

REGULATION 41-101 RESPECTING GENERAL PROSPECTUS REQUIREMENTS

Loi sur les valeurs mobilières

(L.R.Q., c.V-1.1, a. 331.1, par. 1°, 2°, 3°, 6°, 7°, 8°, 9°, 11°, 12°, 14°, 15°, 19° et 34°)

PART 1 DEFINITIONS AND INTERPRETATIONS**1.1. Definitions**

In this Regulation

“acquisition” has the same meaning as in Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Business Acquisition Report*];

“acquisition of related businesses” has the same meaning as in Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Business Acquisition Report*];

“alternative credit support” has the same meaning as in section 13.4 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Exemption for Certain Credit Support Issuers*];

“approved rating organization” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations;

“asset-backed security” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations;

“base offering” has the meaning given in section 11.1 [*Definitions*];

“board of directors” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations;

“business acquisition report” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations;

“business day” means any day other than a Saturday, a Sunday or a statutory holiday;

“class” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations;

“credit supporter” has the same meaning as in section 13.4 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Exemption for Certain Credit Support Issuers*];

“custodian” means the institution appointed by an investment fund to act as custodian of the portfolio assets of the investment fund;

“derivative” means an instrument, agreement or security, the market price, value or payment obligation of which is derived from, referenced to, or based on an underlying interest;

“designated foreign jurisdiction” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“equity security” means a security of an issuer that carries a residual right to participate in the earnings of the issuer and, on the liquidation or winding up of the issuer, in its assets;

“executive officer” means, for an issuer, an individual who is

- (a) a chair, vice-chair or president,
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (c) performing a policy-making function in respect of the issuer;

“foreign disclosure requirements” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“full and unconditional credit support” means

- (a) alternative credit support that

(i) entitles the holder of the securities to receive payment from the credit supporter, or enables the holder to receive payment from the issuer, within 15 days of any failure by the issuer to make a payment, and

(ii) results in the securities receiving the same credit rating as, or a higher credit rating than, the credit rating they would have received if payment had been fully and unconditionally guaranteed by the credit supporter, or would result in the securities receiving such a rating if they were rated, or

(b) a full and unconditional guarantee of the payments to be made by the issuer of securities, as stipulated in the terms of the securities or in an agreement governing rights of holders of the securities, that results in the holder of such securities being entitled to receive payment from the credit supporter within 15 days of any failure by the issuer to make a payment;

“income from continuing operations” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations ;

“independent review committee” has the same meaning as in Regulation 81-107 respecting Independent Review Committee for Investment Funds;

“information circular” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations ;

“interim period” has the same meaning as in

(a) Regulation 51-102 respecting Continuous Disclosure Obligations for an issuer other than an investment fund, or

(b) Regulation 81-106 respecting Investment Fund Continuous Disclosure for an investment fund;

“IPO venture issuer” means an issuer that

(a) is not a reporting issuer immediately before the date of the final prospectus, and

(b) at the date of the prospectus, does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on

(i) the Toronto Stock Exchange,

(ii) a U.S. marketplace, or

(iii) a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the market known as OFEX, and

“junior issuer” means an issuer

(a) that is not a reporting issuer,

(b) whose total consolidated assets as at the date of the most recent balance sheet of the issuer included in the preliminary prospectus are less than \$10,000,000,

(c) whose consolidated revenue as shown in the most recent annual income statement of the issuer included in the preliminary prospectus is less than \$10,000,000, and

(d) whose shareholders' equity as at the date of the most recent balance sheet of the issuer included in the preliminary prospectus is less than \$10,000,000,

but in determining whether the issuer complies with paragraphs (b), (c), and (d), the issuer must adjust its assets, revenue, and shareholders' equity to reflect the effect of each probable acquisition of a business and each acquisition of a business completed

(e) for paragraphs (b) and (d), before the date of the preliminary prospectus and after the date of the issuer's most recent balance sheet included in the preliminary prospectus, and

(f) for paragraph (c), after the last day of the most recent annual income statement of the issuer included in the preliminary prospectus;

“long form prospectus” means a prospectus filed in the form of Form 41-101F1 *Information Required in a Prospectus* or Form 41-101F2 *Information Required in an Investment Fund Prospectus* under this Regulation;

“marketplace” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations ;

“material contract” means any contract that an issuer or any of its subsidiaries is a party to, that is material to the issuer;

“mineral project” has the same meaning as in Regulation 43-101 respecting Standards of Disclosure for Mineral Projects;

“over-allocation position” has the meaning given in section 11.1 [*Definitions*];

“over-allotment option” has the meaning given in section 11.1 [*Definitions*];

“principal security holder” means a person or company who beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the issuer;

“probable acquisition of a business” means a proposed acquisition of a business by an issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high;

“probable reverse takeover” means a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high;

“related credit supporter” of an issuer means a credit supporter of the issuer that is an affiliate of the issuer;

“restructuring transaction” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations ;

“reverse takeover” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations ;

“reverse takeover acquirer” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations ;

“SEC issuer” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“short form prospectus” means a prospectus filed in the form of Form 44-101F1 *Short Form Prospectus* of Regulation 44-101 respecting Short Form Prospectus Distributions;

“special warrant” means a security that, by its terms or the terms of an accompanying contractual obligation,

(a) entitles or requires the holder to acquire another security without payment of material additional consideration and obliges the issuer of either security to undertake efforts to file a prospectus to qualify the distribution of the other security, or

(b) entitles or requires the holder to acquire another security without payment of material additional consideration and the issuer files a prospectus to qualify the distribution of the other security;

“substantial beneficiary of the offering” has the meaning given in section 5.13 [*Certificate of substantial beneficiary of the offering*];

“transition year” means the financial year of an issuer or business in which the issuer or business changes its financial year-end;

“U.S. GAAP” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“U.S. GAAS” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“U.S. marketplace” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations ;

“venture issuer” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations except the “applicable time” is the date the prospectus is filed;

“waiting period” means the period of time between the issuance of a receipt by the regulator for a preliminary prospectus and the issuance of a receipt by the regulator for a final prospectus.

1.2. Interpretation of “prospectus”, “preliminary prospectus”, “final prospectus”, “long form prospectus”, and “short form prospectus”

(1) In this Regulation, except in Form 41-101F1 and Form 41-101F2, a reference to a “prospectus” includes a preliminary long form prospectus, a final long form prospectus, a preliminary short form prospectus, and a final short form prospectus.

(2) In this Regulation, except in Form 41-101F1 and Form 41-101F2, a reference to a “preliminary prospectus” includes a preliminary long form prospectus and a preliminary short form prospectus.

(3) In this Regulation, except in Form 41-101F1 and Form 41-101F2, a reference to a “final prospectus” includes a final long form prospectus and a final short form prospectus.

(4) In this Regulation, a reference to a “long form prospectus” includes a preliminary long form prospectus and a final long form prospectus.

(5) In this Regulation, a reference to a “short form prospectus” includes a preliminary short form prospectus and a final short form prospectus.

1.3. Interpretation of “business”

In this Regulation, unless otherwise stated, a reference to a business includes an interest in an oil and gas property to which reserves, as defined in Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities, have been specifically attributed.

1.4. Interpretation of “affiliate”

In this Regulation, an issuer is an affiliate of another issuer if the issuer would be an affiliate of the other issuer under subsection 1.1(2) of Regulation 51-102 respecting Continuous Disclosure Obligations [*Affiliate*].

1.5. Interpretation of “payments to be made”

For the purposes of the definition of “full and unconditional credit support”, payments to be made by an issuer of securities as stipulated in the terms of the securities include any amounts to be paid as dividends in accordance with, and on the dividend payment dates stipulated in, the provisions of the securities, whether or not the dividends have been declared.

1.6. Referencing Regulations

In this Regulation, a reference to

(a) a regulation, after its first citation, may be made by citing the number of the regulation, and

(b) a form in a regulation, after its first citation, may be made by citing the number of the form preceded by “Form”.

1.7. Powers and duties of the regulator in British Columbia

In British Columbia, despite sections 5.11 [*Certificate of promoter*], 5.12 [*Certificate of credit supporter*], 5.13 [*Certificate of substantial beneficiary of the offering*], 5.14 [*Certificate of selling security holders*], and 5.16 [*Certificate of other persons*], the powers and duties of the regulator with respect to the matters described in those sections are set out in the *Securities Act* (British Columbia).

PART 2 REQUIREMENTS FOR ALL PROSPECTUS DISTRIBUTIONS

2.1. Application of the Regulation

(1) Subject to subsection (2), this Regulation applies to a prospectus filed under securities legislation and a distribution of securities subject to the prospectus requirement.

(2) This Regulation does not apply to a prospectus filed under Regulation 81-101 respecting Mutual Fund Prospectus Disclosure or a distribution of securities under such a prospectus.

2.2. Language

(1) An issuer must file a document required to be filed under this Regulation or Regulation 44-101 respecting Short Form Prospectus Distributions in French or in English.

(2) Despite subsection (1), if an issuer files a document only in French or only in English but delivers to an investor or prospective investor a version of the document in the other language, the issuer must file that other version not later than when it is first delivered to the investor or prospective investor.

(3) In Québec, the prospectus and any document required to be incorporated by reference must be in French or in French and English.

(4) If an issuer files a document under this Regulation that is a translation of a document prepared in a language other than French or English, the issuer must

- (a) attach a certificate as to the accuracy of the translation to the filed document, and
- (b) make a copy of the document in the original language available on request.

2.3. General requirements

(1) An issuer must not file a final prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

(2) An issuer must not file a prospectus more than 3 business days after the date of the prospectus.

PART 3 FORM OF PROSPECTUS

3.1. Form of prospectus

(1) Subject to subsection (2) and (3), an issuer filing a prospectus must file the prospectus in the form of Form 41-101F1.

(2) An issuer that is an investment fund filing a prospectus must file the prospectus in the form of Form 41-101F2.

(3) An issuer that is qualified to file a short form prospectus may file a short form prospectus.

PART 4 Financial Statements and Related Documents in a Long Form Prospectus

4.1. Application

An issuer must include in a long form prospectus financial statements and management's discussion and analysis, or in the case of an investment fund, financial statements and management report of fund performance, in accordance with this Regulation.

4.2. Audit of financial statements

(1) Any financial statements included in a long form prospectus filed in the form of Form 41-101F1 must be audited in accordance with Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency unless an exception in item 32.5 [*Exceptions to audit requirement*] or subsection 35.1(3) [*Application and definitions*] of Form 41-101F1 applies.

(2) Any financial statements, other than interim financial statements, included in or incorporated by reference into a long form prospectus of an investment fund filed in the form of Form of 41-101F2 must meet the audit requirements of Part 2 of Regulation 81-106 respecting Investment Fund Continuous Disclosure for an investment fund [*Financial Statements*].

4.3. Review of unaudited financial statements

(1) Subject to subsection (2), any unaudited financial statements, other than *pro forma* financial statements, included in a long form prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by the person or company's auditor or a public accountant's review of financial statements.

(2) If Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency permits the financial statements of the person or company in subsection (1) to be audited in accordance with

(a) U.S. GAAS, the unaudited financial statements may be reviewed in accordance with U.S. review standards,

(b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board, or

(c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the person or company is subject, the unaudited financial statements

(i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction, or

(ii) do not have to be reviewed if

(A) the designated foreign jurisdiction does not have review standards for unaudited financial statements, and

(B) the long form prospectus includes disclosure that the unaudited financial statements have not been reviewed.

4.4. Approval of financial statements and related documents

(1) An issuer must not file a long form prospectus unless each financial statement, each management's discussion and analysis, and each management report of fund performance, as applicable, of a person or company included in the long form prospectus has been approved by the board of directors of the person or company.

(2) An investment fund that is a trust must not file a long form prospectus unless each financial statement and each management report of fund performance of the investment fund included in the long form prospectus has been approved by the trustee or trustees of the investment fund or another person or company authorized to do so by the constating documents of the investment fund.

PART 5 CERTIFICATES

5.1. Interpretation

For the purposes of this Part,

(a) "issuer certificate form" means a certificate in the form set out in

(i) item 37.2 of Form 41-101F1 [*Issuer certificate form*],

(ii) item 42.1 of Form 41-101F2 [*Issuer certificate form*],

(iii) item 21.1 of Form 44-101F1 [*Issuer Certificate Form*],

(iv) Regulation 44-102 respecting Shelf Distributions in

(A) section 1.1 of Appendix A [*Issuer Certificate Form*],

(B) section 2.1 of Appendix A [*Issuer Certificate Form*],

(C) section 1.1 of Appendix B [*Issuer Certificate Form*], or

(D) section 2.1 of Appendix B [*Issuer Certificate Form*], or

(v) Regulation 44-103 respecting Post- Receipt Pricing in

(A) paragraph 7 of subsection 3.2(1) [*Required Disclosure*], or

(B) paragraph 3 of subsection 4.5(2) [*Required Disclosure*];

(b) "underwriter certificate form" means a certificate in the form set out in

(i) item 37.3 of Form 41-101F1 [*Underwriter certificate form*],

- (ii) item 42.3 of Form 41-101F2 [*Underwriter certificate form*],
- (iii) item 21.2 of Form 44-101F1 [*Underwriter Certificate Form*],
- (iv) Regulation 44-102 respecting Shelf Distributions in
 - (A) section 1.2 of Appendix A [*Underwriter Certificate Form*],
 - (B) section 2.2 of Appendix A [*Underwriter Certificate Form*],
 - (C) section 1.2 of Appendix B [*Underwriter Certificate Form*], or
 - (D) section 2.2 of Appendix B [*Underwriter Certificate Form*], or
- (v) Regulation 44-103 respecting Post- Receipt Pricing in
 - (A) paragraph 8 of subsection 3.2(1) [*Required Disclosure*], or
 - (B) paragraph 4 of subsection 4.5(2) [*Required Disclosure*].

5.2. Date of certificates

The date of the certificates in a prospectus or an amendment to a prospectus must be within 3 business days before the filing of the prospectus or amendment to the prospectus, as applicable.

5.3. Certificate of issuer

- (1) Except in Ontario, a prospectus must contain a certificate signed by the issuer.

[Note: In Ontario, the requirement that a prospectus contain a certificate of the issuer is set out in section 58 of the *Securities Act* (Ontario).]¹

- (2) A prospectus certificate that is required to be signed by the issuer under this Regulation or securities legislation must be in the applicable issuer certificate form.

5.4. Corporate issuer

- (1) Except in Ontario, if the issuer is a company, a prospectus certificate that is required to be signed by the issuer under this Regulation or securities legislation must be signed

- (a) by the chief executive officer and the chief financial officer of the issuer, and
- (b) on behalf of the board of directors, by

(i) any 2 directors of the issuer, other than the persons referred to in paragraph (a) above, or

(ii) if the issuer has only 3 directors, 2 of whom are the persons referred to in paragraph (a), all of the directors of the issuer.

- (2) Except in Ontario, if the regulator is satisfied that either or both of the chief executive officer or chief financial officer cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another officer.

[Note: In Ontario, similar requirements regarding who must sign the issuer certificate are set out in section 58 of the *Securities Act* (Ontario).]

5.5. Trust issuer

- (1) If the issuer is a trust, a prospectus certificate that is required to be signed by the issuer under this Regulation or securities legislation must be signed by

(a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company, and

- (b) on behalf of the trustees of the issuer by any 2 trustees of the issuer.

¹ Notes included in this Regulation have been inserted for convenience of reference only and do not form part of this Regulation or have any force or effect as a rule or policy.

- (2) If a trustee that is signing the certificate of the issuer is
- (a) an individual, that individual must sign the certificate,
 - (b) a company, the certificate must be signed
 - (i) by the chief executive officer and the chief financial officer of the trustee, and
 - (ii) on behalf of the board of directors of the trustee, by
 - (A) any 2 directors of the trustee, other than the persons referred to in subparagraph (i), or
 - (B) if the trustee has only 3 directors, 2 of whom are the persons referred to in subparagraph (i), all of the directors of the trustee,
 - (c) a limited partnership, the certificate must be signed by the general partner of such limited partnership as described in subsection 5.6(2) [*Limited partnership issuer*] in relation to an issuer that is a limited partnership,
 - (d) a trust, the certificate must be signed by the trustees of the trustee as described in this subsection in relation to an issuer that is a trust, or
 - (e) not an individual and is organized as other than a company, trust, or limited partnership, the certificate may be signed by any person or company with authority to bind the trustee.
- (3) Despite subsections (1) and (2), if the issuer is an investment fund and the declaration of trust, trust indenture or trust agreement establishing the investment fund delegates the authority to do so, or otherwise authorizes an individual or company to do so, the certificate may be signed by the individual or company to whom the authority is delegated or that is authorized to sign the certificate.
- (4) If the regulator is satisfied that either or both of the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another individual.

5.6. Limited partnership issuer

- (1) If the issuer is a limited partnership, a prospectus certificate that is required to be signed by the issuer under this Regulation or securities legislation must be signed by
- (a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company, and
 - (b) each general partner of the issuer.
- (2) If a general partner of the issuer is
- (a) an individual, that individual must sign the certificate,
 - (b) a company, the certificate must be signed
 - (i) by the chief executive officer and the chief financial officer of the general partner, and
 - (ii) on behalf of the board of directors of the general partner, by
 - (A) any 2 directors of the general partner, other than the persons referred to in subparagraph (i), or
 - (B) if the general partner has only 3 directors, 2 of whom are the persons referred to in subparagraph (i), all of the directors of the general partner,
 - (c) a limited partnership, the certificate must be signed by each general partner of such limited partnership as described in this subsection (2) in relation to an issuer that is a limited partnership,

(d) a trust, the certificate must be signed by the trustees of the general partner as described in subsection 5.5(2) [*Trust issuer*] in relation to an issuer that is a trust, or

(e) not an individual and is organized as other than a company, trust, or limited partnership, the certificate may be signed by any person or company with authority to bind the general partner.

(3) If the regulator is satisfied that either or both of the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another individual.

5.7. Other issuer

If the issuer is organized as other than a company, trust or limited partnership, a prospectus certificate that is required to be signed by the issuer under this Regulation or securities legislation must be signed by persons or companies that serve in a comparable capacity to the signatories specified for the most similar form of organization in this Regulation or securities legislation.

5.8. Reverse takeovers

Except in Ontario, if an issuer is involved in a probable reverse takeover, a prospectus must contain a certificate, in the applicable issuer certificate form, signed by each individual who is a director, chief executive officer or chief financial officer of the reverse takeover acquirer or the persons or companies that serve in a comparable capacity.

5.9. Certificate of underwriter

(1) Except in Ontario, a prospectus must contain a certificate signed by each underwriter who, with respect to the securities offered by the prospectus, is in a contractual relationship with the issuer or a security holder whose securities are being offered by the prospectus.

[Note: In Ontario, the requirement that a prospectus contain a certificate signed by each underwriter in a contractual relationship with the issuer is set out in subsection 59(1) of the *Securities Act* (Ontario).]

(2) A prospectus certificate of an underwriter required under this Regulation or securities legislation to be signed by an underwriter must be in the applicable underwriter certificate form.

(3) Except in Ontario, with the consent of the regulator, a certificate in a prospectus may be signed by the underwriter's agent duly authorized in writing by the underwriter.

[Note: In Ontario, subsection 59(2) of the *Securities Act* (Ontario) provides the Director with similar discretion to permit the certificate to be signed by an underwriter's agent.]

5.10. Certificate of investment fund manager

(1) If the issuer has an investment fund manager, a prospectus must contain a certificate, in the applicable issuer certificate form, signed by the investment fund manager.

(2) If the investment fund manager is a company, the certificate must be signed

(a) by the chief executive officer and the chief financial officer of the investment fund manager, and

(b) on behalf of the board of directors, by

(i) any 2 directors of the issuer, other than the persons referred to in paragraph (a) above, or

(ii) if the investment fund manager has only 3 directors, 2 of whom are the persons referred to in paragraph (a), all of the directors of the investment fund manager.

(3) If the investment fund manager is a limited partnership, the certificate must be signed by the general partner of such limited partnership as described in subsection 5.6(2) [*Limited partnership issuer*] in relation to an issuer that is a limited partnership.

5.11. Certificate of promoter

(1) Except in Ontario, a prospectus must contain a certificate signed by each promoter of the issuer.

[Note: In Ontario, the requirement that a prospectus shall contain a certificate of the signed by each promoter of the issuer is set out in subsection 58(1) of the *Securities Act* (Ontario). Subsection 58(5) of the *Securities Act* (Ontario) provides that, with the consent of the Director, a promoter need not sign the prospectus certificate.]

(2) A prospectus certificate required under this Regulation or securities legislation to be signed by a promoter must be in the applicable issuer certificate form.

[Note: In Ontario, the form of certificate required under the *Securities Act* (Ontario) for a promoter has been varied to correspond with the issuer certificate form (as defined above) by OSC Rule 41-801 Implementing Regulation 41-101 respecting General Prospectus Requirements.]

(3) Except in Ontario, the regulator may require any person or company who was a promoter of the issuer within the 2 preceding years to sign a certificate to the prospectus, in the applicable issuer certificate form.

[Note: In Ontario, subsection 58(6) of the *Securities Act* (Ontario) provides the Director with similar discretion to require a person or company who was a promoter of the issuer within the 2 preceding years to sign a prospectus certificate, subject to such conditions as the Director considers proper.]

(4) Except in Ontario, the regulator may require any person or company that is a control person of either a promoter of the issuer or a person or company who was a promoter of the issuer within the 2 preceding years to sign a certificate to the prospectus, in the applicable issuer certificate form.

(5) Except in Ontario, with the consent of the regulator, a certificate in a prospectus may be signed by an agent duly authorized in writing by the person or company required to sign the certificate.

[Note: In Ontario, subsection 58(7) provides the Director with similar discretion to permit the certificate to be signed by an agent.]

5.12. Certificate of credit supporter

(1) If there is a related credit supporter of either the issuer or a subsidiary of the issuer, a prospectus must contain a certificate of the related credit supporter, in the applicable issuer certificate form, signed

(a) by the chief executive officer and the chief financial officer of the credit supporter, and

(b) on behalf of the board of directors of the credit supporter, by

(i) any 2 directors of the credit supporter, other than the persons referred to in paragraph (a) above, or

(ii) if the credit supporter has only 3 directors, 2 of whom are the persons referred to in paragraph (a), all of the directors of the credit supporter.

(2) With the consent of the regulator, a certificate in a prospectus may be signed by the credit supporter's agent duly authorized in writing by the credit supporter.

(3) Except in Ontario, the regulator may require any other person or company that is a credit supporter of either the issuer or a subsidiary of the issuer to sign a certificate to the prospectus, in the applicable issuer certificate form.

[Note: In Ontario, subsection 58(6) of the *Securities Act* (Ontario) provides the Director with discretion to require a person or company who is a guarantor of the securities being distributed to sign a prospectus certificate, subject to such conditions as the Director considers proper.]

5.13. Certificate of substantial beneficiary of the offering

(1) The term "significant business" means, with respect to an issuer, any business in which an issuer holds an interest or business in which the issuer proposes to acquire an interest that has progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high, that would be a significant acquisition as defined in subsection 35.1(4) of

Form 41-101F1 [*Application and definitions*], if the issuer acquired the interest as of the date of the prospectus.

(2) The term “substantial beneficiary of the offering” means any person or company that,

(a) whether individually or in conjunction with one or more of persons or companies acting in concert by virtue of an agreement, arrangement or commitment or understanding, directly or indirectly, holds or held, within the year preceding the date of the prospectus, or following the completion of any transaction or series of transactions disclosed in the prospectus is reasonably expected to acquire

(i) control of the issuer or a significant business of the issuer, or

(ii) voting securities carrying 20% or more of the voting rights attached to any class of voting securities of the issuer or a significant business of the issuer, and

(b) together with its affiliates and associates, is reasonably expected to receive, directly or indirectly, 20% or more of the proceeds of the offering of securities under the prospectus, whether as consideration for property or services, repayment of debt or otherwise, other than by virtue of its ownership of voting securities of the issuer.

(3) For the purposes of subsection (2), when determining the percentage of voting securities of any issuer held by a person or company, at any given date, any security or right or obligation permitting or requiring the person or company or another person or company acting jointly or in concert with the person or company, whether or not on conditions, to acquire a security, including an unissued security, of a particular class within 60 days by a single transaction or a series of linked transactions is deemed to be a security of that particular class.

(4) A security or right or obligation described in subsection (3) is deemed to be outstanding for the purpose of calculating the number of outstanding securities of that class in respect of the determination of the person or company's holding.

(5) Except in Ontario, a prospectus must contain a certificate, in the applicable issuer certificate form, signed by each substantial beneficiary of the offering.

(6) Except in Ontario, the regulator may require any person or company that is a control person of a substantial beneficiary of the offering to sign a certificate to the prospectus in the form that the regulator considers appropriate.

5.14. Certificate of selling security holders

Except in Ontario, the regulator may require any person or company that is a selling security holder or that is a control person of a selling security holder to sign a certificate to the prospectus, in the applicable issuer certificate form.

5.15. Certificate of operating entity

(1) For the purposes of this section, the term “operating entity” means, in relation to an issuer, any person or company through which the business of the issuer, or a material part of the business of the issuer is conducted and for which the issuer is required, or has undertaken, to provide to its security holders separate financial statements of the person or company if the issuer's financial statements do not include consolidated information concerning the person or company.

(2) A prospectus of an issuer that is a trust must contain a certificate, in the applicable issuer certificate form, signed by each individual who is a director, chief executive officer or chief financial officer of an operating entity.

5.16. Certificate of other persons

Except in Ontario, the regulator may, in its discretion, require any person or company to sign a certificate to the prospectus, in the form that the regulator considers appropriate.

PART 6 AMENDMENTS

6.1. Form of amendment

(1) An amendment to a prospectus must consist of an amendment that does not fully restate the text of the prospectus or an amended and restated prospectus.

(2) An amendment to a prospectus must be identified as follows:

- (a) for an amendment that does not restate the text of the prospectus:

“Amendment no. [insert amendment number] dated [insert date of amendment] to [identify prospectus] dated [insert date of prospectus being amended].”; or

- (b) for an amended and restated prospectus:

“Amended and restated [identify prospectus] dated [insert date of amendment], amending and restating [identify prospectus] dated [insert date of prospectus being amended].”

6.2. Required documents for filing an amendment

An issuer that files an amendment to a prospectus must

- (a) file a signed copy of the amendment,
- (b) deliver to the regulator a copy of the prospectus blacklined to show the changes made by the amendment, if the amendment is also a restatement of the prospectus,
- (c) file or deliver any supporting documents required under this Regulation or other provisions of securities legislation to be filed or delivered with a prospectus, as the case may be, unless the documents originally filed or delivered with the prospectus, as the case may be, are correct as of the date the amendment is filed, and
- (d) in case of an amendment to a final prospectus, file any consent letter required to be filed with a final prospectus, dated as of the date of the amendment.

6.3. Auditor’s comfort letter

An issuer must deliver a new auditor’s comfort letter, if an amendment to

- (a) a preliminary long form prospectus relates to an auditor’s comfort letter delivered under subparagraph 9.2(b)(iii) [*Auditor’s Comfort Letter regarding Audited Financial Statements*],
- (b) a preliminary short form prospectus relates to an auditor’s comfort letter delivered under subparagraph 4.1(b)(ii) of Regulation 44-101 respecting Short Form Prospectus Distributions [*Auditor’s Comfort Letter regarding Audited Financial Statements*].

6.4. Delivery of amendments

Except in Ontario, as soon as practicable, an issuer must deliver an amendment to a preliminary prospectus to each recipient of the preliminary prospectus according to the record of recipients required to be maintained under securities legislation.

[Note: In Ontario, similar requirements regarding the delivery of amendments to a preliminary prospectus are set out in subsection 57(3) of the *Securities Act* (Ontario).]

6.5. Amendment to a preliminary prospectus

- (1) Except in Ontario, if, after a receipt for a preliminary prospectus is issued but before a receipt for the final prospectus is issued, a material adverse change occurs, an issuer must file an amendment to the preliminary prospectus as soon as practicable, but in any event within 10 days after the day the change occurs.

[Note: In Ontario, a similar obligation to file an amendment to a preliminary prospectus is set out in subsection 57(1) of the *Securities Act* (Ontario).]

- (2) The regulator must issue a receipt for an amendment to a preliminary prospectus as soon as practicable after the amendment is filed.

6.6. Amendment to a final prospectus

- (1) Except in Ontario, if, after a receipt for a final prospectus is issued but before the completion of the distribution under the final prospectus, a material change occurs, an issuer must file an amendment to the final prospectus as soon as practicable, but in any event within 10 days after the day the change occurs.

[Note: In Ontario, a similar obligation to file an amendment to a final prospectus is set out in subsection 57(1) of the *Securities Act* (Ontario).]

- (2) Except in Ontario, if, after a receipt for a final prospectus or an amendment to the final prospectus is issued but before the completion of the distribution under the final prospectus or the

amendment to the final prospectus, securities in addition to the securities previously disclosed in the final prospectus or the amendment to the final prospectus are to be distributed, the issuer making the distribution must file an amendment to the final prospectus disclosing the additional securities, as soon as practicable, but in any event within 10 days after the decision to increase the number of securities offered.

[Note: In Ontario, subsection 57(2) of the *Securities Act* (Ontario), as varied by OSC Rule 41-801 - *Implementing 41-101 General prospectus requirements*, provides for similar requirements in respect of amendments for the distribution of additional securities.]

(3) The regulator must issue a receipt for an amendment to a final prospectus required to be filed under this section unless the regulator considers that there are grounds set out in securities legislation that would cause the regulator not to issue the receipt for a prospectus.

(4) The regulator must not refuse to issue a receipt under subsection (3) without giving the issuer who filed the prospectus an opportunity to be heard.

(5) An issuer must not proceed with a distribution or additional distribution if an amendment to a final prospectus is required to be filed.

(6) Subsection (5) does not apply and the issuer may proceed with the distribution or additional distribution if a receipt for the amendment to the final prospectus is issued by the regulator.

(7) Subsection (5) does not apply to labour-sponsored venture capital corporations, commodity pools, or scholarship plans.

PART 7 NON-FIXED PRICE OFFERINGS AND REDUCTION OF OFFERING PRICE UNDER A FINAL PROSPECTUS

7.7. Application

This Part does not apply to an investment fund that offers securities in continuous distribution.

