

REGULATION TO AMEND REGULATION 45-106 RESPECTING PROSPECTUS AND REGISTRATION EXEMPTIONS

Securities Act

(chapter V-1.1, s. 331.1, par. (1), (3), (6), (8), (11), (14) and (34), and s. 331.2)

1. Section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions is amended by replacing the title with the following:

“REGULATION 45-106 RESPECTING PROSPECTUS EXEMPTION”.

2. Section 1 of the Regulation is amended, in the definition of the expression “accredited investor”:

(1) by replacing paragraphs (a) to (i) with the following:

“(a) except in Ontario, a Canadian financial institution, or a Schedule III bank;

(b) except in Ontario, the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (S.C., 1995, chapter 28);

(c) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

(d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;

(e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d), other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the Securities Act (R.S.O., 1990, chapter S.5) of Ontario or the Securities Act (R.S.N.L., 1990, chapter S-13) of Newfoundland and Labrador;

(f) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

(g) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l’île de Montréal or an intermunicipal management board in Québec;

(h) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

(i) except in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;”

(2) by replacing, in paragraph (j), the words “that before taxes,” with the words “that, before taxes”;

(3) by inserting, after paragraph (j), the following:

“(j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5 000 000;”;

(4) by replacing paragraph (q) with the following:

“(q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an advisor or the

equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;”;

(5) by inserting, after paragraph (v), the following:

“(w) a trust established by an accredited investor for the benefit of his or her family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor’s spouse or a parent, grandparent, brother, sister, child or grandchild of that accredited investor or of that accredited investor’s spouse;”.

3. Section 1.2 of the Regulation is amended by replacing the words “paragraph 1.1(t)” with the words “paragraph (t) of the definition of the expression “accredited investor” in section 1.1”.

4. Section 1.4 of the Regulation is amended by replacing, in the part preceding subparagraph (a), the words “in Parts 2 and 3” with the words “in Part 2”.

5. Section 1.5 of the Regulation is amended:

(1) by deleting, in paragraph (1), the words “from the dealer registration requirement, or from the prospectus requirement;”;

(2) by repealing paragraph (2).

6. Section 2.3 of the Regulation is amended:

(1) by inserting, before paragraph (1), the following:

“(0.1) In this section, “accredited investor exemption” means the prospectus exemption provided in subsection (1) in a jurisdiction other than Ontario and, in Ontario, subsection 73.3(2) of the Securities Act (R.S.O., 1990, chapter S.5).”;

(2) by replacing, in paragraphs (2) and (4), the words “this section” with the words “the accredited investor exemption”;

(3) by replacing, in paragraph (5), the words “This section” with the words “The accredited investor exemption”;

(4) by inserting, after paragraph (5), the following:

“(6) The accredited investor exemption does not apply to a distribution of a security to an individual unless the person distributing the security obtains from the individual a signed risk acknowledgement in the required form at the same time or before that individual signs the agreement to purchase the security.

(7) Subsection (6) does not apply to a distribution if the purchaser of the security is an accredited investor described in paragraph (j.1) of the definition of “accredited investor” in section 1.1 [Definitions].

(8) A person relying on the accredited investor exemption to distribute a security to an individual must retain the signed risk acknowledgement required in subsection (6) for 8 years after the distribution.

(9) Subsection (1) does not apply in Ontario.”.

