

REGULATION 51-102

CONTINUOUS DISCLOSURE OBLIGATIONS

Table of Contents

PART 1 DEFINITIONS AND INTERPRETATION

- 1.1 Definitions and Interpretation

PART 2 APPLICATION

- 2.1 Application

PART 3 LANGUAGE OF DOCUMENTS

- 3.1 French or English

PART 4 FINANCIAL STATEMENTS

- 4.1 Annual Financial Statements and Auditor's Report
- 4.2 Filing Deadline for Annual Financial Statements
- 4.3 Interim Financial Statements
- 4.4 Filing Deadline for Interim Financial Statements
- 4.5 Review and Approval of Financial Statements
- 4.6 Delivery of Financial Statements
- 4.7 Filing of Financial Statements After Becoming a Reporting Issuer
- 4.8 Change in Year-End
- 4.9 Change in Corporate Structure
- 4.10 Reverse Takeovers
- 4.11 Change of Auditor

PART 5 ANNUAL INFORMATION FORM

- 5.1 Requirement to file an AIF
- 5.2 Filing Deadline for an AIF
- 5.3 Incorporated Documents to be Filed

PART 6 MANAGEMENT'S DISCUSSION & ANALYSIS

- 6.1 Filing of MD&A
- 6.2 Alternative Filing of MD&A and Supplement for SEC Issuers
- 6.3 Additional Disclosure for Venture Issuers Without Significant Revenues
- 6.4 Disclosure of Outstanding Share Data
- 6.5 Disclosure of Auditor Review of Interim Financial Statements
- 6.6 Approval of MD&A
- 6.7 Delivery of MD&A

PART 7 MATERIAL CHANGE REPORTS

- 7.1 Publication of Material Change

PART 8 BUSINESS ACQUISITION REPORT

- 8.1 Obligation to File a Business Acquisition Report
- 8.2 Determination of Significance
- 8.3 Financial Statement Disclosure for Significant Acquisitions
- 8.4 Reporting Periods
- 8.5 Exemption from Disclosure Requirements for Significant Acquisitions Accounted for Using the Equity Method
- 8.6 Exemptions from Disclosure Requirements for Significant Acquisitions if More Recent Statements Included
- 8.7 Exemption from Disclosure Requirements for Significant Acquisitions if Financial Year End Changed
- 8.8 Exemption from Comparatives if Financial Statements Not Previously Prepared
- 8.9 Exemption for Acquisition of an Interest in an Oil and Gas Property
- 8.10 Exemption for Step-By-Step Acquisitions

PART 9 PROXY SOLICITATION AND INFORMATION CIRCULARS

- 9.1 Sending of Proxies and Information Circulars
- 9.2 Exemptions
- 9.3 Filing of Information Circulars and Proxy-Related Material
- 9.4 Content of Form of Proxy

PART 10 RESTRICTED SHARE DISCLOSURE REQUIREMENTS

- 10.1 Content and Dissemination of Disclosure Documentation
- 10.2 Exemptions for Certain Reporting Issuers

PART 11 ADDITIONAL FILING REQUIREMENTS

- 11.1 Additional Filing Requirements
- 11.2 Change of Status Report
- 11.3 Voting Results
- 11.4 Financial Information

PART 12 FILING OF MATERIAL DOCUMENTS

- 12.1 Filing of Certain Material Documents

PART 13 EXEMPTIONS

- 13.1 Exemptions from this Regulation
- 13.2 Existing Exemptions
- 13.3 Exemption for Certain Exchangeable Security Issuers

PART 14 EFFECTIVE DATE AND TRANSITION

- 14.1 Effective Date
- 14.2 Transition

REGULATION 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS
PART 1
DEFINITIONS AND INTERPRETATION

1.1 *Definitions and Interpretation*¹

In this Regulation:

“acquisition of related businesses” means the acquisition of two or more businesses if:

- (a) the businesses were under common control or management before the acquisitions were completed;
- (b) each acquisition was conditional upon the completion of each other acquisition;
or
- (c) the acquisitions were contingent upon a single common event;

“AIF” means a completed Form 51-102F1 *Annual Information Form* or, in the case of an SEC issuer, either a completed Form 51-102F1 or an annual report or transition report under the 1934 Act on Form 10-K, Form 10-KSB or on Form 20-F;

“asset-backed security” means a security that is primarily serviced by the cash flows of a discrete pool of mortgages, receivables or other financial assets, fixed or revolving, that by their terms convert into cash within a finite period and any rights or other assets designed to assure the servicing or the timely distribution of proceeds to securityholders;

“board of directors” means, for a person or company that does not have a board of directors, an individual or group that acts in a capacity similar to a board of directors;

“business acquisition report” means a completed Form 51-102F4 *Business Acquisition Report*;

“class”, in respect of a security, includes a series of a class;

“common share” means an equity share to which is attached voting rights exercisable in all circumstances, irrespective of the number or percentage of shares owned, that are not less, per share, than the voting rights attached to any other shares of an outstanding class of shares of the reporting issuer;

¹ National Instrument 14-101 *Definitions* defines certain terms that are used in more than one national or multilateral instrument.

“date of acquisition” means the date of acquisition as determined for accounting purposes under the Handbook;

“equity security” or “equity share” means any security or share, as the case may be, of a reporting issuer that carries a residual right to participate in earnings of the reporting issuer and, on the liquidation or winding-up of the reporting issuer, in its assets;

“exchange-traded security” means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*;

“executive officer” of a reporting issuer means an individual who at any time during the year was:

- (a) a chair of the reporting issuer, if that individual performed the functions of the office on a full-time basis;
- (b) a vice-chair of the reporting issuer, if that individual performed the functions of the office on a full-time basis;
- (c) the president of the reporting issuer;
- (d) a vice-president of the reporting issuer in charge of a principal business unit, division or function including sales, finance or production;
- (e) an officer of the reporting issuer or any of its subsidiaries who performed a policy-making function in respect of the reporting issuer; or
- (f) any other person who performed a policy-making function in respect of the reporting issuer;

“form of proxy” means a document in written or printed form containing the information required under section 9.4 that, on completion and execution by or on behalf of a securityholder, becomes a proxy;

“group scholarship plan” means a scholarship plan the securities of which entitle the beneficiaries, who are designated in connection with the acquisition of the securities that have the same year of maturity, to a scholarship award proportionate to the value of the securities in respect of which they are designated, on or after maturity of the securities;

“income from continuing operations” means income or loss, adjusted to exclude discontinued operations, extraordinary items, and net income taxes;

“information circular” means a completed Form 51-102F5 *Information Circular*;

“informed person” means, in relation to a reporting issuer:

- (a) every director or executive officer of a reporting issuer;
- (b) every director or executive officer of a company that is itself an informed person or subsidiary of a reporting issuer;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the voting rights attached to all voting securities of the reporting issuer for the time being outstanding other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) a reporting issuer where it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities;

“inter-dealer bond broker” means a person or company that is approved by the Investment Dealers Association under its By-Law No. 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its By-law No. 36 and its Regulation 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;

“interim period” means:

- (a) a period commencing on the first day of a financial year and ending nine, six or three months before the end of a financial year, or
- (b) in the case of a reporting issuer’s transition year, a period commencing on the first day of the transition year and ending either:
 - (i) three, six, nine or twelve months, if applicable, after the end of its old financial year, or
 - (ii) twelve, nine, six or three months, if applicable, before the end of the transition year,

and in the case of (b)(ii), the first interim period must not exceed four months;

“investee” means an entity that the Handbook recommends be accounted for by the equity method or the proportionate consolidation method;

“investment fund” means a mutual fund, a non-redeemable investment fund or a group scholarship plan;

“marketplace” means:

- (a) an exchange,

- (b) a quotation and trade reporting system,
- (c) a person or company not included in paragraph (a) or (b) that
 - (i) constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities,
 - (ii) brings together the orders for securities of multiple buyers and sellers, and
 - (iii) uses established, non-discretionary methods under which the orders interact with each other, and the buyers and sellers entering the orders agree to the terms of a trade, or
- (d) a dealer that executes a trade of an exchange-traded security outside of a marketplace,

but does not include an inter-dealer bond broker;

“material change” means, when used in relation to a reporting issuer:

- (a) a change in the business, operations or capital of the reporting issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the reporting issuer; or
- (b) a decision to implement a change referred to in paragraph (a) made by the board of directors or other persons acting in a similar capacity or by senior management of the reporting issuer who believe that confirmation of the decision by the board of directors or such other persons acting in a similar capacity is probable;