7.2. Non-fixed price offerings and reduction of offering price

(1) A person or company distributing a security under a prospectus must do so at a fixed price.

(2) Despite subsection (1), securities may be distributed for cash at non-fixed prices under a prospectus if the securities have received a rating, on a provisional or final basis, from at least one approved rating organization at the time of

(a) the filing of the preliminary short form prospectus, if the issuer is filing a prospectus in the form of a short form prospectus under Regulation 44-101 respecting Short Form Prospectus Distributions, or

(b) the filing of the prospectus.

(3) Despite subsection (1), if securities are distributed for cash under a prospectus, the price of the securities may be decreased from the initial offering price disclosed in the prospectus and, after such a decrease, changed from time to time to an amount not greater than the initial offering price, without filing an amendment to the prospectus to reflect the change, if

(a) the securities are distributed through one or more underwriters that have agreed to purchase all of the securities at a specified price,

(b) the proceeds to be received by the issuer or selling security holders are disclosed in the prospectus as being fixed, and

(c) the underwriters have made a reasonable effort to sell all of the securities distributed under the prospectus at the initial offering price disclosed in the final prospectus.

(4) Despite subsections (2) and (3), the price at which securities may be acquired on exercise of rights must be fixed.

PART 8 BEST EFFORTS DISTRIBUTIONS

8.8. Distribution period

(1) If securities are being distributed on a best efforts basis, the distribution must cease within 90 days after the date of the receipt for the final prospectus unless an amendment to the final prospectus is filed and the regulator has issued a receipt for the amendment.

(2) If an amendment to a final prospectus is filed and the regulator has issued a receipt for the amendment under subsection (1), the distribution must cease within 90 days after the date of the receipt for the amendment to the final prospectus unless a further amendment is filed and the regulator has issued a receipt for the further amendment.

(3) The total period of the distribution under subsections (1) and (2) must not end more than 180 days from the date of receipt for the final prospectus.

8.2. Minimum amount of funds

If securities are being distributed on a best efforts basis, other than an offering of securities to be distributed continuously, and the prospectus discloses that a minimum amount of funds must be raised,

(a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or in Québec a notary, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in the final prospectus has been raised, and

(b) if the minimum amount of funds is not raised within the appropriate period of the distribution prescribed by section 8.1 [*Distribution period*], the person or company holding the funds in trust referred to in paragraph (a) must return the funds to the subscribers without any deductions.

PART 9 REQUIREMENTS FOR FILING A PROSPECTUS

9.1. Application and interpretation

(1) For the purposes of this Part and Form 41-101F1, a "contract entered into in the ordinary course of business" does not include the following:

(a) any contract to which directors, officers, promoters, substantial beneficiaries of the offering, selling security holders, or underwriters are parties, unless the contracts are for the purchase or sale of current assets at fair value;

(b) any continuing contract to sell the major part of the issuer's products or services or to purchase the major part of the issuer's requirements of goods, services, or raw materials or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which the issuer's business depends to a material extent;

(c) any contract calling for the acquisition or sale of any property, plant or equipment for consideration exceeding 20% of such fixed assets of the issuer on a consolidated basis;

(d) any credit agreements;

(e) any management or administration agreements;

(f) any contract on which the issuer's business is substantially dependent.

(2) For the purposes of this Part and Form 41-101F1, provisions "necessary to understanding the contract" include the following:

(a) the name or description of a material customer or a material supplier;

(b) interest rate and other similar terms in a material credit agreement;

(c) the duration and nature of all patents, trademarks, licences, franchises and concessions held;

(d) required disclosure in the MD&A section relating to loan arrangements and instalment payment obligations on debt;

(e) disclosure about related party transactions;

(f) material contingency, indemnification, anti-assignability, and take-or-pay clauses;

(g) financial covenants in material financing or credit agreements.

9.2. Required documents for filing a preliminary long form prospectus

An issuer that files a preliminary long form prospectus must

- (a) file the following with the preliminary long form prospectus
- (i) **Signed Copy** - a signed copy of the preliminary long form prospectus;
- (ii) **Documents Affecting the Rights of Security Holders** – copies of the following documents, and any amendments to the following documents, that have not previously been filed
- (A) articles of incorporation, amalgamation, continuation or any other constating or establishing documents of the issuer, unless the constating or establishing document is a statutory or regulatory instrument,
- (B) by-laws or other corresponding instruments currently in effect,
- (C) any security holder or voting trust agreement that the issuer has access to and that can reasonably be regarded as material to an investor in securities of the issuer,
- (D) any security holders' rights plans or other similar plans, and
- (E) any other contract of the issuer or a subsidiary of the issuer that creates or can reasonably be regarded as materially affecting the rights or obligations of the issuer's security holders generally;
- (iii) **Material Contracts** – any material contract that has not previously been filed, other than a contract entered into in the ordinary course of business, but certain provisions of the contract may be omitted or marked so as to be unreadable if
- (A) an executive officer of the issuer has reasonable grounds to believe that disclosure of those provisions would be seriously prejudicial to the interests of the issuer or would violate confidentiality provisions,
- (B) an executive officer of the issuer has reasonable grounds to believe that those provisions do not contain information relating to the issuer or its securities that would be necessary to understanding the contract, and
- (C) in the copy of the material contract filed by the issuer, immediately after a provision that has been omitted or marked so as to be unreadable, the issuer includes a description of the type of information that has been omitted or marked so as to be unreadable;
- (iv) **Investment Fund Documents** – if the issuer is an investment fund, the documents referred to in subparagraphs (ii) and (iii), must include copies of
- (A) any declaration of trust or trust agreement of the investment fund, limited partnership agreement, or any other constating or establishing documents of the investment fund.
- (B) any agreement of the investment fund or the trustee with the manager of the investment fund,
- (C) any agreement of the investment fund, manager or trustee with the portfolio advisers of the investment fund,
- (D) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund, and
- (E) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund;
- (v) **Mining Reports** – if the issuer has a mineral project, the technical reports required to be filed with a preliminary long form prospectus under Regulation 43-101 respecting Standards of Disclosure for Mineral Projects; and
- (vi) **Reports and Valuations** – a copy of each report or valuation referred to in the preliminary long form prospectus for which a consent is required to be filed under section 10.1 [*Consents of experts*] and that has not previously been filed, other than a technical report that
- (A) deals with a mineral project or oil and gas activities, and
- (B) is not otherwise required to be filed under subparagraph (v); and

(b) deliver to the regulator, concurrently with the filing of the preliminary long form prospectus, the following:

(i) **Blacklined Copy** – If the issuer is an investment fund, a copy of the *pro forma* prospectus (if applicable) blacklined to show changes and the text of deletions from the latest prospectus previously filed;

(ii) **Personal Information Form and Authorization to Collect, Use and Disclose Personal Information** – unless delivered within 3 years before filing of the preliminary long form prospectus, a completed Appendix A for

(A) each director and executive officer of an issuer;

(B) each director and executive officer of the manager of the issuer if the issuer is an investment fund;

(C) each promoter of the issuer and, except in Ontario, each substantial beneficiary of the offering; or

(D) if the promoter or substantial beneficiary of the offering is not an individual, each director and executive officer of the promoter or, except in Ontario, substantial beneficiary of the offering;

(iii) **Auditor's Comfort Letter regarding Audited Financial Statements** - if a financial statement of an issuer or a business included in a preliminary long form prospectus is accompanied by an unsigned auditor's report, a signed letter addressed to the regulator from the auditor of the issuer or of the business, as applicable, prepared in accordance with the form suggested for this circumstance by the Handbook.

9.3. Required documents for filing a final long form prospectus

An issuer that files a final long form prospectus must

(a) file the following with the final long form prospectus:

(i) **Signed Copy** - a signed copy of the final long form prospectus;

(ii) **Documents Affecting the Rights of Security Holders** – copies of any document described under subparagraph 9.2(a)(ii) [*Documents Affecting the Rights of Security Holders*] that has not previously been filed;

(iii) **Material Contracts** – copies of any document described under subparagraph 9.2(a)(iii) [*Material Contracts*] that has not previously been filed;

(iv) **Investment Fund Documents** – copies of any document described under subparagraph 9.2(a)(iv) [*Investment Fund Documents*] that has not previously been filed;

(v) **Other Reports and Valuations** - a copy of each report or valuation referred to in the final long form prospectus, for which a consent is required to be filed under section 10.1 [*Consents of experts*] and that has not previously been filed, other than a technical report that

(A) deals with a mineral project or oil and gas activities of the issuer, and

(B) is not otherwise required to be filed under subparagraph 9.2(a)(v) [*Mining Reports*] or 9.2(a)(vi) [*Reports and Valuations*];

(vi) **Issuer's Submission to Jurisdiction** - a submission to jurisdiction and appointment of agent for service of process of the issuer in the form set out in Appendix B, if an issuer is incorporated or organized in a foreign jurisdiction and does not have an office in Canada;

(vii) **Non-Issuer's Submission to Jurisdiction** - a submission to jurisdiction and appointment of agent for service of process of

(A) each selling security holder, and

(B) each person or company required to sign a certificate under Part 5 [*Certificates*], other than an issuer,

in the form set out in Appendix C, if the person or company is incorporated or organized in a foreign jurisdiction and does not have an office in Canada or is an individual who resides outside of Canada;

(viii) **Expert's Consents** - the consents required to be filed under section 10.1 [*Consents of experts*];

(ix) **Credit Supporter's Consent** - the written consent of the credit supporter to the inclusion of its financial statements in the final long form prospectus, if financial statements of a credit supporter are required under Item 33 of Form 41-101F1 [*Credit Supporter Disclosure, Including Financial Statements*] to be included in a final long form prospectus and a certificate of the credit supporter is not required under section 5.12 [*Certificate of credit supporter*] to be included in the final long form prospectus;

(x) **Undertaking in Respect of Credit Supporter Disclosure** – an undertaking of the issuer, in a form acceptable to the regulators, to file the periodic and timely disclosure of a credit supporter similar to the disclosure provided under item 12.1 of Form 44-101F1 [*Credit Supporter Disclosure*], so long as the securities being distributed are issued and outstanding;

(xi) **Undertaking in Respect of Continuous Disclosure** – An undertaking of the issuer, in a form acceptable to the regulators, to provide to its security holders separate financial statements for an operating entity that investors need to make an informed decision about investing in the issuer's securities if

(a) the issuer is an income trust that is formed as a mutual fund trust as that term is used in the *Income Tax Act* (Canada), other than an "investment fund" as defined in Regulation 81-106 respecting Investment Fund Continuous Disclosure for an investment fund,

(b) the underlying business or income producing assets of the operating entity generate net cash flow available for distribution to the issuer's security holders, and

(c) the issuer's performance and prospects depend primarily on the performance and operations of the operating entity;

(xii) **Undertaking to File Documents and Material Contracts** – if any document described in subparagraph (ii), (iii) or (iv) has not been executed or become effective before the filing of the final long form prospectus but will be executed or become effective on or before the completion of the distribution, the issuer must file with the applicable securities regulatory authority, no later than the time of filing of the final long form prospectus, an undertaking of the issuer to the applicable securities regulatory authority to file the document promptly and in any event within 7 days after the completion of the distribution; and

(xiii) **Undertaking in Respect of Restricted Securities** – for distributions of non-voting securities, an undertaking of the issuer to give notice to holders of non-voting securities of a meeting of security holders if a notice of such meeting is given to its registered holders of voting securities; and

(b) deliver to the regulator, no later than the filing of the final long form prospectus

(i) **Blackline Copy** – a copy of the final prospectus blacklined to show changes from the preliminary prospectus; and

(ii) **Communication with Exchange** – if the issuer has made an application to list the securities being distributed on an exchange, a copy of a communication in writing from the exchange stating that the application for listing has been made and has been accepted subject to the issuer meeting the requirements for listing of the exchange.

PART 10 CONSENTS AND LICENCES, REGISTRATIONS AND APPROVALS

10.1. Consents of experts

(1) An issuer must file the written consent of any notary in Québec, solicitor, auditor, accountant, engineer or appraiser, or any person or company whose profession or business gives authority to a statement made by that person or company named in a prospectus or an amendment to a prospectus, directly or, if applicable, in a document incorporated by reference,

(a) as having prepared or certified any part of the prospectus or the amendment,

(b) as having opined on financial statements from which selected information included in the prospectus has been derived and which audit opinion is referred to in the prospectus directly or in a document incorporated by reference, or

(c) as having prepared or certified a report, valuation, statement or opinion referred to in the prospectus or the amendment, directly or in a document incorporated by reference.

(2) The consent referred to in subsection (1) must

(a) be filed no later than the time the final prospectus or the amendment to the final prospectus is filed or, for the purposes of future financial statements that have been incorporated by reference in a prospectus under section 15.1(2) [*Documents incorporated by reference by investment funds*], no later than the date that those financial statements are filed,

(b) state that the person or company being named consents

(i) to being named; and

(ii) to the use of that person or company's report, valuation, statement or opinion,

(c) refer to the report, valuation, statement or opinion stating the date of the report, valuation, statement or opinion, and

(d) contain a statement that the person or company referred to in subsection (1)

(i) has read the prospectus, and

(ii) has no reason to believe that there are any misrepresentations in the information contained in it that are

(A) derived from the report, valuation, statement or opinion, or

(B) within the knowledge of the person or company as a result of the services performed by the person or company in connection with the report, financial statements, valuation, statement or opinion.

(3) In addition to any other requirement of this section, the consent of an auditor or accountant must also state

(a) the dates of the financial statements on which the report of the person or company is made, and

(b) that the person or company has no reason to believe that there are any misrepresentations in the information contained in the prospectus that are

(i) derived from the financial statements on which the person or company has reported, or

(ii) within the knowledge of the person or company as a result of the audit of the financial statements.

(4) Subsection (1) does not apply to an approved rating organization that issues a rating to the securities being distributed under the prospectus.

10.2. Licences, registrations and approvals

If the purpose of the distribution is to fund in whole or in part a new business of the issuer and the issuer has not obtained all material licences, registrations and approvals necessary for the operation of the business,

(a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or in Québec a notary, to hold in trust all funds received from subscriptions until all material licences, registrations and approvals necessary for the operation of the business has been obtained, and

(b) if all material licences, registrations and approvals necessary for the operation of the business has not been obtained within 90 days from the date of receipt of the final prospectus, the trustee must return the funds to subscribers.

PART 11 OVER-ALLOCATION AND UNDERWRITERS

11.1. Definitions

(1) The term "**base offering**" means the number or principal amount of the securities distributed under a prospectus by an issuer or selling security holder, excluding

(a) any over-allotment option granted in connection with the distribution, or the securities issuable on the exercise of any such over-allotment option, and

(b) securities issued or paid as compensation to a person or company for acting as an underwriter in respect of securities that are distributed under the prospectus, together with any underlying securities issuable or transferable on the exercise of any these securities (if these securities are convertible or exchangeable securities).

(2) The term "**over-allocation position**" means the amount, determined as at the closing of a distribution by which the aggregate number or principal amount of securities that are sold by one or more underwriters of the distribution exceeds the base offering.

(3) The term "**over-allotment option**" means a right granted to one or more underwriters by an issuer or a selling security holder of the issuer in connection with the distribution of securities under a prospectus to acquire, for the purposes of covering the underwriter's over-allocation position, a security of an issuer that has the same designation and attributes as a security that is distributed under such prospectus, and which

(a) expires not later than the 60th day after the date of the closing of the distribution, and

(b) is exercisable for a number or principal amount of securities that is limited to the lesser of

(i) the over-allocation position, and

(ii) 15% of the base offering.

11.1. Over-allocation

Securities that are sold to create the over-allocation position in connection with a distribution under a prospectus must be distributed under the prospectus.

11.3. Distribution of securities under a prospectus to an underwriter

No person or company may distribute securities under a prospectus to any person or company acting as an underwriter in connection with the distribution of securities under the prospectus, other than

(a) an over-allotment option granted to one or more underwriters in connection with the distribution or any security issuable or transferable on the exercise of such an over-allotment option; or

(b) securities issued or paid as compensation to one or more persons or companies for acting as an underwriter in respect of other securities that are distributed under the prospectus, where the number or principal amount of the securities issued as compensation, together with any underlying securities issuable or transferable on the exercise of any these securities (if these securities are convertible or exchangeable securities), does not in the aggregate exceed 5% of the base offering.

11.4. Take-up by underwriter

If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, the underwriter must take up the securities, if at all, within 42 days after the date of the receipt for the prospectus.

PART 12 RESTRICTED SECURITIES

12.1. Application and definitions

(1) In this Part and Form 41-101F1,

"non-voting security" means a restricted security that does not carry the right to vote generally, except for a right to vote that is mandated, in special circumstances, by law;

“private issuer” has the same meaning as in section 2.4 of Regulation 45-106 respecting Prospectus and Registration Exemptions [*Private issuer*];

“restricted security reorganization” means any event resulting in the creation of restricted securities, directly or through the creation of subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities or any change in the rights attaching to restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, including

- (a) any
 - (i) amendment to an issuer’s constating documents,
 - (ii) resolution of the board of directors of an issuer setting the terms of a series of securities of the issuer, or
 - (iii) restructuring, recapitalization, reclassification, arrangement, amalgamation or merger, or
- (b) if the issuer has one or more classes of restricted securities outstanding, an amendment to an issuer’s constating documents to increase
 - (i) the per security voting rights attached to any class of securities without at the same time making a proportionate increase in the per security voting rights attached to any other securities of the issuer, or
 - (ii) the number of a class of securities authorized;

“restricted security” means an equity security, which does not include a preferred security, of an issuer, if any of the following apply:

- (a) there is another class of securities of the issuer that carries a greater vote per security relative to the equity security,
- (b) the conditions of the class of equity securities, the conditions of another class of securities of the issuer, or the issuer’s constating documents have provisions that nullify or significantly restrict the voting rights of the equity securities,
- (c) the issuer has issued a second class of equity securities that entitle the owners of securities of that second class to participate in the earnings or assets of the issuer to a greater extent, on a per security basis, than the owners of the first class of equity securities, or
- (d) except in Ontario and British Columbia, the regulator determines that the equity security is a restricted security;

“restricted security term” means each of the terms “non-voting security”, “subordinate voting security”, “restricted voting security”;

“restricted voting security” means a restricted security that carries a right to vote subject to a restriction on the number or percentage of securities that may be voted by one or more persons or companies, unless the restriction is

- (a) permitted or prescribed by statute, and
- (b) is applicable only to persons or companies that are not citizens or residents of Canada or that are otherwise considered as a result of any law applicable to the issuer to be non-Canadians;

“subject security” means a security that results, or would result if and when issued, in an existing class of securities being considered restricted securities;

“subordinate voting security” means a restricted security that carries a right to vote, if there are securities of another class outstanding that carry a greater right to vote on a per security basis.

- (2) This Part does not apply to
 - (a) securities of mutual funds,
 - (b) securities that carry a right to vote subject to a restriction on the number or percentage of securities that may be voted or owned by persons or companies that are not citizens

or residents of Canada or that are otherwise considered as a result of any law applicable to the issuer to be non-Canadians, but only to the extent of the restriction, and

(c) securities that are subject to a restriction, imposed by any law governing the issuer, on the level of ownership of the securities by a person, company or combination of persons or companies, but only to the extent of the restriction.

12.2. Use of restricted security term

(1) No security may be referred to by a term or a defined term that includes the word "common" unless the security is an equity security to which are attached voting rights exercisable in all circumstances, irrespective of the number or percentage of securities owned, that are not less, per security, than the voting rights attached to any other outstanding security of the issuer.

(2) No security may be referred to by a term or defined term that includes the word "preference" or "preferred", unless the security is a security, other than an equity security, to which is attached a preference or right over any class of equity security of the issuer.

(3) If restricted securities are referred to in the constating documents of the issuer by a term that is different from the appropriate restricted security term, the restricted securities may be described, in one place only in the prospectus, by the term used in the constating documents of the issuer; provided that, the description is not on the front page of the prospectus and is in the same type face and type size as that used generally in the body of the prospectus.

(4) Each class of securities that is or may become restricted securities must be referred to using a term or a defined term that includes the appropriate restricted security term.

12.3. Prospectus filing eligibility

(1) Subject to subsection (3), an issuer must not file a prospectus under which restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities are distributed unless

(a) the distribution has received prior majority approval of the security holders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer, or

(b) at the time of each restricted security reorganization related to the securities to be distributed

(i) the restricted security reorganization received prior majority approval of the security holders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer,

(ii) the issuer was a reporting issuer, and

(iii) no purposes or business reasons for the creation of restricted securities were disclosed that are inconsistent with the purpose of the distribution.

(2) Subject to subsection (3), for each approval referred to in subsection (1), the issuer must have provided prior written disclosure in an information circular or notice to its security holders that included

(a) the name of each affiliate of the issuer that was a beneficial owner of securities of the issuer and the number of securities beneficially owned, directly or indirectly, by the affiliate as of the date of the information circular or notice,

(b) the name of each control person and the number of securities beneficially owned, directly or indirectly, by the control person as of the date of the information circular or notice, to the extent known to the issuer after reasonable inquiry,

(c) a statement of the number of votes attaching to the securities that were excluded for the purpose of the approval, and

(d) the purpose and business reasons for the creation of restricted securities.

(3) Subsections (1) and (2) do not apply if the securities offered by the prospectus are

(a) of an existing class of restricted securities that were created before December 21, 1984,

(b) securities of an issuer that was a private issuer immediately before filing the prospectus,

(c) securities of the same class as distributed under a prospectus that was filed by an issuer that was, at the time of filing the prospectus, a private issuer,

(d) previously unissued restricted securities distributed by way of stock dividend in the ordinary course to security holders instead of a cash dividend if at the time of distribution there is a published market for the restricted securities, or

(e) distributed as a stock split that takes the form of a distribution of previously unissued restricted securities by way of stock dividend to holders of the same class of restricted securities if at the time of distribution there is a published market for the restricted securities and the distribution is part of a concurrent distribution by way of stock dividend to holders of all equity securities under which all outstanding equity securities of the issuer are increased in the same proportion.

PART 13 ADVERTISING AND MARKETING IN CONNECTION WITH PROSPECTUS OFFERINGS

13.1. Legend for communications during the waiting period

(1) A notice, circular, advertisement, letter or other communication that is permitted or not prohibited under securities legislation to be used in connection with a prospectus offering during the waiting period must contain words to the effect of the following legend:

“A preliminary prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in certain jurisdictions of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from [insert name and contact information for dealer or other relevant person or entity.] There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.”

(2) If the notice, circular, advertisement, letter or other communication is in writing, set out the language in subsection (1) in prominent bold face type as large as that used in the body of the text.

13.2. Legend for communications following receipt for the final prospectus

(1) A notice, circular, advertisement, letter or other communications that is permitted or not prohibited under securities legislation to be used in connection with a prospectus offering following the issuance of a receipt for the final prospectus must contain words to the effect of the following legend:

“This offering is only made by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained from [inset name and contact information for dealer or other relevant person or entity.] Investors should read the prospectus before making an investment decision.”

(2) If the notice, circular, advertisement, letter or other communication is in writing, set out the language in subsection (1) in prominent bold face type as large as that used in the body of the text.

13.3. Advertising for investment funds during the waiting period

If the issuer is an investment fund, an advertisement during the waiting period may state only the following information:

(a) whether the security represents a share in a company or an interest in a non-corporate entity such as a trust unit or a partnership interest;

(b) the name of the issuer;

(c) the price of the security;

(d) the investment objective(s) of the investment fund;

(e) the name of the manager of the investment fund;

(f) the name of the portfolio adviser of the investment fund;

(g) the name and address of a person or company from whom a preliminary prospectus may be obtained and purchases of securities may be made; and

- (h) how many securities will be made available.

PART 14 CUSTODIANSHIP OF PORTFOLIO ASSETS OF AN INVESTMENT FUND

14.1. General

(1) Except as provided in sections 14.8 [*Custodial provisions relating to derivatives and securities lending, repurchases and reverse repurchase agreements*] and 14.9 [*Separate account for paying expenses*], all portfolio assets of an investment fund that files a long form prospectus using Form 41-101F2 must be held under the custodianship of one custodian that satisfies the requirements of section 14.2 [*Who may act as custodian or sub-custodian*].

(2) No manager of an investment fund may act as a custodian or sub-custodian of the investment fund.

14.2. Who may act as custodian or sub-custodian

(1) If portfolio assets are held in Canada by a custodian or sub-custodian, the custodian or sub-custodian must be one of the following:

- (a) a bank listed in Schedule I, II or III of the *Bank Act* (Canada);
- (b) a trust company that
 - (i) is incorporated and licenced or registered under the laws of Canada or a jurisdiction, and
 - (ii) has shareholders' equity, as reported in its most recent audited financial statement, of not less than \$10,000,000;
- (c) a company that is incorporated under the laws of Canada or a jurisdiction and is an affiliate of a bank or trust company referred to in paragraph (a) or (b), if
 - (i) the company has shareholders' equity, as reported in its most recent audited financial statements that have been made public, of not less than \$10,000,000, or
 - (ii) the bank or trust company has assumed responsibility for all of the custodial obligations of the company for that investment fund.

(2) If portfolio assets are held outside of Canada by a sub-custodian, the sub-custodian must be one of the following:

- (a) an entity referred to in subsection (1);
- (b) an entity that
 - (i) is incorporated or organized under the law of a country, or a political subdivision of a country, other than Canada,
 - (ii) is regulated as a banking institution or trust company by the government, or an agency of the government of the country or political subdivision of the country under whose laws it is incorporated or organized, and
 - (iii) has shareholders' equity, as reported in its most recent audited financial statements of not less than the equivalent of \$100,000,000;
- (c) an affiliate of an entity referred to in paragraph (a) or (b) if
 - (i) the affiliate has shareholders' equity, as reported in its most recent audited financial statements that have been made public, of not less than the equivalent of \$100,000,000, or
 - (ii) the entity referred to in paragraphs (a) or (b) has assumed responsibility for all of the custodial obligation of the affiliate for that investment fund.

14.3. Standard of care

(1) The custodian and each sub-custodian of an investment fund, in carrying out their duties concerning the safekeeping of, and dealing with, the portfolio assets of the investment fund, must exercise

- (a) the degree of care, diligence and skill that a reasonably prudent person would

exercise in the circumstances, or

(b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in paragraph (a).

(2) No investment fund may relieve the custodian or a sub-custodian of the investment fund from liability to the investment fund or to a security holder of the investment fund for loss that arises out of the failure of the custodian or sub-custodian to exercise the standard of care imposed by subsection (1).

(3) An investment fund may indemnify a custodian or sub-custodian against legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by that entity in connection with custodial or sub-custodial services provided by that entity to the investment fund, if those fees, judgments and amounts were not incurred as a result of a breach of the standard of care described in subsection (1).

(4) No investment fund may incur the cost of any portion of liability insurance that insures a custodian or sub-custodian for a liability, except to the extent that the custodian or sub-custodian may be indemnified for that liability under this section.

14.4. Appointment of sub-custodian

(1) The custodian or a sub-custodian of an investment fund may appoint one or more sub-custodians to hold portfolio assets of the investment fund if,

(a) in the case where the appointment is by the custodian, the investment fund gives written consent to each appointment,

(b) in the case where the appointment is by a sub-custodian, the investment fund and the custodian of the investment fund gives written consent to each appointment,

(c) the sub-custodian is an entity described in section 14.2(1) or (2) [*Who may act as custodian or sub-custodian*], as applicable,

(d) the arrangements under which a sub-custodian is appointed are such that the investment fund may enforce rights directly, or require the custodian or a sub-custodian to enforce rights on behalf of the investment fund, to the portfolio assets held by the appointed sub-custodian, and

(e) the appointment is otherwise in compliance with this Regulation.

(2) Despite paragraphs (1)(a) and (b), a general consent to the appointment of persons or companies that are part of an international network of sub-custodians within the organization of the custodian appointed by the investment fund or the sub-custodian appointed by the custodian is sufficient if that general consent is part of an agreement governing the relationship between the investment fund and the appointed custodian or the custodian and the appointed sub-custodian.

(3) A custodian or sub-custodian must provide to the investment fund a list of each person or company that is appointed sub-custodian under a general consent referred to in subsection (2).

14.5. Content of agreements

(1) All agreements between the investment fund and the custodian or the custodian and the sub-custodian of an investment fund must provide for

(a) the location of portfolio assets,

(b) the appointment of a sub-custodian, if any,

(c) providing lists of sub-custodians,

(d) the method of holding portfolio assets,

(e) the standard of care and responsibility for loss, and

(f) review and compliance reports.

(2) The provisions of an agreement referred to under subsection (1) must comply with the requirements of this Part.

(3) An agreement between a custodian and a sub-custodian concerning portfolio assets must

provide for the safekeeping of portfolio assets on terms consistent with the agreement between the investment fund and the custodian.

(4) No agreement between an investment fund and a custodian or a custodian and a sub-custodian respecting the portfolio assets may

(a) provide for the creation of any security interest on the portfolio assets except for a good faith claim for payment of the fees and expenses of the custodian or sub-custodian for acting in that capacity or to secure the obligations of the investment fund to repay borrowings by the investment fund from a custodian or sub-custodian for the purpose of settling portfolio transactions, or

(b) contain a provision that would require the payment of a fee to the custodian or sub-custodian for the transfer of the beneficial ownership of portfolio assets, other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

14.6. Review and compliance reports

(1) The custodian of an investment fund must, on a periodic basis and at least annually,

(a) review the agreements referred to in section 14.5 [*Content of agreements*] to determine if those agreements are in compliance with this Part,

(b) make reasonable enquiries to ensure that each sub-custodian is an entity referred to in subsection 14.2(1) or (2) [*Who may act as custodian or sub-custodian*], as applicable, and

(c) make or cause to be made any changes that may be necessary to ensure that

(i) the agreements are in compliance with this Part, and

(ii) each sub-custodian is an entity referred to in subsection 14.2(1) or (2) [*Who may act as custodian or sub-custodian*], as applicable.

(2) The custodian of an investment fund must, within 60 days after the end of each financial year of the investment fund, advise the investment fund in writing

(a) of the names and addresses of all sub-custodians of the investment fund,

(b) if the agreements are in compliance with this Part, and

(c) if, to the best of the knowledge and belief of the custodian, each sub-custodian is an entity that satisfies the requirements of subsection 14.2(1) or (2) [*Who may act as custodian or sub-custodian*], as applicable.