7. Section 2.4 of the Regulation is amended:

(1) by inserting, after paragraph (2), the following:

“(2.1) The following persons are prescribed for purposes of subsection 73.4(2) of the Securities Act (R.S.O., 1990, chapter S.5) of Ontario:

(a) a director, officer, employee, founder or control person of the issuer;

- (b) a director, officer or employee of an affiliate of the issuer;
- (c) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer, founder or control person of the issuer;
- (d) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer, founder or control person of the issuer;
- (e) a close personal friend of a director, executive officer, founder or control person of the issuer;
- (f) a close business associate of a director, executive officer, founder or control person of the issuer;
- (g) a spouse, parent, grandparent, brother, sister, child or grandchild of the selling security holder or of the selling security holder's spouse;
- (h) a security holder of the issuer;
- (i) an accredited investor;
- (j) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (i);
- (k) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (i); or
- (l) a person that is not the public.”;

(2) by inserting, in paragraph (3) and after the words “subsection (2)”, the words “or, in Ontario, a distribution under subsection 73.4(2) of the Securities Act.”;

(3) by adding, after paragraph (3), the following:

“(4) Subsection (2) does not apply in Ontario.”.

8. Section 2.10 of the Regulation is amended:

(1) by replacing paragraph (1) with the following:

“(1) The prospectus requirement does not apply to a distribution of a security to a person if all of the following apply

- (a) that person is not an individual;
- (b) that person purchases as principal;
- (c) the security has an acquisition cost to that person of not less than \$150 000 paid in cash at the time of the distribution; and
- (d) the distribution is of a security of a single issuer.”;

(2) by replacing, in paragraph (2), the words “this exemption” with the words “the exemption”.

9. Section 2.20 of the Regulation is amended, in paragraph (c), by replacing the words “does not and has never” with the words “does not distribute and has never”.

10. Section 2.22 of the Regulation is amended by deleting, in the part preceding the definition of the expression “associate”, the words “and in Division 4 of Part 3 of this Regulation”.

- 11.** Section 2.34 of the Regulation is amended, in paragraph (g), by replacing the words “set out in Schedule IV of” with the words “approved by”.
- 12.** The title of Part 3 and sections 1 to 5, and sections 3.0 to 3.50 of the Regulation are repealed.
- 13.** Paragraph (1) of section 6.1 of the Regulation is amended by replacing subparagraph (a) with the following:
- “(a) section 2.3 [Accredited investor] or, in Ontario, section 73.3 of the Securities Act (R.S.O., 1990, chapter S.5) [Accredited investor];”.
- 14.** Paragraph (2) of section 6.2 of the Regulation is amended by inserting, after “[Additional investment in investment funds]”, “, or section 73.3 of the Securities Act (R.S.O., 1990, chapter S.5) of Ontario [Accredited investor],”.
- 15.** Paragraph (1) of section 6.4 of the Regulation is amended by deleting the words “or section 3.9”.
- 16.** Section 6.5 of the Regulation is amended:
- (1) by inserting, before paragraph (1), the following:
- “(0.1) The required form of risk acknowledgement under subsection 2.3(6) [Accredited investor] is Form 45-106F9.”.
- (2) by deleting, in paragraph (2), the words “or section 3.6”.
- 17.** The title of section 6.6 of the Regulation is replaced with the following:
- “6.6. Use of information in Form 45-106F6 Schedule I – British Columbia”.**
- 18.** The Regulation is amended by inserting, after section 6.6, the following:
- “6.7. Exceptions to the requirement to file all or part of Form 45-106F6 – British Columbia**
- (1) For the purposes of paragraph 6.3(1)(b), an investment fund or an underwriter distributing securities of an investment fund may file Form 45-106F1 instead of Form 45-106F6.
- (2) For the purposes of paragraph 6.3(1)(b), a non-reporting issuer or an underwriter distributing securities of a non-reporting issuer may file Form 45-106F1 instead of Form 45-106F6 if both of the following apply:
- (a) the issuer or underwriter states in item 2 of the Form 45-106F1 that it is relying on the exemption in subsection 6.7(2);
- (b) the distribution in British Columbia was made only to a person that is a “permitted client” as defined in Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10).
- (3) An issuer or an underwriter is not required to provide the information in item 4 of Form 45-106F6, if all of the following apply:
- (a) the issuer is a foreign public-issuer, a subsidiary of a foreign public-issuer or a subsidiary of a reporting issuer;
- (b) in the case of an issuer that is a subsidiary of a foreign public-issuer or a reporting issuer, all of the following apply:
- (i) all of the subsidiary’s outstanding voting securities are beneficially owned by the foreign public-issuer or reporting issuer, except those securities required by law to be owned by directors of the subsidiary;

(ii) the issuer or underwriter states the name of the foreign public-issuer or reporting issuer in item 2B of the Form 45-106F6;

(c) the issuer or underwriter states in item 2B of Form 45-106F6: “We are relying on the exception in subsection 6.7(3)”.