“MD&A” means a completed Form 51-102F2 *Management’s Discussion & Analysis* or, in the case of an SEC issuer, either a completed Form 51-102F2 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;

“mineral project” means any exploration, development or production activity in respect of natural, solid, inorganic or fossilized organic material including base and precious metals, coal and industrial minerals;

“new financial year” means the financial year of a reporting issuer that immediately follows its transition year;

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

“non-redeemable investment fund” means, an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders;

- (b) that does not invest for the purpose of exercising effective control, seeking to exercise effective control or being actively involved in the management of the issuers in which it invests, other than mutual funds or other non-redeemable investment funds; and
- (c) that is not a mutual fund;

“old financial year” means the financial year of a reporting issuer that immediately precedes its transition year;

“preference share” means a share to which is attached a preference or right over the shares of any class of equity shares of the reporting issuer, but does not include an equity share;

“principal obligor” means, for an asset-backed security, a person or company that is obligated to make payments, has guaranteed payments, or has provided alternative credit support for payments, on financial assets that represent one-third or more of the aggregate amount owing on all of the financial assets underlying the asset-backed security;

“proxy” means a completed and executed form of proxy by which a securityholder has appointed a person or company as the securityholder’s nominee to attend and act for the securityholder and on the securityholder’s behalf at a meeting of securityholders;

“published market” means, for a class of securities, a marketplace on which the securities have traded that discloses regularly in a publication of general and regular paid circulation or in a form that is broadly distributed by electronic means the prices at which those securities have traded;

“recognized exchange” means:

- (a) in Ontario, an exchange recognized by the securities regulatory authority to carry on business as a stock exchange; and
- (b) in every other jurisdiction, an exchange recognized by the securities regulatory authority as an exchange, self-regulatory organization or self-regulatory body;

“recognized quotation and trade reporting system” means:

- (a) in every jurisdiction other than British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as a quotation and trade reporting system; and
- (b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange;

“restricted share” means:

- (a) an equity share that is not a common share; and
- (b) a common share, if any of the following apply:
 - (i) there is another class of shares that, to a reasonable person, appears to carry a disproportionate vote per share relative to the common share;
 - (ii) the conditions of a class of common shares, the conditions of other classes of shares, or the reporting issuer’s constating documents have provisions that nullify or, to a reasonable person, appear to significantly restrict the voting rights of another class of equity shares; or
 - (iii) there is a second class of equity shares that, to a reasonable person, appears to entitle the owner of shares of that second class to participate in the earnings or assets of the reporting issuer disproportionately relative to the common shares;

“restricted share term” means each of the terms “non-voting shares”, “subordinate voting shares” and “restricted voting shares”;

“restricted voting share” means a restricted share that carries a right to vote subject to a restriction on the number or percentage of shares that may be voted by one or more persons or companies, except to the extent the restriction is permitted or prescribed by statute and 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 reporting issuer to be non-Canadians;

“reverse takeover” means a transaction where an enterprise obtains ownership of the securities of another enterprise but, as part of the transaction, issues enough voting securities as consideration that control of the combined enterprise passes to the securityholders of the acquired enterprise;

“reverse takeover acquiree” means the legal parent in a reverse takeover;

“reverse takeover acquirer” means the legal subsidiary whose shareholders control the combined entity as a result of a reverse takeover;

“SEC issuer” means a reporting issuer that:

- (a) 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; and
- (b) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America;

“significance tests” means the tests set out in subsections 8.2(2) and (4);

“solicit”, in connection with a proxy, includes:

- (a) requesting a proxy whether or not the request is accompanied by or included in a form of proxy;
- (b) requesting a securityholder to execute or not to execute a form of proxy or to revoke a proxy;
- (c) sending a form of proxy or other communication to a securityholder under circumstances that to a reasonable person will likely result in the giving, withholding or revocation of a proxy; or
- (d) sending a form of proxy to a securityholder by management of a reporting issuer;

but does not include:

- (e) sending a form of proxy to a securityholder in response to a unsolicited request made by or on behalf of the securityholder; or
- (f) performing ministerial acts or professional services on behalf of a person or company soliciting a proxy;

“subject securities” means shares that, if and when issued, will result in an existing class of outstanding equity shares being considered, for the purposes of this Regulation, restricted shares;

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

“transition year” means the financial year of a reporting issuer in which a change of year-end occurs;

“US GAAP” means generally accepted accounting principles in the United States of America that the SEC has identified as having substantial authoritative support and as supplemented by Regulation S-X and Regulation S-B under the 1934 Act; and

“venture issuer” means a reporting issuer that, as at the applicable time, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the Pacific Exchange, the Nasdaq National Market, the Nasdaq SmallCap Market or a marketplace outside of Canada and the United States of America; where the “applicable time” in respect of:

- (a) Parts 4 and 6 of this Regulation and Form 51-102F2, is the end of the applicable financial period;
- (b) Parts 5 and 9 of this Regulation and Form 51-102F6, is the end of the most recently completed financial year;

- (c) Part 8 of this Regulation and Form 51-102F4, is the date of acquisition; and
- (d) Section 11.2 of this Regulation, is the date of the meeting of the securityholders.

PART 2 APPLICATION

2.1 *Application*

This Regulation does not apply to investment funds unless otherwise expressly stated.

PART 3 LANGUAGE OF DOCUMENTS

3.1 *French or English*

- (1) A person or company must file a document required to be filed under this Regulation in either French or in English.
- (2) Notwithstanding subsection (1), if a person or company files a document only in French or only in English but delivers to securityholders a version of the document in the other language, the person or company must file that other version not later than when it is first delivered to securityholders.
- (3) In Québec, a reporting issuer must comply with linguistic obligations and rights prescribed by Québec law.

PART 4 FINANCIAL STATEMENTS

4.1 *Annual Financial Statements and Auditor's Report*

- (1) Subject to subsection 4.8(6), a reporting issuer must file annual financial statements that include:
 - (a) an income statement, a statement of retained earnings, and a cash flow statement for:
 - (i) the most recently completed financial year; and
 - (ii) the period covered by the financial year immediately preceding the most recently completed financial year, if any;
 - (b) a balance sheet as at the end of each of the periods referred to in paragraph (a); and

- (c) notes to the financial statements.
- (2) Comparative annual financial statements filed under subsection (1) must be accompanied by an auditor's report.

4.2 *Filing Deadline for Annual Financial Statements*

The annual financial statements and auditor's report required to be filed under section 4.1 must be filed:

- (a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of:
 - (i) the 90th day after the end of its most recently completed financial year; and
 - (ii) the date of filing, in a foreign jurisdiction, annual financial statements for its most recently completed financial year; or
- (b) in the case of a venture issuer, on or before the earlier of:
 - (i) the 120th day after the end of its most recently completed financial year; and
 - (ii) the date of filing, in a foreign jurisdiction, annual financial statements for its most recently completed financial year.

4.3 *Interim Financial Statements*

- (1) A reporting issuer must file:
 - (a) if it has not completed its first financial year, interim financial statements for the interim periods of the reporting issuer's current financial year other than a period that is less than three months in length; or
 - (b) if it has completed its first financial year, interim financial statements for the interim periods of the reporting issuer's current financial year.
- (2) Subject to subsections 4.7(4), 4.8(7) and (8), the interim financial statements required to be filed under 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 reporting issuer's financial year, an income statement and 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.

(3) Disclosure of Auditor Review of Interim Financial Statements –

- (a) If an auditor has not performed a review of the interim financial statements required to be filed, the reporting issuer must disclose this in either:
 - (i) the notes to the interim financial statements; or
 - (ii) its interim MD&A or its interim MD&A supplement if one is required under section 6.2.
- (b) If an auditor has performed a review of the interim financial statements required to be filed and the auditor has:
 - (i) expressed a qualified or adverse communication; or
 - (ii) denied any assurance,

then the reporting issuer must include a written review report from the auditor accompanying the interim financial statements.

(4) If an SEC issuer:

- (a) previously filed interim financial statements prepared in accordance with Canadian GAAP for one or more interim periods since its most recently completed financial year for which financial statements have been filed; and
- (b) prepares its annual or interim financial statements for the period immediately following the periods referred to in paragraph (a) in accordance with US GAAP as permitted by subsection 4.1(1) of Regulation 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*,

then the SEC issuer must:

- (c) restate the interim financial statements for the periods referred to in paragraph (a) to be prepared in accordance with US GAAP and to comply with the reconciliation requirements set out in Part 4 of Regulation 52-107

Acceptable Accounting Principles, Auditing Standards and Reporting Currency; and

- (d) file the restated financial statements referred to in paragraph (c) by the filing deadline for the financial statements referred to in paragraph (b).