(3) A copy of the report referred to in subsection (2) must be delivered by or on behalf of the investment fund to the securities regulatory authority within 30 days after the filing of the annual financial statements of the investment fund.

14.7. Holding of portfolio assets and payment of fees

(1) Except as provided in subsections (2) and (3) and sections 14.8 [*Custodial provisions relating to derivatives and securities lending, repurchases and reverse repurchase agreements*] and 14.9 [*Separate account for paying expenses*], portfolio assets not registered in the name of the investment fund must be registered in the name of the custodian or a sub-custodian of the investment fund or any of their respective nominees with an account number or other designation in the records of the custodian sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.

(2) The custodian or a sub-custodian of the investment fund or the applicable nominee must segregate portfolio assets issued in bearer form to show that the beneficial ownership of the property is vested in the investment fund.

(3) A custodian or sub-custodian of an investment fund may deposit portfolio assets with a depository or a clearing agency that operates a book-based system.

(4) The custodian or sub-custodian of an investment fund arranging for the deposit of portfolio assets with, and their delivery to, a depository, or clearing agency, that operates a book-based system must ensure that the records of any of the applicable participants in that book-based system or the custodian contain an account number or other designation sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.

(5) No investment fund may pay a fee to a custodian or sub-custodian for the transfer of

beneficial ownership of portfolio assets other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

14.8. Custodial provisions relating to derivatives and securities lending, repurchases and reverse repurchase agreements

(1) An investment fund may deposit portfolio assets as margin for transactions in Canada involving clearing corporation options, options on futures or standardized futures with a dealer that is a member of an SRO that is a participating member of CIPF if the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10% of the net assets of the investment fund, taken at market value as at the time of deposit.

(2) An investment fund may deposit portfolio assets with a dealer as margin for transactions outside Canada involving clearing corporation options, options on futures or standardized futures if

(a) in the case of standardized futures and options on futures, the dealer is a member of a futures exchange or, in the case of clearing corporation options, is a member of a stock exchange, and, as a result in either case, is subject to a regulatory audit,

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

(c) the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10% of the net assets of the investment fund, taken at market value as at the time of deposit.

(3) An investment fund may deposit with its counterparty portfolio assets over which it has granted a security interest in connection with a particular specified derivatives transaction.

(4) The agreement by which portfolio assets are deposited in accordance with subsection (1), (2) or (3) must require the person or company holding the portfolio assets to ensure that its records show that the investment fund is the beneficial owner of the portfolio assets.

(5) An investment fund may deliver portfolio assets to a person or company in satisfaction of its obligations under a securities lending, repurchase or reverse purchase agreement that complies with this Regulation if the collateral, cash proceeds or purchased securities that are delivered to the investment fund in connection with the transaction are held under the custodianship of the custodian or a sub-custodian of the investment fund in compliance with this Part.

14.9. Separate account for paying expenses

An investment fund may deposit cash in Canada with an entity referred to in paragraph (a) or (b) of subsection 14.2(1) [*Who may act as custodian or sub-custodian*] to facilitate the payment of regular operating expenses of the investment fund.

PART 15 DOCUMENTS INCORPORATED BY REFERENCE BY INVESTMENT FUNDS

15.1. Incorporation by reference

(1) An investment fund that is in continuous distribution, except for scholarship plans, must incorporate by reference into its long form prospectus, by means of a statement to that effect, the filed documents listed in section 40.1 of Form 41-101F2 [*Mandatory Incorporation by Reference*].

(2) If an investment fund does not incorporate by reference into its long form prospectus a document referred to in subsection (1), the document is deemed, for the purposes of securities legislation, to be incorporated by reference in the investment fund's long form prospectus as of the date of the long form prospectus.

(3) An investment fund that is in continuous distribution, except for scholarship plans, must incorporate by reference in its long form prospectus, by means of a statement to that effect, the subsequently filed documents referred to in section 40.2 of Form 41-101F2 [*Mandatory Incorporation by Reference*].

(4) If an investment fund does not incorporate by reference into its long form prospectus a document referred to in subsection (3), the document is deemed, for the purposes of securities legislation, to be incorporated by reference in the investment fund's long form prospectus as of the date the investment fund filed the document.

PART 16 DISTRIBUTION OF PRELIMINARY PROSPECTUS AND DISTRIBUTION LIST**16.1. Distribution of preliminary prospectus and distribution list**

Except in Ontario, any dealer distributing a security during the waiting period must

(a) send a copy of the preliminary prospectus to each prospective purchaser who indicates an interest in purchasing the security and requests a copy of such preliminary prospectus, and

(b) maintain a record of the names and addresses of all persons and companies to whom the preliminary prospectus has been forwarded.

[Note: In Ontario, similar obligations regarding the distribution of a preliminary prospectus and maintaining a distribution list are set out in sections 66 and 67 of the *Securities Act* (Ontario).]

PART 17 LAPSE DATE**17.1. Pro forma prospectus**

(1) In this Part, "**pro forma prospectus**" means a long form prospectus that complies with the requirements described in subsections (2) and (3).

(2) A *pro forma* prospectus must be prepared in the form of a long form prospectus in accordance with Form 41-101F1 or Form 41-101F2, as applicable, and securities legislation, except that a *pro forma* prospectus is not required to contain prospectus certificates or to comply with

(a) section 4.2 [*Audit of financial statements*],

(b) section 4.3 [*Review of unaudited financial statements*], or

(c) section 4.4 [*Approval of financial statements and related documents*],

of this Regulation.

(3) An issuer that files a *pro forma* prospectus must file and deliver with the *pro forma* prospectus, the documents described in section 9.2 [*Required documents for filing a preliminary long form prospectus*].

(4) This Part does not apply to a prospectus filed in accordance with Regulation 44-101 respecting Short Form Prospectus Distributions, Regulation 44-102 respecting Shelf Distributions or Regulation 44-103 respecting Post- Receipt Pricing .

17.2. Refiling of prospectus

(1) This section does not apply in Ontario.

(2) In this section, "**lapse date**" means, with reference to a security that is being distributed under applicable securities legislation or this Regulation, the date that is 12 months after the date of the most recent final prospectus relating to the security.

(3) An issuer must not continue the distribution of a security to which the prospectus requirement applies after the lapse date unless the issuer files a new prospectus that complies with securities legislation and a receipt for that new prospectus is issued by the regulator.

(4) Despite subsection (3), a distribution may be continued for a further 12 months after a lapse date if,

(a) the issuer delivers a *pro forma* prospectus within 30 days before the lapse date of the previous prospectus;

(b) the issuer files a new prospectus within 10 days after the lapse date of the previous prospectus; and

(c) a receipt for the new prospectus is issued by the regulator within 20 days after the lapse date of the previous prospectus.

(5) The continued distribution of securities after the lapse date does not contravene subsection (3) unless and until any of the conditions of subsection (4) are not complied with.

(6) If a condition in subsection (4) is not complied with, a purchaser may cancel a purchase made in a distribution after the lapse date in reliance on subsection (4) within 90 days after the purchaser first became aware of the failure to comply with the condition.

(7) The regulator may, on an application of a reporting issuer, extend, subject to such terms and conditions as it may impose, the times provided by subsection (4) where in its opinion it would not be prejudicial to the public interest to do so.

[Note: In Ontario, similar requirements and procedures regarding refiling of prospectuses are set out in section 62 of the *Securities Act* (Ontario).]

PART 18 STATEMENT OF RIGHTS

18.1. Statement of rights

Except in Ontario, a prospectus must contain a statement of the rights given to a purchaser under securities legislation for a failure to deliver the prospectus or for a misrepresentation in a prospectus.

[Note: In Ontario, section 60 of the *Securities Act* (Ontario) requires the inclusion of a similar statement of rights.]

PART 19 EXEMPTION

19.1. Exemption

(1) The regulator or the securities regulatory authority may grant an exemption from the provisions of this Regulation, 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 such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

19.2. Application for exemption

An application made to the securities regulatory authority or regulator for an exemption from the provisions of this Regulation must include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

19.3. Evidence of exemption

(1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption from subsection 2.2(3) [*Language*], may be evidenced by the issuance of a receipt for a final prospectus or an amendment to a final prospectus.

(2) The issuance of a receipt for a final prospectus or an amendment to a final prospectus is not evidence that the exemption has been granted unless

(a) the person or company that sought the exemption sent to the regulator

(i) the letter or memorandum referred to in subsection 19.2 [*Application for exemption*] on or before the date of the filing of the preliminary prospectus, or

(ii) the letter or memorandum referred to in subsection 19.2 [*Application for exemption*] after the date of the filing of the preliminary prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1), and

(b) the regulator has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

PART 20 TRANSITION, REPEAL, AND EFFECTIVE DATE**20.1. Applicable rules**

A final prospectus may, at the issuer's option be prepared in accordance with securities legislation in effect at the date of issuance of a receipt for the preliminary prospectus or the date of issuance of a receipt for the final prospectus.

20.2. Repeal

Regulation 41-101 respecting Prospectus Disclosure Requirements, which came into force on December 31, 2000, is repealed.

20.3. Effective date

This Regulation comes into force on ●.

APPENDIX A**PERSONAL INFORMATION FORM AND AUTHORIZATION OF INDIRECT COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION**

In connection with an issuer (the "Issuer") filing a prospectus, the attached Schedule 1 contains information (the "Information") concerning every individual for who the Issuer is required to provide the Information under Part 9 of this Regulation or Part 4 of Regulation 44-101 respecting Short Form Prospectus Distributions. The Issuer is required by securities legislation to deliver the Information to the regulators listed in Schedule 3.

The Issuer confirms that each individual who has completed a Schedule 1:

(a) has been notified by the Issuer

(i) of the Issuer's delivery to the regulator of the Information in Schedule 1 pertaining to that individual,

(ii) that the Information is being collected indirectly by the regulator under the authority granted to it in securities legislation or provincial legislation relating to documents held by public bodies and the protection of personal information,

(iii) that the Information collected from each director and executive officer of the investment fund manager may be used in connection with the prospectus filing of the Issuer and the prospectus filing of any other issuer managed by the investment fund manager,

(iv) that the Information is being collected and used for the purpose of enabling the regulator to administer and enforce securities legislation, including those obligations that require or permit the regulator to refuse to issue a receipt for a prospectus if it appears to the regulator that the past conduct of management, an investment fund manager or promoter of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its security holders, and

(v) of the contact, business address and business telephone number of the regulator in the local jurisdiction as set out in the attached Schedule 3, who can answer questions about the regulator's indirect collection of the Information; and

(b) has read and understands the Personal Information Collection Policy attached hereto as Schedule 2; and

(c) has, by signing the statutory declaration in Schedule 1, authorized the indirect collection, and use and disclosure of the Information by the regulator as described in Schedule 2.

Date: _____

Name of Issuer

Per: _____

Name

Official Capacity

(Please print the name of the individual whose signature appears in the official capacity)

SCHEDULE 1**Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information**

This Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information (the "Form") is to be completed by every individual who, in connection with an issuer filing a prospectus (the "Issuer"), is required to do so under Part 9 of Regulation 41-101 respecting General Prospectus Requirements or Part 4 of Regulation 44-101 respecting Short Form Prospectus Distributions. Where an individual has previously delivered this Form (a "Previous Form") or has submitted a personal information form (an "Exchange Form") to the Toronto Stock Exchange, a division of TSX Inc. or the TSX Venture Exchange, a division of TSX Venture Exchange Inc., and the information has not changed, the Previous Form or the Exchange Form may be delivered in lieu of this Form; provided that the statutory declaration of this Form is completed and attached to the Previous Form or the Exchange Form.

General Instructions:

All Questions All questions must have a response. The response of "N/A" or "Not Applicable" for any questions, except Questions 1(B), 2B(iii) and 5 will not be accepted.

Questions 6 to 9 Please check (✓) in the appropriate space provided. If your answer to any of questions 6 to 9 is "YES", you must, in an attachment, provide complete details, including the circumstances, relevant dates, names of the parties involved and final disposition, if known. **Any attachment must be initialed by the Notary Public and the person completing this Form.** Responses must consider all time periods.

CAUTION

An individual who makes a false statement by statutory declaration commits an offence under securities legislation and an indictable offence under the *Criminal Code* (Canada). The indictable offence is punishable by **imprisonment** for a term not exceeding **fourteen years**. Steps may be taken to verify the answers you have given in this Form, including verification of information relating to any previous criminal record.

DEFINITIONS

"Offence" An offence includes:

- a summary conviction or indictable offence under the *Criminal Code* (Canada);
- a quasi-criminal offence (for example under the *Income Tax Act* (Canada), the *Immigration Act* (Canada) or the tax, immigration, drugs, firearms, money laundering or securities legislation of any jurisdiction;
- a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein; or
- an offence under the criminal legislation of any other jurisdiction.

NOTE: If you have received a pardon under the *Criminal Records Act* (Canada) and it has not been revoked, you must disclose the pardoned offence in this Form. In such circumstances:

- (a) the appropriate written response would be "Yes, pardon granted on (date)," and
- (b) you must provide complete details in an attachment to this Form.

"Proceedings" means:

- (a) a civil or criminal proceeding or inquiry before a court,
- (b) a proceeding before an arbitrator or umpire or a person or group of persons authorized by law to make an inquiry and take evidence under oath in the matter,
- (c) a proceeding before a tribunal in the exercise of a statutory power of decision making where the tribunal is required by law to hold or afford the parties to the proceeding an opportunity for a hearing before making a decision, or

(d) a proceeding before a self-regulatory organization authorized by law to regulate the operations and the standards of practice and business conduct of its members and their representatives, in which the self-regulatory organization is required under its by-laws or rules to hold or afford the parties the opportunity for a hearing before making a decision, but does not apply to a proceeding in which one or more persons are required to make an investigation and to make a report, with or without recommendations, if the report is for the information or advice of the person to whom it is made and does not in any way bind or limit that person in any decision the person may have the power to make;

"securities regulatory authority" (or "SRA") means a body created by statute in any jurisdiction to administer securities law, regulation and policy (e.g. securities commission), but does not include an exchange or other self regulatory or professional organization;

"self regulatory or professional organization" means (a) a stock, commodities, futures or options exchange; (b) an association of investment, securities, mutual fund, commodities, or future dealers; (c) an association of investment counsel or portfolio managers; (d) an association of other professionals (e.g. legal, accounting, engineering); and (e) any other group, institution or self-regulatory entity, recognized by a securities regulatory authority, that is responsible for the enforcement of rules, disciplines or codes under any applicable legislation, or considered a self regulatory or professional organization in another country.

1. A. IDENTIFICATION OF INDIVIDUAL COMPLETING FORM

LAST NAME(S)		FIRST NAME(S)			MIDDLE NAME(S) (If none, please state)	
NAME(S) MOST COMMONLY KNOWN BY:						
NAME OF ISSUER						
PRESENT or PROPOSED POSITION(S) WITH THE ISSUER – check (√) all positions below that are applicable.		(√)	IF DIRECTOR / OFFICER DISCLOSE THE DATE ELECTED / APPOINTED		IF OFFICER – PROVIDE TITLE IF OTHER – PROVIDE DETAILS	
			Month	Day	Year	
Director						
Officer						
Other						

B. Other than the name given in Question 1A above, provide any legal names, assumed names or nicknames under which you have carried on business or have otherwise been known, including information regarding any name change(s) resulting from marriage, divorce, court order or any other process. Use an attachment if necessary.	FROM		TO	
	MM	YY	MM	YY

C. GENDER	DATE OF BIRTH			PLACE OF BIRTH		
		Month (e.g. May)	Day	Year	City	Province/State
Male						
Female						

D. MARITAL STATUS	FULL NAME OF SPOUSE - include common-law	OCCUPATION OF SPOUSE

E. TELEPHONE AND FACSIMILE NUMBERS AND E-MAIL ADDRESS			
RESIDENTIAL	()	FACSIMILE	()
BUSINESS	()	E-MAIL	

F. RESIDENTIAL HISTORY - Provide all residential addresses for the past 10 YEARS starting with your current principal residential address. If you are unable to correctly identify the complete residential address for a period, which is beyond five years from the date of completion of this Form, the municipality and province or state and country must be identified. The regulator reserves the right to require the full address.

STREET ADDRESS, CITY, PROVINCE/STATE, COUNTRY & POSTAL/ZIP CODE	FROM		TO	
	MM	YY	MM	YY

2. CITIZENSHIP

A. CANADIAN CITIZENSHIP

	YES	NO
(i) Are you a Canadian Citizen?		
(ii) Are you a person lawfully in Canada as an immigrant but are not yet a Canadian citizen?		
(iii) If "Yes" to Question 2A(ii), the number of years of continuous residence in Canada:		

B. OTHER CITIZENSHIP

	YES	NO
(i) Do you hold citizenship in any country other than Canada?		
(ii) If "Yes" to Question 2B(i), the name of the country(s):		
(iii) Please provide U.S. Social Security number, where you have such a number		

3. EMPLOYMENT HISTORY

Provide your employment history for the **10 YEARS** immediately prior to the date of this Form starting with your current employment. Use an attachment if necessary.

EMPLOYER NAME	EMPLOYER ADDRESS	POSITION HELD	FROM		TO	
			M M	YY	M M	YY

4. POSITIONS WITH OTHER ISSUERS

	YES	NO
A. While you were a director, officer or insider of an issuer, did any exchange or self-regulatory organization ever refuse approval for listing or quotation of that issuer (including a listing resulting from a qualifying transaction, reverse take-over or merger)?		
B. Has your employment in a sales, investment or advisory capacity with any firm or company engaged in the sale of real estate, insurance or mutual funds ever been terminated for cause?		
C. Has a firm or company registered under the securities laws of any jurisdiction as a securities dealer, broker, investment advisor or underwriter, suspended or		
D. Are you or have you during the last 10 years ever been a director, officer, promoter, insider or control person for any reporting issuer?		

E. If "YES" to 4D above, provide the names of each reporting issuer. State the position(s) held and the period(s) during which you held the position(s). Use an attachment if

NAME OF REPORTING	POSITION(S)	MARKET TRADED ON	FROM		TO	
			MM	YY	MM	YY

5. EDUCATIONAL HISTORY

A. PROFESSIONAL DESIGNATION(S) - Provide any professional designation held and professional associations to which you belong. For example, Barrister & Solicitor, C.A., C.M.A., C.G.A., P.Eng., P.Geol., and CFA, etc. and indicate which organization and the date the designations were granted.

PROFESSIONAL DESIGNATION And MEMBERSHIP NUMBER	GRANTOR DESIGNATION And JURISDICTION	OF	DATE GRANTED			ACTIVE?	
			MM	DD	YY	YES	NO

B. Provide your post-secondary educational history starting with the most recent.

SCHOOL	LOCATION	DEGREE DIPLOMA	OR	DATE OBTAINED		
				MM	DD	YY

6. OFFENCES - If you answer "YES" to any item in Question 6, you must provide complete details in an attachment.

	YES	NO
A. Have you ever pleaded guilty to or been found guilty of an offence?		
B. Are you the subject of any current charge, indictment or proceeding for an offence?		
C. To the best of your knowledge, are you or have you <u>ever</u> been a director, officer, promoter, insider, or control person of an issuer, in any jurisdiction, at the time of events, where the issuer:		
(i) has ever pleaded guilty to or been found guilty of an offence?		
(ii) is the subject of any current charge, indictment or proceeding for an offence?		

7. **BANKRUPTCY** - If you answer "YES" to any item in Question 7, you must provide complete details in an attachment and attach a copy of any discharge, release or other applicable document.

	YES	NO
A. Have you, in any jurisdiction, within the past 10 years had a petition in bankruptcy issued against you, made a voluntary assignment in bankruptcy, made a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to manage your assets?		
B. Are you now an undischarged bankrupt?		
C. To the best of your knowledge, are you or have you ever been a director, officer, promoter, insider, or control person of an issuer, in any jurisdiction, at the time of events, or for a period of 12 months preceding the time of events, where the issuer:		
(i) has made a petition in bankruptcy, a voluntary assignment in bankruptcy, a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to manage the issuer's assets?		
(ii) is now an undischarged bankrupt?		

8. **PROCEEDINGS** - If you answer "YES" to any item in Question 8, you must provide complete details in an attachment.

	YES	NO
A. CURRENT PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY OR PROFESSIONAL ORGANIZATION. Are you now, in any jurisdiction, the subject of:		
(i) a notice of hearing or similar notice issued by an SRA?		
(ii) a proceeding or to your knowledge, under investigation, by an exchange or other self regulatory or professional organization?		
(iii) settlement discussions or negotiations for settlement of any nature or kind whatsoever with an SRA or any self regulatory or professional organization?		
B. PRIOR PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY OR PROFESSIONAL ORGANIZATION. Have you		
(i) been reprimanded, suspended, fined, been the subject of an administrative penalty, or otherwise been the subject of any disciplinary proceedings of any kind whatsoever, in any jurisdiction, by an SRA or self regulatory or professional organization?		
(ii) had a registration or licence for the trading of securities, exchange or commodity futures contracts, real estate, insurance or mutual fund products cancelled, refused, restricted or suspended?		
(iii) been prohibited or disqualified under securities, corporate or any other legislation from acting as a director or officer of a reporting issuer?		
(iv) had a cease trading or similar order issued against you or an order issued against you that denied you the right to use any statutory prospectus or registration exemption?		
(v) had any other proceeding of any nature or kind taken against you?		

C.	SETTLEMENT AGREEMENT(S)		
	Have you ever entered into a settlement agreement with a SRA, self regulatory or professional organization, attorney general or comparable official or body, in any jurisdiction, in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct, or any other settlement agreement with respect to any other violation of securities legislation or the rules of any self regulatory or professional organization?		
D.	To the best of your knowledge, are you now or have you ever been a director, officer, promoter, insider, or control person of an issuer at the time of such event, in any jurisdiction, for which a securities regulatory authority or self regulatory or professional organization has:		
	(i) refused, restricted, suspended or cancelled the registration or licensing of an issuer to trade securities, exchange or commodity futures contracts, or to sell or trade real estate, insurance or mutual fund products?		
	(ii) issued a cease trade or similar order or imposed an administrative penalty of any nature or kind whatsoever against the issuer, other than an order for failure to file financial statements that was revoked within 30 days of its issuance?		
	(iii) refused a receipt for a prospectus or other offering document, denied any application for listing or quotation or any other similar application, or issued an order that denied the issuer the right to use any statutory prospectus or registration exemptions?		
	(iv) issued a notice of hearing, notice as to a proceeding or similar notice against the issuer?		
	(v) taken any other proceeding of any nature or kind against the issuer, including a trading halt, suspension or delisting of the issuer (other than in the normal course for proper dissemination of information, pursuant to a Reverse Take-Over, Backdoor Listing or similar transaction)?		
	(vi) entered into a settlement agreement with the issuer in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct by the issuer, or involved in any other violation of securities legislation or a self regulatory or professional organization's rules?		

9. **CIVIL PROCEEDINGS** - If you answer "YES" to any item in Question 9, you must provide complete details in an attachment.

		YES	NO
A.	JUDGMENT, GARNISHMENT AND INJUNCTIONS Has a court in any jurisdiction:		
	(i) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against <u>you</u> in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
	(ii) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against <u>an issuer</u> , for which you are currently or have ever been a director, officer, promoter, insider or control person, in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
B.	CURRENT CLAIMS		
	(i) Are <u>you</u> now subject, in any jurisdiction, of a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
	(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of <u>an issuer</u> now subject, in any jurisdiction, of a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
C.	SETTLEMENT AGREEMENT		
	(i) Have <u>you</u> ever entered into a settlement agreement, in any jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
	(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of <u>an issuer</u> that has entered into a settlement agreement, in any jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		

STATUTORY DECLARATION AND CONSENT

I, _____ hereby solemnly declare that:
 (Please Print - Name of Individual)

(a) I have read and understood the questions, cautions, acknowledgement and consent in this Form, and the answers I have given to the questions in this Form and in any attachments to it are true and correct, except where stated to be to the best of my knowledge, in which case I believe the answers to be true;

(b) I have read and understand the Personal Information Collection Policy attached hereto as Schedule 2 (the "Personal Information Collection Policy").

(c) I consent to the collection, use and disclosure of the information in this Form and any further personal information collected, used and disclosed as set out in the Personal Information Collection Policy;

(d) I understand that I am providing this Form to a regulator listed in Schedule 3 attached hereto and I am under the jurisdiction of the regulator to which I submit this Form, and it is a breach of securities legislation to provide false or misleading information to the regulator;

(e) I make this solemn declaration conscientiously believing it to be true and knowing it is of the same legal force and effect as if made under oath and under the Canada Evidence Act.

Signature of Person Completing this Form

DECLARED before me at _____ in the Province (or State) of

_____ this _____ day of _____ , _____
 (Province or State) (Day) (Month) (Year)

Signature of Notary Public

SEAL OR STAMP OF NOTARY PUBLIC

My Appointment Expires: _____

***Note:**

THIS Form MUST BE DECLARED BEFORE A PERSON WHO IS A NOTARY PUBLIC IN AND FOR THE JURISDICTION IN WHICH IT IS DECLARED UNLESS THAT JURISDICTION DOES NOT HAVE NOTARY PUBLICS, IN WHICH CASE THIS Form MUST BE DECLARED BEFORE A LAWYER IN THAT JURISDICTION, OR OTHER PERSON THAT SATISFIES THE REQUIREMENTS SET OUT IN THE CANADA EVIDENCE ACT.

SCHEDULE 2

Personal Information Collection Policy

The regulators listed in Schedule 3 *Regulators* collect the personal information in Schedule 1 *Personal Information Form* under the authority granted to them under provincial and territorial securities legislation. The regulators do not make any of the information provided in Schedule 1 public under provincial and territorial securities legislation.

The regulators collect the personal information in Schedule 1 for the purpose of enabling the regulators to administer and enforce provincial and territorial securities legislation, including those provisions that require or permit the regulators to refuse to issue a receipt for a prospectus if it appears to the regulators that the past conduct of management or promoters of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its security holders.

You understand that by signing the statutory declaration and consent in Schedule 1, you are consenting to the Issuer submitting your personal information in Schedule 1 (the "Information") to the regulators and to the collection and use by the regulators of the Information, as well as any other information that may be necessary to administer and enforce provincial and territorial securities legislation. This may include the collection of information from law enforcement agencies, other government or non-governmental regulatory authorities, self-regulatory organizations, exchanges, and quotation and trade reporting systems to conduct background checks, verify the Information and perform investigations and conduct enforcement proceedings as required to ensure compliance with provincial and territorial securities legislation.

You understand that the Issuer is required to deliver the Information to the regulators because the Issuer has filed a prospectus under provincial and territorial securities legislation. You also understand that you have a right to be informed of the existence of personal information about you that is kept by regulators, that you have the right to request access to that information, and that you have the right to request that such information be corrected, subject to the applicable provisions of the freedom of information and protection of privacy legislation adopted by each province and territory.

You also understand and agree that the Information the regulators collect about you may also be disclosed, as permitted by law, where its use and disclosure is for the purposes described above. The regulators may also use a third party to process the Information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

Warning: It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Questions

If you have any questions about the collection, use, and disclosure of the information you provide to the regulators, you may contact the regulator in the jurisdiction in which the required information is filed, at the address or telephone number listed in Schedule 3.

SCHEDULE 3**Regulators**

Local Jurisdiction	Regulator
Alberta	Securities Review Officer Alberta Securities Commission Suite 400 300 - 5th Avenue S.W Calgary, Alberta T2P 3C4 Telephone: (403) 297-6454 E-mail: inquiries@seccom.ab.ca www.albertasecurities.com
British Columbia	Review Officer British Columbia Securities Commission P.O. Box 10142 Pacific Centre 701 West Georgia Street Vancouver, British Columbia V7Y 1L2 Telephone: (604) 899-6854 Toll Free within British Columbia and Alberta: (800) 373-6393 E-mail: inquiries@bcsc.bc.ca www.bcsc.bc.ca
Manitoba	Director, Corporate Finance The Manitoba Securities Commission 500-400 St. Mary Avenue Winnipeg, Manitoba R3C 4K5 Telephone: (204) 945-2548 E-mail: securities@gov.mb.ca www.msc.gov.mb.ca
New Brunswick	Director Corporate Finance and Chief Financial Officer New Brunswick Securities Commission 85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Telephone: (506) 658-3060 Fax: (506) 658-3059 E-mail: information@nbsc-cvmnb.ca
Newfoundland and Labrador	Director of Securities Department of Government Services and Lands P.O. Box 8700 West Block, 2nd Floor, Confederation Building St. John's, Newfoundland A1B 4J6 Telephone: (709) 729-4189 www.gov.nf.ca/gsl/cca/s

Northwest Territories	Securities Registries Department of Justice Government of the Northwest Territories P.O. Box 1320, Yellowknife, Northwest Territories X1A 2L9 Telephone: (867) 873- 7490 www.justice.gov.nt.ca/SecuritiesRegistry/ SecuritiesRegistry.html
Nova Scotia	Deputy Director, Compliance and Enforcement Nova Scotia Securities Commission P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: (902) 424-5354 www.gov.ns.ca/nssc
Nunavut	Government of Nunavut Legal Registries Division P.O. Box 1000 – Station 570 Iqaluit, Nunavut X0A 0H0 Telephone: (867) 975-6590
Ontario	Administrative Assistant to the Director of Corporate Finance Ontario Securities Commission 19th Floor, 20 Queen Street West Toronto, Ontario M5H 2S8 Telephone: (416) 597-0681 E-mail: Inquiries@osc.gov.on.ca www.osc.gov.on.ca
Prince Edward Island	Deputy Registrar, Securities Division Shaw Building 95 Rochford Street, P.O. Box 2000, 4th Floor Charlottetown, Prince Edward Island C1A 7N8 Telephone: (902) 368-4550 www.gov.pe.ca/securities
Québec	Autorité des marchés financiers Stock Exchange Tower P.O. Box 246, 22 nd Floor 800 Victoria Square Montréal, Québec H4Z 1G3 Attention: Responsable de l'accès à l'information Telephone: (514) 395-0337 Toll Free in Québec: (877) 525-0337 www.lautorite.qc.ca
Saskatchewan	Director Saskatchewan Financial Services Commission Suite 601, 1919 Saskatchewan Drive Regina, Saskatchewan S4P 4H2 Telephone: (306) 787-5842 www.sfsc.gov.sk.ca
Yukon	Registrar of Securities Department of Justice Andrew A. Philipsen Law Centre 2130 - 2nd Avenue, 3rd Floor Whitehorse, Yukon Territory Y1A 5H6 Telephone: (867) 667-5005

APPENDIX B**ISSUER FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS**

1. Name of issuer (the "Issuer"): _____
2. Jurisdiction of incorporation, or equivalent, of Issuer: _____
3. Address of principal place of business of Issuer: _____
4. Description of securities (the "Securities"): _____
5. Date of the prospectus (the "Prospectus") under which the Securities are offered: _____
6. Name of agent for service of process (the "Agent"): _____
7. Address for service of process of Agent in Canada (the address may be anywhere in Canada): _____
8. The Issuer designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Prospectus or the obligations of the Issuer as a reporting issuer, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.
9. The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of
 - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Prospectus; and
 - (b) any administrative proceeding in any such province [or territory],
 in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Prospectus or the obligations of the issuer as a reporting issuer.
10. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.
11. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.
12. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____

Signature of Issuer_____
Print name and title of signing
officer of Issuer

AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Issuer] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: _____

Signature of Agent

Print name of person signing and, if Agent is not an individual, the title of the person

APPENDIX C**NON-ISSUER FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS**

1. Name of issuer (the "Issuer"):

2. Jurisdiction of incorporation, or equivalent, of Issuer:

3. Address of principal place of business of Issuer:

4. Description of securities (the "Securities"):

5. Date of the prospectus (the "Prospectus") under which the Securities are offered:

6. Name of person filing this form (the "Filing Person"):

7. Filing Person's relationship to Issuer:

8. Jurisdiction of incorporation, or equivalent, of Filing Person, if applicable, or jurisdiction of residence of Filing Person:

9. Address of principal place of business of Filing Person:

10. Name of agent for service of process (the "Agent"):

11. Address for service of process of Agent in Canada (which address may be anywhere in Canada):

12. The Filing Person designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Prospectus, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring the Proceeding.
13. The Filing Person irrevocably and unconditionally submits to the non-exclusive jurisdiction of
 - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Prospectus; and
 - (b) any administrative proceeding in any such province [or territory],
 in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Prospectus.
14. Until six years after completion of the distribution of the Securities made under the Prospectus, the Filing Person shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.
15. Until six years after completion of the distribution of the Securities under the Prospectus, the Filing Person shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before a change in the name or above address of the Agent.
16. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____

Signature of Filing Person

Print name of person signing and, if the Filing Person is not an individual, the title of the person

AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Filing Person] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: _____

Signature of Agent

Print name of person signing and, if Agent is not an individual, the title of the person

FORM 41-101F1 INFORMATION REQUIRED IN A PROSPECTUS

GENERAL INSTRUCTIONS

(1) The objective of the prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision. Form 41-101F1 sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. Certain rules of specific application impose prospectus disclosure obligations in addition to those described in Form 41-101F1.