(4) For purposes of subsection (3), “foreign public-issuer” means an issuer

(a) that has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act; or

(b) that is required to provide disclosure relating to the issuer and the trading in its securities to the public, to securityholders of the issuer or to a regulatory authority and that disclosure is publicly available in a foreign jurisdiction referred to in subsection (5).

(5) For purposes of subsection (4), the foreign jurisdictions are Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland or the United Kingdom of Great Britain and Northern Ireland.”.

19. Section 8.1.1 of the Regulation is repealed.

20. Section 8.3.1 of the Regulation is repealed.

21. Section 8.4 of the Regulation is amended by deleting “or 3.2(5)”.

22. Section 8.5 of the Regulation is repealed.

23. Form 45-106F1 of the Regulation is amended:

(1) by replacing, wherever they occur in item 1, the words “address and telephone number” with the words “address, telephone number and email address”;

(2) by replacing item 3 with the following:

“**Item 3:** Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- | | |
|--|---|
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Forestry |
| <input type="checkbox"/> Biotechnology/Pharmaceuticals/Healthcare | <input type="checkbox"/> Mining – exploration/development |
| <input type="checkbox"/> Capital Pool Companies | <input type="checkbox"/> Mining – production |
| <input type="checkbox"/> Communications & Media | <input type="checkbox"/> Oil & Gas |
| <input type="checkbox"/> Consumer Products & Merchandising | <input type="checkbox"/> Pipelines |
| <input type="checkbox"/> Financial Services – banks & trusts | <input type="checkbox"/> Real Estate |
| <input type="checkbox"/> Financial Services – insurance | <input type="checkbox"/> Real Estate Investment Trust |
| <input type="checkbox"/> Financial Services – investment companies & funds | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Financial Services – mortgage investment companies | <input type="checkbox"/> Transportation/Infrastructure |
| <input type="checkbox"/> Financial Services – private equity/venture capital | <input type="checkbox"/> Utilities/Power Generation |
| <input type="checkbox"/> Financial Services – securitization conduits | <input type="checkbox"/> Other (describe) _____ |
| <input type="checkbox"/> Industrial Products | |

”;

(3) by replacing, wherever it occurs in item 4, “Schedule I” with “Schedule 1”;

(4) in item 7:

(a) by inserting, at the end of the paragraph before the table, the following sentence:

“The information provided in this table must reconcile with the information provided in Schedule 1”;

(b) by replacing the heading of the first column in the table with the following:

“Each Canadian and foreign jurisdiction where purchasers reside”;

(5) by replacing the table in item 8 with the following:

Full name, address, telephone number and email address of the person being compensated	Indicate if person being compensated is an insider (I) of the issuer ¹ or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security	Exemption relied on and date of distribution (yyyy-mm-dd)	

Note 1: If the issuer is an investment fund, indicate “A” for affiliate or associate if the person being compensated is the investment fund, the investment fund manager, an affiliate of the investment fund manager or a director, officer or employee of any of them. Also indicate “R” if the person is a registrant.”;

(6) by replacing item 9 with the following:

“**Item 9:** If a distribution is made to one or more individuals in Ontario, include the attached “Authorization of Indirect Collection of Personal Information for Distributions in Ontario”. The “Authorization of Indirect Collection of Personal Information for Distributions in Ontario” is only required to be filed with the Ontario Securities Commission.