4.4 *Filing Deadline for Interim Financial Statements*

The interim financial statements required to be filed under section 4.3 must be filed:

- (a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of:
 - (i) the 45th day after the end of the interim period; and
 - (ii) the date of filing, in a foreign jurisdiction, interim financial statements for a period ending on the last day of the interim period; or
- (b) in the case of a venture issuer, on or before the earlier of:
 - (i) the 60th day after the end of the interim period; and
 - (ii) the date of filing, in a foreign jurisdiction, interim financial statements for a period ending on the last day of the interim period.

4.5 *Review and Approval of Financial Statements*

The financial statements required to be filed under sections 4.1 and 4.3 must be reviewed by the audit committee, if any, of the board of directors of a reporting issuer and must be approved by the board of directors before the statements are filed.

4.6 *Delivery of Financial Statements*

- (1) Subject to subsection (2), a reporting issuer must send annually a request form to the registered holders and beneficial owners of its securities under which the registered holders and beneficial owners may request a copy of the reporting issuer's annual financial statements and MD&A for the annual financial statements, the interim financial statements and MD&A for the interim financial statements, or both.
- (2) For the purpose of sending a request form to beneficial owners of its securities under subsection (1), the reporting issuer must, applying the procedures set out in Regulation 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, send the request form to the beneficial owners of its securities other than the beneficial owners that are identified under that instrument as having declined to receive materials.

- (3) If a registered holder or beneficial owner requests the reporting issuer's annual or interim financial statements in the request form required in subsection (1), the reporting issuer must send, without charge, a copy of the requested financial statements by the later of:
 - (a) the filing deadline for the financial statements requested; and
 - (b) 10 calendar days after the issuer receives the request.
- (4) If a reporting issuer is sending financial statements under this section, the reporting issuer must also send, at the same time, the annual or interim MD&A applicable to the financial statements.
- (5) A reporting issuer that complies with subsections (1) to (3) is exempt from the requirements of securities legislation in Québec to send its annual report and quarterly report to every registered holder of its securities, other than holders of debt securities, and to the securities regulatory authority.

4.7 Filing of Financial Statements After Becoming a Reporting Issuer

- (1) Despite any other provisions of this Part and subject to subsections (2), (3) and (4), the first annual and interim financial statements that a reporting issuer must file under sections 4.1 and 4.3 are the financial statements for the financial year and interim periods immediately following the periods for which financial statements were included in a document filed:
 - (a) that resulted in the issuer becoming a reporting issuer; or
 - (b) in respect of a transaction that resulted in the issuer becoming a reporting issuer.
- (2) If subsection (1) requires a reporting issuer to file annual financial statements for a financial year that ended prior to the issuer becoming a reporting issuer, the financial statements must be filed on or before the later of 20 days after the issuer becomes a reporting issuer or the filing deadline in section 4.2.
- (3) If subsection (1) requires a reporting issuer to file interim financial statements for an interim period that ended prior to the issuer becoming a reporting issuer, the financial statements must be filed on or before the later of 10 days after the issuer became a reporting issuer or the filing deadline in section 4.4.
- (4) Despite subsection 4.3(2), a reporting issuer is not required to provide comparative interim financial information for periods that ended prior to the issuer becoming a reporting issuer if:
 - (a) it is impracticable to present prior-period information on a basis consistent with subsection 4.3(2);

- (b) the prior-period information that is available is presented; and
- (c) the notes to the interim financial statements disclose the fact that the prior-period information has not been prepared on a basis consistent with the most recent interim financial information.

4.8 Change in Year-End

- (1) **Exemption from Change of Year-End Requirements** – An SEC issuer is not required to comply with this section if it:
 - (a) complies with the requirements of US federal securities law relating to a change of fiscal year; and
 - (b) files a copy of all filings made under requirements of US federal securities law relating to change of fiscal year promptly after they are filed with the SEC and, in the case of financial statements, no later than the filing deadlines specified in sections 4.2 and 4.4.
- (2) **Notice of Change** – If a reporting issuer changes its financial year-end by more than 14 days, it must file a notice containing the information set out in subsection (3) as soon as practicable, and, in any event, not later than the earlier of:
 - (a) the filing deadline, based on the reporting issuer’s old financial year-end, for the next annual or interim financial statements, whichever comes first; or
 - (b) the filing deadline, based on the reporting issuer’s new financial year-end, for the next annual or interim financial statements, whichever comes first.
- (3) The notice referred to in subsection (2) must state:
 - (a) that the reporting issuer has decided to change its year-end;
 - (b) the reason for the change;
 - (c) the reporting issuer’s old financial year-end;
 - (d) the reporting issuer’s new financial year-end;
 - (e) the length and ending date of the periods, including the comparative periods, of the interim and annual financial statements to be filed for the reporting issuer’s transition year and its new financial year; and
 - (f) the filing deadlines, specified in sections 4.2 and 4.4, for the interim and annual financial statements for the reporting issuer’s transition year.

- (4) **Maximum Length of Transition Year** – The length of a transition year cannot exceed 15 months.
- (5) **Interim Period Ends Within One Month of Year-End** – Despite subsection 4.3(1)(b), a reporting issuer is not required to file interim financial statements for any period in its transition year that ends within one month:
- (a) after the last day of its old financial year; or
 - (b) before the first day of its new financial year.
- (6) **Comparative Financial Information in Annual Financial Statements for New Financial Year** – If a transition year is less than nine months in length, the reporting issuer must include as comparative financial information to its financial statements for its new financial year:
- (a) a balance sheet and income statement, a statement of retained earnings and a cash flow statement for its transition year; and
 - (b) a balance sheet and income statement, a statement of retained earnings and a cash flow statement for its old financial year.
- (7) **Comparative Financial Information in Interim Financial Statements if Interim Periods Not Changed in Transition Year** – If interim periods for the reporting issuer’s transition year end three, six, nine or twelve months after the end of its old financial year, the reporting issuer must include:
- (a) as comparative financial information in its interim financial statements during its transition year, the comparative financial information required by subsection 4.3(2), except if an interim period during the transition year is 12 months in length and the reporting issuer’s transition year is longer than 13 months, the comparative financial information must be the balance sheet and income statement, statement of retained earnings and cash flow statement for the 12 month period that constitutes its old financial year; and
 - (b) as comparative financial information in its interim financial statements during its new financial year:
 - (i) a balance sheet as at the end of its transition year; and
 - (ii) the income statement, statement of retained earnings and cash flow statement for the periods in its transition year or old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year.

- (8) **Comparative Financial Information in Interim Financial Statements if Interim Periods Changed in Transition Year** – If interim periods for a reporting issuer's transition year end twelve, nine, six or three months before the end of the transition year, the reporting issuer must include:
- (a) as comparative financial information in its interim financial statements during its transition year:
 - (i) a balance sheet as at the end of its old financial year; and
 - (ii) the income statement, statement of retained earnings and cash flow statement for periods in its old financial year for the same calendar months as, or as close as possible to, the calendar months in the interim period in the transition year;
 - (b) as comparative financial information in its interim financial statements during its new financial year:
 - (i) a balance sheet as at the end of its transition year; and
 - (ii) the income statement, statement of retained earnings and cash flow statement in its transition year or old financial year, or both, as appropriate, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year.

4.9 *Change in Corporate Structure*

If a reporting issuer is party to an amalgamation, arrangement, merger, winding-up, reverse takeover, reorganization or other transaction that will have the effect of changing its continuous disclosure obligations under this Regulation, the issuer must, as soon as practicable, and in any event not later than the deadline for the first filing required by this Regulation following the transaction, deliver a notice stating:

- (a) the names of the parties to the transaction;
- (b) a description of the transaction;
- (c) the effective date of the transaction;
- (d) the names of each party that ceased to be a reporting issuer subsequent to the transaction;
- (e) the date of the reporting issuer's first financial year-end subsequent to the transaction; and

- (f) the periods, including the comparative periods, if any, of the interim and annual financial statements to be filed for the reporting issuer's first financial year subsequent to the transaction.