(2) Terms used and not defined in Form 41-101F1 that are defined or interpreted in the Regulation must bear that definition or interpretation. Other definitions are set out in National Instrument 14-101, *Definitions*.

(3) In determining the degree of detail required, a standard of materiality should be applied. Materiality is a matter of judgment in particular circumstance, and should generally be determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

(4) Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in Form 41-101F1 apply to both the preliminary prospectus and the prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.

(5) The disclosure must be understandable to readers and presented in an easy to read format. The presentation of information should comply with the plain language principles listed in section 4.1 of Policy Statement to Regulation 41-101 General Prospectus Requirements [Style of prospectus]. If technical terms are required, clear and concise explanations should be included.

(6) No reference need be made to inapplicable items and, unless otherwise required in Form 41-101F1, negative answers to items may be omitted.

(7) Where the term "issuer" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts to also include disclosure with respect to the issuer's subsidiaries and investees. If it is more likely than not that a person or company will become a subsidiary or investee, it may be necessary to also include disclosure with respect to the person or company. For this purpose, subsidiaries and investees include entities that are consolidated, proportionately consolidated, or accounted for using the equity method.

(8) An issuer that is a special purpose vehicle may have to modify the disclosure items to reflect the special purpose nature of its business.

(9) If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.

(10) If an issuer discloses financial information in a preliminary prospectus or prospectus in a currency other than the Canadian dollar, prominently disclose the currency in which the financial information is disclosed.

(11) Except as otherwise required or permitted, include information in a narrative form. The issuer may include graphs, photographs, maps, artwork or other forms of illustration, if relevant to the business of the issuer or the distribution and not misleading. Include descriptive headings. Except for information that appears in a summary, information required under more than one item need not be repeated.

(12) Certain requirements in this Form 41-101F1 make reference to requirements in another regulation. Issuers must also refer to any instructions to the requirements in the other regulation unless otherwise noted. These references include references to Form 51-102F2 *Annual Information Form*. Venture issuers must include such disclosure in a preliminary prospectus or

prospectus even if they are not otherwise required to file an annual information form under Regulation 51-102 respecting Continuous Disclosure Obligations.

Item 1 Cover Page Disclosure

1.1. Required statement State in italics at the top of the cover page the following:

“No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.”

1.2. Preliminary prospectus disclosure

Every preliminary prospectus must have printed in red ink and in italics at the top of the cover page immediately above the disclosure required under item 1.1 [*Required statement*] the following, with the bracketed information completed:

“A copy of this preliminary prospectus has been filed with the securities regulatory authority(ies) in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority(ies).”

INSTRUCTION

Issuers must complete the bracketed information by

(a) inserting the names of each jurisdiction in which the issuer intends to offer securities under the prospectus,

(b) stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada, or

(c) identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).

1.3. Basic disclosure about the distribution

State the following immediately below the disclosure required under items 1.1 [*Required statement*] and 1.2 [*Preliminary prospectus disclosure*] with the bracketed information completed:

“[PRELIMINARY] PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR SECONDARY OFFERING]

[(Date)]

[Name of Issuer]

[number and type of securities qualified for distribution under the prospectus, including any options or warrants, and the price per security]”

1.4. Distribution

(1) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	Price to public (a)	Underwriting discounts or commission (b)	Proceeds to issuer or selling security holders (c)
Per Security			
Total			

(2) If there is an over-allotment option or an option to increase the size of the distribution before closing,

(a) disclose that a purchaser who acquires securities forming part of the underwriters' over-allocation position acquires those securities under this prospectus, regardless of whether the

over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases, and

(b) describe the terms of the option.

(3) If the distribution of the securities is to be on a best efforts basis, provide totals for both the minimum and maximum offering amount, if applicable.

(4) If a minimum subscription amount is required from each subscriber, provide details of the minimum subscription requirements in the table required under subsection (1).

(5) If debt securities are being distributed at a premium or a discount, state in bold type the effective yield if held to maturity.

(6) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis, and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.

(7) In column (b) of the table, disclose only commissions paid or payable in cash by the issuer or selling security holder and discounts granted. Set out in a note to the table

(a) commissions or other consideration paid or payable by persons or companies other than the issuer or selling security holder,

(b) consideration other than discounts granted and cash paid or payable by the issuer or selling security holder, including warrants and options, and

(c) any finder's fees or similar required payment.

(8) If a security is being distributed for the account of a selling security holder, state the name of the security holder and a cross-reference to the applicable section in the prospectus where further information about the selling security holder is provided. State the portion of the expenses of the distribution to be borne by the selling security holder and, if none of the expenses of the distribution are being borne by the selling security holder, include a statement to that effect and discuss the reason why this is the case.

INSTRUCTIONS

(1) Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.

(2) If debt securities are being distributed, also express the information in the table as a percentage.

1.5. Offering price in currency other than Canadian dollar If the offering price of the securities being distributed is disclosed in a currency other than the Canadian dollar, disclose in bold face type the reporting currency.

1.6. Non-fixed price distributions

If the securities are being distributed at non-fixed prices, disclose

(a) the discount allowed or commission payable to the underwriter,

(b) any other compensation payable to the underwriter and, if applicable, that the underwriter's compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the issuer or selling security holder,

(c) that the securities to be distributed under the prospectus will be distributed, as applicable, at

(i) prices determined by reference to the prevailing price of a specified security in a specified market,

(ii) market prices prevailing at the time of sale, or

(iii) prices to be negotiated with purchasers,

(d) that prices may vary as between purchasers and during the period of distribution,

(e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date,

(f) if the price of the securities will be the market price prevailing at the time of the sale, the market price at the latest practicable date, and

(g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the issuer or selling security holder.

1.7. Pricing range

If the offering price or the number of securities being distributed has not been determined at the date of the preliminary prospectus, disclose a *bona fide* estimate of the range in which the offering price or the number of securities being distributed is expected to be set.

1.8. Reduced price distributions If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price fixed in the prospectus, include in bold type a cross-reference to the section in the prospectus where disclosure concerning the possible price decrease is provided.

1.9. Market for securities

(1) Identify the exchange(s) and quotation system(s), if any, on which securities of the issuer of the same class as the securities being distributed are traded or quoted and the market price of those securities as of the latest practicable date.

(2) Disclose any intention to stabilize the market. Provide a cross-reference to the section in the prospectus where further information about market stabilization is provided.

(3) If no market for the securities being distributed under the prospectus is expected to exist upon completion of the distribution, state the following in bold type:

“There is no market through which these securities may be sold. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. A purchaser may not be able to resell securities purchased under this prospectus. See ‘Risk Factors’”.

(4) If the issuer has complied with the requirements of this Regulation as an IPO venture issuer, include a statement, in substantially the following form, with bracketed information completed:

“As at the date of this prospectus, [name of issuer] does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the market known as OFEX.”

1.10. Risk factors

Include a cross-reference to sections in the prospectus where information about the risks of an investment in the securities being distributed is provided.

1.11. Underwriter(s)

(1) State the name of each underwriter.

(2) If applicable, comply with the requirements of Regulation 33-105 respecting Underwriting Conflicts for cover page prospectus disclosure.

(3) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter's obligations are subject to conditions, state the following, with bracketed information completed:

“We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of issuer] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under Plan of Distribution”.

(4) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the prospectus.

(5) If there is no underwriter involved in the distribution, provide a statement in bold type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review or independent due diligence of the contents of the prospectus.

(6) Provide the following tabular information

Underwriter's Position	Maximum size or number of securities held	Exercise period/ Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			
Any other option granted by issuer or insider of issuer			
Total securities under option			
Other compensation securities			

1.12. International issuers

If the issuer, a selling security holder, or any person or company required to provide a certificate under Part 5 of the Regulation [*Certificates*], other than the issuer, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

"The [issuer, selling security holder, or person or company providing a certificate under Part 5 of the Regulation [*Certificates*] or securities legislation] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Although [the person or company described above] has appointed [name(s) and addresses of agent(s) for service] as its agent(s) for service of process in [list jurisdictions] it may not be possible for investors to realize on judgements obtained in Canada against [the person or company described above]."

1.13. Restricted securities

(1) Describe the number and class or classes of restricted securities being distributed using the appropriate restricted security term in the same type face and type size as the rest of the description.

(2) If the securities being distributed are restricted securities and the holders of the securities do not have the right to participate in a takeover bid made for other equity securities of the issuer, disclose that fact.

1.14. Earnings coverage

If any of the earnings coverage ratios required to be disclosed under Item 9 [*Earnings Coverage Ratios*] is less than one-to-one, disclose this fact in bold type.

Item 2 Table of Contents

2.1. Table of contents Include a table of contents.

Item 3 Summary of Prospectus**3.1. General**

(1) Briefly summarize, near the beginning of the prospectus, information appearing elsewhere in the prospectus that, in the opinion of the issuer or selling security holder, would be most likely to influence the investor's decision to purchase the securities being distributed, including a description of

- (a) the principal business of the issuer and its subsidiaries,
- (b) the securities to be distributed, including the offering price and expected net proceeds,
- (c) use of proceeds,
- (d) risk factors,
- (e) financial information, and
- (f) if restricted securities, subject securities or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or subject securities, are to be distributed under the prospectus

(i) include a summary of the information required by item 10.6 [*Restricted securities*]; and

(ii) include, in bold-face type, a statement of the rights the holders of restricted securities do not have, if the holders do not have all of the rights referred to in item 10.6 [*Restricted securities*].

(2) For the financial information provided under paragraph (1)(e),

- (a) disclose the source of the financial information,
- (b) disclose whether the source of the financial information has been audited,
- (c) disclose whether the financial information has been audited, and
- (d) if neither the source of the financial information nor the financial information has been audited, prominently disclose that fact.

(3) For each item summarized under subsection (1), provide a cross-reference to the information in the prospectus.

3.2. Cautionary language

At the beginning of the summary, include a statement in italics in substantially the following form:

"The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus."

Item 4 Corporate Structure

4.1. Name, address and incorporation (1) State the issuer's full corporate name or, if the issuer is an unincorporated entity, the full name under which it exists and carries on business, and the address(es) of the issuer's head and registered office.

(2) State the statute under which the issuer is incorporated, continued or organized or, if the issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists.

(3) Describe the substance of any material amendments to the articles or other constituting or establishing documents of the issuer.

4.2. Intercorporate relationships

(1) Describe, by way of a diagram or otherwise, the intercorporate relationships among the issuer and its subsidiaries.

(2) For each subsidiary described in subsection (1), state

(a) the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, controlled or directed, by the issuer,

(b) the percentage of each class of restricted securities of the subsidiary beneficially owned, controlled or directed, by the issuer, and

(c) where the subsidiary was incorporated or continued.

(3) If the securities distributed under the prospectus are being issued in connection with a restructuring transaction, describe by way of a diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.

(4) A particular subsidiary may be omitted from the disclosure required by this item if, at the most recent financial year end of the issuer

(a) the total assets of the subsidiary do not exceed 10% of the consolidated assets of the issuer,

(b) the sales and operating revenues of the subsidiary do not exceed 10% of the consolidated sales and operating revenues of the issuer, and

(c) the conditions in paragraphs (a) and (b) would be satisfied if

(i) the subsidiaries that may be omitted under paragraphs (a) and (b) were considered in the aggregate, and

(ii) the reference to 10% in those paragraphs was changed to 20%.

Item 5 Describe the Business

5.1. Describe the business

(1) Describe the business of the issuer and its operating segments that are reportable segments as those terms are used in the Handbook. Disclose information for each reportable segment of the issuer in accordance with subsection 5.1(1) of Form 51-102F2 [*General*].

(2) Disclose the nature and results of any bankruptcy, receivership or similar proceedings against the issuer or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the issuer or any of its subsidiaries, within the 3 most recently completed financial years or completed during or proposed for the current financial year.

(3) Disclose the nature and results of any material restructuring transaction of the issuer or any of its subsidiaries within the 3 most recently completed financial years or completed during or proposed for the current financial year.

(4) If the issuer has implemented social or environmental policies that are fundamental to the issuer's operations, such as policies regarding the issuer's relationship with the environment or with the communities in which the issuer does business, or human rights policies, describe them and the steps the issuer has taken to implement them.

5.2. Three-year history (1) Describe how the issuer's business has developed over the last 3 completed financial years and any subsequent period to the date of the prospectus, including only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.

(2) If the issuer produces or distributes more than one product or provides more than one kind of service, describe the products or services.

(3) Discuss changes in the issuer's business that the issuer expects will occur during the current financial year.

5.3. Issuers with asset-backed securities outstanding(1) If the issuer has asset-backed securities outstanding that were distributed under a prospectus, disclose information in accordance with item 5.3 of Form 51-102F2 [*Companies with Asset-backed Securities Outstanding*].

(2) If any of the information disclosed in accordance with subsection 5.3(2) of Form 51-102F2 [*Companies with Asset-backed Securities Outstanding*] as required under subsection (1) has been audited, disclose the existence and results of the audit.

5.4. Issuers with mineral projects If the issuer has a mineral project, disclose information for the issuer in accordance with item 5.4 of Form 51-102F2 [*Companies With Mineral Projects*].

5.5. Issuers with oil and gas operations(1) If the issuer is engaged in oil and gas activities as defined in Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities, disclose information in accordance with Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*

(a) as at the end of, and for, the most recent financial year for which the prospectus includes an audited balance sheet of the issuer, or

(b) in the absence of a completed financial year referred to in paragraph (a), as at the most recent date for which the prospectus includes an audited balance sheet of the issuer, and for the most recent financial period for which the prospectus includes an audited income statement of the issuer.

(2) Include with the disclosure under subsection (1) a report in the form of Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor*, on the reserves data included in the disclosure required under subsection (1).

(3) Include with the disclosure under subsection (1) a report in the form of Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure* that refers to the information disclosed under subsection (1).

(4) To the extent not reflected in the information disclosed in response to subsection (1), disclose the information contemplated by Part 6 of Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities [*Material Change Disclosure*] in respect of material changes that occurred after the applicable balance sheet referred to in subsection (1).

INSTRUCTION

Disclosure in a prospectus must be consistent with Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities if the issuer is engaged in oil and gas activities (as defined in Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities).

Item 6 Use of Proceeds

6.1. Proceeds(1) State the estimated net proceeds to be received by the issuer or selling security holder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the issuer or selling security holder from the sale of the securities distributed.

(2) State the particulars of any provisions or arrangements made for holding any part of the net proceeds of the distribution in trust or escrow subject to the fulfillment of conditions.

(3) If the prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

6.2. Junior issuers

A junior issuer must disclose

(a) the total funds available, and

(b) the following breakdown of those funds:

(i) the net proceeds from the sale of the securities offered under the prospectus;

(ii) the estimated consolidated working capital (deficiency) as at the most recent month end before filing the prospectus;

(iii) the total other funds available to be used to achieve the principal purposes identified by the junior issuer pursuant to this Item.

6.3. Principal purposes – generally (1) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which

- (a) the net proceeds will be used by the issuer, or
- (b) the funds available as required under section 6.2 [*Junior issuers*] will be used by a junior issuer.

(2) If the closing of the distribution is subject to a minimum subscription, provide disclosure of the use of proceeds for the minimum and maximum subscriptions.

INSTRUCTION

For the purposes of the disclosure in this item, the phrase “for general corporate purposes” will generally not be sufficient.

6.4. Principal purposes – indebtedness

(1) If more than 10% of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the 2 preceding years, describe the principal purposes for which the proceeds of the indebtedness were used.

(2) If the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and the outstanding amount owed.

6.5. Principal purposes – asset acquisition

(1) If more than 10% of the net proceeds are to be used to acquire assets, describe the assets.

(2) If known, disclose the particulars of the purchase price being paid for or being allocated to the assets or categories of assets, including intangible assets.

(3) If the vendor of the assets is an insider, associate or affiliate of the issuer, give the name of the vendor and the method used in determining the purchase price.

(4) Describe the nature of the title to or interest in the assets to be acquired by the issuer.

(5) If part of the consideration for the acquisition of the assets consists of securities of the issuer, give brief particulars of the class, number or amount, voting rights, if any, and other appropriate information relating to the securities, including particulars of the issuance of securities of the same class within the 2 preceding years.

6.6. Principal purposes – insiders, etc.

If an insider, associate or affiliate of the issuer will receive more than 10% of the net proceeds, identify the insider, associate or affiliate and disclose the amount of net proceeds to be received.

6.7. Principal purposes – research and development

If more than 10% of the net proceeds from the distribution will be used for research and development of products or services, describe

(a) the timing and stage of research and development programs that management anticipates will be reached using such proceeds,

(b) the major components of the proposed programs that will be funded using the proceeds from the distribution, including an estimate of anticipated costs,

(c) if the issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and

(d) the additional steps required to reach commercial production and an estimate of costs and timing.

6.8. Business objectives and milestones

(1) State the business objectives that the issuer expects to accomplish using the net proceeds of the distribution under item 6.1 [*Proceeds*], or in the case of a junior issuer, using the funds available described under item 6.2 [*Junior issuers*].

(2) Describe each significant event that must occur for the business objectives described under subsection (1) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event.

6.9. Unallocated funds in trust or escrow(1) Disclose that unallocated funds will be placed in a trust or escrow account, invested or added to the working capital of the issuer.

- (2) Give details of the arrangements made for, and the persons or companies responsible for,
- (a) the supervision of the trust or escrow account or the investment of unallocated funds, and
- (b) the investment policy to be followed.

6.10. Other sources of funding If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds.

6.11. Financing by special warrants, etc. (1) If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or the exercise of other securities acquired on a prospectus-exempt basis, describe the principal purposes for which the proceeds of the prospectus-exempt financing were used or are to be used.

(2) If all or a portion of the funds have been spent, explain how the funds were spent.

Item 7 Dividends or Distributions

7.7. Dividends or distributions

(1) Disclose the amount of cash dividends or distributions declared per security for each class of the issuer's securities for each of the 3 most recently completed financial years and its current financial year.

(2) Describe any restrictions that could prevent the issuer from paying dividends or distributions.

(3) Disclose the issuer's dividend or distribution policy and any intended change in dividend or distribution policy.

Item 8 Management's Discussion and Analysis

8.1. Interpretation

(1) For the purposes of this Item, MD&A means a completed Form 51-102F1 or, in the case of an SEC issuer, a completed Form 51-102F1 or management's discussion and analysis prepared in accordance with Item 303 of Regulation S-K or Item 303 of Regulation S-B under the 1934 Act.

(2) If MD&A is prepared in the form of Form 51-102F1, the issuer

(a) should read the references to a "venture issuer" in Form 51-102F1 to include an IPO venture issuer,

(b) should disregard the requirements in

(i) the Instruction to section 1.11 of Form 51-102F1 [*Proposed Transactions*],

and

(ii) section 1.15 of Form 51-102F1 [*Other MD&A Requirements*], and

(c) may not satisfy section 1.10 of Form 51-102F1 [*Fourth Quarter*] by incorporating by reference into the prospectus separate MD&A for the issuer's fourth quarter.

8.2. MD&A

(1) Provide MD&A for

(a) the most recent annual financial statements of the issuer included in the prospectus under Item 32 [*Financial Statement Disclosure for Issuers*], and

(b) the most recent interim financial statements of the issuer included in the prospectus under Item 32 [*Financial Statement Disclosure for Issuers*].

(2) If the prospectus includes the issuer's annual income statements, statements of retained earnings, and cash flow statements for 3 financial years under Item 32 [*Financial Statement*

Disclosure for Issuers], provide MD&A for the second most recent annual financial statements of the issuer included in the prospectus under Item 32 [*Financial Statement Disclosure for Issuers*].

(3) Despite subsection (2), MD&A for the second most recent annual financial statements of the issuer included in the prospectus under Item 32 [*Financial Statement Disclosure for Issuers*] may omit disclosure regarding balance sheet items.

8.3. MD&A and supplement for SEC issuers

(1) If the issuer is an SEC issuer, for any MD&A that is included in the prospectus, include the disclosure prepared in accordance with subsection (2) if the issuer

(a) has based the discussion in the MD&A on financial statements prepared in accordance with U.S. GAAP, and

(b) is required by subsection 4.1(1) of Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency [*Acceptable Accounting Principles for SEC Issuers*] to provide a reconciliation to Canadian GAAP.

(2) In the disclosure required under subsection (1) restate, based on financial information of the issuer prepared in accordance with, or reconciled to, Canadian GAAP, those parts of the MD&A that

(a) are based on financial statements of the issuer prepared in accordance with U.S. GAAP, and

(b) would contain material differences if they were based on financial statements of the issuer prepared in accordance with Canadian GAAP.

8.4. Disclosure of outstanding security data

(1) Disclose in the MD&A, or supplement if one is required under item 8.3 [*MD&A and supplement for SEC issuers*], the designation and number or principal amount of

(a) each class and series of voting or equity securities of the issuer for which there are securities outstanding,

(b) each class and series of securities of the issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the issuer, and

(c) subject to subsection (2), each class and series of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer.

(2) If the exact number or principal amount of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer is not determinable, the issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer and, if that maximum number or principal amount is not determinable, the issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined.

(3) The disclosure under subsections (1) and (2) must be prepared as of the latest practicable date.

8.5. More recent financial information

If the issuer is required to include more recent financial information in the prospectus under subsection 32.6(1) [*Additional financial statements or financial information filed or released*], the issuer is not required to update the MD&A already included in the prospectus under this Item.

8.6. Additional disclosure for venture issuers or IPO venture issuers without significant revenue

(1) If the issuer is a venture issuer or an IPO venture issuer that has not had significant revenue from operations in either of its last 2 financial years, disclose in the MD&A, or supplement if one is required under item 8.3 [*MD&A and supplement for SEC issuers*], a breakdown of material components of

(a) capitalized or expensed exploration and development costs,

- (b) expensed research and development costs,
 - (c) deferred development costs,
 - (d) general and administrative expenses, and
 - (e) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (a) through (d).
- (2) Present the analysis of capitalized or expensed exploration and development costs required by subsection (1) on a property-by-property basis, if the issuer's business primarily involves mining exploration and development.
- (3) Provide the disclosure in subsection (1) for the following periods
- (a) in the case of annual MD&A, for the 2 most recently completed financial years, and
 - (b) in the case of interim MD&A, for the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included in the prospectus, if any.
- (4) Subsection (1) does not apply if the information required under that subsection has been disclosed in the financial statements to which the MD&A, or supplement if one is required under item 8.3 [*MD&A and supplement for SEC issuers*], relates.

8.7. Additional disclosure for junior issuers

For a junior issuer that had negative operating cash flow in its most recently completed financial year for which financial statements have been included in the prospectus, disclose in the MD&A, or supplement if one is required under item 8.3 [*MD&A and supplement for SEC issuers*]

- (a) the period of time the proceeds raised under the prospectus are expected to fund operations,
- (b) the estimated total operating costs necessary for the issuer to achieve its stated business objectives during that period of time, and
- (c) the estimated amount of other material capital expenditures during that period of time.

8.8. Additional disclosure for issuers with significant equity investees

(1) An issuer that has a significant equity investee must disclose in its MD&A, or supplement if one is required under section 8.3 [*MD&A and supplement for SEC issuers*], for each MD&A provided under section 8.2 [*MD&A*]

- (a) summarized information as to the assets, liabilities and results of operations of the equity investee, and
- (b) the issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the issuer's share of earnings.

(2) Subsection (1) does not apply if

- (a) the information required under that subsection has been disclosed in the financial statements to which the MD&A, or supplement if one is required under section 8.3 [*MD&A and supplement for SEC issuers*], relates, or
- (b) the issuer files separate financial statements of the equity investee for the periods of the MD&A referred to in section 8.2 [*MD&A*].

Item 9 Earnings Coverage Ratios

9.1. Earnings coverage ratios

(1) If the securities being distributed are debt securities having a term to maturity in excess of one year or are preferred shares, disclose the following earnings coverage ratios adjusted in accordance with subsection (2):

- (a) the earnings coverage ratio based on the most recent 12 month period included in the issuer's current annual financial statements,

(b) if there has been a change in year end and the issuer's most recent financial year is less than nine months in length, the earnings coverage calculation for its old financial year, and

(c) the earnings coverage ratio based on the 12 month period ended on the last day of the most recently completed period for which interim financial statements of the issuer have been included in the prospectus.

(2) Adjust the ratios referred to in subsection (1) to reflect

(a) the issuance of the securities being distributed under the prospectus, based on the price at which these securities are expected to be distributed,

(b) in the case of a distribution of preferred shares,

(i) the issuance of all preferred shares since the date of the annual or interim financial statements; and

(ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual or interim financial statements and of all preferred shares to be repurchased, redeemed, or otherwise retired from the proceeds to be realized from the sale of securities under the prospectus,

(c) the issuance of all long-term financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual or interim financial statements,

(d) the repayment, redemption or other retirement of all long-term financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual or interim financial statements and all long-term financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the prospectus, and

(e) the servicing costs that were incurred, or are expected to be incurred, in relation to the adjustments.

(3) If the issuer is distributing, or has outstanding, debt securities that are accounted for, in whole or in part, as equity, disclose in notes to the ratios required under subsection (1)

(a) that the ratios have been calculated excluding the carrying charges for those securities that have been reflected in equity in the calculation of the issuer's interest and dividend obligations,

(b) that if those securities had been accounted for in their entirety as debt for the purpose of calculating the ratios required under subsection (1), the entire amount of the annual carrying charges for those securities would have been reflected in the calculation of the issuer's interest and dividend obligations, and

(c) the earnings coverage ratios for the periods referred to in subsection (1), calculated as though those securities had been accounted for as debt.

(4) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the earnings required to achieve a ratio of one-to-one.

(5) If the prospectus includes a *pro forma* income statement, calculate the *pro forma* earnings coverage ratios for the periods of the *pro forma* income statement, and disclose them in the prospectus.

INSTRUCTIONS

(1) If the issuer's financial year is less than 12 months in length, the earnings coverage ratio in subsection (1) should be calculated on an annualized basis.

(2) Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.

(3) Earnings coverage is calculated by dividing an entity's earnings (the numerator) by its interest and dividend obligations (the denominator).

(4) For the earnings coverage calculation

(a) the numerator should be calculated using consolidated net income before interest and income taxes;

(b) imputed interest income from the proceeds of a distribution should not be added to the numerator;

(c) an issuer may also present, as supplementary disclosure, a coverage calculation based on earnings before discontinued operations and extraordinary items;

(d) for distributions of debt securities, the appropriate denominator is interest expense determined in accordance with the issuer's GAAP, after giving effect to the new debt issue and any retirement of obligations, plus the amount of interest that has been capitalized during the period;

(e) for distributions of preferred shares

(i) the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer's annual interest requirements, including the amount of interest that has been capitalized during the period, less any retirement of obligations, an

(ii) dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate; and

(f) for distributions of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt being offered pursuant to the prospectus.

(5) The denominator represents a pro forma calculation of the aggregate of an issuer's interest obligations on all long-term debt and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect

(a) the issuance of all long-term debt and, in addition in the case of an issuance of preferred shares, all preferred shares issued, since the date of the annual or interim financial statements;

(b) the issuance of the securities that are to be distributed under the prospectus, based on a reasonable estimate of the price at which these securities will be distributed;

(c) the repayment or redemption of all long-term debt since the date of the annual or interim financial statements, all long-term debt to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual or interim financial statements and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus; and

(d) the servicing costs that were incurred, or will be incurred, in relation to the above adjustments.

