities as the number of issued and outstanding common shares held by each such Shareholder bears to the total number of issued and outstanding common shares at the date of the Issue Notices ("Notice Date"), at the subscription price determined by the Board of Directors for the Additional Securities. Each Issue Notice shall:

(i) be made by CDS in writing and delivered concurrently in person or by facsimile transmission to all Shareholders to the address of each Shareholder as recorded in the securities register of CDS;

(ii) contain a description of the terms and conditions relating to the Additional Securities, the price at which the Additional Securities are offered and the date on which the purchase of the additional securities by the Shareholders is to be completed; and

(iii) state that any Shareholder that wishes to subscribe for less than its Proportionate Entitlement shall, in its notice of subscription, specify the number of Additional Securities (up to its Proportionate Entitlement) that it wishes to subscribe for.

The offer constituted by each Issue Notice shall be irrevocable and shall remain open for acceptance by the Shareholders for a period ("Offer Period") of ten days after the Notice Date.

(c) **Exercise of Right.** Each of the Shareholders shall have the right, exercisable by notice given to the CDS within the Offer Period, to accept the offer constituted by the Issue Notice to subscribe for its Proportionate Entitlement of the Additional Securities or, if it wishes to subscribe for less than its Proportionate Entitlement, to indicate how many Additional Securities (up to its Proportionate Entitlement) it wishes to subscribe for. If no notice is given by a Shareholder within the Offer Period, that Shareholder shall be deemed to have rejected the offer made available to it to subscribe for Additional Securities.

(d) **Unsubscribed Securities.** If any of the Shareholders does not agree to purchase all of its Proportionate Entitlement of the Additional Securities or is deemed to have rejected the offer made available to it to subscribe for Additional Securities ("Declining Offeree"), then CDS shall forthwith so notify in writing ("Additional Notice") each of the other Shareholders which has accepted the offer to subscribe for not less than its Proportionate Entitlement of the Additional Securities ("Purchasing Shareholder"). Each of the Purchasing Shareholders shall have the right to subscribe for that number or any part thereof, of the Additional Securities that have not been accepted for subscription by the Declining Offerees (the "Unsubscribed Securities") which bears the same relationship to the total number of Unsubscribed Securities as the number of common shares held by each such Purchasing Shareholder bears to the total number of common shares by all Purchasing Shareholders (as reflected on the securities registers of CDS) at the date of the Additional Notice. Any Purchasing Shareholder that receives an Additional Notice shall have the right, exercisable by notice given to CDS within a period of five days after deemed receipt of that Additional Notice, to agree that it will purchase the number of Unsubscribed Securities which it is entitled to purchase or any lesser number thereof specified by it in that notice. If no notice is given by a Purchasing Shareholder within that five day period, that Purchasing Shareholder shall be deemed to have rejected the offer made available to it to purchase any Unsubscribed Securities. If there remain Unsubscribed Securities after the expiry of the period for the Purchasing Shareholders to accept the offer in the Additional Notice, then CDS will repeat the process set out in this clause (d) until there are no more Unsubscribed Securities or all Shareholders have become Declining Offerees. No Shareholder shall be obliged to purchase any Additional Securities in excess of the number indicated in its subscription.

(e) **Remainder.** If there remain any Additional Securities which are not subscribed for after the expiry of the last applicable period pursuant to clauses (c) and (d) above, then CDS may offer those unsubscribed for Additional Securities within a period of 90 days after the expiration of the last applicable period pursuant to

clauses (c) and (d) above to any person, but the price at which those Additional Securities may be issued shall not be less than the subscription price offered to the Shareholders, the terms of payment for those unsubscribed for Additional Securities shall not be more favourable to that person than the terms of payment offered to the Shareholders and the terms of the subscription shall require any such person, who subscribes for Additional Securities which are common shares, to agree to be bound by and observe the terms of this agreement by execution of an amendment in the form attached as Schedule A with necessary changes.

APPENDIX B

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

AND

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

AND

IN THE MATTER OF
THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED
AND
CDS CLEARING AND DEPOSITORY SERVICES INC.