4.10 Reverse Takeovers

If a reporting issuer must comply with section 4.9 because it was a party to a reverse takeover:

- (a) the reporting issuer must comply with section 4.8 unless:
 - (i) the reporting issuer had the same year-end as the reverse takeover acquirer prior to the transaction; or
 - (ii) the reporting issuer changes its year-end to be the same as that of the reverse takeover acquirer;
- (b) the reverse takeover acquirer's financial statements must be prepared as if the reverse takeover acquirer had always been the reporting issuer and must be filed for all periods subsequent to the date of the financial statements included in the information circular filed in connection with the transaction; and
- (c) the reverse takeover acquiree must file the financial statements required by sections 4.1 and 4.3 for all interim and annual periods ending prior to the date of the reverse takeover even if the filing deadline for those financial statements is after the date of the reverse takeover.

4.11 Change of Auditor

- (1) **Definitions** - In this section:

“appointment” means, in relation to a reporting issuer, the earlier to occur of

- (a) the appointment as its auditor of a different person or company than its former auditor; and
- (b) the decision by the board of directors of the reporting issuer to propose to holders of qualified securities to appoint as its auditor a different person or company than its former auditor;

“consultation” means advice provided, whether or not in writing, to a reporting issuer during the relevant period by a successor auditor which the successor auditor concluded was an important factor considered by the reporting issuer in reaching a decision concerning:

- (a) the application of accounting principles or policies to a transaction, whether or not the transaction is completed;

- (b) an auditor's report on the reporting issuer's financial statements;
- (c) audit scope or procedure; or
- (d) financial statement disclosure;

“disagreement” means a difference of opinion between personnel of a reporting issuer responsible for finalizing the reporting issuer's financial statements and the personnel of a former auditor responsible for authorizing the issuance of audit reports on the reporting issuer's financial statements or authorizing the communication of the results of the auditor's review of the reporting issuer's interim financial statements, if the difference of opinion:

- (a) resulted in a reservation in the former auditor's audit report on the reporting issuer's financial statements for any period during the relevant period;
- (b) would have resulted in a reservation in the former auditor's audit report on the reporting issuer's financial statements for any period during the relevant period if the difference of opinion had not been resolved to the former auditor's satisfaction, not including a difference of opinion based on incomplete or preliminary information that was resolved to the satisfaction of the former auditor upon the receipt of further information;
- (c) resulted in a qualified or adverse communication or denial of assurance in respect of the former auditor's review of the reporting issuer's interim financial statements for any interim period during the relevant period; or
- (d) would have resulted in a qualified or adverse communication or denial of assurance in respect of the former auditor's review of the reporting issuer's interim financial statements for any interim period during the relevant period if the difference of opinion had not been resolved to the former auditor's satisfaction, not including a difference of opinion based on incomplete or preliminary information that was resolved to the satisfaction of the former auditor upon the receipt of further information;

“former auditor” means the auditor of a reporting issuer that is the subject of the most recent termination or resignation;

“qualified securities” means securities of a reporting issuer that carry the right to participate in voting on the appointment or removal of the reporting issuer's auditor;

“relevant information circular” means:

- (a) if a reporting issuer's constating documents or applicable law require holders of qualified securities to take action in order to remove the reporting issuer's auditor or to appoint a successor auditor:
 - (i) the information circular required to accompany or form part of every notice of meeting at which that action is proposed to be taken; or
 - (ii) the disclosure document accompanying the text of the written resolution provided to holders of qualified securities; or
- (b) if paragraph (a) does not apply, the information circular required to accompany or form part of the first notice of meeting to be sent to holders of qualified securities following the preparation of a reporting package concerning a termination or resignation;

“relevant period” means the period commencing at the beginning of the reporting issuer's two most recently completed financial years and ending on the date of termination or resignation;

“reportable event” means a disagreement, a consultation, or an unresolved issue;

“reporting package” means

- (a) the documents referred to in clauses (5)(a)(i) and 6(a)(i);
- (b) the letter referred to in clause (5)(a)(ii)(B), if received by the reporting issuer; and,
- (c) the letter referred to in clause (6)(a)(ii)(B), if received by the reporting issuer;

“resignation” means notification from an auditor to a reporting issuer of the auditor's decision to resign or decline to stand for reappointment;

“successor auditor” means the person or company:

- (a) appointed;
- (b) that the board of directors have proposed to holders of qualified securities be appointed; or
- (c) that the board of directors have decided to propose to holders of qualified securities be appointed;

as the reporting issuer's auditor after the termination or resignation of the reporting issuer's former auditor;

“termination” means, in relation to a reporting issuer, the earlier to occur of:

- (a) the removal of its auditor before the expiration of the auditor’s term of appointment, the expiration of its auditor’s term of appointment without reappointment, or the appointment of a different person or company as its auditor upon expiration of its auditor’s term of appointment; and
- (b) the decision by the board of directors of the reporting issuer to propose to holders of its qualified securities that its auditor be removed before, or that a different person or company be appointed as its auditor upon, the expiration of its auditor’s term of appointment;

“unresolved issue” means any matter that, in the former auditor’s opinion, has, or could have, a material impact on the financial statements or audit reports of any financial period during the relevant period, and about which the former auditor has advised the reporting issuer if:

- (a) the former auditor was unable to reach a conclusion as to the matter’s implications before the date of termination or resignation;
- (b) the matter was not resolved to the former auditor’s satisfaction before the date of termination or resignation; or
- (c) the former auditor is no longer willing to be associated with any of these financial statements;

(2) **Meaning of “Material”** - For the purposes of this section, the term “material” has a meaning consistent with the discussion of the term “materiality” in the Handbook.

(3) **Exemption from Change of Auditor Requirements** - A reporting issuer is not required to comply with this section if:

- (a)
 - (i) a termination, or resignation, and appointment occur in connection with an amalgamation, arrangement, takeover or similar transaction involving the reporting issuer or a reorganization of the reporting issuer;
 - (ii) the termination, or resignation, and appointment have been disclosed in a news release that has been filed or in a disclosure document that has been delivered to holders of qualified securities and filed; and
 - (iii) no reportable event has occurred;
- (b) the change of auditor is required by the legislation under which the reporting issuer exists or carries on its activities; or
- (c) the change of auditor arises from an amalgamation, merger or other reorganization of the auditor.

- (4) **Exemption From Change of Auditor Requirements – SEC Issuers** - An SEC issuer is not required to comply with this section if it:
- (a) complies with the requirements of US federal securities law relating to a change of auditor;
 - (b) files a copy of all materials required by US federal securities law relating to a change of auditor at the same time as, or as soon as practicable after, they are filed with or furnished to the SEC;
 - (c) issues and files a news release describing the information disclosed in the materials referred to in paragraph (b), if there are any reportable events; and
 - (d) includes the materials referred to in paragraph (b) with each relevant information circular.
- (5) **Requirements Upon Auditor Termination or Resignation** - Upon a termination or resignation of its auditor, a reporting issuer must:
- (a) within 10 days after the date of termination or resignation:
 - (i) prepare a change of auditor notice in accordance with subsection (7) and deliver a copy of it to the former auditor; and
 - (ii) request the former auditor to:
 - (A) review the reporting issuer’s change of auditor notice;
 - (B) prepare a letter, addressed to the applicable regulator or securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor (i) agrees, (ii) disagrees, and the reasons why, or (iii) has no basis to agree or disagree; and
 - (C) deliver the letter to the reporting issuer within 20 days after the date of termination or resignation.
 - (b) within 30 days after the date of termination or resignation:
 - (i) have the audit committee of its board of directors or its board of directors review the letter referred to in clause 5(a)(ii)(B) if received by the reporting issuer, and approve the change of auditor notice;
 - (ii) file a copy of the reporting package with each regulator or securities regulatory authority where it is a reporting issuer;

- (iii) deliver a copy of the reporting package to the former auditor;
 - (iv) if there are any reportable events, issue and file a news release describing the information in the reporting package; and
 - (c) include with each relevant information circular:
 - (i) a copy of the reporting package as an appendix; and
 - (ii) a summary of the contents of the reporting package with a cross-reference to the appendix.
- (6) **Requirements upon Auditor Appointment** - Upon an appointment of a successor auditor, a reporting issuer must:
 - (a) within 10 days after the date of appointment:
 - (i) deliver a copy of the change of auditor notice prepared in accordance with subsection (7) to the successor auditor and to the former auditor;
 - (ii) request the successor auditor to:
 - (A) review the reporting issuer's change of auditor notice;
 - (B) prepare a letter addressed to the applicable regulator or securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor (i) agrees, (ii) disagrees, and the reasons why, or (iii) has no basis to agree or disagree; and
 - (C) deliver that letter to the reporting issuer within 20 days after the date of appointment; and
 - (iii) request the former auditor to, within 20 days after the date of appointment:
 - (A) confirm that the letter referred to in subsection 5(a)(ii)(B) does not have to be updated; or
 - (B) prepare and deliver to the reporting issuer an updated letter to replace the letter referred to in subsection 5(a)(ii)(B);
 - (b) within 30 days after the date of appointment:
 - (i) have the audit committee of its board of directors or its board of directors review the letter referred to in clause 6(a)(ii)(B) if

received by the reporting issuer, and approve the change of auditor notice;

- (ii) file a copy of the reporting package with each regulator or securities regulatory authority where it is a reporting issuer;
- (iii) deliver a copy of the reporting package to the successor auditor and to the former auditor; and
- (iv) if there are any reportable events, issue and file a news release disclosing the appointment of the successor auditor.