(6) In certain circumstances, debt obligations may be classified as current liabilities because such obligations, by their terms, are due on demand, are due within one year, or are callable by the creditor. If the issuer is distributing, or has outstanding, debt securities that are classified as current liabilities, disclose

(a) in the notes to the ratios required under subsection 9.1(1) [Earnings coverage ratios] that the ratios have been calculated excluding the carrying charges for those debt securities reflected as current liabilities;

(b) that if those debt securities had been classified in their entirety as long term debt for the purposes of calculating the ratios under subsection 9.1(1) [Earnings coverage ratios], the entire amount of the annual carrying charges for such debt securities would have been reflected in the calculation of the issuer's interest and dividend obligations; and

(c) the earnings coverage ratios for the periods referred to in subsection 9.1(1) [Earnings coverage ratios], calculated as though those debt securities had been classified as long term debt.

(7) For debt securities, disclosure of earnings coverage shall include language similar to the following, with the bracketed information completed:

"[Name of the issuer]'s interest requirements, after giving effect to the issue of [the debt securities to be distributed under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]'s earnings before interest and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]'s interest requirements for this period."

(8) For preferred share issues, disclosure of earnings coverage shall include language similar to the following, with the bracketed information completed:

"[Name of the issuer]'s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares to be distributed under the prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of •%, amounted to \$• for the 12 months ended •. [Name of the issuer]'s interest requirements for the 12 months then ended amounted to \$•. [Name of the issuer]'s earnings before interest and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]'s aggregate dividend and interest requirements for this period."

(9) Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.

Item 10 Description of the Securities Distributed

10.1. Equity securities If equity securities are being distributed, state the description or the designation of the class of the equity securities and describe all material attributes and characteristics, including

- (a) dividend rights,
- (b) voting rights,
- (c) rights upon dissolution or winding-up,
- (d) pre-emptive rights,
- (e) conversion or exchange rights,
- (f) redemption, retraction, purchase for cancellation or surrender provisions,
- (g) sinking or purchase fund provisions,
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions, and
- (i) provisions requiring a security holder to contribute additional capital.

10.2. Debt securities

If debt securities are being distributed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including

- (a) provisions for interest rate, maturity and premium, if any,
- (b) conversion or exchange rights,
- (c) redemption, retraction, purchase for cancellation or surrender provisions,
- (d) sinking or purchase fund provisions,
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge,
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities,
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates, and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

10.3. Asset-backed securities

If asset-backed securities are being distributed, describe

- (a) the material attributes and characteristics of the asset-backed securities, including
 - (i) the rate of interest or stipulated yield and any premium,
 - (ii) the date for repayment of principal or return of capital and any circumstances in which payments of principal or capital may be made before such date, including any redemption or pre-payment obligations or privileges of the issuer and any events that may trigger early liquidation or amortization of the underlying pool of financial assets,

(iii) provisions for the accumulation of cash flows to provide for the repayment of principal or return of capital,

(iv) provisions permitting or restricting the issuance of additional securities and any other material negative covenants applicable to the issuer,

(v) the nature, order and priority of the entitlements of holders of asset-backed securities and any other entitled persons or companies to receive cash flows generated from the underlying pool of financial assets, and

(vi) any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of payments or distributions to be made under the asset-backed securities, including those that are dependent or based on the economic performance of the underlying pool of financial assets,

(b) information on the underlying pool of financial assets for

(i) the 3 most recently completed financial years ended more than:

(A) 90 days before the date of the prospectus, or

(B) 120 days before the date of the prospectus, if the issuer is a venture issuer,

(ii) if the issuer has not had asset-backed securities outstanding for 3 financial years, each completed financial year ended more than

(A) 90 days before the date of the prospectus, or

(B) 120 days before the date of the prospectus, if the issuer is a venture issuer,

(iii) a period from the date the issuer had asset-backed securities outstanding to a date not more than 90 days before the date of the prospectus if the issuer has not had asset-backed securities outstanding for at least one financial year,

(iv) if an issuer changed its financial year end during any of the financial years referred to in this item and the transition year is less than 9 months, the transition year is deemed not to be a financial year for the purposes of the requirement to provide information on the underlying pool of financial assets for a specified number of financial years in this item,

(v) notwithstanding paragraph (iv), all information on the underlying pool of financial assets of the issuer for a transition year must be included in the prospectus,

(vi) the most recent interim period, if any, ended

(A) subsequent to the most recent financial year refer to in paragraphs (i) and (ii) in respect of which information on the underlying pool of financial assets are included in the prospectus, and

(B) more than

(I) 45 days before the date of the prospectus, or

(II) 60 days before the date of the prospectus if the issuer is a venture issuer,

(vii) if the issuer files information on the underlying pool of financial assets for a more recent period than required under paragraphs (i), (ii), (iii), or (vi) before the prospectus is filed, the issuer must include those more recent information on the underlying pool of financial assets in the prospectus, and

(viii) if information on the underlying pool of financial assets of the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under paragraphs (i), (ii), (iii), or (vi), the issuer must include the content of the news release or public communication in the prospectus,

including a discussion and analysis of

(ix) the composition of the pool as of the end of the period,

(x) income and losses from the pool for the period presented on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets,

(xi) the payment, prepayment and collection experience of the pool for the period on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets,

(xii) servicing and other administrative fees, and

(xiii) any significant variances experienced in the matters referred to in paragraphs (ix) through (xii),

(c) the type of financial assets, the manner in which the financial assets originated or will originate and, if applicable, the mechanism and terms of the agreement governing the transfer of the financial assets comprising the underlying pool to or through the issuer, including the consideration paid for the financial assets,

(d) any person or company who

(i) originated, sold or deposited a material portion of the financial assets comprising the pool, or has agreed to do so,

(ii) acts, or has agreed to act, as a trustee, custodian, bailee or agent of the issuer or any holder of the asset-backed securities, or in a similar capacity,

(iii) administers or services a material portion of the financial assets comprising the pool or provides administrative or managerial services to the issuer, or has agreed to do so, on a conditional basis or otherwise, if

(A) finding a replacement provider of the services at a cost comparable to the cost of the current provider is not reasonably likely,

(B) a replacement provider of the services is likely to achieve materially worse results than the current provider,

(C) the current provider of the services is likely to default in its service obligations because of its current financial condition, or

(D) the disclosure is otherwise material,

(iv) provides a guarantee, alternative credit support or other credit enhancement to the obligations of the issuer under the asset-backed securities or the performance of some or all of the financial assets in the pool, or has agreed to do so, or

(v) lends to the issuer in order to facilitate the timely payment or repayment of amounts payable under the asset-backed securities, or has agreed to do so,

(e) the general business activities and material responsibilities under the asset-backed securities of a person or company referred to in paragraph (d),

(f) the terms of any material relationships between

(i) any of the persons or companies referred to in paragraph (d) or any of their respective affiliates, and

(ii) the issuer,

(g) any provisions relating to termination of services or responsibilities of any of the persons or companies referred to in paragraph (d) and the terms on which a replacement may be appointed, and

(h) any risk factors associated with the asset-backed securities, including disclosure of material risks associated with changes in interest rates or prepayment levels, and any circumstances where payments on the asset-backed securities could be impaired or disrupted as a result of any reasonably foreseeable event that may delay, divert or disrupt the cash flows dedicated to service the asset-backed securities.

INSTRUCTIONS

(1) Present the information required under paragraph (b) in a manner that will enable a reader to easily determine whether, and the extent to which, the events, covenants, standards and preconditions referred to in clause (a)(vi) have occurred, are being satisfied or may be satisfied.

(2) If the information required under paragraph (b) is not compiled specifically from the underlying pool of financial assets, but is compiled from a larger pool of the same assets from which the securitized assets are randomly selected such that the performance of the larger pool is representative of the performance of the pool of securitized assets, then an issuer may comply with paragraph (b) by providing the information required based on the larger pool and disclosing that it has done so.

(3) Issuers are required to summarize contractual arrangements in plain language and may not merely restate the text of the contracts referred to. The use of diagrams to illustrate the roles of, and the relationship among, the persons and companies referred to in paragraph (d), and the contractual arrangements underlying the asset-backed securities is encouraged.

10.4. Derivatives

If derivatives are being distributed, describe fully the material attributes and characteristics of the derivatives, including

- (a) the calculation of the value or payment obligations under the derivatives,
- (b) the exercise of the derivatives,
- (c) the settlement of exercises of the derivatives,
- (d) the underlying interest of the derivatives,
- (e) the role of a calculation expert in connection with the derivatives,
- (f) the role of any credit supporter of the derivatives, and
- (g) the risk factors associated with the derivatives.

10.5. Special warrants, etc.

If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis, disclose that holders of such securities have been provided with a contractual right of rescission and provide the following disclosure in the prospectus, with the bracketed information completed:

"In the event that a holder of a special warrant, who acquires a [identify underlying security] of the issuer upon the exercise of the special warrant as provided for in this prospectus, is or becomes entitled under applicable securities legislation to the remedy of rescission by reason of this prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder's exercise of its special warrant(s) but also of the private placement transaction pursuant to which the special warrant was initially acquired, and shall be entitled in connection with such rescission to a full refund of all consideration paid to the [underwriter or issuer, as the case may be] on the acquisition of the special warrant. In the event such holder is a permitted assignee of the interest of the original special warrant subscriber, such permitted assignee shall be entitled to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was such original subscriber. The foregoing is in addition to any other right or remedy available to a holder of the special warrant under applicable securities legislation or otherwise at law."

INSTRUCTION

If the prospectus is qualifying the distribution of securities issued upon the exercise of securities other than special warrants, replace the term "special warrant" with the type of the security being distributed.

10.6. Restricted securities

(1) If the issuer has outstanding, or proposes to distribute under a prospectus restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of

- (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion exchange

or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the issuer that are the same or greater on a per security basis than those attached to the restricted securities,

(b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities,

(c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the issuer and to speak at the meetings to the same extent that holders of equity securities are entitled, and

(d) how the issuer complied with, or basis upon which it was exempt from, the requirements of Part 12 of this Regulation [*Restricted Securities*].

(2) If holders of restricted securities do not have all of the rights referred to in subsection (1) the detailed description referred to in that subsection must include, in bold type, a statement of the rights the holders do not have.

(3) If the issuer is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the issuer's securities that will be represented by restricted securities after giving effect to the issuance of the securities being offered.

10.7. Other securities If securities other than equity securities, debt securities, asset-backed securities or derivatives are being distributed, describe fully the material attributes and characteristics of those securities.

10.8. Modification of terms(1) Describe provisions as to modification, amendment or variation of any rights attached to the securities being distributed.

(2) If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

10.9. Ratings

If the issuer has asked for and received a stability rating, or if the issuer has received any other kind of rating, including a provisional rating, from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose

(a) each security rating, including a provisional rating or stability rating, received from an approved rating organization,

(b) the name of each approved rating organization that has assigned a rating for the securities to be distributed,

(c) a definition or description of the category in which each approved rating organization rated the securities to be distributed and the relative rank of each rating within the organization's classification system,

(d) an explanation of what the rating addresses and what attributes, if any, of the securities to be distributed are not addressed by the rating,

(e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed,

(f) a statement that a security rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization, and

(g) any announcement made by, or any proposed announcement known to the issuer to be made by, an approved rating organization that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this paragraph.

INSTRUCTION

There may be factors relating to a security that are not addressed by a ratings agency when they give a rating. For example, in the case of cash settled derivatives, factors in addition to the

creditworthiness of the issuer, such as the continued subsistence of the underlying interest or the volatility of the price, value or level of the underlying interest may be reflected in the rating analysis. Rather than being addressed in the rating itself, these factors may be described by an approved rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under this item.

10.10. Other attributes

(1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.

(2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

INSTRUCTION

This item requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the issuer's discretion, be attached as a schedule to the prospectus.

Item 11 Consolidated Capitalization

11.1. Consolidated capitalization Describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer's financial statements for its most recently completed financial period included in the prospectus, including any material change that will result from the issuance of the securities being distributed under the prospectus.

Item 12 Options to Purchase Securities

12.1. Options to purchase securities(1) For an issuer that is not a reporting issuer immediately before filing the prospectus, state, in tabular form, as at a specified date within 30 days before the date of the prospectus, information as to options to purchase securities of the issuer or a subsidiary of the issuer that are held or will be held upon completion of the distribution by

(a) all executive officers and past executive officers of the issuer as a group and all directors and past directors of the issuer who are not also executive officers as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,

(b) all executive officers and past executive officers of all subsidiaries of the issuer as a group and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary as a group, in each case, and excluding individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,

(c) all other employees and past employees of the issuer as a group,

(d) all other employees and past employees of subsidiaries of the issuer as a group,

(e) all consultants of the issuer as a group, and

(f) any other person or company, other than the underwriter(s), naming each person or company.

(2) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTIONS

(1) Describe the options, warrants, or other similar securities stating the material provisions of each class or type of option, including:

(a) the designation and number of the securities under option;

(b) the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;

(c) if reasonably ascertainable, the market value of the securities under option on the date of grant;

(d) if reasonably ascertainable, the market value of the securities under option on the specified date; and

(e) with respect to options referred to in paragraph (f) of item 12.1 [Options to purchase securities], the particulars of the grant including the consideration for the grant.

(2) For the purposes of paragraph 12.1(1)(f) [Options to purchase securities], provide the information required for all options except warrants and special warrants.

Item 13 Prior Sales

13.1. Prior sales

For each class of securities of the issuer distributed under the prospectus and securities that are convertible into those classes of securities, state, for the 12-month period before the date of the prospectus,

(a) the price at which the securities have been sold, and

(b) the number of securities sold.

13.2. Trading price and volume

(1) For each class of securities of the issuer that is traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation generally occurs.

(2) If a class of securities of the issuer is not traded or quoted on a Canadian marketplace but is traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume or quotation generally occurs.

(3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the prospectus.

Item 14 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

14.1. Escrowed securities and securities subject to contractual restriction on transfer

(1) State as of a specified date within 30 days before the date of the prospectus, in substantially the following tabular form, the number of securities of each class of securities of the issuer held, to the knowledge of the issuer, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class

(2) In a note to the table disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow or the date the contractual restriction on transfer ends, as applicable.

(3) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTION

For purposes of this item, escrow includes securities subject to a pooling agreement.

Item 15 Principal Security Holders and Selling Security Holders

15.1. Principal security holders and selling security holders

(1) Provide the following information for each principal security holder of the issuer and, if any securities are being distributed for the account of a security holder, for each selling security holder:

- (a) the name;
- (b) the number or amount of securities owned of the class being distributed;
- (c) the number or amount of securities of the class being distributed for the account of the security holder;
- (d) the number or amount of securities of the issuer of any class to be owned after the distribution, and the percentage that number or amount represents of the total outstanding;
- (e) whether the securities referred to in paragraph (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.

(2) If securities are being distributed in connection with a restructuring transaction, indicate, to the extent known, the holdings of each person or company described in subsection (1) that will exist after giving effect to the transaction.

(3) If any of the securities being distributed are being distributed for the account of a security holder and those securities were purchased by the selling security holder within the 2 years preceding the date of the prospectus, state the date the selling security holder acquired the securities and, if the securities were acquired in the 12 months preceding the date of the prospectus, the cost to the security holder in the aggregate and on an average cost per security basis.

(4) If, to the knowledge of the issuer or the underwriter of the securities being distributed, more than 10% of any class of voting securities of the issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

(5) If, to the knowledge of the issuer or the underwriter of the securities being distributed, any principal security holder or selling security holder is an associate or affiliate of another person or company named as a principal security holder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the issuer held by the person or company other than the holding of voting securities of the issuer.

(6) In addition to the above, include in a footnote to the table, the required calculation(s) on a fully-diluted basis.

(7) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTION

If a company, partnership, trust or other unincorporated entity is a principal security holder of an issuer, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of that company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal security holder of that entity.

Item 16 Directors and Executive Officers

16.1. Name, occupation and security holding (1) Provide information for directors and executive officers of the issuer in accordance with item 10.1 of Form 51-102F2 [*Name, Occupation and Security Holding*] as at the date of the prospectus.

(2) If information similar to the information required under subsection (1) is provided for any director or executive officer, who is not serving in such capacity as at the date of the prospectus, clearly indicate this fact and explain whether the issuer believes that this director or executive officer is liable under the prospectus.

16.2. Cease trade orders, bankruptcies, penalties or sanctions Provide information for directors and executive officers of the issuer, and shareholders holding a sufficient number of securities of the issuer to affect materially the control of the issuer, in accordance with item 10.2 of Form 51-102F2 [*Cease Trade Orders, Bankruptcies, Penalties or Sanctions*] as if the references in that item to "date of the AIF" read "date of the prospectus".

16.3. Conflicts of interest Disclose particulars of existing or potential material conflicts of interest between the issuer or a subsidiary of the issuer and a director or officer of the issuer or a subsidiary of the issuer.

16.4. Management of junior issuers

A junior issuer must provide the following information for each member of management:

(a) state the individual's name, age, position and responsibilities with the issuer and relevant educational background;

(b) state whether the individual works full time for the issuer or what proportion of the individual's time will be devoted to the issuer;

(c) state whether the individual is an employee or independent contractor of the issuer;

(d) state the individual's principal occupations or employment during the five years before the date of the prospectus, disclosing with respect to each organization as of the time such occupation or employment was carried on:

(i) its name and principal business;

(ii) if applicable, that the organization was an affiliate of the issuer;

(iii) positions held by the individual; and

(iv) whether it is still carrying on business, if known to the individual;

(e) describe the individual's experience in the issuer's industry;

(f) state whether the individual has entered into a non-competition or non-disclosure agreement with the issuer.

INSTRUCTIONS

(1) For purposes of this item, "management" means all directors, officers, employees and contractors whose expertise is critical to the issuer, its subsidiaries and proposed subsidiaries in providing the issuer with a reasonable opportunity to achieve its stated business objectives.

(2) The description of the principal occupation of a member of management must be specific. The terms "businessman" or "entrepreneur" are not sufficiently specific.

Item 17 Executive Compensation

17.1. Disclosure Include in the prospectus a Statement of Executive Compensation prepared in accordance with Form 51-102F6 *Statement of Executive Compensation* and describe any intention to make any material changes to that compensation.

Item 18 Indebtedness of Directors and Executive Officers

18.1. Aggregate indebtedness Provide information for the issuer in accordance with item 10.1 of Form 51-102F5 *Information Circular [Aggregate Indebtedness]* as if the reference in that item to "date of the information circular" reads "date of the prospectus".

Indebtedness of directors and executive officers under securities purchase and other programs **18.2.** Provide information for the issuer in accordance with items 10.2 and 10.3 of Form 51-102F5 *[Indebtedness of Directors and Executive Officers]* as if the reference in these items to "date of the information circular" reads "date of the prospectus".

Item 19 Audit Committees and Corporate Governance**19.1. Audit committees**

(1) Include in the prospectus the disclosure for the issuer in accordance with Form 52-110F1 *Audit Committee Information Required in an AIF*, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.

(2) Include in the prospectus the disclosure for the issuer in accordance with Form 52-110F2 *Disclosure by Venture Issuers*, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

(3) An issuer is not required to include the disclosure required by subsections (1) or (2) if the issuer will not be required to comply with Regulation 52-110 respecting Audit Committees upon obtaining a receipt for the final prospectus because it will be eligible to rely on the exemption in Part 3.2 of Regulation 11-101 respecting Principal Regulator System *[Continuous Disclosure Exemption]* to provide the disclosure in BCI 52-509 *Audit Committees*.

(4) An issuer relying on an exemption in subsection (3) must include in the prospectus

(a) the disclosure required under BCI 52-509,

(b) a statement that the issuer is providing the disclosure required by BCI 52-509, and

(c) a statement that BCI 52-509 differs from MI 52-110, which applies in jurisdictions other than British Columbia.

19.2. Corporate governance

(1) Include in the prospectus the disclosure in accordance with Form 58-101F1 *Corporate Governance Disclosure*, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.

(2) Include in the prospectus the disclosure in accordance with Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

(3) For the purposes of the disclosure required under subsection (1) or (2), an issuer may not apply the British Columbia test for independence under subsection 1.2(2) of Regulation 58-101 respecting Disclosure of Corporate Governance Practices *[Meaning of Independence]* if the issuer will be a reporting issuer in a jurisdiction other than British Columbia upon obtaining a receipt for the final prospectus.

Item 20 Plan of Distribution

20.1. Name of underwriters(1) If the securities are being distributed by an underwriter, state the name of the underwriter and describe briefly the nature of the underwriter's obligation to take up and pay for the securities.

(2) Disclose the date by which the underwriter is obligated to purchase the securities.

20.2. Disclosure of conditions to underwriters' obligations If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter's obligations are subject to conditions,

(a) include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

"Under an agreement dated [insert date of agreement] between [insert name of issuer or selling security holder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of issuer or selling security shareholder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of issuer or selling security holder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [its/their] assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement.", and

(b) describe any other conditions and indicate any information known that is relevant to whether such conditions will be satisfied.

20.3. Best efforts offering Outline briefly the plan of distribution of any securities being distributed other than on the basis described in item 20.2 [*Disclosure of conditions to underwriters' obligations*].

20.4. Minimum distribution

If securities are being distributed on a best efforts basis and minimum funds are to be raised, state

(a) the minimum funds to be raised,

(b) that the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer, or in Québec a notary, who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in paragraph (a) has been raised, and

(c) that if the minimum amount of funds is not raised within the distribution period, the trustee must return the funds to the subscribers without any deductions.

20.5. Determination of price Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process of determining the estimates.

20.6. Stabilization If the issuer, a selling security holder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, describe the nature of these transactions, including the anticipated size of any over-allocation position, and explain how the transactions are expected to affect the price of the securities.

20.7. Approvals

If the purpose of the distribution is to fund in whole or in part a new business of the issuer and the issuer has not obtained all material licences, registrations and approvals necessary for the operation of the business, include a statement that

(a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or in Québec a notary, to hold in trust all funds received from subscriptions until all material licences, registrations and approvals necessary for the operation of the business have been obtained, and

(b) if all material licences, registrations and approvals necessary for the operation of the business have not been obtained within 90 days from the date of receipt of the final prospectus, the trustee must return the funds to subscribers.

20.8. Reduced price distributions If the underwriter may decrease the offering price after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the prospectus in accordance with the procedures permitted by this Regulation, disclose this fact and that the compensation realised by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the issuer or selling security holder.

20.9. Listing application

If application has been made to list or quote the securities being distributed, include a statement, in substantially the following form, with bracketed information completed:

“The issuer has applied to [list/quote] the securities distributed under this prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the issuer fulfilling all the listing requirements of [name of exchange or other market].”

20.10. Conditional listing approval

If application has been made to list or quote the securities being distributed on an exchange or marketplace and conditional listing approval has been received, include a statement, in substantially the following form, with the bracketed information completed:

“[name of exchange or marketplace] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of issuer] fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date], [including distribution of these securities to a minimum number of public security holders].”

20.11. IPO venture issuers If the issuer has complied with the requirements of this Regulation as an IPO venture issuer, include a statement, in substantially the following form, with bracketed information completed:

“As at the date of the prospectus, [name of issuer] does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the market known as OFEX.”

20.12. Constraints If there are constraints imposed on the ownership of securities of the issuer to ensure that the issuer has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the issuer will be monitored and maintained.

20.13. Special warrants acquired by underwriters or agents

Disclose the number and dollar value of any special warrants acquired by any underwriter or agent and the percentage of the distribution represented by those special warrants.

Item 21 Risk Factors

21.1. Risk factors

(1) Disclose risk factors relating to the issuer and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by the issuer, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be likely to influence an investor's decision to purchase securities of the issuer.

(2) If there is a risk that security holders of the issuer may become liable to make an additional contribution beyond the price of the security, disclose that risk.

(3) Describe any risk factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being distributed not otherwise described under subsection (1) or (2).

INSTRUCTION

Disclose risks in the order of seriousness from the most serious to the least serious.

Item 22 Promoters and Substantial Beneficiaries of the Offering

22.1. Promoters and substantial beneficiaries of the offering

(1) For a person or company, that is, or has been within the 3 years immediately preceding the date of the prospectus, a promoter of the issuer or subsidiary of the issuer, or that is a substantial beneficiary of the offering, as defined in section 5.13 [*Certificate of substantial beneficiary of the offering*] of this Regulation, state

(a) the person or company's name,

(b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised by the person or company,

(c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter or substantial beneficiary of the offering directly or indirectly from the issuer or from a subsidiary of the issuer, and the nature and amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return, and

(d) for an asset acquired within the 3 years before the date of the preliminary prospectus, or to be acquired, by the issuer or by a subsidiary of the issuer from a promoter or substantial beneficiary of the offering

(i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,

(ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the issuer, the promoter or substantial beneficiary of the offering, or an affiliate of the issuer, promoter or substantial beneficiary of the offering, and

(iii) the date that the asset was acquired by the promoter or substantial beneficiary of the offering and the cost of the asset to the promoter or substantial beneficiary of the offering.

(2) If a promoter or a substantial beneficiary of the offering referred to in subsection (1) has been a director, executive officer, or promoter of any person or company during the 10 years ending on the date of the preliminary prospectus, that while that person was acting in that capacity,

(a) was the subject of an order that denied the person or company access to any exemptions under provincial or territorial securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect,

(b) was subject to an event that resulted, after the director, executive officer or promoter ceased to be a director, executive officer or promoter, in the person or company being subject to an order that denied the relevant person or company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect, or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

(3) If a promoter or a substantial beneficiary of the offering referred to in subsection (1) has, within the 10 years before the date of the prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter or substantial beneficiary of the offering, state the fact.

(4) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter or substantial beneficiary of the offering referred to in subsection (1) has been subject to

(a) any penalties or sanctions imposed by a court relating to provincial or territorial securities legislation or by a provincial or territorial securities regulatory authority or has entered into a settlement agreement with a provincial or territorial securities regulatory authority, or

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

(5) Despite subsection (4), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

Item 23 Legal Proceedings and Regulatory Actions

23.1. Legal proceedings(1) Describe any legal proceedings the issuer, or that any of its property, is, or was since the beginning of the most recently completed financial year for which financial statements of the issuer are included in the prospectus, the subject of.

(2) Describe any such legal proceedings the issuer knows are contemplated.

(3) For each proceeding described in subsections (1) and (2), include the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, whether the proceedings are being contested, and the present status of the proceedings.

INSTRUCTION

Information with respect to any proceeding that involves a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10% of the current assets of the issuer may be omitted. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, include the amount involved in the other proceedings in computing the percentage.

23.2. Regulatory actions

Describe any

(a) penalties or sanctions imposed against the issuer by a court relating to securities legislation or by a securities regulatory authority within the 3 years immediately preceding the date of the prospectus,

(b) any other penalties or sanctions imposed by a court or regulatory body against the issuer for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed, and

(c) settlement agreements the issuer entered into with a court relating to securities legislation or with a securities regulatory authority within the 3 years immediately preceding the date of the prospectus.

Item 24 Interests of Management and Others in Material Transactions

24.1. Interests of management and others in material transactions Provide information for the issuer for this item in accordance with item 13.1 of Form 51-102F2 [*Interest of Management and Others in Material Transactions*] as if the reference in this item to "within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect your company" reads "within the three years before the date of the prospectus that has materially affected or will materially affect the issuer or a subsidiary of the issuer".

24.2. Underwriting discounts Disclose any material underwriting discounts or commissions upon the sale of securities by the issuer if any of the persons or companies listed under item 24.1 [*Interests of management and others in material transactions*] were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

Item 25 Relationship Between Issuer or Selling Security Holder and Underwriter

25.1. Relationship between issuer or selling security holder and underwriter (1) If the issuer or selling security holder is a connected issuer or related issuer of an underwriter of the distribution, or if the issuer or selling security holder is also an underwriter of the distribution, comply with the requirements of Regulation 33-105 respecting Underwriting Conflicts.

(2) For the purposes of subsection (1), "connected issuer" and "related issuer" have the same meanings as in Regulation 33-105 respecting Underwriting Conflicts.

Item 26 Auditors, Transfer Agents and Registrars

26.1. Auditors State the name and address of the auditor of the issuer.

26.2. Transfer agents, registrars, trustees or other agents

For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

Item 27 Material Contracts

27.1. Material contracts Give particulars of every material contract other than a material contract entered into in the ordinary course of business.

INSTRUCTIONS

(1) Set out a complete list of all contracts for which particulars must be given under this item, indicating those that are disclosed elsewhere in the prospectus. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the prospectus.

(2) Particulars of contracts should include the dates of, parties to, consideration provided for in, and general nature of, the contracts.

Item 28 Experts

28.1. Names of experts Name each person or company

(a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or an amendment to the prospectus, and

(b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

28.2. Interest of experts For each person or company referred to in item 28.1 [*Names of experts*], provide the disclosure in accordance with item 16.2 of Form 51-102F2 [*Interests of Experts*], as of the date of the prospectus, as if that person or company were a person or company referred to in item 16.1 of Form 51-102F2 [*Names of Experts*].

Item 29 Other Material Facts

29.1. Other material facts Give particulars of any material facts about the securities being distributed that are not disclosed under the preceding items and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

Item 30 Rights of Withdrawal and Rescission

30.1. General Include a statement in substantially the following form, with the bracketed information completed:

“Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within 2 business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories,] [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province [or territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province [or territory] for the particulars of these rights or consult with a legal adviser.”

30.2. Non-fixed price offerings

In the case of a non-fixed price offering, replace, if applicable in the jurisdiction in which the prospectus is filed, the second sentence in the legend in item 30.1 [*General*] with a statement in substantially the following form:

“This right may only be exercised within 2 business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed.”

Item 31 List of Exemptions from Regulation

31.1. List of exemptions from Regulation List all exemptions from the provisions of this Regulation, including Form 41-101F1, granted to the issuer applicable to the distribution or the prospectus, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of this Regulation [*Evidence of exemption*].

Item 32 Financial Statement Disclosure for Issuers**32.1. Interpretation of “issuer”**

The financial statements of an issuer required under this Item to be included in a prospectus must include

(a) the financial statements of any predecessor entity that formed the basis of the business of the issuer, even though the predecessor entity may have been a different legal entity, if the issuer has not existed for 3 years,

(b) the financial statements of a business or businesses acquired by the issuer within 3 years before the date of the prospectus, if a reasonable investor reading the prospectus would regard the primary business of the issuer to be the business or businesses acquired by the issuer, and

(c) the restated combined financial statements of the issuer and any other entity with which the issuer completed a transaction within 3 years before the date of the prospectus, if the issuer accounted for the transaction as a continuity of interests.