ORDER
(Section 144 of the Act)

WHEREAS the Ontario Securities Commission (the "Commission") issued an order dated February 25, 1997, which became effective on March 1, 1997, recognizing The Canadian Depository for Securities Limited ("CDS Ltd.") as a clearing agency pursuant to subsection 21.2(1) of the Act and designating CDS Ltd. as a recognized clearing agency for the purposes of Part VI of the OBCA (the "1997 Order");

AND WHEREAS the Commission has varied 1997 Order from time to time;

AND WHEREAS the Commission issued an order dated October 17, 2006 pursuant to section 144 of the Act and Part VI of the OBCA varying and restating the 1997 Order, as amended (the "Recognition Order") and recognizing and designating each of CDS Ltd. and CDS Clearing and Depository Services Inc. ("CDS Clearing") (CDS Ltd. and CDS Clearing referred to collectively as "CDS") as a clearing agency pursuant to subsection 21.2(1) of the Act and as a recognized clearing agency for the purposes of Part VI of the OBCA;

AND WHEREAS CDS has applied for an order pursuant to section 144 of the Act to vary certain terms and conditions of the Recognition Order in connection with certain changes to CDS's governance structure;

AND WHEREAS the Commission has received certain representations from CDS in connection with its application to vary the Recognition Order;

AND UPON the Commission being of the opinion that it is not prejudicial to the public interest to vary the Recognition Order;

IT IS ORDERED pursuant to section 144 of the Act that the Recognition Order be varied by:

1. inserting after section 2.2 the following:

    2.2.1 CDS Ltd's governance structure shall provide for;

        (a) at least 5 (33%) independent directors on the board of directors, and

        (b) a quorum of directors shall be 60% of the number of directors; and

2. inserting after section 10.2 the following:

    10.2.1 CDS Clearing's governance structure shall provide for;

        (a) at least 5 (33%) independent directors on the board of directors, and

        (b) a quorum of directors shall be 60% of the number of directors.

DATED , 2007

Chapter 25

Other Information

25.1 Exemptions

25.1.1 CIBC Asset Management Inc. and CIBC Market Neutral Fund - s. 144

Headnote

Mutual fund in Ontario (non-reporting issuer) granted an extension of the annual financial statement filing deadline as fund provides exposure to offshore investment fund for which audited financial information not yet available.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.2, 5.1(2), 17.1.
Securities Act (Ontario), s. 144.

May 24, 2007

IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

AND

IN THE MATTER OF
CIBC ASSET MANAGEMENT INC.
(the Applicant)

AND

IN THE MATTER OF
CIBC MARKET NEUTRAL FUND
(the Fund)

EXEMPTION

Background

The Ontario Securities Commission received an application from the Applicant, on behalf of the Fund, for a decision pursuant to section 144 of the *Securities Act* (Ontario)(the Act) to revoke and replace a prior exemption granted to the Fund on February 27, 2007 (the Prior Exemption) pursuant to section 17.1 of National Instrument 81-106 Investment Fund Continuous Disclosure (NI 81-106) with this Decision exempting the Fund from:

(a) the requirement in section 2.2 of NI 81-106 that the Fund file its audited annual financial statements on or before the 90th day after its most recently completed financial year (the Filing Deadline); and

(b) the requirement in subsection 5.1(2) of NI 81-106 that the Fund deliver its audited annual financial statements to securityholders by the Filing Deadline (the Delivery Requirement)(the Requested Relief).

Representations

This Exemption is based on the following facts represented by the Applicant:

1. The Applicant is incorporated under the laws of Canada and has its head office in Toronto. The Applicant is registered as an investment counsel and portfolio manager, commodity trading manager, and mutual fund dealer under the Securities Act (Ontario).

2. The Applicant is the trustee and manager of the Fund. The Fund is an open-ended mutual fund trust established under the laws of Ontario. The Fund is not a reporting issuer. The year-end of the Fund is December 31.

3. The Fund's investment objective is to generate consistent returns over the medium term with little correlation to major global stock and fixed income market indices. The Fund seeks to achieve its investment objective by providing exposure to one or more underlying funds that invest in hedge funds that primarily pursue market neutral implementations of hedge fund strategies.

4. The current underlying fund selected by the Fund is Gottex Market Neutral Fund (GMNF), which is a portfolio of Gottex Value Added Fund Limited (GVAFL). GVAFL was incorporated under the laws of the British Virgin Islands as an open-ended investment company with limited liability. The financial year-end of GVAFL is December 31.