(7) **Change of Auditor Notice Content** - A change of auditor notice must state:

- (a) the date of termination or resignation;
- (b) whether the former auditor:
 - (i) resigned on the former auditor's own initiative or at the reporting issuer's request;
 - (ii) was removed or is proposed to holders of qualified securities to be removed during the former auditor's term of appointment; or
 - (iii) was not reappointed or has not been proposed for reappointment;
- (c) whether the termination or resignation of the former auditor and any appointment of the successor auditor were considered or approved by the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors;
- (d) whether the former auditor's report on any of the reporting issuer's financial statements relating to the relevant period contained any reservation and, if so, a description of each reservation;
- (e) if there is a reportable event, the following information:
 - (i) for a disagreement:
 - (A) a description of the disagreement;
 - (B) whether the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors discussed the disagreement with the former auditor; and
 - (C) whether the reporting issuer authorized the former auditor to respond fully to inquiries by any successor auditor

concerning the disagreement and, if not, a description of and reasons for any limitation;

- (ii) for a consultation:
 - (A) a description of the issue that was the subject of the consultation;
 - (B) a summary of the successor auditor's oral advice, if any, provided to the reporting issuer concerning the issue;
 - (C) a copy of the successor auditor's written advice, if any, received by the reporting issuer concerning the issue; and
 - (D) whether the reporting issuer consulted with the former auditor concerning the issue and, if so, a summary of the former auditor's advice concerning the issue;
- (iii) for an unresolved issue:
 - (A) a description of the issue;
 - (B) whether the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors discussed the issue with the former auditor; and
 - (C) whether the reporting issuer authorized the former auditor to respond fully to inquiries by any successor auditor concerning the issue and, if not, a description of and reasons for any limitation; and
- (f) if there are no reportable events, a statement to that effect.

- (8) **Auditor's Obligations to Report Non-Compliance** - If the successor auditor becomes aware that the required disclosure under this Regulation has not been made by the reporting issuer, the auditor must, within 7 days, advise the reporting issuer in writing and deliver a copy of the letter to the applicable regulator or securities regulatory authority.

PART 5

ANNUAL INFORMATION FORM

5.1 *Requirement to file an AIF*

A reporting issuer that is not a venture issuer must file an AIF.

5.2 *Filing Deadline for an AIF*

An AIF required to be filed under section 5.1 must be filed:

- (a) subject to paragraph (b), on or before the 90th day after the end of the reporting issuer's most recently completed financial year; and
- (b) in the case of a reporting issuer that is an SEC issuer filing its AIF in Form 10-K, Form 10-KSB or Form 20-F, on or before the earlier of:
 - (i) the date the reporting issuer would be required to file an AIF under paragraph (a); and
 - (ii) the date the reporting issuer files its Form 10-K, Form 10-KSB or Form 20-F with the SEC.

5.3 *Incorporated Documents to be Filed*

A reporting issuer that files an AIF must at the same time file copies of all material incorporated by reference in the AIF and not previously filed.

PART 6

MANAGEMENT'S DISCUSSION & ANALYSIS

6.1 *Filing of MD&A*

- (1) Subject to section 6.2, a reporting issuer must file MD&A in respect of its annual and interim financial statements required under Part 4.
- (2) The MD&A required to be filed under subsection (1) must be filed by the earlier of:
 - (a) the filing deadlines for the annual and interim financial statements set out in sections 4.2, 4.4 and 4.7, as applicable; and
 - (b) the date the reporting issuer files the financial statements under subsections 4.1(1), 4.3(1) or 4.7(1), as applicable.

6.2 *Alternative Filing of MD&A and Supplement for SEC Issuers*

- (1) An SEC issuer filing its annual or interim MD&A prepared in accordance with Item 303 of Regulation S-K or Item 303 of Regulation S-B under the 1934 Act must file:
 - (a) that document on or before the earlier of:

- (i) the date the SEC issuer would be required to file that document under section 6.1; and
 - (ii) the date the SEC issuer files that document with the SEC; and
- (b) at the same time, a supplement prepared in accordance with subsection (2) if the SEC issuer:
 - (i) has based the discussion in the MD&A on financial statements prepared in accordance with US GAAP; and
 - (ii) is required by subsection 4.1(2) of Regulation 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* to provide a reconciliation to Canadian GAAP.
- (2) A supplement required under subsection (1) must restate, based on financial information of the reporting 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 reporting issuer prepared in accordance with US GAAP; and
 - (b) would contain material differences if they were based on financial statements of the reporting issuer prepared in accordance with Canadian GAAP.

6.3 *Additional Disclosure for Venture Issuers Without Significant Revenues*

A reporting issuer that is a venture issuer and that has not had significant revenue from operations in either of the last two financial years, must disclose in its MD&A or in its MD&A supplement, if one is required under section 6.2, for each period covered by that MD&A or MD&A supplement, if such information is not already provided in the financial statements to which such MD&A or MD&A supplement relates, a breakdown of material components of:

- (a) exploration and development expenses;
- (b) research and development expenses;
- (c) administration expenses;
- (d) any material expenses not referred to in paragraphs (a) through (c); and
- (e) additions to deferred expenditures,

and if the reporting issuer's business primarily involves mineral projects, a breakdown of material components for each material property of the reporting issuer.

6.4 *Disclosure of Outstanding Share Data*

- (1) A reporting issuer must disclose in its MD&A, or in its MD&A supplement if one is required under section 6.2, the designation and number or principal amount of:
 - (a) each class and series of voting or equity securities of the reporting issuer that is outstanding;
 - (b) each class and series of securities of the reporting issuer that is outstanding and that are convertible into, or exercisable or exchangeable for, voting or equity securities of the reporting issuer; and
 - (c) subject to subsection (2), each class and series of voting or equity securities of the reporting issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer.
- (2) If the exact number or principal amount of voting or equity securities of the reporting issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer is not determinable, the reporting 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 reporting issuer and, if such maximum number or principal amount is not determinable, the reporting 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 prepared by a reporting issuer under subsections (1) and (2) must be prepared as of the latest practicable date.

6.5 *Disclosure of Auditor Review of Interim Financial Statements*

If a reporting issuer is required under subsection 4.3(3) to disclose that an auditor has not reviewed its interim financial statements, and has not provided this disclosure in its interim financial statements, the reporting issuer must disclose this in its interim MD&A or in its interim MD&A supplement if one is required under section 6.2.

6.6 *Approval of MD&A*

The MD&A or MD&A supplement required to be filed under this Part must be reviewed by the audit committee, if any, of the board of directors of a reporting issuer and must be approved by the board of directors before being filed.

6.7 *Delivery of MD&A*

- (1) If a registered holder or beneficial owner requests the reporting issuer's MD&A for the financial statements in the request form required under subsection 4.6(1), the reporting issuer must send, without charge, a copy of the requested MD&A and any MD&A supplement by the later of:

- (a) the filing deadline for the MD&A requested; and
 - (b) 10 calendar days after the issuer receives the request.
- (2) If a reporting issuer is sending MD&A under this section, the reporting issuer must also send, at the same time, the annual or interim financial statements applicable to the MD&A.

PART 7

MATERIAL CHANGE REPORTS

7.1 *Publication of Material Change*

- (1) Subject to subsection (3), where a material change occurs in the affairs of a reporting issuer, the reporting issuer shall forthwith issue and file a news release authorized by a senior officer disclosing the nature and substance of the change.
- (2) Subject to subsection (3), the reporting issuer shall file a Form 51-102F3 *Material Change Report* of such material change, as soon as practicable, and in any event within 10 days of the date on which the change occurs.
- (3) Where:
 - (a) in the opinion of the reporting issuer, and if that opinion is arrived at in a reasonable manner, the disclosure required by subsections (1) and (2) would be unduly detrimental to the interests of the reporting issuer; or
 - (b) the material change consists of a decision to implement a change made by senior management of the reporting issuer who believe that confirmation of the decision by the board of directors is probable, and senior management of the reporting issuer has no reason to believe that persons with knowledge of the material change have made use of that knowledge in purchasing or selling securities of the reporting issuer,

the reporting issuer may, in lieu of compliance with subsection (1), forthwith file the report required under subsection (2) marked so as to indicate that it is confidential, together with written reasons for non-disclosure.