Certificate

On behalf of the [issuer/underwriter], I certify that the statements made in this report are true.

Date: _____

Name of [issuer/underwriter] (please print)

Print name, title, telephone number and email address of person signing

Signature

Instruction
The person filing the form must complete the bracketed information by deleting the inappropriate word.”;

(7) by replacing, in item 10, the words “title and telephone number” with the words “title, telephone number and email address”;

(8) under the title “**Authorization of Indirect Collection of Personal Information for Distributions in Ontario**”:

(a) by replacing the part preceding paragraph (a) with the following:

“The attached Schedule 1 may contain personal information of purchasers and details of the distribution(s). The issuer/underwriter hereby confirms that each purchaser listed in Schedule 1 of this report who is resident in Ontario and is an individual”;

(b) by deleting, in subparagraph (ii) of paragraph (a), the word “indirectly”;

(9) by replacing Schedule I with the following:

“Schedule 1

Complete the following table. If distributions have been made to purchasers in multiple jurisdictions, list purchasers by jurisdiction.

For reports filed under sub-section 6.1(1)(j) [TSX Venture Exchange offering] of Regulation 45-106 respecting Prospectus Exemptions the following table only needs to list the total number of purchasers by jurisdiction instead of including the name, residential address and telephone number of each purchaser.

Do not include in this table securities issued as payment of commissions or finder’s fees disclosed under item 8 of this report.

When identifying the exemption relied on, refer to the specific subsection of Regulation 45-106 respecting Prospectus Exemptions. For example, if relying on the exemption in section 2.10 [Minimum Amount Investment], the column should state “2.10(1)”. For exemptions that require the purchaser to meet certain characteristics, such as the exemption in section 2.3 [Accredited investor] or section 2.5 [Family, friends and business associates], also state the specific paragraph that applies to the purchaser. If the purchaser qualifies under multiple paragraphs, state all paragraphs that apply. For example, when relying on section 2.3 [Accredited investor], if the purchaser qualifies under paragraph (j) of the definition of accredited investor in section 1.1, the column must show “2.3(1) – (j)”. If the purchaser qualifies under both paragraphs (j) and (k), the column must show “2.3(1) – (j), (k)”.

It is not necessary to list the exemption, if any, relied on in the Securities Act (R.S.O., 1990, chapter S.5) of Ontario that provides a similar exemption to that provided in Regulation 45-106 respecting Prospectus Exemptions. For example, if an issuer relies on the accredited investor exemption in section 73.3(2) under the Securities Act (Ontario) for a distribution in Ontario, it can identify the exemption relied on in the table as the accredited investor exemption in section 2.3(1) of Regulation 45-106 respecting Prospectus Exemptions.

The information in this schedule will not be placed on the public file of any securities regulatory authority or, where applicable, regulator. However, freedom of information legislation in certain jurisdictions may require the securities regulatory authority or, where applicable, regulator to make this information available if requested.

Full name, residential address, telephone number and email address of purchaser	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R) ¹	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on (list the specific subsection and paragraph(s) of Regulation 45-106 respecting Prospectus Exemptions)	Date of distribution (yyyy-mm-dd)	Full name of any person compensated for the distribution to this purchaser ²

Note 1: If the issuer is an investment fund, the issuer is not required to complete this column.

Note 2: The name of the person compensated must reconcile with the information provided in item 8 of this report.

Instructions:

1. References to a purchaser in this report are to the beneficial owner of the securities. If a trust company or a registered adviser has purchased on behalf of a fully managed account under subsections 2.3(2) and (4) of Regulation 45-106 respecting Prospectus Exemptions, give information about both the trust company or registered adviser and the beneficial owner of the fully managed account.

2. Except in British Columbia, file this report and the applicable fee in each jurisdiction in which a distribution is made at the addresses listed at the end of this report. If the distribution is made in more than one jurisdiction, the issuer/underwriter must complete a single report identifying all purchasers and file that report in each of the jurisdictions in which the distribution is made. Filing fees associated with the filing of the report are not affected by identifying all purchasers in a single report.