5. GMNF invests across over fifty hedge funds (the Hedge Funds) in a globally diversified manner. The Hedge Funds have varying financial year-ends and are subject to a variety of financial reporting deadlines.

6. GVAFL's audited financial statements will not be available until mid-June of each year. The auditors of the Fund have advised CAMI and the Fund that in order to sign off on the audit of the Fund, the auditors either (a) require the audited financial statements of GVAFL, or (b) must conduct an audit of GVAFL, which would be extremely expensive for the Fund and would require the

consent and participation of GVAFL and the Hedge Funds.

7. Since option (b) in paragraph 6 would be extremely expensive for the Fund and would likely not even be possible because of the third party cooperation necessary, the Applicant and the Fund believe that the only appropriate solution is to audit of the Fund once it is in receipt of GVAFL's audited financial statements. The audit of the Fund will therefore not be complete until mid June of each year.

8. The Prior Exemption exempted the Fund from the requirement to file its annual audited financial statements for the year ended December 31, 2006 by the Filing Deadline from the Delivery Requirement, provided that the annual audited financial statements for the year ended December 31, 2006 are filed by July 31, 2007.

Decision

The Director is satisfied that it would not be prejudicial to the public interest to grant the Requested Relief and hereby revokes and replaces the Prior Exemption with this Decision exempting the Fund from the requirement to file its annual audited financial statements for the year ended December 31, 2006 by the Filing Deadline and from the Delivery Requirement, provided that the annual audited financial statements for the year ended December 31, 2006 are filed by July 31, 2007, and exempting the Fund from the requirement to file its subsequent annual audited financial statements by the Filing Deadline and from the Delivery Requirement, provided that the subsequent audited annual financial statements are filed and delivered by June 30 of the year following the financial year for which the audited annual financial statements are prepared.

Nothing in this Exemption precludes the Fund from relying on the exemption contained in section 2.11 of NI 81-106 with respect to the audited financial statements for any given year provided the audited financial statements are delivered by the deadline specified above.

"Leslie Byberg"
Manager, Investment Funds
Ontario Securities Commission

25.1.2 CIBC Asset Management Inc. and CIBC Market Neutral Fund - OSC Rule 13-502 Fees, s. 6.1

Headnote

Ontario Securities Commission Rule 13-502 - Fees (Rule 13-502) -- Activity fees relief for a mutual fund organized in Ontario's application to revoke and replace a decision granted to the fund.

Statutes Cited

Rule 13-502, s. 6.1.

May 24, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
AND
ONTARIO SECURITIES COMMISSION
RULE 13-502 FEES (Rule 13-502)

AND

IN THE MATTER OF
CIBC ASSET MANAGEMENT INC.
(the Applicant)

AND

IN THE MATTER OF
CIBC MARKET NEUTRAL FUND
(the Fund)

EXEMPTION

Background

The Ontario Securities Commission (the Director) has received an application (the Application) from the Applicant, on behalf of the Fund, for an exemption pursuant to subsection 6.1 of Rule 13-502 from: (i) the requirement to pay an activity fee of $3,000 in connection with the Fund's application under section 144 of *Securities Act* (Ontario) to revoke and replace a prior decision granted on February 27, 2007 under section 17.1 of National Instrument 81-106 (the Application) in accordance with item E.1 of Appendix C of Rule 13-502; and (ii) the requirement to pay an activity fee of $1,500 in connection with the making of this Application in accordance with item E.2 of Appendix C of Rule 13-502 (collectively, the Fee Relief).

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 Fund:

1. The Fund is a mutual fund organized in Ontario and is not in default of any filing requirements under the securities legislation of Ontario.

2. The Fund applied for and was granted an exemption dated February 27, 2007 exempting the Fund from the requirement to file its annual audited financial statements for the year ended December 31, 2006 by the filing deadline and from the delivery requirement, provided that the annual audited financial statements for the year ended December 31, 2006 are filed by July 31, 2007.

3. The Application is substantially the same as the first application resulting with the prior exemption granted on February 27, 2007. In the Application, the Fund seeks exemption from the requirement to file its future annual audited financial statements by the filing deadline and from the delivery requirement, provided that the future audited annual financial statements are filed and delivered by June 30 of the year following the financial year for which the audited annual financial statements are prepared.

Decision

The Director is satisfied that the test contained in Rule 13-502 that provides the Director with the jurisdiction to make this decision has been met.