- (4) A reporting issuer is not required to issue a news release or file a material change report in Québec if senior management of the reporting issuer has reasonable grounds to believe that disclosure would be seriously prejudicial to the interests of the issuer and that no transaction in the securities of the issuer has been or will be carried out on the basis of the information not generally known. The reporting issuer must comply with subsections (1) and (2) when the circumstances that justify non-disclosure have ceased to exist.

- (5) Where a report has been filed under subsection (3), the reporting issuer shall advise the applicable regulator or securities regulatory authority in writing where it believes the report should continue to remain confidential, within 10 days of the date of filing of the initial report and every 10 days thereafter until the material change is generally disclosed in the manner referred to in subsection (1), or, if the material change consists of a decision of the type referred to in paragraph 3(b), until that decision has been rejected by the board of directors of the reporting issuer.
- (6) Although a report has been filed under subsection (3), the reporting issuer shall promptly generally disclose the material change in the manner referred to in subsection (1) upon the reporting issuer becoming aware, or having reasonable grounds to believe, that persons or companies are purchasing or selling securities of the reporting issuer with knowledge of the material change that has not been generally disclosed.

PART 8

BUSINESS ACQUISITION REPORT

8.1 *Obligation to File a Business Acquisition Report*

- (1) In addition to any obligations of reporting issuers under Part 7 of this Regulation, if a reporting issuer completes a significant acquisition it must file a business acquisition report within 75 days after the date of acquisition.
- (2) In this Part, the term “acquisition” includes an acquisition of an interest in a business accounted for using the equity method as defined in the Handbook or an acquisition of an interest in a joint venture.
- (3) In this Part, and in the definition of “acquisition of related businesses” in section 1.1, the term “business” or “businesses” includes an interest in an oil and gas property.
- (4) This Part does not apply to a significant acquisition made by the reporting issuer if the reporting issuer has filed an information circular (either of the issuer or of another person or company) that contains the information and financial statements required by section 14.2 of Form 51-102F5 concerning the acquisition of the business or related businesses, provided that:
 - (a) the date of acquisition is within 9 months from the date of the information circular; and
 - (b) between the date of the information circular and the date of acquisition there has been no material change in the terms of the significant acquisition from that disclosed in the information circular.

8.2 *Determination of Significance*

- (1) **Significant Acquisitions** - Subject to subsection (3), for the purposes of this Regulation, an acquisition of a business or related businesses is a significant acquisition:
 - (a) for a reporting issuer other than a venture issuer if the acquisition satisfies any of the three significance tests set out in subsection (2); and
 - (b) for a venture issuer if the acquisition satisfies either of the significance tests set out in paragraphs (2)(a) or (b) if “20 percent” is read as “40 percent”.
- (2) **Required Significance Tests** - The significance tests are:
 - (a) **The Asset Test.** The reporting issuer’s proportionate share of the consolidated assets of the business or related businesses exceeds 20 percent of the consolidated assets of the reporting issuer calculated using the audited financial statements of each of the reporting issuer and the business or the related businesses for the most recently completed financial year of each that ended before the date of the acquisition.
 - (b) **The Investment Test.** The reporting issuer’s consolidated investments in and advances to the business or related businesses as at the date of the acquisition exceeds 20 percent of the consolidated assets of the reporting issuer as at the last day of the most recently completed financial year of the reporting issuer ended before the date of the acquisition, excluding any investments in or advances to the business or related businesses as at that date.
 - (c) **The Income Test.** The reporting issuer’s proportionate share of the consolidated income from continuing operations of the business or related businesses exceeds 20 percent of the consolidated income from continuing operations of the reporting issuer calculated using the audited financial statements of each of the reporting issuer and the business or related businesses for the most recently completed financial year of each ended before the date of acquisition.
- (3) **Optional Significance Tests** - Despite subsection (1), if an acquisition of a business or related businesses is significant based on the significance tests in subsection (2):
 - (a) a reporting issuer other than a venture issuer may re-calculate the significance using the optional significance tests in subsection (4); or

- (b) a venture issuer may re-calculate the significance using the optional significance tests in paragraphs (4)(a) or (b) if “20 percent” is read as “40 percent”.
- (4) The optional significance tests are:
- (a) **The Asset Test.** The reporting issuer’s proportionate share of the consolidated assets of the business or related businesses, as at the last day of the reporting issuer’s most recently completed interim period exceeds 20 percent of the consolidated assets of the reporting issuer, as at the last day of the reporting issuer’s most recently completed interim period, without giving effect to the acquisition.
 - (b) **The Investment Test.** The reporting issuer’s consolidated investments in and advances to the business or related businesses as at the date of the acquisition exceeds 20 percent of the consolidated assets of the reporting issuer as at the last day of the most recently completed interim period of the reporting issuer ended before the date of the acquisition, excluding any investments in or advances to the business or related businesses as at that date.
 - (c) **The Income Test.** The income from continuing operations calculated under the following clause (i) exceeds 20 percent of the income from continuing operations calculated under the following clause (ii):
 - (i) The reporting issuer’s proportionate share of the consolidated income from continuing operations of the business or related businesses for the later of:
 - (A) the most recently completed financial year of the business or related businesses, or
 - (B) the 12 months ended on the last day of the most recently completed interim period of the business or related businesses.
 - (ii) The reporting issuer’s consolidated income from continuing operations for the later of:
 - (A) the most recently completed financial year, without giving effect to the acquisition, or
 - (B) the 12 months ended on the last day of the most recently completed interim period of the reporting issuer, without giving effect to the acquisition.

- (5) If a reporting issuer re-calculates the significance of an acquisition of a business or of related businesses under subsection (4) and none of the significance tests in that subsection is met, the acquisition is not a significant acquisition for purposes of this Regulation.
- (6) Despite subsection (3), the significance of an acquisition of a business or related businesses may be re-calculated using financial statements for periods that ended subsequent to the date of acquisition only if, subsequent to the date of acquisition, the business or related businesses remained substantially intact, were not significantly reorganized, and no significant assets or liabilities were transferred to other entities.
- (7) **Application of the Income Test if a Loss Occurred** - For the purposes of paragraphs (2)(c) and (4)(c), if any of the reporting issuer, the business or the related businesses has incurred a loss, the significance test must be applied using the absolute value of the loss.
- (8) **Application of the Income Test if Lower Than Average Income for the Most Recent Year** - For the purposes of paragraphs (2)(c) and clause (4)(c)(ii)(A), if the reporting issuer's consolidated income from continuing operations for the most recently completed financial year was:
- (a) positive; and
 - (b) lower by 20 percent or more than the average consolidated income from continuing operations of the reporting issuer for the three most recently completed financial years,
- then the average consolidated income for the three most recently completed financial years may, subject to subsection (10), be substituted in determining whether the significance test set out in paragraph (2)(c) or (4)(c) is satisfied.
- (9) **Application of the Optional Income Test if Lower Than Average Income for the Most Recent Year** - For the purpose of clause (4)(c)(ii)(B) if the reporting issuer's consolidated income from continuing operations for the most recently completed 12-month period was:
- (a) positive; and
 - (b) lower by 20 percent or more than the average consolidated income from continuing operations of the reporting issuer for the three most recently completed 12-month periods,
- then the average consolidated income for the three most recently completed 12-month periods may, subject to subsection (10), be substituted in determining whether the significance test set out in paragraph (4)(c) is satisfied.