2.1 In British Columbia, file Form 45-106F6 and pay the applicable fee. If the distribution is made in British Columbia and one or more other jurisdictions, file Form 45-106F6 in British Columbia and file this form, following instruction 2, in the other applicable jurisdictions.

2.2 A “distribution” includes distributions made to purchasers resident in the local jurisdiction. In most Canadian jurisdictions, a “distribution” also occurs if the issuer of the securities is located in the jurisdiction. Consult securities legislation in the particular jurisdiction for guidance on when an issuer is considered to be located in that jurisdiction.

For example, a distribution by an issuer whose head office is located in Alberta to a purchaser resident in Saskatchewan is a distribution in both Alberta and Saskatchewan, requiring the issuer to file Form 45-106F1 with both the Alberta Securities Commission and the Financial and Consumer Affairs Authority (Saskatchewan).

3. If the space provided for any answer is insufficient, please adjust the table to include additional space.

4. One report may be used for multiple distributions occurring within 10 days of each other provided that the report is filed on or before the 10th day following the first of such distributions.

5. The information in items 5, 6, and 7 must reconcile with the information in Schedule 1 of Form 45-106F1. All dollar amounts must be in Canadian dollars.

6. In order to determine the applicable fee, consult the securities legislation of each jurisdiction in which a distribution is made.

7. This report must be filed in English or in French. In Québec, the issuer/underwriter must comply with linguistic obligations and rights prescribed by Québec law.

Securities Regulatory Authorities and Regulators

Alberta Securities Commission

Suite 600, 250–5th St. SW
Calgary, Alberta T2P 0R4
Telephone: 403 297-6454
Facsimile: 403 297-6156

Financial and Consumer Affairs Authority (Saskatchewan)

Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306 787-5879
Facsimile: 306 787-5899

The Manitoba Securities Commission

500 – 400 St Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204 945-2548
Toll free in Manitoba 1 800 655-5244
Facsimile: 204 945-0330

Ontario Securities Commission

20 Queen Street West -
22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416 593- 8314
Toll free in Canada: 1 877 785-1555
Facsimile: 416 593-8122
Public official contact regarding indirect collection of information:
Inquiries Officer

Autorité des marchés financiers

800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: 514 395-0337
Or 1 877 525-0337
Facsimile: 514 873-6155 (For filing purposes only)
Facsimile: 514 864-6381 (For privacy requests only)

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506 658-3060
Toll Free in New Brunswick 1 866 933-2222
Facsimile: 506 658-3059

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street
Halifax, Nova Scotia B3J 1P3
Telephone: 902 424-7768
Facsimile: 902 424-4625

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902 368-4569
Facsimile: 902 368-5283

Government of Newfoundland and Labrador

Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, NFLD A1B 4J6
Attention: Director of Securities
Telephone: 709 729-4189
Facsimile: 709 729-6187

Office of the Yukon Superintendent of Securities

Government of Yukon
Department of Community Services
307 Black Street, 1st Floor
PO Box 2703 (C-6)
Whitehorse, YT Y1A 2C6
Telephone: 867 667-5466
Facsimile: 867 393-6251

Government of Northwest Territories

Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, NT X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: 867 920-8984
Facsimile: 867 873-0243

Government of Nunavut

Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: 867 975-6590
Facsimile: 867 975-6594”.

24. Form 45-106F6 of the Regulation is amended:

(1) by replacing item 3 with the following:

“Item 3: Issuer’s industry

Indicate the industry of the issuer by checking the appropriate box below.