The decision of the Director under Rule 13-502 is that the Fee Relief is granted.

"Leslie Byberg"
Manager, Investment Funds Branch
Ontario Securities Commission

25.2 Consents

25.2.1 RDS Acquisition Corp. - s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (British Columbia).

Statutes Cited

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

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b)
Securities Act, R.S.O. 1990, c. S.5, as am.

IN THE MATTER OF
ONTARIO REGULATION 289/00, AS AMENDED
(the "Regulation")
MADE UNDER THE
BUSINESS CORPORATIONS ACT,

R.S.O. 1990 c. B.16, AS AMENDED (the "OBCA")

AND

IN THE MATTER OF
RDS ACQUISITION CORP.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of RDS Acquisition Corp. (the "**Corporation**") to the Ontario Securities Commission (the "**Commission**") requesting the consent of the Commission for the Corporation to continue in another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON the Corporation having represented to the Commission that:

1. The Corporation proposes to make an application to the Director under the *Business Corporations Act* (Ontario) (the "**OBCA**") pursuant to Section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue as a corporation under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57 (the "**BCBCA**").

2. The Application for Continuance is being made in connection with a proposed business combination

structured as a 'three cornered' amalgamation (the "**Proposed Transaction**") involving the Corporation, Rapid Refill Ink International Corp., a corporation incorporated under the laws of the State of Minnesota ("**RRI**") and a wholly-owned subsidiary of the Corporation ("**Subco**") incorporated under the laws of the State of Minnesota, pursuant to which the Corporation will acquire all of the issued and outstanding shares of RRI, and RRI and Subco will amalgamate as a wholly-owned subsidiary of the Corporation.

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

4. The Corporation was incorporated under the *Business Corporations Act* (Ontario) by certificate of incorporation effective on January 19, 2006. As part of the Proposed Transaction, the Corporation is proposing to change its name to "Rapid Brands Inc.".

5. The Corporation's head office is located at 5 Hazelton Avenue, Suite 300, Toronto, Ontario, M5R 2E1.

6. The authorized share capital of the Corporation consists of an unlimited number of common shares (the "**Common Shares**"), of which 10,100,000 are issued and outstanding. As part of the Proposed Transaction, the Corporation is proposing to consolidate the issued and outstanding Common shares on a 10 for 1 basis and to amend its articles to create a new class of non-voting convertible preference shares.

7. The Corporation's issued and outstanding Common Shares are listed for trading on the TSX Venture Exchange under the symbol "RA.P".

8. The Corporation is an offering corporation under the provisions of the OBCA and is a reporting issuer within the meaning of the *Securities Act*, R.S.O. 1990, c. s. 5, as amended (the "**OSA**"), and within the meaning of the *Securities Act* (British Columbia), R.S.B.C. 1996, c. 418 (the "**BCSA**") and the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the "**ASA**"). The Corporation intends to remain a reporting issuer in Ontario and in British Columbia and Alberta.

9. The Corporation is not in default under any provision of the OSA or the Regulations or Rules made thereunder, and is not in default under the BCSA or the ASA.

10. The Corporation is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the OSA, BCSA or the ASA.

11. The Corporation's shareholders authorized the continuance of the Corporation as a corporation under the BCBCA by special resolution at the annual and special meeting of shareholders held on May 22, 2007 (the "**Meeting**"). The special resolution authorizing the continuance was approved at the Meeting by 100% of the votes cast.

12. Pursuant to Section 185 of the OBCA, all shareholders of record as of the record date for the Meeting were entitled to exercise dissent rights with respect to the Application for Continuance (the "**Dissent Rights**").

13. The management information circular of the Corporation describing the Continuance dated April 26, 2007 (the "**Information Circular**"), provided to the shareholders together with the notice of Meeting, advised them of their Dissent Rights in connection with the continuance pursuant to section 185 of the OBCA.

14. Due to the international nature of RRI's business, as more particularly described in the Information Circular, management believes that having British Columbia company status is in the interest of the Corporation as there is no Canadian residency requirement for the directors under the BCBCA and the Corporation believes this will make it easier to retain international talent for its board of directors.

15. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Corporation as a corporation under the BCBCA.

DATED this 25th day of May, 2007.

"Harold P. Hands"
Commissioner

"Wendell S. Wigle"
Commissioner

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