- (10) **Lower than Average Income of the Issuer if a Loss Occurred** - If the reporting issuer's consolidated income from continuing operations for either of the two earlier financial periods referred to in subsections (8) and (9) is a loss, the reporting issuer's income from continuing operations for that period is considered to be zero for the purposes of calculating the average consolidated income for the three financial periods.
- (11) **Application of Significance Tests – Step-By-Step Acquisitions** - If a reporting issuer has made a "step-by-step" purchase as described in the Handbook such that it increases its investment in a business, then for the purposes of applying subsections (2) and (4):
- (a) if the initial investment and one or more incremental investments were made during the same financial year, the investments must be aggregated and tested on a combined basis;
 - (b) if one or more incremental investments were made in a financial year subsequent to the financial year in which an initial or incremental investment was made and the initial or previous incremental investments are reflected in audited annual financial statements of the reporting issuer previously filed, then the reporting issuer must apply the significance tests on a combined basis to the incremental investments not reflected in audited financial statements of the reporting issuer previously filed; and
 - (c) if one or more incremental investments were made in a financial year subsequent to the financial year in which the initial investment was made and the initial investment is not reflected in audited annual financial statements of the issuer previously filed, then the reporting issuer must apply the significance tests to the initial and incremental investments on a combined basis.
- (12) **Application of Significance Tests – Related Businesses** - In determining whether an acquisition of related businesses is a significant acquisition, related businesses acquired after the ending date of the most recently filed annual audited financial statements of the reporting issuer must be considered on a combined basis.
- (13) **Application of Significance Tests – Accounting Principles and Currency** - For the purposes of the significance tests in subsections (2) and (4), financial statements of the business or related businesses must be reconciled to the accounting principles used to prepare the reporting issuer's financial statements and translated into the same reporting currency.
- (14) **Application of Significance Tests – Use of Unaudited Financial Statements** - Despite subsections (2) and (4), the significance of an acquisition of a business or related businesses may be calculated using unaudited financial statements of the business or related businesses that comply with subsection 6.1(1) of Regulation

52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* if the financial statements of the business or related businesses for the most recently completed financial year have not been audited.

8.3 *Financial Statement Disclosure for Significant Acquisitions*

- (1) **Annual Financial Statements** - If an acquisition of a business or related businesses is a significant acquisition under subsections 8.2(1) or 8.2(3), subject to sections 8.5 through 8.9, a business acquisition report must include the following financial statements of each business or related businesses:
 - (a) an income statement, a statement of retained earnings and a cash flow statement for the periods specified in section 8.4;
 - (b) a balance sheet as at the date on which each of the periods specified in section 8.4 ended;
 - (c) notes to the financial statements; and
 - (d) an auditor's report on the financial statements for each of the periods specified in section 8.4.

- (2) **Interim Financial Statements** - Subject to sections 8.5 through 8.9, if a reporting issuer must include financial statements in a business acquisition report under subsection (1), the business acquisition report must include interim financial statements for:
 - (a) either:
 - (i) the most recently completed interim period of the business that started the day after the balance sheet date specified in paragraph (1)(b) and ended before the date of acquisition; or
 - (ii) the period that started the day after the balance sheet date specified in paragraph (1)(b) and ended on a day that is more recent than the ending date of the period in paragraph (i) and is not later than the date of acquisition; and
 - (b) the comparable period in the preceding financial year of the business.

- (3) **Pro Forma Financial Statements** -
 - (a) If a reporting issuer must include financial statements in a business acquisition report under subsection (1) or (2), the business acquisition report must include:
 - (i) a pro forma balance sheet of the reporting issuer as at the date of the reporting issuer's most recent balance sheet filed that gives

effect, as if they had taken place as at the date of the pro forma balance sheet, to significant acquisitions that have been completed, but are not reflected in the reporting issuer's most recent annual or interim balance sheet;

(ii) a pro forma income statement of the reporting issuer that gives effect to significant acquisitions completed after the ending date of the reporting issuer's most recently completed financial year for which financial statements are required to have been filed, as if they had taken place at the beginning of that financial year, for each of the following financial periods:

(A) the reporting issuer's most recently completed financial year for which financial statements are required to have been filed; and

(B) the reporting issuer's most recently completed interim period that ended after the period in clause (A) for which financial statements are required to have been filed;

(iii) pro forma earnings per share based on the pro forma financial statements referred to in clause (ii);

(iv) a compilation report accompanying the pro forma financial statements required under clauses (i) and (ii) signed by the reporting issuer's auditor and prepared in accordance with the Handbook;

(b) where a reporting issuer must include pro forma financial statements under paragraph (a), the following provisions apply:

(i) if the pro forma financial statements give effect to more than one significant acquisition, the pro forma financial statement must separately identify each significant acquisition;

(ii) the reporting issuer must include in the pro forma financial statements a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-referenced to each related pro forma adjustment;

(iii) if the financial year-end of the business differs from the reporting issuer's year-end by more than 93 days, then for purposes of preparing the pro forma income statement for the reporting issuer's most recently completed financial year, an income statement of the business must be constructed for a period of 12 consecutive months ending no more than 93 days before or after the reporting issuer's year-end, by adding the results for a subsequent interim

period to a completed financial year of the business and deducting the comparable interim results for the immediately preceding year;

- (iv) an audit report is not required for a constructed period referred to in clause (iii);
 - (v) where a constructed period is required under clause (iii), the pro forma financial statements must clearly disclose the constructed period on the face of the pro forma financial statements and must include a note stating that the financial statements of the business used to prepare the pro forma financial statements were prepared for the purpose of the pro formas and do not conform with the financial statements for the business included elsewhere in the business acquisition report;
 - (vi) if a reporting issuer is required to prepare a pro forma income statement for an interim period required by clause (3)(a)(ii)(B), and the pro forma income statement for the most recently completed financial year includes results of the business which are also included in the pro forma income statement for the interim period, a note to the pro forma financial statements must disclose the revenue, expenses, gross profit and income from continuing operations included in each pro forma income statement for the overlapping period.
- (4) **Financial Statements of Related Businesses** - If a reporting issuer is required under subsection (1) to include financial statements for more than one business because the significant acquisition involves an acquisition of related businesses, the financial statements required under subsection (1) must be presented separately for each business, except for the periods during which the businesses have been under common control or management, in which case the reporting issuer may present the financial statements of the businesses on a combined basis.

8.4 Reporting Periods

- (1) **Reporting Issuers that are not Venture Issuers** - The periods for which the financial statements are required under subsection 8.3(1) for a reporting issuer that is not a venture issuer as at the date of acquisition must be determined by reference to the significance tests set out in subsections 8.2(2) and 8.2(4) as follows:
- (a) **Acquisitions significant between 20 percent and 40 percent** - If none of the significance tests is satisfied if “20 percent” is read as “40 percent”, financial statements must be included for:
 - (i) the most recently completed financial year of the business ended more than 45 days before the date of acquisition; or

- (ii) if the business has not completed one financial year, or the business has completed its first financial year that ended 45 or fewer days before the date of acquisition, the financial period commencing on the date of formation and ending on a date not more than 45 days before the date of acquisition.
- (b) **Acquisitions significant over 40 percent** - If any of the significance tests are satisfied if “20 percent” is read as “40 percent” financial statements must be included for:
 - (i) each of the two most recently completed financial years of the business ended more than 45 days before the date of acquisition;
 - (ii) if the business has not completed two financial years, any completed financial year ended more than 45 days before the date of acquisition; or
 - (iii) if the business has not completed one financial year, or the business has completed its first financial year that ended 45 or fewer days before the date of acquisition, a financial period commencing on the date of formation and ending on a date not more than 45 days before the date of acquisition.
- (2) **Venture Issuers** - The periods for which the financial statements are required under subsection 8.3(1) for a reporting issuer that is a venture issuer as at the date of acquisition are as follows:
 - (a) the most recently completed financial year of the business ended more than 45 days before the date of acquisition; or
 - (b) if the business has not completed one financial year, or the business has completed its first financial year that ended 45 or fewer days before the date of acquisition, the financial period commencing on the date of formation and ending on a date not more than 45 days before the date of acquisition.

8.5 *Exemption from Disclosure Requirements for Significant Acquisitions Accounted for Using the Equity Method*

A reporting issuer is exempt from the requirements in section 8.3 if:

- (a) the acquisition is, or will be, an investment accounted for using the equity method, as that term is defined in the Handbook;
- (b) the business acquisition report includes disclosure for the periods for which financial statements are otherwise required under subsection 8.3(1) that:

- (i) summarizes information as to the assets, liabilities and results of operations of the business; and
 - (ii) describes the reporting issuer's proportionate interest in the business and any contingent issuance of securities by the business that might significantly affect the reporting issuer's share of earnings;
- (c) the financial information provided under paragraph (b) for any completed financial year:
- (i) has been derived from audited financial statements of the business; or
 - (ii) has been audited; and
- (d) the business acquisition report:
- (i) identifies the financial statements referred to in clause (c)(i) from which the disclosure provided under paragraph (b) has been derived; or
 - (ii) discloses that the financial information provided under paragraph (b), if not derived from audited financial statements, has been audited; and
 - (iii) discloses that the audit opinion with respect to the financial statements referred to in clause (i), or the financial information referred to in clause (ii), was issued without a reservation.