32.2. Annual financial statements

(1) Subject to item 32.4 [*Exemptions to financial statement requirements*], include annual financial statements of the issuer consisting of

(a) an income statement, a statement of retained earnings, and a cash flow statement for each of the 3 most recently completed financial years ended more than

(i) 90 days before the date of the prospectus, or

(ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,

(b) a balance sheet as at the end of the 2 most recently completed financial years described in paragraph (a), and

(c) notes to the financial statements.

(2) If the issuer has not completed 3 financial years, include the financial statements described under subsection (1) for each completed financial year ended more than

(a) 90 days before the date of the prospectus, or

(b) 120 days before the date of the prospectus, if the issuer is a venture issuer.

(3) If the issuer has not included in the prospectus financial statements for a completed financial year, include the financial statements described under subsection (1) or (2) for a period from the date the issuer was formed to a date not more than 90 days before the date of the prospectus.

(4) If an issuer changed its financial year end during any of the financial years referred to in this item and the transition year is less than 9 months, the transition year is deemed not to be a financial year for the purposes of the requirement to provide financial statements for a specified number of financial years in this item.

(5) Notwithstanding subsection (4), all financial statements of the issuer for a transition year must be included in the prospectus.

(6) Subject to item 32.4 [*Exceptions to financial statement requirements*], if financial statements of any business or businesses acquired are required under this item, then include

(i) income statements, statements of retained earnings, and cash flow statements for the business or businesses acquired for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's income statements, statements of retained earnings, and cash flow statements in the prospectus include the results of the business or businesses acquired, either separately or on a consolidated basis, total 3 years,

(ii) balance sheets for the business or businesses acquired for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's balance sheets in the prospectus include the financial position of the business or businesses acquired, either separately or on a consolidated basis, total 2 years,

(iii) if the business or businesses acquired has not completed 3 financial years, the financial statements described under subsection (1) for each completed financial year of the business or businesses acquired for which the issuer's financial statements in the prospectus do not include the financial statements of the business or businesses acquired, either separately or on a consolidated basis, and ended more than

(a) 90 days before the date of the prospectus, or

(b) 120 days before the date of the prospectus, if the issuer is a venture issuer.

32.3. Interim financial statements

(1) Include comparative interim financial statements of the issuer for the most recent interim period, if any, ended

(a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and

(b) more than

(i) 45 days before the date of the prospectus, or

(ii) 60 days before the date of the prospectus if the issuer is a venture issuer.

(2) The interim financial statements referred to in subsection (1) must include

(a) a balance sheet as at the end of the interim period and a balance sheet as at the end of the immediately preceding financial year, if any,

(b) an income statement, a statement of retained earnings, and a cash flow statement all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any,

(c) for interim periods other than the first interim period in a current financial year, an income statement and a cash flow statement, for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the preceding financial year, if any, and

(d) notes to the financial statements.

32.4. Exceptions to financial statement requirements

Despite item 32.2 [*Annual financial statements*], an issuer is not required to include the following financial statements in a prospectus:

(a) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, if the issuer is a reporting issuer immediately before filing the prospectus;

(b) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if

and (i) the issuer is a reporting issuer immediately before filing the prospectus,

(ii) the issuer includes financial statements for a financial year ended less than

(A) 90 days before the date of the prospectus, or

(B) 120 days before the date of the prospectus, if the issuer is a venture issuer;

(c) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the balance sheet for the second most recently completed financial year, if the issuer includes financial statements for a financial year ended less than

(i) 90 days before the date of the prospectus, or

(ii) 120 days before the date of the prospectus, if the issuer is a venture issuer;

(d) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if

(i) the issuer is a reporting issuer immediately before filing the prospectus,

(ii) the issuer includes audited financial statements for a period of at least 9 months commencing the day after the most recently completed financial year for which financial statements are required under item 32.2 [*Annual financial statements*],

(iii) the business of the issuer is not seasonal, and

(iv) none of the financial statements required under item 32.2 [*Annual financial statements*] are for a financial year that is less than 9 months;

(e) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the balance sheet for the second most recently completed financial year, if

(i) the issuer includes audited financial statements for a period of at least 9 months commencing the day after the most recently completed financial year for which financial statements are required under item 32.2 [*Annual financial statements*],

(ii) the business of the issuer is not seasonal, and

(iii) none of the financial statements required under item 32.2 [*Annual financial statements*] are for a financial year that is less than 9 months;

(f) the separate financial statements of the issuer and the other entity for periods prior to the date of the continuity of interest transaction, if the restated combined financial statements of the issuer and the other entity are included in the prospectus under paragraph 32.1(c) [*Interpretation of "issuer"*].

32.5. Exceptions to audit requirement

The audit requirement in section 4.2 of this Regulation [*Audit of financial statements*] does not apply to the following financial statements

(a) any financial statements for the second and third most recently completed financial years required under item 32.2 [*Annual financial statements*], if

(i) those financial statements were previously included in a final prospectus without an auditor's report pursuant to an exemption under applicable securities legislation, and

(ii) an auditor has not issued an auditor's report on those financial statements,

(b) any financial statements for the second and third most recently completed financial years required under item 32.2 [*Annual financial statements*], if

(i) the issuer is a junior issuer, and

(ii) the financial statements for the most recently completed financial year required under item 32.2 [*Annual financial statements*] is not less than 12 months in length, or

(c) any interim financial statements required under item 32.3 [*Interim financial statements*].

32.6. Additional financial statements or financial information filed or released

(1) If the issuer files financial statements for a more recent period than required under item 32.2 [*Annual financial statements*] or 32.3 [*Interim financial statements*] before the prospectus is filed, the issuer must include those more recent financial statements in the prospectus.

(2) If financial information about the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under item 32.2 [*Annual financial statements*] or 32.3 [*Interim financial statements*], the issuer must include the content of the news release or public communication in the prospectus.

Item 33 Credit Supporter Disclosure, Including Financial Statements

33.1. Credit supporter disclosure, including financial statements If a credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, include statements by the credit supporter providing disclosure about the credit supporter that would be required under Items 4 [*Corporate Structure*], 5 [*Describe the Business*], 8 [*Management's Discussion and Analysis*], 9 [*Earnings Coverage Ratios*], 21 [*Risk Factors*], 23 [*Legal Proceedings and Regulatory Actions*], 25 [*Relationship Between Issuer or Selling Security Holder and Underwriter*], 26 [*Auditor, Transfer Agent and Registrar*], and 32 [*Financial Statement Disclosure for the Issuer*] if the credit supporter were the issuer of the securities to be distributed and such other information about the credit supporter as is necessary to provide full, true and plain disclosure of all material facts relating to the securities to be distributed.

Item 34 Exemptions for Certain Issues of Guaranteed Securities

34.1. Definitions and interpretation

(1) In this item

(a) the impact of subsidiaries, on a combined basis, on the financial statements of the parent entity is "minor" if each item of the summary financial information of the subsidiaries, on a combined basis, represents less than 3% of the total consolidated amounts,

(b) a parent entity has "limited independent operations" if each item of its summary financial information represents less than 3% of the total consolidated amounts,

(c) a subsidiary is a "finance subsidiary" if it has minimal assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the security being distributed and any other securities guaranteed by its parent entity,

(d) "parent credit supporter" means a credit supporter of which the issuer is a subsidiary,

(e) “parent entity” means a parent credit supporter for the purposes of sections 34.2 [*Issuer is wholly-owned subsidiary of parent credit supporter*] and 34.3 [*Issuer is wholly-owned subsidiary of, and one or more subsidiary credit supporters controlled by, parent credit supporter*] and an issuer for the purpose of section 34.4 [*One or more credit supporters controlled by issuer*],

(f) “subsidiary credit supporter” means a credit supporter that is a subsidiary of the parent credit supporter, and

(g) “summary financial information” includes the following line items:

- (i) sales or revenues;
- (ii) income from continuing operations;
- (iii) net earnings or loss; and

(iv) unless the accounting principles used to prepare the financial statements of the entity permits the preparation of the entity's balance sheet without classifying assets and liabilities between current and non-current and the entity provides alternative meaningful financial information which is more appropriate to the industry,

- (A) current assets;
- (B) non-current assets;
- (C) current liabilities; and
- (D) non-current liabilities.

(2) For the purposes of this Item, consolidating summary financial information must be prepared on the following basis

(a) an entity's annual or interim summary financial information must be derived from the entity's financial information underlying the corresponding consolidated financial statements of the parent entity included in the prospectus,

(b) the parent entity column must account for investments in all subsidiaries under the equity method, and

(c) all subsidiary entity columns must account for investments in non-credit supporter subsidiaries under the equity method.

34.2. Issuer is wholly-owned subsidiary of parent credit supporter

An issuer is not required to include the issuer disclosure required by Items 4 [*Corporate Structure*], 5 [*Describe the Business*], 8 [*Management's Discussion and Analysis*], 9 [*Earnings Coverage Ratios*], 21 [*Risk Factors*], 23 [*Legal Proceedings and Regulatory Actions*], 25 [*Relationship Between Issuer or Selling Security Holder and Underwriter*], 26 [*Auditor, Transfer Agent and Registrar*], and 32 [*Financial Statement Disclosure for the Issuer*], if

(a) a parent credit supporter has provided full and unconditional credit support for the securities being distributed,

(b) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter,

(c) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer,

(d) no other subsidiary of the parent credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, and

(e) the issuer includes in the prospectus

(i) a statement that the financial results of the issuer are included in the consolidated financial results of the parent credit supporter, if

- (A) the issuer is a finance subsidiary, and

(B) the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer, on the consolidated financial statements of the parent credit supporter is minor, or

(ii) for the periods covered by the parent credit supporter's interim and annual consolidated financial statements included in the prospectus under Item 33 [*Credit Supporter Disclosure, Including Financial Statements*], consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:

- (A) the parent credit supporter;
- (B) the issuer;
- (C) any other subsidiaries of the parent credit supporter on a combined basis;
- (D) consolidating adjustments;
- (E) the total consolidated amounts.

34.3. Issuer is wholly-owned subsidiary of, and one or more subsidiary credit supporters controlled by, parent credit supporter

(1) An issuer is not required to include the issuer disclosure required by Items 4 [*Corporate Structure*], 5 [*Describe the Business*], 8 [*Management's Discussion and Analysis*], 9 [*Earnings Coverage Ratios*], 21 [*Risk Factors*], 23 [*Legal Proceedings and Regulatory Actions*], 25 [*Relationship Between Issuer or Selling Security Holder and Underwriter*], 26 [*Auditor, Transfer Agent and Registrar*], and 32 [*Financial Statement Disclosure for the Issuer*], or the credit supporter disclosure of one or more subsidiary credit supporters required by Item 33 [*Credit Supporter Disclosure, Including Financial Statements*], if

(a) a parent credit supporter and one or more subsidiary credit supporters have each provided full and unconditional credit support for the securities being distributed,

(b) the guarantees or alternative credit supports are joint and several,

(c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter,

(d) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer,

(e) the parent credit supporter controls each subsidiary credit supporter and the parent credit support has consolidated the financial statements of each subsidiary credit supporter into the parent credit supporter's financial statements that are included in the prospectus, and

(f) the issuer includes in the prospectus, for the periods covered by the parent credit supporter's financial statements included in the prospectus under Item 33 [*Credit Supporter Disclosure, Including Financial Statements*], consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:

- (i) the parent credit supporter;
- (ii) the issuer;
- (iii) each subsidiary credit supporter on a combined basis;
- (iv) any other subsidiaries of the parent credit supporter on a combined basis;
- (v) consolidating adjustments;
- (vi) the total consolidated amounts.

- (2) Despite paragraph (1)(f), the information set out in a column in accordance with
- (a) subparagraph (1)(f)(iv), may be combined with the information set out in accordance with any of the other columns in paragraph (1)(f); if the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer and all subsidiary credit supporters, on the consolidated financial statements of the parent credit supporter is minor, and
- (b) subparagraph (1)(f)(ii), may be combined with the information set out in accordance with any of the other columns in paragraph (1)(f); if the issuer is a finance subsidiary.

34.4. One or more credit supporters controlled by issuer An issuer is not required to include the credit supporter disclosure for one or more credit supporters required by Item 33 [*Credit Supporter Disclosure, Including Financial Statements*], if

- (a) one or more credit supporters have each provided full and unconditional credit support for the securities being distributed,
- (b) if there is more than one credit supporter, the guarantee or alternative credit supports are joint and several,
- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the issuer,
- (d) the issuer controls each credit supporter and the issuer has consolidated the financial statements of each credit supporter into the issuer's financial statements that are included in the prospectus, and
- (e) the issuer includes in the prospectus
- (i) a statement that the financial results of the credit supporter(s) are included in the consolidated financial results of the issuer, if
- (A) the issuer has limited independent operations, and
- (B) the impact of any subsidiaries of the issuer on a combined basis, excluding the credit supporter(s) but including any subsidiaries of the credit supporter(s) that are not themselves credit supporters, on the consolidated financial statements of the issuer is minor, or
- (ii) for the periods covered by the issuer's financial statements included in the prospectus under Item 32 [*Financial Statement Disclosure for the Issuer*], consolidating summary financial information for the issuer, presented with a separate column for each of the following:
- (A) the issuer;
- (B) the credit supporters on a combined basis;
- (C) any other subsidiaries of the issuer on a combined basis;
- (D) consolidating adjustments;
- (E) the total consolidated amounts.

Item 35 Significant Acquisitions

35.1. Application and definitions

- (1) This Item does not apply to a completed or proposed acquisition by the issuer that was or will be accounted for as a reverse takeover or a transaction that is a probable reverse takeover.
- (2) The requirements in items 35.5 [*Recently completed acquisitions*] and 35.6 [*Probable acquisitions*] are not applicable to an initial distribution by prospectus by a Capital Pool Company, as that term is defined in TSX Venture Exchange Policy 2.4 entitled *Capital Pool Companies*, as amended from time to time.
- (3) The audit requirement in section 4.2 of this Regulation [*Audit of financial statements*] does not apply to any financial statements or other information included in the prospectus under this Item, other than the financial statements or other information for the most recently completed financial year of a business or related businesses acquired, or proposed to be acquired, by the issuer.

(4) In this Item, “**significant acquisition**” means an acquisition of a business or related businesses that,

(a) if the issuer was a reporting issuer on the date of the acquisition, is determined to be a significant acquisition under section 8.3 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Determination of Significance*], or

(b) if the issuer was not a reporting issuer on the date of the acquisition, would be determined to be a significant acquisition under section 8.3 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Determination of Significance*], as if

(i) the issuer was a reporting issuer on the date of the acquisition,

(ii) the references to a “venture issuer” are read as an “IPO venture issuer” if the issuer is an IPO venture issuer,

(iii) for the purposes of the optional tests, the issuer uses its financial statements for the most recently completed interim period or financial year that is included in the prospectus,

(iv) for the purposes of the optional income tests, the most recently completed financial year of the business or related businesses should be the financial year of the business ended before the date of the prospectus, and the 12 months ended on the last day of the most recently completed interim period of the business or related businesses should be the 12 months ended on the last day of the most recently completed interim period before the date of the prospectus,

(v) subsection 8.3(11.1) of Regulation 51-102 respecting Continuous Disclosure Obligations [*Application of the Optional Income Test based on Pro Forma Financial Information*] does not apply, and

(vi) references to annual audited statements filed or required to be filed means audited annual financial statements included in the prospectus.

35.2. Completed acquisitions for which issuer has filed business acquisition report

If an issuer completed an acquisition of a business or related businesses since the beginning of its most recently completed financial year for which financial statements are included in the prospectus, and it has filed a business acquisition report under Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Business Acquisition Report*] for the acquisition, include all of the disclosure included in, or incorporated by reference into, that business acquisition report.

35.3. Completed acquisitions for which issuer has not filed business acquisition report because issuer was not reporting issuer on date of acquisition

(1) Subject to subsection (3), an issuer must include the disclosure required under subsection (2), if

(a) the issuer completed an acquisition of a business or related businesses since the beginning of the issuer’s most recently completed financial year for which financial statements of the issuer are included in the prospectus,

(b) the issuer was not a reporting issuer on the date of the acquisition,

(c) the acquisition is a significant acquisition, and

(d) the acquisition was completed more than

(i) 90 days before the date of the prospectus, if the financial year of the acquired business ended 45 days or less before the acquisition, or

(ii) 75 days before the date of the prospectus.

(2) For an acquisition to which subsection (1) applies, include all the disclosure that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Business Acquisition Report*], as if

(a) the issuer was a reporting issuer on the date of the acquisition,

- (b) the business acquisition report was filed as at the date of the prospectus,
- (c) the issuer was a venture issuer at the date of the acquisition, if the issuer is an IPO venture issuer,
- (d) subsections 8.4(4) [*Earlier Interim Financial Statements Permitted*] and 8.4(6) [*Pro Forma Financial Statements based on Earlier Interim Financial Statements Permitted*] of Regulation 51-102 respecting Continuous Disclosure Obligations do not apply, and
- (e) references to financial statements filed or required to be filed means audited annual financial statements included in the prospectus.

35.4. Results consolidated in financial statements of issuer

Despite item 35.2 [*Completed acquisitions for which the issuer has filed a business acquisition report*] and subsection 35.3(1) [*Completed acquisitions for which the issuer has not filed a business acquisition report because the issuer was not a reporting issuer on the date of acquisition*], an issuer may omit the financial statements or other information of a business required to be included in the prospectus, if at least 9 months of the acquired business or related businesses operations have been reflected in the issuer's most recent audited financial statements included in the prospectus.

35.5. Recently completed acquisitions

(1) Include the information required under subsection (2) for any significant acquisition completed by the issuer

(a) since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus, and

(b) for which the issuer has not included any disclosure under item 35.2 [*Completed acquisitions for which the issuer has filed a business acquisition report*] or subsection 35.3(2) [*Completed acquisitions for which the issuer has not filed a business acquisition report because the issuer was not a reporting issuer on the date of acquisition*].

(2) For a significant acquisition to which subsection (1) applies, include the following

(a) the information required by items 2.1 through 2.6 of Form 51-102F4 [*Content of Business Acquisition Report*], and

(b) the financial statements or other information of the acquisition under subsection (3) for the acquired business or related businesses, if

(i) the issuer was not a reporting issuer immediately before filing the prospectus, or

(ii) the issuer was a reporting issuer immediately before filing the prospectus, and the inclusion of the financial statements or other information is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

(3) The requirement to include financial statements or other information under subsection (2)(b) must be satisfied by including

(a) if the issuer was a reporting issuer on the date of acquisition, the financial statements or other information that will be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Business Acquisition Report*],

(b) if the issuer was not a reporting issuer on the date of acquisition, the financial statements or other information that would be required by subsection 35.3(2) [*Completed acquisitions for which the issuer has not filed a business acquisition report because the issuer was not a reporting issuer on date of acquisition*], or

(c) satisfactory alternative financial statements or other information.

35.6. Probable acquisitions

(1) Include the information required under subsection (2) for any probable acquisition of a business or related businesses that, if completed by the issuer at the date of the prospectus, would be a significant acquisition.

(2) For a probable acquisition of a business or related businesses to which subsection (1) applies, include

(a) the information required by sections 2.1 through 2.6 of Form 51-102F4 [*Content of Business Acquisition Report*], modified as necessary to convey that the acquisition has not been completed, and

(b) the financial statements or other information of the probable acquisition under subsection (3) for the acquired business or related businesses, if

(i) the issuer was not a reporting issuer immediately before filing the prospectus, or

(ii) the issuer was a reporting issuer immediately before filing the prospectus, and the inclusion of the financial statements or other information is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

(3) For a probable acquisition of a business or related businesses to which subsection (2) applies, the requirement to include financial statements or other information under subsection (2)(b) must be satisfied by including

(a) if the issuer was a reporting issuer immediately before filing the prospectus, the financial statements or other information that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations [*Business Acquisition Report*],

(b) if the issuer was not a reporting issuer immediately before filing the prospectus, the financial statements or other information that would be required to be included by subsection 35.3(2) [*Completed acquisitions for which the issuer has not filed a business acquisition report because the issuer was not reporting issuer on date of acquisition*], as if the acquisition had been completed before the filing of the prospectus, or

(c) satisfactory alternative financial statements or other information.

35.7. *Pro Forma* financial statements for multiple acquisitions

Despite items 35.2 [*Completed acquisitions for which issuer has filed business acquisition report*], 35.3 [*Completed acquisitions for which issuer has not filed business acquisition report because issuer was not reporting issuer on date of acquisition*], 35.5 [*Recently completed acquisitions*] and 35.6 [*Probable acquisitions*], an issuer is not required to include in its prospectus the *pro forma* financial statements otherwise required for each acquisition, if the issuer includes in its prospectus one set of *pro forma* financial statements that

(a) reflect the results of each acquisition since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus,

(b) are prepared as if each acquisition occurred at the beginning of the most recently completed financial year of the issuer for which financial statements of the issuer are included in the prospectus, and

(c) are prepared in accordance with

(i) if no disclosure is otherwise required for a probable acquisition under item 35.6 [*Probable acquisitions*], the item in this Item that applies to the most recently completed acquisition, or

(ii) item 35.6 [*Probable acquisitions*].

35.8. Additional financial statements or financial information of business filed or released

(1) An issuer must include in its prospectus annual and interim financial statements of a business or related businesses for a financial period that ended before the date of the acquisition and is more recent than the periods for which financial statements are required under item 35.5 [*Recently completed acquisitions*] or 35.6 [*Probable acquisitions*] if, before the prospectus is filed, the financial statements of the business for the more recent period have been filed.

(2) If, before the prospectus is filed, financial information of a business or related businesses for a period more recent than the period for which financial statements are required under item 35.5 [*Recently completed acquisitions*] or 35.6 [*Probable acquisitions*], is publicly disseminated by news release or otherwise by or on behalf of the issuer, the issuer shall include in the prospectus the content of the news release or public communication.

Item 36 Probable Reverse Takeovers**36.1. Probable reverse takeovers**

If the issuer is involved in a probable reverse takeover, include statements by the reverse takeover acquirer providing disclosure about the reverse takeover acquirer that would be required under Form 41-101F1, as applicable, if the reverse takeover acquirer were the issuer of the securities to be distributed and such other information about the reverse takeover acquirer as is necessary to provide full, true and plain disclosure of all material facts relating to the securities to be distributed, including the disclosure required by Items

- (a) 4 [*Corporate Structure*],
- (b) 5 [*Describe the Business*],
- (c) 7 [*Dividends or Distributions*],
- (d) 8 [*Management's Discussion and Analysis*],
- (e) 9 [*Earnings Coverage Ratios*],
- (f) 11 [*Consolidated Capitalization*],
- (g) 12 [*Options to Purchase Securities*],
- (h) 13 [*Prior Sales*],
- (i) 14 [*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*],
- (j) 15 [*Principal Security Holders and Selling Security Holders*],
- (k) 16 [*Directors and Executive Officers*],
- (l) 17 [*Executive Compensation*],
- (m) 18 [*Indebtedness of Directors and Executive Officers*],
- (n) 19 [*Audit Committees and Corporate Governance*],
- (o) 21 [*Risk Factors*],
- (p) 22 [*Promoters and Substantial Beneficiaries of the Offering*],
- (q) 23 [*Legal Proceedings and Regulatory Actions*],
- (r) 24 [*Interests of Management and Others in Material Transactions*],
- (s) 25 [*Relationship Between Issuer or Selling Security Holder and Underwriter*],
- (t) 27 [*Material Contracts*],
- (u) 28 [*Experts*], and
- (v) 32 [*Financial Statement Disclosure for Issuers*].

Item 37 Certificates**37.1. Certificates**

Include the certificates required by Part 5 of this Regulation [*Certificates*] or securities legislation.

37.2. Issuer certificate form

An issuer certificate form must state

"This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]."

37.3. Underwriter certificate form

An underwriter certificate form must state

“To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified].”

37.4. Amendments

(1) For an amendment to a prospectus that does not restate the prospectus, omit the references in the language in sections 37.2 [*Issuer certificate form*] and 37.3 [*Underwriter certificate form*] to “prospectus” and replace it with “prospectus dated [insert date] as amended by this amendment”.

(2) For an amended and restated prospectus, omit the references in the language in sections 37.2 [*Issuer certificate form*] and 37.3 [*Underwriter certificate form*] to “prospectus” and replace it with “amended and restated prospectus”.

37.5. Non-offering prospectuses

For a non-offering prospectus, omit the references in the language in sections 37.2 [*Issuer certificate form*] and 37.3 [*Underwriter certificate form*] to “securities offered by this prospectus” and replace it with “securities previously issued by the issuer”.

FORM 41-101F2**INFORMATION REQUIRED IN AN INVESTMENT FUND PROSPECTUS****GENERAL INSTRUCTIONS**

(1) *The objective of the prospectus is to provide information concerning the investment fund that an investor needs in order to make an informed investment decision. Form 41-101F2 sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. Certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form 41-101F2.*

(2) *Terms used and not defined in Form 41-101F2 that are defined or interpreted in the Regulation must bear that definition or interpretation. Other definitions are set out in National Instrument 14-101, Definitions.*

(3) *In determining the degree of detail required a standard of materiality should be applied. Materiality is a matter of judgment in the particular circumstance, and should generally be determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the investment fund's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*

(4) *Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in this Form apply to both the preliminary prospectus and the prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*

(5) *The disclosure must be understandable to readers and presented in an easy to read format. The presentation of information should comply with the plain language principles listed in section 4.1 of Companion Policy 41-101CP General Prospectus Requirements. If technical terms are required, clear and concise explanations should be included.*

(6) *No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*

(7) *Where the term "investment fund" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include disclosure with respect to the investment fund's subsidiaries and investees. If it is more likely than not that a person or company will become a subsidiary or investee, it may be necessary to also include disclosure with respect to the person or company. For this purpose, "investees" is defined to mean any entity that the Handbook recommends that the investment fund account for by the equity method or the proportionate consolidation method.*

(8) *An investment fund that is a special purpose vehicle may have to modify the disclosure items to reflect the special purpose nature of its business.*

(9) *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*

(10) *If the term "class" is used in any item to describe securities, the term includes a series of a class.*

(11) *The prospectus must be presented in the order specified in this form.*

(12) *Where performance data is used in the prospectus, such performance data must be annualized and must be stated for standard applicable performance periods of 1, 3, 5, 10 year periods and since inception unless otherwise specified by the requirements of this form. Performance data must not be used for periods of less than one year. Also, hypothetical or back-tested performance data must not be used.*

(13) *An investment fund that has more than one class or series that are referable to the same portfolio may treat each class or series as a separate investment fund for the purposes of this Form, or may combine disclosure of one or more of the classes or series in one prospectus. If*

disclosure pertaining to more than one class or series is combined in one prospectus, separate disclosure in response to each item in this Form must be provided for each class or series unless the responses would be identical for each class or series.

(14) *A section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio is considered to be a separate investment fund for the purposes of this Form.*

PROSPECTUS FORM

Item 1 Cover Page Disclosure

1.1. Required Statement

State in *italics* at the top of the cover page the following:

“No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.”

1.2. Preliminary Prospectus Disclosure

Every preliminary prospectus shall have printed in red ink and in *italics* at the top of the cover page immediately above the disclosure required under item 1.1 the following, with the bracketed information completed:

“A copy of this preliminary prospectus has been filed with the securities regulatory authority(ies) in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority(ies).”

INSTRUCTION

Investment funds shall complete the bracketed information by

(a) inserting the names of each jurisdiction in which the investment fund intends to offer securities under the prospectus;

(b) stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or

(c) identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).

1.3. Basic Disclosure about the Distribution

State the following immediately below the disclosure required under Items 1.1 and 1.2 with the bracketed information completed:

[PRELIMINARY OR PRO FORMA] PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR SECONDARY OFFERING OR CONTINUOUS OFFERING]

Date

Name of Investment fund

[number and type of securities qualified for distribution under the prospectus, including any options or warrants, and the price per security]

[type of fund – state the following: “This investment fund is a (labour sponsored investment fund or commodity pool or non-redeemable investment fund or scholarship plan).” If the investment fund is intended to be an exchange-traded investment fund and has received conditional listing approval, state the following: “This investment fund is intended to be an exchange-traded investment fund and has received conditional listing approval.”]

1.4. Distribution

(1) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	Price to public (a)	Underwriting discounts or commission (b)	Proceeds to issuer or selling security holders (c)
Per Security			
Total			

(1)

(2) If there is an over-allotment option or an option to increase the size of the distribution before closing,

(a) disclose that a purchaser who acquires securities forming part of the underwriters' over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases, and

(b) describe the terms of the option.

(3) If the distribution of the securities is to be on a best efforts basis, provide totals for both the minimum and maximum offering amount, if applicable.

(4) If a minimum subscription amount is required from each subscriber, provide details of the minimum subscription requirements in the table required under subsection (1).

(5) If debt securities are being distributed at a premium or a discount, state in bold type the effective yield if held to maturity.

(6) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis, and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.

(7) In column (b) of the table, disclose only commissions paid or payable in cash by the issuer or selling security holder and discounts granted. Set out in a note to the table

(a) commissions or other consideration paid or payable by persons or companies other than the issuer or selling security holder,

(b) consideration other than discounts granted and cash paid or payable by the issuer or selling security holder, including warrants and options, and

(c) any finder's fees or similar required payment.

(8) If a security is being distributed for the account of a selling security holder, state the name of the security holder and a cross-reference to the applicable section in the prospectus where further information about the selling security holder is provided. State the portion of the expenses of the distribution to be borne by the selling security holder and, if none of the expenses of the distribution are being borne by the selling security holder, include a statement to that effect and discuss the reason why this is the case.

INSTRUCTIONS

(1) *Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.*

(2) *If debt securities are being distributed, also express the information in the table as a percentage.*

.5. Offering price in currency other than Canadian dollar

If the offering price of the securities being distributed is disclosed in a currency other than the Canadian dollar, disclose in bold face type the reporting currency.