- | | |
|--|---|
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Forestry |
| <input type="checkbox"/> Biotechnology/Pharmaceuticals/Healthcare | <input type="checkbox"/> Mining – exploration/development |
| <input type="checkbox"/> Capital Pool Companies | <input type="checkbox"/> Mining – production |
| <input type="checkbox"/> Communications & Media | <input type="checkbox"/> Oil & Gas |
| <input type="checkbox"/> Consumer Products & Merchandising | <input type="checkbox"/> Pipelines |
| <input type="checkbox"/> Financial Services – banks & trusts | <input type="checkbox"/> Real Estate |
| <input type="checkbox"/> Financial Services – insurance | <input type="checkbox"/> Real Estate Investment Trust |
| <input type="checkbox"/> Financial Services – investment companies & funds | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Financial Services – mortgage investment companies | <input type="checkbox"/> Transportation/Infrastructure |
| <input type="checkbox"/> Financial Services – private equity/venture capital | <input type="checkbox"/> Utilities/Power Generation |
| <input type="checkbox"/> Financial Services – securitization conduits | <input type="checkbox"/> Other (describe) _____ |
| <input type="checkbox"/> Industrial Products | |

(2) in item 4 :

(a) by replacing the second paragraph with the following:

“If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each director, executive officer, control person and promoter of the issuer. If the control person or promoter is not an individual, complete the table for directors and officers of the control person or promoter.”;

(b) by replacing the heading of the first column in the table with the following:

“Full name, municipality, province or state and country of principal residence”;

(3) by replacing, in item 7, the table and note 1 with the following:

“

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers ¹	Price per security (Canadian \$) ²	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Total number of Purchasers			
Total dollar value of distribution in all jurisdictions (Canadian \$)			

Note 1: If more than one exemption is relied on in the same jurisdiction, state the number of purchasers in that jurisdiction using each exemption.

Note 2: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.”;

(4) by replacing instruction C and the table in item 8 with the following:

“C. When identifying the exemption relied on, refer to the specific subsection of Regulation 45-106 respecting Prospectus Exemptions. For example, if relying on the exemption in section 2.10 [Minimum Amount Investment], the column should state “2.10(1)”. For exemptions that require the purchaser to meet certain characteristics, such as the exemption in section 2.3 [Accredited investor] or section 2.5 [Family, friends and business associates], also state the specific paragraph that applies to the purchaser. If the purchaser qualifies under multiple paragraphs, state all paragraphs that apply. For example, when relying on section 2.3 [Accredited investor], if the purchaser qualifies under paragraph (j) of the definition of accredited investor in section 1.1, the column must show “2.3(1) – (j)”. If the purchaser qualifies under both paragraphs (j) and (k), the column must show “2.3(1) – (j), (k)”.

D. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [TSX Venture Exchange offering] of Regulation 45-106 respecting Prospectus Exemptions may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers						
Full name and address of purchaser and name, telephone number and email address of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on (specific subsection and paragraph)	Date of distribution (yyyy-mm-dd)	Full name of any person compensated for the distribution to this purchaser ¹

Note 1: The name of the person compensated must reconcile with the information provided in item 9 of this report.”;

(5) in item 9:

(a) by replacing the heading of the first column in the table with the following:

“Full name, address, telephone number and email address of the person being compensated”;

(b) by inserting, in the heading of the second column in the table, a superscript “1” beside the word “issuer”;

(c) by inserting, after the table, the following note:

“**Note 1:** If the issuer is an investment fund, indicate “A” for affiliate or associate if the person being compensated is the investment fund, the investment fund manager, an affiliate of the investment fund manager or a director, officer or employee of any of them. Also indicate “R” if the person is a registrant.”;

(d) by replacing, in the certificate, the words “title and telephone number” with the words “title, telephone number and email address”;

(6) by replacing, in the first paragraph of item 10, the words “title and telephone number” with the words “title, telephone number and email address”;

(7) by replacing the table in Schedule I with the following:

“

Public information about purchasers who are individuals					
<i>Unless exempted by the British Columbia Securities Commission, a person must not, directly or indirectly, use the information in this table, in whole or in part, for any purpose other than research concerning the issuer for the person’s own investment purpose.</i>					
Full name of purchaser	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Date of distribution (yyyy-mm-dd)	Full name of any person compensated for the distribution to this purchaser ¹

Note 1: The name of the person compensated must reconcile with the information provided in item 9 of this report.”;

(8) by replacing Schedule II with the following:

**“Schedule II
Confidential information about purchasers who are individuals**

A. Complete the following table for each purchaser who is an individual. The information in this table must reconcile with the table in Schedule I.