1.6. Non-Fixed Price Distributions

If the securities are being distributed at non-fixed prices, disclose

- (a) the discount allowed or commission payable to the underwriter;
- (b) any other compensation payable to the underwriter and, if applicable, that the underwriter's compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the investment fund or selling security holder;
- (c) that the securities to be distributed under the prospectus will be distributed, as applicable, at
 - (i) prices determined by reference to the prevailing price of a specified security in a specified market,
 - (ii) market prices prevailing at the time of sale, or
 - (iii) prices to be negotiated with purchasers;
- (d) that prices may vary as between purchasers and during the period of distribution;
- (e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date;
- (f) if the price of the securities will be the market price prevailing at the time of the sale, the market price at the latest practicable date,
- (g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the investment fund or selling security holder and

1.7. Pricing Range

If the offering price or the number of securities being distributed has not been determined at the date of the preliminary prospectus, disclose a bona fide estimate of the range in which the offering price or the number of securities being distributed is expected to be set.

1.8. Reduced Price Distributions

If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price fixed in the prospectus, include in **bold type** a cross-reference to the section in the prospectus where disclosure concerning the possible price decrease is provided.

1.9. Market for Securities

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the investment fund of the same class as the securities being distributed are traded or quoted and the market price of those securities as of the latest practicable date.
- (2) Disclose any intention to stabilize the market. Provide a cross-reference to the section in the prospectus where further information about market stabilization is provided.
- (3) If no market for the securities being distributed under the prospectus is expected to exist upon completion of the distribution, state the following in **bold type**:

“There is no market through which these securities may be sold. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of investment fund regulation. A purchaser may not be able to resell securities purchased under this prospectus. See ‘Risk Factors’”.

1.10. Risk Factors

Include a cross-reference to sections in the prospectus where information about the risks of an investment in the securities being distributed is provided. State any significant risks including leverage.

1.11. No Underwriter

If there is no underwriter involved in the distribution, provide a statement in **bold type** to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review of the contents of the prospectus or independent due diligence of the contents of the prospectus.

1.12. Commodity Pool

(1) For a commodity pool, state in substantially the following words:

“You should carefully consider whether your financial condition permits you to participate in this investment. The securities of this investment fund are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in the investment fund.

The risk of loss in trading [nature of instruments to be traded by the commodity pool] can be substantial. In considering whether to participate in the [commodity pool], you should be aware that trading [nature of instruments] can quickly lead to large losses as well as gains. Such trading losses can sharply reduce the net asset value of the [commodity pool] and consequently the value of your interest in the [commodity pool]. Also, market conditions may make it difficult or impossible for the [commodity pool] to liquidate a position.

The [commodity pool] is subject to certain conflicts of interest. The [commodity pool] will be subject to the charges payable by it as described in this prospectus that must be offset by revenues and trading gains before an investor is entitled to a return on his or her investment. It may be necessary for the [commodity pool] to make substantial trading profits to avoid depletion or exhaustion of its assets before an investor is entitled to a return on his or her investment.”

(2) For the initial prospectus, state in substantially the following words:

“The [commodity pool] is newly organized. The success of the [commodity pool] will depend upon a number of conditions that are beyond the control of the [commodity pool]. There is substantial risk that the goals of the [commodity pool] will not be met.”

(3) If the promoter, manager, or a portfolio adviser of the commodity pool has not had a similar involvement with any other publicly offered commodity pool, state in substantially the following words:

“The [promoter], [manager] [and/or] [portfolio adviser] of the [commodity pool] has not previously operated any other publicly offered commodity pools [or traded other accounts].”

(4) If the commodity pool will execute trades outside of Canada, state in substantially the following words:

“Participation in transactions in [nature of instrument to be traded by the commodity pool] involves the execution and clearing of trades on or subject to the rules of a foreign market.

None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing transactions, or has the power to compel enforcement of the rule of a foreign market or any applicable foreign law. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on the market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs.

For these reasons, entities such as the commodity pool that trade [nature of instrument to be traded by the commodity pool] may not be afforded certain of the protective measures provided by Canadian legislation and the rules of Canadian exchanges. In particular, funds received from customers for transactions may not be provided the same protection as funds received in respect of transactions on Canadian exchanges.”

(5) Immediately after the statements required by subsections (1), (2), (3) and (4), state in substantially the following words:

“These brief statements do not disclose all the risks and other significant aspects of investing in the [commodity pool]. You should therefore carefully study this prospectus, including a description of the principal risk factors at page [page number], before you decide to invest in the [commodity pool].”

(6) State that the commodity pool is a mutual fund but that certain provisions of securities legislation designed to protect investors who purchase securities of mutual funds do not apply.

1.13. Restricted securities

(1) Describe the number and class or classes of restricted securities being distributed using the appropriate restricted security term in the same type face and type size as the rest of the description.

(2) If the securities being distributed are restricted securities and the holders of the securities do not have the right to participate in a takeover bid made for other equity securities of the issuer, disclose that fact.

1.14. Non-Canadian Manager

If the investment fund manager is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state with bracketed information completed:

“The manager is incorporated, continued or otherwise governed under the laws of a foreign jurisdiction or resides outside Canada. Although the manager has appointed [name and address of agent for service] as its agent for service of process in Canada it may not be possible for investors to collect from the manager judgments obtained in courts in Canada.”

1.15. Documents Incorporated by Reference

For investment funds in continuous distribution, except for scholarship plans, state in substantially the following words:

“Additional information about the Fund is available in the following documents:

- the Annual Information Form [if applicable]
- the most recently filed annual financial statements
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this prospectus which means that they legally form part of this prospectus. Please see the “Documents Incorporated by Reference” section for further details.”

Item 2 Table of Contents

2.1. Table of Contents

Include a table of contents.

Item 3 Summary of Prospectus

3.1. Prospectus Summary

Under the heading “Prospectus Summary” include the information listed in items 3.2 to 3.5 after the cover page.

3.2. Cautionary Language

At the beginning of the summary, include a statement in *italics* in substantially the following form:

“The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.”

3.3. General

(1) Briefly summarize, near the beginning of the prospectus, information appearing elsewhere in the prospectus that, in the opinion of the investment fund or selling security holder, would be most likely to influence the investor's decision to purchase the securities being distributed. Include a description of

- (a) how the investment fund has been organized (corporation, trust, etc.);
- (b) the securities to be distributed, including the offering price and expected net proceeds;
- (c) use of proceeds;
- (d) the investment objective;
- (e) the investment strategy;
- (f) the use of leverage including any restrictions and the maximum amount of leverage the fund could use expressed as a ratio as follows: (total long positions including leveraged positions plus total short positions) divided by the net assets of the investment fund;
- (g) risk factors including a cross-reference to sections in the prospectus where information about the risks of an investment in the securities being distributed is provided;
- (h) income tax considerations;
- (i) describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and if applicable, that the choice of different purchase options affects the amount of compensation paid by a member of the organization of the investment fund to a dealer.
- (j) the redemption policy;
- (k) distribution policy,
- (l) the termination policy;
- (m) if restricted securities, subject securities or securities that directly or indirectly convertible into or exercisable or exchangeable for restricted securities or subject securities, are to be distributed under the prospectus
 - (i) include as summary of the information required by section 21.6; and
 - (ii) include, in bold-face type, a statement of the rights the holders do not have if the holders of restricted securities do not have all of the rights referred to in subsection 21.6.
- (n) disclose whether the investment fund is eligible as an investment for registered retirement savings plans, registered retirement income plans, registered education savings plans or deferred profit sharing plans.

(2) For each item summarized under subsection (1), provide a cross-references to the information in the prospectus.

3.4. Organization and Management Details for the Investment Fund

(1) Provide, under the heading "Organization and Management of the [name of investment fund]", information about the manager, trustee, portfolio adviser, promoter, custodian, and auditor of the investment fund to which the document relates in the form of a diagram or table.

(2) For each entity listed in the diagram or table, briefly describe the services provided by that entity and the relationship of that entity to the manager.

(3) For each entity listed in the diagram or table, other than the manager of the investment fund, provide the municipality and the province or country where it principally provides its services to the investment fund. Provide the complete municipal address for the manager of the investment fund.

INSTRUCTIONS:

(1) *The information required to be disclosed in this Item shall be presented prominently, using enough space so that it is easy to read.*

(2) *The descriptions of the services provided by the listed entities should be brief. For instance, the manager may be described as "manages the overall business and operations of the fund", and a portfolio adviser may be described as "provides investment advice to the manager about the investment portfolio of the fund" or "manages the investment portfolio of the fund."*

3.5. Underwriter(s)

(1) Under the heading "Underwriters or Agents", state the name of each underwriter or agent.

(2) If applicable, comply with the requirements of Regulation 33-105 respecting Underwriting Conflicts for cover page prospectus disclosure.

(3) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter's obligations are subject to conditions, state the following, with bracketed information completed:

"We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of investment fund] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under Plan of Distribution".

(4) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the prospectus.

(5) Provide the following tabular information

(2)

Underwriters' Position	Maximum size or number of securities held	Exercise period/ Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			
Any other option granted by investment fund or insider of investment fund			
Total securities under option			
Other compensation securities			

(a)

3.6. Fees and Expenses

(1) Set out information about the fees and expenses payable by the investment fund and by investors in the investment fund under the heading "Fees and Expenses".

(2) The information required by this Item shall be a summary of the fees, charges and expenses of the investment fund and investors presented in the form of the following table, appropriately completed, and introduced using substantially the following words:

"This table lists the fees and expenses that you may have to pay if you invest in the [insert the name of the investment fund]. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and

expenses, which will therefore reduce the value of your investment in the Fund."

Type of Fee and Amount	Description

(3) The information set out in the table should have two subheadings "Fees and Expenses Payable by the Fund" and "Fees and Expenses Payable by You".

(4) The fees and expenses listed in the table should include, where applicable, but is not limited to the following:

Fees and Expenses Payable by the Fund or by Subscribers' deposits (for scholarship plans)

- (a) Fees payable to the Agents for selling the securities
- (b) Expenses of issue
- (c) Management Fees *[See Instruction (1)]*
- (d) Incentive or Performance Fees
- (e) Portfolio Adviser Fees
- (f) Counterparty Fees (if any)
- (g) Operating Expenses *[See Instructions (2) and (3)]*

Fund pay[s] all operating expenses, including _____

- (h) Other Fees and Expenses *[specify type] [specify amount]*

Fees and Expenses Payable Directly by You

- (i) Sales Charges *[specify percentage, as a percentage of _____]*
- (j) Service Fees *[specify percentage, as a percentage of _____]*
- (k) Redemption Fees *[specify percentage, as a percentage of _____ , or specify*

amount]

(l) Registered Tax Plan Fees *[include this disclosure and specify the type of fees if the registered tax plan is sponsored by the investment fund and is described in the prospectus][specify amount]*

- (m) Other Fees and Expenses *[specify type] [specify amount]*

(5) if applicable, after the above fees and expenses table, include summary financial information in the following table including annual returns for each of the past five years and the management expense ratio for each of the past five years :

Item	[specify year]	[specify year]	[specify year]	[specify year]	[specify year]
Annual Returns					
MER					

MER means management expense ratio

INSTRUCTIONS

(1) list the amount of the management fee, including any performance or incentive fee, for each investment fund separately.

(2) Under "Operating Expenses", state whether the investment fund pays all of its operating expenses and list the main components of those expenses. If the investment fund pays only certain operating expenses and is not responsible for

payment of all such expenses, adjust the statement in the table to reflect the proper contractual responsibility of the investment fund and indicate who is responsible for the payment of these expenses.

(3) Show all fees or expenses payable by the investment fund.

Investment Details

Item 4 Overview of the Investment

4.1. Overview of the Corporate/Trust Structure

(1) Under the heading "Investment Details" and under the sub-heading "Overview of the [Corporate/Trust] Structure", state the full corporate name of the investment fund or, if the investment fund is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the investment fund's head and registered office.

(2) State the statute under which the investment fund is incorporated or continued or organized or, if the investment fund is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the investment fund is established and exists. If material, state whether the articles or other constituting or establishing documents of the investment fund have been amended and describe the substance of the material amendments.

(3) State whether the investment fund would be considered a mutual fund under securities legislation.

4.2. Overview of the Investment Structure

(1) Under the sub-heading, "Overview of the Investment Structure", describe, including a diagram for complex structures, the overall structure of the underlying investment or investments made or to be made by the investment fund including any direct or indirect investment exposure. Include in the description and the diagram any counterparties under a forward or swap agreement entered into with the investment fund or its manager, the nature of the portfolio of securities being purchased by the investment fund, any indirect investment exposure that is related to the return of the investment fund and any collateral or guarantees given as part of the overall structure of the underlying investment or investments made by the investment fund.

(2) If the securities distributed under the prospectus are being issued in connection with an acquisition, amalgamation, merger, reorganization or arrangement, describe by way of a diagram or otherwise the intercorporate relationships both before and after the completion of the proposed transaction.

4.3. Overview of the Industry/Industries that the Fund Invests In

(1) Under the sub-heading "Overview of the Industry/Industries that the Fund Invests In", if the investment fund invests or intends to invest in a specific industry or specific industries, briefly describe the industry or industries that the investment fund has been or will be investing in.

(2) Include in the description known material trends, events or uncertainties that might reasonably be expected to affect the investment fund.

Item 5 Investment Objective and Strategy

5.1. Investment Objective

(1) Set out under the sub-heading "Investment Objectives" the fundamental investment objectives of the investment fund, including information that describes the fundamental nature of the investment fund, or the fundamental features of the investment fund, that distinguish it from other investment funds.

(2) Describe any restrictions on investments adopted by the investment fund, beyond what is required under securities legislation, that pertain to the fundamental nature of the investment fund.

(3) If the investment fund purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of an investment in the investment fund, include this fact as a fundamental investment objective of the investment fund and

(a) identify the person or company providing the guarantee or insurance;

(b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance;

(c) if applicable, state that the guarantee or insurance does not apply to the amount of any redemptions before the maturity date of the guarantee or before the death of the securityholder and that redemptions before that date would be based on the net asset value of the investment fund at the time; and

(d) modify any other disclosure required by this section appropriately.

INSTRUCTIONS

(1) State the type or types of securities, such as money market instruments, bonds or equity securities, in which the investment fund will primarily invest under normal market conditions.

(2) If the investment fund primarily invests, or intends to primarily invest, or if its name implies that it will primarily invest

(a) in a particular type of investment fund, such as foreign investment funds, small capitalization investment funds or investment funds located in emerging market countries;

(b) in a particular geographic location or industry segment; or

(c) in portfolio assets other than securities, the investment fund's fundamental investment objectives should so indicate.

(3) If a particular investment strategy is an essential aspect of the investment fund, as evidenced by the name of the investment fund or the manner in which the investment fund is marketed, disclose this strategy as an investment objective. This instruction would be applicable, for example, to a investment fund that described itself as an "asset allocation fund" or a "investment fund that invests primarily through the use of derivatives".

5.2. Investment Strategies

(1) Describe under the sub-heading "Investment Strategies"

(a) the principal investment strategies that the investment fund intends to use in achieving its investment objectives; and

(b) the process by which the investment fund's portfolio adviser selects securities for the fund's portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.

(2) Indicate what types of securities, other than those held by the investment fund in accordance with its fundamental investment objectives, may form part of the investment fund's portfolio assets under normal market conditions.

(3) If the investment fund intends to use derivatives,

(a) for hedging purposes only, state that the investment fund may use derivatives for hedging purposes only;

(b) for non-hedging purposes, or for hedging and non-hedging purposes, briefly describe

(i) how derivatives are or will be used in conjunction with other securities to achieve the investment fund's investment objectives;

(ii) the types of derivatives expected to be used and give a brief description of the nature of each type; and

(iii) the limits of the investment fund's use of derivatives.

(4) If the investment fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the investment fund's portfolio adviser may use or intends to use in response to such conditions.

(5) If the investment fund intends to enter into securities lending, repurchase or reverse repurchase transactions, briefly describe

- (i) how those transactions are or will be entered into in conjunction with other strategies an investments of the investment fund to achieve the investment fund's objectives;
- (ii) the types of those transactions to be entered into and give a brief description of the nature of each type; and
- (iii) the limits of the investment fund's entering into those transactions.

5.3. Restrictions on Investments

- (1) Describe any restrictions on investments adopted by the investment fund, beyond what is required under securities legislation.
- (2) If the investment fund has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.
- (3) Describe the nature of any securityholder or other approval that may be required in order to change the fundamental investment objectives and any of the material investment strategies to be used to achieve the investment objectives.

5.4. Significant Holdings in Other Entities

For labour sponsored investment funds, include in substantially the tabular form below, the following information as at a date within thirty days of the date of the prospectus with respect to each entity, 5 percent or more of whose securities of any class are beneficially owned directly or indirectly by the fund.

Name and Address of Entity	Nature of Entities' Principal Business	Percentage of Securities of each Class Owned by Fund	Percentage of Value of Fund's Assets Invested
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Item 6 Management Discussion of Fund Performance

6.1. Management Discussion of Fund Performance

Unless the investment fund's most recently filed management report of fund performance is incorporated by reference under Item 40 or attached to the prospectus under Item 41, provide, under the sub-heading "Management Discussion of Fund Performance", management's discussion of fund performance in accordance with Items 2.3, 2.4, 2.5, 3, 4, 5 and 6 of Part B of Form 81-106F1 for the period covered by the financial statements required under Item 41.

Item 7 Fees, Expenses and Returns

7.1. Fees and Expenses

Set out information about all of the fees and expenses payable by the investment fund and by investors in the investment fund under the sub-heading "Fees, Expenses and Returns". Each fee paid by the investment fund and by the investor should be separately described. This information shall also include information about sales and trailing commissions whether paid by the investment fund or the investor.

7.2. Returns and Management Expense Ratio

In the following table include the annual returns of the investment fund for each of the past five years and the management expense ratio for each of the past five years:

Item	[specify year]	[specify year]	[specify year]	[specify year]	[specify year]
Annual Returns					
MER					

MER means management expense ratio

Item 8 Risk Factors**8.1. Risk Factors**

- (1) Under the sub-heading "Risk Factors", describe the risk factors material to the investment fund that a reasonable investor would consider relevant to an investment in the securities being distributed, such as the risks associated with any particular aspect of those fundamental investment objectives and investment strategies.
- (2) Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification, credit, legal and operational risks, as appropriate.
- (3) Include a brief discussion of general investment risks, such as specific company developments, stock market conditions, general economic and financial conditions in those countries where the investments of the investment fund are listed for trading, applicable to the particular investment fund.
- (4) If derivatives are to be used by the investment fund for non-hedging purposes, describe the risks associated with any use or intended use by the mutual fund of derivatives.
- (5) Risks should be disclosed in the order of their seriousness in the opinion of the investment fund or selling security holder.
- (6) If there is a risk that purchasers of the securities distributed may become liable to make an additional contribution beyond the price of the security, disclose the risk.

Item 9 Distribution Policy**9.1. Distribution Policy**

Under the sub-heading "Distribution Policy" describe the distribution policy including,

- (a) whether distributions are made by the investment fund in cash or reinvested in securities of the investment fund;
- (b) the targeted amount of any distributions;
- (c) whether the distributions are guaranteed or not; and
- (d) when the distributions are made.

Item 10 Purchases of Securities**10.1. Purchase Price**

- (1) Under the sub-heading "Purchases of Securities", describe the procedure followed or to be followed by investors who desire to purchase securities of the investment fund or switch them for securities of other investment funds.
- (2) If applicable, state that the issue price of securities is based on the net asset value of a security of that class, or series of a class next determined after the receipt by the investment fund of the purchase order.
- (3) Describe how the securities of the investment fund are distributed. If sales are effected through a principal distributor, give brief details of any arrangements with the principal distributor.
- (4) Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and if applicable, that the choice of different purchase options affects the amount of compensation paid by a member of the organization of the investment fund to a dealer.
- (5) If applicable, disclose that a dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the investment fund caused by the investor.
- (6) If applicable, for an investment fund that is being sold on a best efforts basis, state whether the issue price will be fixed during the initial distribution period, and state when the investment fund will begin issuing securities at the net asset value per security of the investment fund.

Item 11 Redemption of Securities**11.1. Redemption of Securities**

Under the sub-heading "Redemption of Securities" describe how investors may redeem securities of the investment fund including,

(a) the procedures followed, or to be followed, by an investor who desires to redeem securities of the investment fund, specifying the procedures to be followed and documents to be delivered before a redemption order pertaining to securities of the investment fund is accepted by the investment fund for processing and before payment of the proceeds of redemption is made by the investment fund;

(b) how the redemption price of the securities is determined and if applicable, state that the redemption price of the securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the investment fund of the redemption order;

(c) the circumstances under which the investment fund may suspend redemptions of the securities of the investment fund.

11.2. Short-term Trading

For investment funds in continuous distribution, under the sub-heading "Short-term Trading"

(a) describe the adverse effects, if any, that short-term trades in securities of the investment fund by an investor may have on other investors in the investment fund;

(b) describe the restrictions, if any, that may be imposed by the investment fund to deter short-term trades, including the circumstances, if any, under which such restrictions may not apply or may otherwise be waived;

(c) where the investment fund does not impose restrictions on short-term trades, state the specific basis for the view of the manager that it is appropriate for the investment fund not to do so; and

(d) describe any arrangements, whether formal or informal, with any person or company, to permit short-term trades in securities of the investment fund, including the name of such person or company and the terms of such arrangements, including any restrictions imposed on the short-term trades and any compensation or other consideration received by the manager, the investment fund or any other party pursuant to such arrangements.

INSTRUCTION

In responding to the disclosure required by section 11.2 above, include a brief description of the short-term trading activities in the investment fund that are considered by the manager to be inappropriate or excessive. And, where the manager imposes a short-term trading fee, include a cross-reference to the disclosure provided under Item 7 of this Form.

Item 12 Consolidated Capitalization**12.1. Consolidated Capitalization**

Describe any material change in, and the effect of the material change on, the share and loan capital of the investment fund, on a consolidated basis, since the date of the investment fund's financial statements for its most recently completed financial period included in the prospectus, including any material change that will result from the issuance of the securities being distributed under the prospectus.

Item 13 Prior Sales**13.1. Prior Sales**

For an investment fund other than a labour sponsored investment fund or a commodity pool, under the heading "Prior Sales", for each class of securities of the investment fund distributed under the prospectus and securities that are convertible into those classes of securities, state, for the 12-month period before the date of the prospectus,

- (a) the price at which the securities have been sold, and
- (b) the number of securities sold.

13.2. Trading Price and Volume

(1) For each class of securities of the investment fund that is traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation generally occurs.

(2) If a class of securities of the investment fund is not traded or quoted on a Canadian marketplace but is traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume or quotation generally occurs.

(3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the prospectus.

Item 14 Income Tax Considerations**14.1. Status of the Investment Fund**

Under the heading "Income Tax Considerations" and under the sub-heading "Status of the Investment Fund", briefly describe the status of the investment fund for income tax purposes. Also disclose whether the investment fund is eligible as an investment for registered retirement savings plans, registered retirement income plans, registered education savings plans or deferred profit sharing plans.

14.2. Taxation of the Investment Fund

Under the sub-heading "Taxation of the Investment Fund", state in general terms the bases upon which the income and capital receipts of the investment fund are taxed.

14.3. Taxation of Securityholders

Under the sub-heading "Taxation of Securityholders", state in general terms the income tax consequences to the holders of the securities offered of

(a) any distribution to the securityholders in the form of income, capital, dividends or otherwise, including amounts reinvested in securities of the investment fund;

(b) the redemption of securities; and

(c) the issue of securities.

14.4. Taxation of Registered Plans

Under the sub-heading "Taxation of Registered Plans", explain the tax treatment applicable to investment fund securities held in a registered tax plan.

14.5. Tax Implications of the Investment Fund's Distribution Policy

14.5 Under the sub-heading "Tax Implications of the Investment Fund's Distribution Policy", describe the impact of the investment fund's distribution policy on a taxable investor who acquires securities of the investment fund late in a calendar year.

Organization and Management Details of the Investment Fund**Item 15 Manager and Portfolio Adviser****15.1. Manager of the Investment Fund**

(1) Under a heading, "Organization and Management Details of the Investment Fund" and under a separate sub-heading, "Manager of the Investment Fund", provide details of the manager of the investment fund, including the history and background of the manager and any overall investment strategy or approach used by the manager in connection with the investment fund.

Duties and Services to be Provided by the Manager

(2) Under a separate sub-heading "Duties and Services to be Provided by the Manager", provide a description of the duties and services that the manager will be providing to the investment fund.

Details of the Management Agreement

(3) Under a separate sub-heading "Details of the Management Agreement", provide a brief description of the essential details of any management agreement that the manager has entered or will be entering into with the investment fund including any termination rights.

Officers and Directors of the Investment Fund

(4) Under a separate sub-heading "Officers and Directors of the Investment Fund", provide the following:

(a) List the name and municipality of residence of each director and executive officer of the investment fund and indicate their respective positions and offices held with the investment fund and their respective principal occupations within the five preceding years.

(b) State the period or periods during which each director has served as a director and when his or her term of office will expire.

(c) State the number and percentage of securities of each class of voting securities of the investment fund or any of its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers of the investment fund as a group.

(d) Disclose the board committees of the investment fund and identify the members of each committee.

(e) If the principal occupation of a director or executive officer of the investment fund is acting as an executive officer of a person or company other than the investment fund, disclose the fact and state the principal business of the person or company.

(f) For an investment fund that is a limited partnership, provide the information required by this Item for the general partner of the investment fund, modified as appropriate.

Cease Trade Orders and Bankruptcies of the Investment Fund

(5) Under the sub-heading "Cease Trade Orders and Bankruptcies of the Investment Fund", if a director or executive officer of the investment fund or a shareholder holding a sufficient number of securities of the investment fund to affect materially the control of the investment fund

(a) is, or within ten years before the date of the prospectus or *pro forma* prospectus, as applicable, has been, a director or executive officer of any other investment fund that, while that person was acting in that capacity,

(i) was the subject of a cease trade or similar order, or an order that denied the other investment fund access to any exemptions under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or

(ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the investment fund being the subject of a cease trade or similar order or an order that denied the relevant investment fund access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or

(iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(b) has, within the 10 years before the date of the prospectus or *pro forma* prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder, state the fact.

Conflicts of Interest of the Investment Fund(6) Under the sub-heading "Conflicts of Interest of the Investment Fund", disclose particulars of existing or potential material conflicts of interest between the investment fund and a director or executive officer of the investment fund.

Officers and Directors of the Manager of the Investment Fund

(7) provide, under a separate sub-heading "Officers and Directors of the Manager of the Investment Fund", the following:

(a) List the name and municipality of residence of each partner, director and executive officer of the manager of the investment fund and indicate their respective positions and offices held with the manager and their respective principal occupations within the five preceding years.

(b) If a partner, director or executive officer of the manager has held more than one office with the manager within the past five years, state only the current office held.

(c) If the principal occupation of a partner, director or executive officer of the manager is with an organization other than the manager of the investment fund, state the principal business in which the organization is engaged.

Cease Trade Orders and Bankruptcies of the Manager

(8) provide under a separate sub-heading "Cease Trade Orders and Bankruptcies of the Manager" the information required under subsection (5) for the directors and executive officers of the manager of the investment fund, as modified where appropriate.

Conflicts of Interest of the Manager(9) Under the sub-heading "Conflicts of Interest", disclose particulars of existing or potential material conflicts of interest between the investment fund and the manager or any director or executive officer of the manager of the investment fund.

15.2. Portfolio Adviser

(1) Under a separate sub-heading, "Portfolio Adviser", provide details of the portfolio adviser of the investment fund, including the history and background of the portfolio adviser.

Decision-making

(2) State the extent to which investment decisions are made by certain individuals employed by the portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee.

Experience

(3) State the name, title, and length of time of service of the person or persons employed by or associated with a portfolio adviser of the investment fund who is or are principally responsible for the day-to-day management of a material portion of the portfolio of the investment fund, implementing a particular material strategy or managing a particular segment of the portfolio of the investment fund, and each person's business experience in the last five years.

Details of the Portfolio Advisory Agreement

(4) Under a separate sub-heading "Details of the Portfolio Advisory Agreement", provide a brief description of the essential details of any portfolio advisory agreement that the portfolio adviser has entered or will be entering into with the investment fund or the manager of the investment fund including any termination rights.

Conflicts of Interest of the Portfolio Adviser(5) Under the sub-heading "Conflicts of Interest of the Portfolio Adviser", disclose particulars of existing or potential material conflicts of interest between the investment fund and the portfolio adviser or any director or executive officer of the portfolio adviser.

Item 16 Independent Review Committee**16.1. Independent Review Committee**

Under the sub-heading "Independent Review Committee", disclose a description of the independent review committee of the investment fund required by Regulation 81-107 respecting Independent Review Committee for Investment Funds, including

- (a) an appropriate summary of its mandate and responsibilities;
- (b) its composition;

(c) that it prepares a report at least annually of its activities for securityholders which is available on the [investment fund's/investment fund family's] website, or at your request, and at no cost, by contacting the [investment fund/investment fund family] at [investment fund's/investment fund family's email address] and if applicable, that additional information about the independent review committee, including the names of the members, is available in the investment fund's annual information form;

(d) that additional information about the independent review committee, including the names of the members, is available in the investment fund's annual information form (if applicable); and

(e) the fees payable to the independent review committee, including whether the investment fund pays all of the fees payable to the independent review committee and listing the main components of the fees.

Item 17 Custodian

17.1. Custodian

Under the sub-heading "Custodian", state the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the investment fund.

17.2. Sub-custodian

Describe generally the sub-custodian arrangements of the investment fund.

INSTRUCTION:

A "principal sub-custodian" is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the investment fund.

Item 18 Auditor, Transfer Agent and Registrar

18.1. Auditors

Under the sub-heading "Auditor", state the name and address of the auditor of the investment fund.

18.2. Transfer Agent and Registrar

Under the sub-heading, "Transfer Agent and Registrar", for each class of securities, state the name of the investment fund's transfer agent(s), registrar(s), trustee, or other agent appointed by the investment fund to maintain the securities register and the register of transfers for such securities and indicate the location (by municipalities) of each of the offices of the investment fund or transfer agent, registrar, trustee or other agent where the securities, register and register of transfers are maintained or transfers of securities are recorded.

Item 19 Promoters

19.1. Promoters

(1) For a person or company that is, or has been within the 3 years immediately preceding the date of the prospectus or *pro forma* prospectus, a promoter of the investment fund or of a subsidiary of the investment fund, state under the sub-heading "Promoter"

(a) the person or company's name;

(b) the number and percentage of each class of voting securities and equity securities of the investment fund or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised by the person or company;

(c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the investment fund or from a subsidiary of the investment fund, and the nature and amount of any assets, services or other consideration received or to be received by the investment fund or a subsidiary of the investment fund in return; and

(d) for an asset acquired within the 3 years before the date of the preliminary prospectus or *pro forma* prospectus, or to be acquired, by the investment fund or by a subsidiary of the investment fund from a promoter

(i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,

(ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the investment fund, the promoter, or affiliate of the investment fund or of the promoter, and

(iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

(2) If a promoter of the investment fund has been a director, executive officer or promoter of any person or company during the 10 years ending on the date of the preliminary prospectus or *pro forma* prospectus, as applicable, that while that person was acting in that capacity,

(a) was the subject of a cease trade or similar order, or an order that denied the person or company access to any exemptions under provincial or territorial securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;

(b) was subject to an event that resulted, after the director, executive officer or promoter ceased to be a director, executive officer or promoter, in the company or person being subject to a cease trade or similar order or an order that denied the relevant company or person access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect, or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

(3) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter has been subject to

(a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a provincial or territorial securities regulatory authority or has entered into a settlement agreement with a provincial or territorial securities regulatory authority; or

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

(4) Despite paragraph (3), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered to be important to a reasonable investor in making an investment decision.

(5) If a promoter of the investment fund has within the ten years before the date of the prospectus or *pro forma* prospectus, as applicable, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

Item 20 Trustee and Declaration of Trust

20.1. Trustee

Under the sub-heading "Trustee", provide details of the trustee of the investment fund.

20.2. Declaration of Trust

Under the sub-heading "Declaration of Trust", provide details of the declaration of trust including any termination rights and matters requiring securityholder approval.

20.3. Amendments to the Declaration of Trust

Under the sub-heading "Amendments to the Declaration of Trust", describe the circumstances, processes and procedures required to amend the declaration of trust.

Attributes of the Securities

Item 21 Description of the Securities Distributed

21.1. Equity Securities or Investment Fund Units

If equity securities or units of the investment fund are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities Distributed" state the description or the designation of the class of equity securities or units distributed and describe all material attributes and characteristics, including

- (a) dividend or distribution rights;
- (b) voting rights;
- (c) rights upon dissolution, termination or winding-up;
- (d) pre-emptive rights;
- (e) conversion or exchange rights;
- (f) redemption, retraction, purchase for cancellation or surrender provisions;
- (g) sinking or purchase fund provisions;
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions;
- (i) provisions as to amendment of any of these rights or provisions; and
- (j) provisions requiring a shareholder to contribute additional capital.

21.1. Debt Securities

If debt securities are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities Distributed", describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including

- (a) provisions for interest rate, maturity and premium, if any;
- (b) conversion or exchange rights;
- (c) redemption, retraction, purchase for cancellation or surrender provisions;
- (d) sinking or purchase fund provisions;
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the investment fund or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities;
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the investment fund or any of its affiliates; and
- (h) any financial arrangements between the investment fund and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

21.3. Derivatives

If derivatives are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities Distributed", describe fully the material attributes and characteristics of the derivatives, including

- (a) the calculation of the value or payment obligations under the derivatives;
- (b) the exercise of the derivatives;
- (c) the settlement of exercises of the derivatives;
- (d) the underlying interest of the derivatives;

- (e) the role of a calculation expert in connection with the derivatives;
- (f) the role of any credit supporter of the derivatives; and
- (g) the risk factors associated with the derivatives.

21.4. Other securities If securities other than the securities mentioned above are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities Distributed", describe fully the material attributes and characteristics of those securities.

21.5. Special Warrants, etc.

If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis, disclose that holders of such securities have been provided with a contractual right of rescission and provide the following disclosure in the prospectus:

"In the event that a holder of a special warrant, who acquires a [identify underlying security] of the investment fund upon the exercise of the special warrant as provided for in this prospectus, is or becomes entitled under applicable securities legislation to the remedy of rescission by reason of this prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder's exercise of its special warrant(s) but also of the private placement transaction pursuant to which the special warrant was initially acquired, and shall be entitled in connection with such rescission to a full refund of all consideration paid to the [underwriter or investment fund, as the case may be] on the acquisition of the special warrant. In the event such holder is a permitted assignee of the interest of the original special warrant subscriber, such permitted assignee shall be entitled to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was such original subscriber. The foregoing is in addition to any other right or remedy available to a holder of the special warrant under applicable securities legislation or otherwise at law."

INSTRUCTION

If the prospectus is qualifying the distribution of securities issued upon the exercise of securities other than special warrants, replace the term "special warrant" with the type of the security being distributed.

21.6. Restricted Securities

21.6 (1) If the investment fund has outstanding, or proposes to distribute under the prospectus, restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of:

- (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the investment fund that are the same or greater on a per security basis than those attached to the restricted securities,
- (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities,
- (c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the investment fund and to speak at the meetings to the same extent that holders of equity securities are entitled, and
- (d) how the investment fund complied with, or basis upon which it was exempt from, the requirements of Part 7 of this Regulation.

(2) If holders of restricted securities do not have all of the rights referred to in subsection (1) the detailed description referred to in that subsection must include, in bold type, a statement of the rights the holders do not have.

(3) If the investment fund is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the investment fund's securities that will be represented by restricted securities after giving effect to the issuance of the securities being offered.

21.7. Modification of Terms

(3) (1) Describe provisions as to modification, amendment or variation of any rights attached to the securities being distributed.

(2) If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

21.8. Ratings

If one or more ratings, including provisional ratings or stability ratings, have been received from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose

(a) each security rating, including a provisional rating or stability rating, received from an approved rating organization,

(b) the name of each approved rating organization that has assigned a rating for the securities to be distributed,

(c) a definition or description of the category in which each approved rating organization rated the securities to be distributed and the relative rank of each rating within the organization's classification system,

(d) an explanation of what the rating addresses and what attributes, if any, of the securities to be distributed are not addressed by the rating,

(e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed,

(f) a statement that a security rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization, and

(g) any announcement made by, or any proposed announcement known to the investment fund to be made by, an approved rating organization that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this paragraph.

21.9. Other attributes

(1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.

(2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

INSTRUCTION

This Item requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the investment fund's discretion, be attached as a schedule to the prospectus.

Item 22 Securityholder Matters**22.1. Meetings of Securityholders**

Under the sub-heading "Meetings of Securityholders", describe the circumstances, processes and procedures for holding any securityholder meeting and for any extraordinary resolution.

- (a)
- (b) 22.2. Reporting to Securityholders

Under the sub-heading "Reporting to Securityholders" describe the information or reports that will be delivered or made available to securityholders and the frequency in which such information or reports will be delivered or made available to securityholders including any requirements from securities legislation.

Item 23 Valuation of Investment Fund Assets**23.1. Valuation Procedures**

Under the sub-heading "Valuation Procedures for the Investment Fund Assets", describe the valuation policy for determining the value of the investment fund assets including,

- (a) the methods used to value the various types or classes of investment fund assets and its liabilities for the purpose of calculating net asset value; and
- (b) if the manager has discretion to deviate from the investment fund's valuation practices described in subsection (a), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, so state.

23.2. Calculation of Net Asset Value

Except for scholarship plans, Under the sub-heading "Calculation of Net Asset Value", describe,

- (a) how the net asset value of the investment fund is determined; and
- (b) the frequency at which the net asset value is determined and the date and time of day at which it is determined.

23.3. Reporting of Net Asset Value

Under the sub-heading "Reporting of Net Asset Value", describe,

- (a) how the net asset value of the investment fund will be reported to securityholders at no cost, for example, website, toll-free telephone line, etc. and
- (b) the frequency at which the net asset value is reported to securityholders.

Item 24 Termination of the Fund**24.1. Termination of the Fund**

Under the sub-heading "Termination of the Fund", describe the circumstances in which the investment fund will be terminated including:

- (a) the date of termination;
- (b) how the value of the securities of the investment fund at termination will be determined;
- (c) whether securityholders will receive cash or some other type of payment upon termination;
- (d) the details of any rollover transaction, if securityholders will receive units of another investment fund as part of a rollover transaction upon termination;
- (e) how the assets of the investment fund will be distributed upon termination; and

(f) disclose if the commodity pool will be wound up without the approval of securityholders if the net asset value per security falls below a certain predetermined level, and, if so, the net asset value per security at which this will occur.

Item 25 Escrowed Securities

25.1. Escrowed securities and securities subject to contractual restriction on transfer

(1) Under the sub-heading "Escrowed Securities", state as of a specified date within 30 days before the date of the prospectus, in substantially the following tabular form, the number of securities of each class of securities of the investment fund held, to the knowledge of the investment fund, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class

(4)

(2) In a note to the table disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow or the date the contractual restriction on transfer ends, as applicable.

(3) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTION

For purposes of this item, escrow includes securities subject to a pooling agreement.

Use of Proceeds and Distribution Plan

Item 26 Use of Proceeds

26.1. Proceeds

(1) Under the heading "Use of Proceeds and Distribution Plan" and under the sub-heading "Use of Proceeds", state the estimated net proceeds to be received by the investment fund or selling security holder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the investment fund or selling security holder from the sale of the securities distributed.

(2) State the particulars of any provisions or arrangements made for holding any part of the net proceeds of the distribution in trust or escrow subject to the fulfillment of conditions.

(3) If the prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

26.2. Principal Purposes – General

(1) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the investment fund.

(2) If the closing of the distribution is subject to a minimum subscription, provide disclosure of the use of proceeds for the minimum and maximum subscriptions.

26.3. Principal purposes – indebtedness

(1) If more than 10% of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the 2 preceding years, describe the principal purposes for which the proceeds of the indebtedness were used.

(2) If the creditor is an insider, associate or affiliate of the investment fund or manager, identify the creditor and the nature of the relationship to the investment fund and the outstanding amount owed.

26.4. Principal purposes – asset acquisition

(1) If more than 10% of the net proceeds are to be used to acquire assets, describe the assets.

(2) If known, disclose the particulars of the purchase price being paid for or being allocated to the assets or categories of assets, including intangible assets.

(3) If the vendor of the assets is an insider, associate or affiliate of the investment fund or manager, give the name of the vendor and the method used in determining the purchase price.

(4) Describe the nature of the title to or interest in the assets to be acquired by the investment fund.

(5) If part of the consideration for the acquisition of the assets consists of securities of the investment fund, give brief particulars of the class, number or amount, voting rights, if any, and other appropriate information relating to the securities, including particulars of the issuance of securities of the same class within the 2 preceding years.

26.5. Principal purposes – insiders, etc.

If an insider, associate or affiliate of the investment fund or manager will receive more than 10% of the net proceeds, identify the insider, associate or affiliate and disclose the amount of net proceeds to be received.

26.6. Unallocated Funds

(1) Disclose that unallocated funds will be placed in a trust or escrow account, invested or added to the working capital of the investment fund.

(2) Give details of the arrangements made for, and the persons or companies responsible for,

(a) the supervision of the trust or escrow account or the investment of unallocated funds, and

(b) the investment policy to be followed.

26.7. Other Sources of Funding

If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds.

26.8. Financing by special warrants, etc. (1) If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or the exercise of other securities acquired on a prospectus-exempt basis, describe the principal purposes for which the proceeds of the prospectus-exempt financing were used or are to be used.

(2) If all or a portion of the funds have been spent, explain how the funds were spent.

INSTRUCTION

For the purposes of the disclosure in section 26.7, the phrase "for general corporate purposes" will generally not be sufficient.

Item 27 Plan of Distribution

27.1. Plan of Distribution

Under the sub-heading "Plan of Distribution" briefly describe the plan of distribution including the following information.

27.2. Name of underwriters(1) If the securities are being distributed by an underwriter, state the name of the underwriter and describe briefly the nature of the underwriter's obligation to take up and pay for the securities.

(2) Disclose the date by which the underwriter is obligated to purchase the securities.

27.3. Disclosure of conditions to underwriters' obligations If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter's obligations are subject to conditions,

(6) (a) include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

"Under an agreement dated [insert date of agreement] between [insert name of investment fund or selling security holder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of investment fund or selling security shareholder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of investment fund or selling security holder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [its/their] assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement.", and

(b) describe any other conditions and indicate any information known that is relevant to whether such conditions will be satisfied.

27.4. Best efforts offering Outline briefly the plan of distribution of any securities being distributed other than on the basis described in item 27.3.

27.5. Minimum distribution If securities are being distributed on a best efforts basis and minimum funds are to be raised, state

(a) the minimum funds to be raised,

(b) that the investment fund must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer, or in Québec a notary, who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in paragraph (a) has been raised, and

(c) that if the minimum amount of funds is not raised within the distribution period, the trustee must return the funds to the subscribers without any deductions.

27.6. Determination of price Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process of determining the estimates.

27.7. Stabilization If the investment fund, a selling security holder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, describe the nature of these transactions, including the anticipated size of any over-allocation position, and explain how the transactions are expected to affect the price of the securities.

27.8. Approvals

If the purpose of the distribution is to fund in whole or in part a new business of the investment fund and the investment fund has not obtained all material licences, registrations and approvals necessary for the operation of the business, include a statement that

(a) the investment fund must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, a lawyer, or in Québec a notary, who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, to hold in trust all funds received from subscriptions until all material licences, registrations and approvals necessary for the operation of the business have been obtained, and

(b) if all material licences, registrations and approvals necessary for the operation of the business have not been obtained within 90 days from the date of receipt of the final prospectus, the trustee must return the funds to subscribers.

27.9. Reduced price distributions If an underwriter may decrease the price at which securities are distributed for cash from the initial public offering price disclosed in the prospectus and thereafter change, from time to time, the price at which securities are distributed under the prospectus in accordance with the procedures permitted by the Regulation, disclose that, after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the prospectus, the offering price may be decreased, and further changed from time to time, to an amount not greater than the initial offering price disclosed in the prospectus and that the

compensation realized by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the investment fund or selling security holder.

27.10. Listing application

If application has been made to list or quote the securities being distributed, include a statement, in substantially the following form, with bracketed information completed:

- (7) "The investment fund has applied to [list/quote] the securities distributed under this prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the investment fund fulfilling all the listing requirements of [name of exchange or other market]."

27.11. Conditional listing approval

If application has been made to list or quote the securities being distributed on an exchange or marketplace and conditional listing approval has been received, include a statement, in substantially the following form, with the bracketed information completed:

"[name of exchange or marketplace] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of investment fund] fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date], [including distribution of these securities to a minimum number of public security holders]."

27.12. Constraints If there are constraints imposed on the ownership of securities of the investment fund to ensure that the investment fund has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the investment fund will be monitored and maintained.

27.13. Special warrants acquired by underwriters or agents

Disclose the number and dollar value of any special warrants acquired by any underwriter or agent and the percentage of the distribution represented by those special warrants.

Item 28 Conflicts of Interest and Proxy Voting Disclosure

28.1 Relationship Between Investment Fund or Selling Security Holder and Underwriter

(1) Under the heading "Conflicts of Interest" and under the sub-heading "Relationship between Investment Fund or Selling Security Holder and Underwriter", if the investment fund or selling security holder is a connected issuer or related issuer of an underwriter of the distribution, or if the investment fund or selling security holder is also an underwriter, comply with the requirements of Regulation 33-105 respecting Underwriting Conflicts.

(2) For the purposes of subsection (1), "connected issuer" and "related issuer" have the same meanings as in Regulation 33-105 respecting Underwriting Conflicts.

Item 29 Options to Purchase Securities

29.1. Options to Purchase Securities

(1) Under the sub-heading "Options to Purchase Securities", state, in tabular form, as at a specified date within 30 days before the date of the prospectus, information as to options to purchase securities of the investment fund that are held or will be held upon completion of the distribution by

(a) all executive officers and past executive officers of the investment fund as a group and all directors and past directors of the investment fund who are not also executive officers as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,

(b) all executive officers and past executive officers of all subsidiaries of the investment fund as a group and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary as a group, in each case, and excluding individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,

(c) all other employees and past employees of the investment fund as a group,

(d) all other employees and past employees of subsidiaries of the investment fund as a group,

- (e) all consultants of the investment fund as a group, and
 - (f) any other person or company, other than the underwriter(s), naming each person or company.
- (2) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTIONS

(1) *Describe the options, stating the material provisions of each class or type of option, including:*

- (a) *the designation and number of the securities under option;*
- (b) *the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;*
- (c) *if reasonably ascertainable, the market value of the securities under option on the date of grant;*
- (d) *if reasonably ascertainable, the market value of the securities under option on the specified date; and*
- (e) *with respect to options referred to in paragraph (f) of Item 29.1, the particulars of the grant including the consideration for the grant.*

(2) *For the purposes of item (f) of Item 29.1(1), provide the information required for all options except warrants and special warrants.*

Item 30 Interest of Management and Others in Material Transactions

30.1. Interest of Management and Others in Material Transactions

Under the sub-heading "Interest of Management and Others in Material Transactions", describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the prospectus or *pro forma* prospectus, or in any proposed transaction, that has materially affected or will materially affect the investment fund:

- (a) a director or executive officer of the investment fund or the investment fund manager;
- (b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of the outstanding voting securities;
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

30.2. Underwriting Discounts

Disclose any material underwriting discounts or commissions upon the sale of securities by the investment fund if any of the persons or companies listed under item 30.1 were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

INSTRUCTIONS

(1) *The materiality of an interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to investors.*

(2) *Give a brief description of the material transaction. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to the investment fund.*

(3) *For any transaction involving the purchase of assets by or sale of assets to the investment fund or a subsidiary of the investment fund, state the cost of the assets to the purchaser, and the cost of the assets to the seller if acquired by the seller within three years before the transaction.*

(4) *This item does not apply to any interest arising from the ownership of securities of the investment fund if the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.*

(5) *Information must be included as to any material underwriting discounts or commissions upon the sale of securities by the investment fund if any of the specified persons or companies were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.*

(6) *No information need be given in answer to this item as to a transaction, or an interest in a transaction, if*

(a) *the rates or charges involved in the transaction are fixed by law or determined by competitive bids;*

(b) *the interest of a specified person or company in the transaction is solely that of a director of another company that is a party to the transaction;*

(c) *the transaction involves services as a bank or other depository of funds, a transfer agent, registrar, trustee under a trust indenture or other similar services; or*

(d) *the transaction does not involve remuneration for services and the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than ten per cent of any class of equity securities of another company that is party to the transaction and the transaction is in the ordinary course of business of the investment fund or its subsidiaries.*

(7) *Describe all transactions not excluded above that involve remuneration (including an issuance of securities), directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than ten per cent of any class of equity securities of another company furnishing the services to the investment fund or its subsidiaries.*

Item 31 Principal Holders of Securities of the Investment Fund and Selling Security Holders

31.1. Principal Holders of Securities of the Investment Fund and Selling Security Holders

(1) Under the sub-heading "Principal Holders of Securities of the Investment Fund and Selling Security Holders", provide the following information for each principal holder of securities of the investment fund and, if any securities are being distributed for the account of a security holder, for each selling security holder, as of a specified date not more than 30 days before the date of the prospectus or *pro forma* prospectus, as applicable:

(a) The name.

(b) The number or amount of securities owned of the class being distributed.

(c) The number or amount of securities of the class being distributed for the account of the security holder.

(d) The number or amount of securities of the investment fund of any class to be owned after the distribution.

(e) Whether the securities referred to in paragraphs (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.

(f) The percentages of each class of securities known by the investment fund to be owned before and after the distribution.

(2) If securities are being distributed in connection with an acquisition, amalgamation, merger, reorganization or arrangement, indicate, to the extent known, the holdings of each person or company described in subsection (1) that will exist after giving effect to the transaction.

(3) If any of the securities being distributed are being distributed for the account of a security holder and those securities were purchased by the selling security holder within the 2 years preceding the date of the prospectus or *pro forma* prospectus, as applicable, state the date the selling security holder acquired the securities and, if the securities were acquired in the 12 months preceding the date of the prospectus or *pro forma* prospectus, as applicable, the cost to the security holder in the aggregate and on an average cost per security basis.

(4) If, to the knowledge of the investment fund or the underwriter of the securities being distributed, more than 10% of any class of voting securities of the investment fund is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

(5) If, to the knowledge of the investment fund or the underwriter of the securities being distributed, any principal holder of securities or selling security holder is an associate or affiliate of another person or company named as a principal holder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the investment fund held by the person or company other than the holding of voting securities of the investment fund.

(6) In addition to the above, include in a footnote to the table, the required calculation(s) on a fully-diluted basis.

INSTRUCTION

If a company, partnership, trust or other unincorporated entity is a principal holder of securities of an investment fund, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of the company or membership in the partnership, as the case may be, is a principal shareholder of the company or partnership.

Item 32 Proxy Voting Disclosure For Portfolio Securities Held

32.1. Proxy Voting Disclosure

Under the sub-heading "Proxy Voting Disclosure For Portfolio Securities Held", include the disclosure required by subsection 10.2(3) of Regulation 81-106 respecting Investment Fund Continuous Disclosure for an investment fund.

Other Legal Matters

Item 33 Material Contracts

33.1. Material Contracts

(1) Under the heading "Other Legal Matters" and under the sub-heading "Material Contracts", list and provide particulars of

(a) the articles of incorporation, the declaration of trust or trust agreement of the investment fund or any other constating document, if any;

(b) any agreement of the investment fund or trustee with the manager of the investment fund;

(c) any agreement of the investment fund, the manager or trustee with the portfolio adviser of the investment fund;

(d) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund;

(e) any agreement of the investment fund or trustee or manager with the underwriters or agents of the investment fund;

(f) any swap or forward agreement of the investment fund or trustee or manager with a counterparty that is material to the investment fund fulfilling its investment objective;

(g) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund; and

(h) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the investment fund.

(2) State a reasonable time and place in [the local jurisdiction] at which the executed contracts, or copies of them, may be inspected during distribution of the securities being distributed.

INSTRUCTIONS

(1) *Set out a complete list of all material contracts, indicating those that are disclosed elsewhere in the prospectus and provide particulars about those material contracts for which particulars are not given elsewhere in the prospectus.*

(2) *Particulars of contracts should include the dates of, parties to, consideration provided for in, termination provisions and general nature of, the contracts.*

(3) *This Item does not require disclosure of contracts entered into in the ordinary course of business of the investment fund.*

Item 34 Legal and Administrative Proceedings

34.1. Legal and Administrative Proceedings

Under the sub-heading "Legal and Administrative Proceedings", describe briefly any ongoing legal and administrative proceedings material to the investment fund, to which the investment fund, its manager or principal distributor is a party.

34.2. Particulars of the Proceedings

For all matters disclosed under subsection 34.1, disclose

(a) the name of the court or agency having jurisdiction;

(b) the date on which the proceeding was instituted;

(c) the principal parties to the proceeding;

(d) the nature of the proceeding and, if applicable, the amount claimed; and

(e) whether the proceedings are being contested and the present status of the proceedings.

Provide similar disclosure about any proceedings known to be contemplated.

34.3. Penalties and Sanctions

Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of any settlement agreement and the circumstances that gave rise to the settlement agreement, if within the 10 years before the date of the prospectus, the manager of the investment fund, or a director or officer of the investment fund or a partner, director or officer of the manager of the investment fund has,

(a) been subject to any penalties or sanctions imposed by a court or securities regulator relating to Canadian securities legislation, promotion or management of an investment fund, theft or fraud or has entered into a settlement agreement with a court or regulatory body in relation to the aforementioned matters; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body or has entered into any other settlement agreement with a court or regulatory body that would

likely be considered important to a reasonable investor in determining whether to purchase securities of the investment fund.

Item 35 Credit Supporter Disclosure

35.1 Credit Supporter Disclosure

Under the sub-heading "Credit Supporter Disclosure", if a credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, include statements by the credit supporter providing disclosure about the credit supporter that would be required under Items 4, 6, 7, 28, 34 and 41 of this Form if the credit supporter were the investment fund of the securities and such other information about the credit supporter as is necessary to provide full, true and plain disclosure of all material facts concerning the securities to be distributed.

Item 36 Experts

36.1. Names of experts Name each person or company

(a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or an amendment to the prospectus, and

(b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

36.2. Interest of Experts

(1) Disclose all direct, indirect or beneficial interests in any securities or other property of the investment fund or of an associate or affiliate of the investment fund received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the prospectus or prepared or certified a report or valuation described or included in the prospectus.

(2) For the purpose of paragraph (1), if the ownership is less than one per cent, a general statement to that effect shall be sufficient. If there is no ownership interest, no statement is required.

(3) If a person, or a director, officer or employee of a person or company referred to in paragraph (1) is or is expected to be elected, appointed or employed as a director, officer or employee of the investment fund or of any associate or affiliate of the investment fund, disclose the fact or expectation.

INSTRUCTIONS

(1) *Item 36.2 does not apply to:*

(a) *auditors of a business acquired by the investment fund provided they have not or will not be appointed as the investment fund's auditor subsequent to the acquisition;*

(b) *the investment fund's predecessor auditors, if any, for those periods when they were not the investment fund's auditor; and*

(c) *the investment fund's auditor for the period before they became the investment fund's auditor.*

(2) *Item 36. does not apply to direct, indirect or beneficial interests held through investment funds.*

Item 37 Other Material Facts

37.1. Other Material Facts

Give particulars of any material facts about the securities being distributed that are not disclosed under the preceding items and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

Item 38 Purchasers' Statutory Rights of Withdrawal and Rescission**38.1. General**

For investment funds other than mutual funds, under the sub-heading "Purchasers' Statutory Rights of Withdrawal and Rescission" include a statement in substantially the following form, with bracketed information completed:

"Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province [or territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province [or territory] for the particulars of these rights or consult with a legal adviser."

38.2. Mutual Funds

For mutual funds (including labour sponsored investment funds and commodity pools), under the sub-heading "Purchasers' Statutory Rights of Withdrawal and Rescission" include a statement in substantially the following form:

"Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities within two business days after receipt of a prospectus or within 48 hours after the receipt of a confirmation of a purchase of such securities. If the agreement is to purchase such securities under a contractual plan, the time period during which withdrawal may be made may be longer. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province [or territory]. The purchaser should refer to the applicable provisions of the securities legislation of the province [or territory] for the particulars of these rights or should consult with a legal adviser."

38.3. Non-fixed Price Offerings

38.3 In the case of a non-fixed price offering, if applicable in the jurisdiction in which the prospectus is filed, replace the second sentence in the legend in Item 38.1 with a statement in substantially the following form:

"This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed."

Item 39 Exemptions and Approvals**39.1. General**

Describe all exemptions from or approvals under securities legislation obtained by the investment fund or the manager of the investment fund that continue to be relied upon by the investment fund or the manager.

Financial Disclosure**Item 40 Documents Incorporated by Reference****40.1. Mandatory Incorporation by Reference**

(1) If the investment fund is in continuous distribution except for scholarship plans, specifically incorporate by reference the following documents in the prospectus, by means of the following statement in substantially the following words under the heading "Financial Disclosure" and under the sub-heading "Documents Incorporated by Reference":

Additional information about the Fund is available in the following documents:

1. If applicable, the annual information form.
2. The most recently filed comparative annual financial statements of the investment fund, together with the accompanying report of the auditor, filed either before or after the date of the prospectus.
3. The most recently filed interim financial statements of the investment fund that were filed before or after the date of the prospectus.
4. The most recently filed annual management report of fund performance of the investment fund that was filed before or after the date of the prospectus.
5. The most recently filed interim management report of fund performance of the investment fund that was filed before or after the date of the prospectus.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted] or from your dealer.

[If applicable] These documents are available on the [investment fund's/investment fund family's] Internet site at [insert investment fund's Internet site address], or by contacting the [investment fund/investment fund family] at [insert investment fund's /investment fund family's email address].

These documents and other information about the Fund are available on the Internet at www.sedar.com.

40.2. Mandatory Incorporation by Reference of Future Documents

State that any documents, of the type described in section 40.1, if filed by the investment fund after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.

Item 41 Financial Statements

41.1. Annual Financial Statements

(1) Unless incorporated by reference under Item 40, include in the prospectus, the comparative annual financial statements and audit report in the form specified by Part 2 and Part 3 of Regulation 81-106 respecting Investment Fund Continuous Disclosure for an investment fund for the investment fund's most recently completed financial year, or if the investment fund has not completed 2 financial years, annual financial statements and audit report for one financial year.

(2) If an investment fund's most recent financial year ended within 90 days of the date of the prospectus referred to in subsection (1), the investment fund may treat the previous year as the most recent financial year under subsection (1).

(3) If the investment fund has not completed its first financial year, the fund must include in the prospectus financial statements for the period from the date of the fund's formation to a date not more than 90 days before the date of the prospectus.

(8) 41.2. Interim Financial Statements

(9) Unless incorporated by reference under Item 40, include in the prospectus, financial statements for the investment fund in the form specified by Part 2 and Part 3 of Regulation 81-106 respecting Investment Fund Continuous Disclosure for an investment fund for the interim period that began immediately after the financial year to which the annual financial statements required to be included in the prospectus under section 41.1 relate, if the prospectus is filed 60 days or more after the end of that interim period.

41.3. Management Report of Fund Performance

Unless incorporated by reference under Item 40, include in the prospectus the most recently filed interim management report of fund performance, if filed after the most recently filed annual management report of fund performance and include the most recently filed annual management report of fund performance.

Item 42 Certificates**42.1. Certificate of the Investment Fund**

Include a certificate of the investment fund in the following form:

"This prospectus [together with the documents incorporated herein by reference] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified]."

42.2. Certificate of the Manager

Include a certificate of the manager of the investment fund in the same form as the certificate signed by the investment fund.

42.3. Certificate of Underwriter

Where a person or company is required to provide a certificate in the underwriter certificate form, the certificate must state:

"To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]."

42.4. Certificate of promoter

If there is a promoter of the investment fund or a subsidiary of the investment fund, include a certificate in the same form as the certificate signed by the investment fund.

42.5. Amendments

(1) For an amendment to a prospectus that does not restate the prospectus, omit the reference in the language in sections 42.1 and 42.3 to "prospectus" and replace it with "prospectus dated [insert date] as amended by this amendment".

(2) For an amended and restated prospectus, omit the reference in the language in sections 42.1 and 42.3 to "prospectus" and replace it with "amended and restated prospectus".

42.6. Non-offering prospectus

For a non-offering prospectus, omit the reference in the language in sections 42.1 and 42.3 to "securities offered by this prospectus" and replace it with "securities previously issued by the investment fund".