B. When identifying the exemption relied on, refer to the specific subsection of Regulation 45-106 respecting Prospectus Exemptions. For example, if relying on the exemption in section 2.10 [Minimum Amount Investment], the column should state “2.10(1)”. For exemptions that require the purchaser to meet certain characteristics, such as the exemption in section 2.3 [Accredited investor] or section 2.5 [Family, friends and business associates], also state the specific paragraph that applies to the purchaser. If the purchaser qualifies under multiple paragraphs, state all paragraphs that apply. For example, when relying on section 2.3 [Accredited investor], if the purchaser qualifies under paragraph (j) of the definition of accredited investor in section 1.1, the column must show “2.3(1) – (j)”. If the purchaser qualifies under both paragraphs (j) and (k), the column must show “2.3(1) – (j), (k)”.

C. The information in the following table will not be placed on the public file of the British Columbia Securities Commission.

Confidential information about purchasers who are individuals	
Full name, residential address, telephone number and email address of purchaser	Exemption relied on (specific subsection and paragraph)

(9) by inserting, at the end, the following instructions:

“Guidance for completing and filing Form 45-106F6

1. **Required form in British Columbia** - In British Columbia, file this report and the applicable fee using BCSC e-services in accordance with British Columbia Instrument 13-502 Electronic filing of reports of exempt distribution. If the distribution occurs in British Columbia and one or more other jurisdictions, the issuer is required to file this report in British Columbia and file Form 45-106F1 in the other applicable jurisdictions.

2. **What is a distribution?** - In British Columbia, “distribution” includes distributions made from British Columbia to purchasers resident in other Canadian or foreign jurisdictions if the issuer has a significant connection to British Columbia. If the issuer has a significant connection to British Columbia, complete the tables in item 8 and Schedules I and II for all purchasers. BC Interpretation Note 72-702 *Distribution of Securities to Persons Outside British Columbia* provides guidance on when an issuer has a significant connection to British Columbia.

In British Columbia, “distribution” also includes distributions made from another Canadian or foreign jurisdiction to purchasers resident in British Columbia. If the issuer is from another Canadian or foreign jurisdiction, complete the tables in item 8, item 9 and Schedules I and II only for purchasers resident in British Columbia.

3. **What is a purchaser?** - References to a purchaser in this report are to the beneficial owner of the securities. If a trust company or a registered adviser has purchased on behalf of a fully managed account under subsections 2.3(2) and (4) of Regulation 45-106 respecting Prospectus Exemptions, give information about both the trust company or registered adviser and the beneficial owner of the fully managed account.

4. **What is an individual?** - Individual is defined in securities legislation to mean a natural person. A corporation, partnership, party, trust, fund, association, and any other organized group of persons is not an individual.

5. If a purchaser refuses to provide their telephone number or email address, then indicate “not provided” in the applicable table.

6. **Space in tables** - If the space provided in any table in this Form is insufficient, please adjust the table to include additional space.

7. **Multiple distributions** - One report may be used for multiple distributions occurring within 10 days of each other if the report is filed on or before the 10th day following the first of such distributions.

8. **Fees** - In order to determine the applicable fee, consult Fee Checklist British Columbia Form 11-901F (item # 16).”.

25. The Regulation is amended by inserting, after Form 45-106F6, the following:

“FORM 45-106F9 RISK ACKNOWLEDGEMENT FORM FOR INDIVIDUAL ACCREDITED INVESTORS

WARNING TO INVESTORS

TO BE COMPLETED BY THE PURCHASER:

1. Acknowledgement of risk	
I acknowledge that this is a risky investment. I could lose all of the \$_____ [insert amount being invested, including any amounts you have agreed to pay in the future] I invest.	
I understand that I may never be able to sell these securities and I may not be provided with any ongoing information from the issuer I invest in. [Instruction: Delete if issuer is a reporting issuer.]	
I acknowledge that, because I am purchasing this investment under the accredited investor prospectus exemption, I will not have the benefit of certain protections under securities law, including detailed disclosure about the investment.	
First and last name (please print):	
Signature:	
Date:	

2. How I qualify to buy these securities	
I confirm that I am an accredited investor because I satisfy at least one of the following tests (initial all that apply):	Purchaser's initials
Either alone or with my spouse, I own cash and securities worth more than \$1 million, less any related debt.	
My net income before taxes was more than \$200,000 in each of the 2 most recent calendar years and I expect it to exceed \$200,000 in this calendar year. (The amount of net income can be found in your personal income tax form.)	
My net income before taxes combined with my spouse's was more than \$300,000 in each of the 2 most recent calendar years and I expect our combined net income to exceed \$300,000 in this calendar year. (The amount of net income can be found in your personal income tax form.)	
Either alone or with my spouse, I own net assets (being my total assets, including real estate, less my total debt) worth more than \$5 million.	

3. What I am buying
Number and type of securities:
Name of issuer:
I understand that \$_____ of my total investment is being paid to the salesperson as a fee or commission.
Initial by the purchaser:

TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER:

[Instruction: The issuer/selling securityholder must complete this section before delivering this form to the purchaser. If the issuer is an investment fund, the issuer must provide the name of the investment fund, the name and address of the investment fund manager and the name and phone number of a contact person for the investment fund manager.]

4. How to contact the issuer/selling securityholder
Name and address of issuer/selling securityholder:
First and last name of contact person:
Phone number:
Email address:

TO BE COMPLETED BY THE PERSON INVOLVED IN THE SALE OF THE SECURITIES: *[Instruction: Before providing this document to a salesperson, the issuer/selling securityholder must remove the appropriate box to reflect whether the issuer is an investment fund or not. Any person involved in meeting with the purchaser or providing information to the purchaser must complete this section by answering “yes” or “no” and filling in their contact information before delivering this form to the purchaser.]*

5. Who is selling these securities?	Yes/No
I am registered with _____ (insert name of registered firm).*	
<i>[Instruction: Delete if issuer is an investment fund.]</i> I am a director, officer or employee of the issuer.	
<i>[Instruction: Delete if issuer is not an investment fund.]</i> I am a director, officer or employee of the investment fund, of the investment fund manager or of an affiliate of the investment fund manager.	
I am not registered with a securities regulator and generally not qualified to provide investment advice.	
First and last name (please print):	
Signature:	
Date:	
Phone number:	
Email address:	

**Persons in the business of selling securities or offering investment advice are generally required to be registered with their provincial or territorial securities regulatory authority, unless they have an exemption. A purchaser can check the seller's registration status and history at the following website: www.aretheyregistered.ca*

Form Instructions:

1. This form must be presented to purchasers on one double-sided page. The cover page must contain purchaser boxes 1, 2 and 3. The back page must contain issuer/selling securityholder box 4 and salesperson box 5.

2. The purchaser, issuer and salesperson (if any) must sign 2 copies of this form. Each of the purchaser and the issuer must receive a signed copy of this form. The issuer is required to keep a copy of this form for 8 years after the distribution. If a salesperson has signed this form, the salesperson may choose to keep a copy for their records. The salesperson must ensure that the purchaser and the issuer receive originally signed copies.”.

26. This Regulation comes into force on •.