8.6 Exemptions from Disclosure Requirements for Significant Acquisitions if More Recent Statements Included

- (1) If under paragraph 8.4(1)(b) a reporting issuer is required to provide financial statements of a business for two completed financial years, a reporting issuer may omit the financial statements for the oldest financial year, if audited financial statements of the business are included for a financial year ended 45 days or less before the date of acquisition.
- (2) If under paragraph 8.4(1)(b) a reporting issuer is required to provide financial statements of a business for two completed financial years, a reporting issuer may omit the financial statements for the oldest financial year if:
 - (a) audited financial statements are included in the business acquisition report for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under paragraph 8.4(1)(b);
 - (b) the business is not seasonal; and

- (c) the reporting issuer has not included audited financial statements in the business acquisition report for a period of less than 12 months using the exemption set out in section 8.7.
- (3) A reporting issuer is exempt from the requirement in subsection 8.3(2) to provide interim financial statements if the reporting issuer includes annual audited or unaudited financial statements of the business for a financial year ended 45 days or less before the date of acquisition.

8.7 *Exemption from Disclosure Requirements for Significant Acquisitions if Financial Year End Changed*

If under section 8.4 a reporting issuer is required to provide financial statements of a business acquired for two completed financial years and the business changed its financial year end during either of the financial years required to be included, the reporting issuer may include financial statements for the transition period in satisfaction of the financial statements for one of the years, provided that the transition period is at least nine months.

8.8 *Exemption from Comparatives if Financial Statements Not Previously Prepared*

A reporting issuer is not required to provide comparative information for interim financial statements required under subsection 8.3(2) for the business acquired if:

- (a) it is impracticable to present prior-period information on a basis consistent with the most recently completed interim period of the acquired business;
- (b) the prior-period information that is available is presented; and
- (c) the notes to the interim financial statements disclose the fact that the prior-period information has not been prepared on a basis consistent with the most recent interim financial information.

8.9 *Exemption for Acquisition of an Interest in an Oil and Gas Property*

A reporting issuer is exempt from the requirements in section 8.3 if:

- (a) the significant acquisition is:
 - (i) an acquisition of a business that is an interest in an oil and gas property; or
 - (ii) an acquisition of related businesses that are interests in oil and gas properties;
- (b) the reporting issuer is unable to provide the financial statements in respect of the significant acquisition otherwise required under this Part because those financial statements do not exist or because the reporting issuer does not have access to those financial statements;

- (c) the acquisition does not constitute a reverse takeover;
- (d) the business or related businesses did not, immediately before the time of completion of the acquisition, constitute a “reportable segment” of the vendor, as defined in the Handbook;
- (e) in respect of the business or related businesses, for each of the financial years for which financial statements would, but for this section, be required under section 8.4, the business acquisition report includes:
 - (i) an operating statement, accompanied by a report of an auditor, presenting for the business or related businesses at least the following:
 - (A) gross revenue;
 - (B) royalty expenses;
 - (C) production costs; and
 - (D) operating income;
 - (ii) a description of the property or properties and the interest acquired by the reporting issuer; and
 - (iii) disclosure of the annual oil and gas production volumes from the business or related businesses; and
- (f) the business acquisition report discloses:
 - (i) the estimated reserves and related future net revenue attributable to the business or related businesses, the material assumptions used in preparing the estimates and the identity and relationship to the reporting issuer or to the vendor of the person who prepared the estimates; and
 - (ii) the estimated oil and gas production volumes from the business or related businesses for the first year reflected in the estimates disclosed under clause (f)(i).

8.10 Exemption for Step-By-Step Acquisitions

Despite section 8.4, a reporting issuer is exempt from the requirements to file financial statements, other than pro forma financial statements, in a business acquisition report if the reporting issuer has made a step-by-step acquisition and the acquired business has been consolidated in the reporting issuer's most recent annual financial statements that have been filed.

PART 9
PROXY SOLICITATION AND INFORMATION CIRCULARS

9.1 *Sending of Proxies and Information Circulars*

- (1) If management of a reporting issuer gives or intends to give notice of a meeting to its registered holders of voting securities management must, at the same time as or before giving that notice, send to each registered holder of voting securities who is entitled to notice of the meeting a form of proxy for use at the meeting.
- (2) Subsection (1) applies, adapted as required, to a meeting of holders of debt securities of a reporting issuer in Québec, whether called by management of the reporting issuer or by the trustee of the debt securities.
- (3) Subject to section 9.2, a person or company that solicits proxies from registered holders of voting securities of a reporting issuer must:
 - (a) in the case of a solicitation by or on behalf of management of a reporting issuer, send with the notice of meeting to each registered securityholder whose proxy is solicited an information circular; or
 - (b) in the case of any other solicitation, concurrently with or before the solicitation, send an information circular to each registered securityholder whose proxy is solicited.

9.2 *Exemptions*

- (1) Subsection 9.1(3) does not apply to a solicitation by a person or company in respect of securities of which the person or company is the beneficial owner.
- (2) Paragraph 9.1(3)(b) does not apply to a solicitation if the total number of securityholders whose proxies are solicited is not more than 15.
- (3) For the purposes of subsection (2) and notwithstanding the provisions in Québec, two or more persons or companies who are joint registered owners of one or more securities are considered to be one securityholder.

9.3 *Filing of Information Circulars and Proxy-Related Material*

Every person or company that is required under this Regulation to send an information circular or form of proxy to registered securityholders of a reporting issuer must promptly file a copy of the information circular, form of proxy and all other material required to be sent by the person or company in connection with the meeting to which the information circular or form of proxy relates.

9.4 Content of Form of Proxy

- (1) Every form of proxy sent or delivered to securityholders of a reporting issuer by a person or company soliciting proxies must indicate in bold-face type whether or not the proxy is solicited by or on behalf of the management of the reporting issuer, provide a specifically designated blank space for dating the form of proxy and specify the meeting in respect of which the proxy is solicited.
- (2) Either an information circular sent to securityholders of a reporting issuer or the form of proxy to which the information circular relates must:
 - (a) indicate in bold-face type that the securityholder has the right to appoint a person or company to represent the securityholder at the meeting other than the person or company if any, designated in the form of proxy; and
 - (b) contain instructions as to the manner in which the securityholder may exercise the right referred to in paragraph (a).
- (3) If a form of proxy sent to securityholders of a reporting issuer contains a designation of a named person or company as nominee, it must provide an option for the securityholder to designate in the form of proxy some other person or company as the securityholder's nominee.
- (4) A form of proxy sent to securityholders of a reporting issuer must provide an option for the securityholder to specify that the securities registered in the securityholder's name will be voted for or against each matter or group of related matters identified in the form of proxy, in the notice of meeting or in an information circular, other than the appointment of an auditor and the election of directors.
- (5) A form of proxy of a reporting issuer may confer discretionary authority with respect to each matter referred to in subsection (4) as to which a choice is not so specified if the form of proxy or the information circular states in bold-face type how the securities represented by the proxy will be voted in respect of each matter or group of related matters.
- (6) A form of proxy must provide an option for the securityholder to specify that the securities registered in the name of the securityholder must be voted or withheld from voting in respect of the appointment of an auditor or the election of directors.
- (7) Either an information circular sent to securityholders of a reporting issuer or the form of proxy to which the information circular relates must state that:
 - (a) the securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for; and

- (b) if the securityholder specifies a choice under subsection (4) or (6) with respect to any matter to be acted upon, the securities will be voted accordingly.
- (8) A form of proxy of a reporting issuer may confer discretionary authority with respect to:
- (a) amendments or variations to matters identified in the notice of meeting; and
 - (b) other matters which may properly come before the meeting;
- if,
- (c) the person or company by whom or on whose behalf the solicitation is made is not aware within a reasonable time prior to the time the solicitation is made that any such amendments, variations or other matters are to be presented for action at the meeting; and
 - (d) a specific statement is made in the information circular or in the form of proxy that the proxy is conferring such discretionary authority.
- (9) No form of proxy of a reporting issuer may confer authority to vote:
- (a) for the election of any person as a director of a reporting issuer unless a bona fide proposed nominee for such election is named in the information circular; or
 - (b) at any meeting other than the meeting specified in the notice of meeting or any adjournment thereof.

PART 10

RESTRICTED SHARE DISCLOSURE REQUIREMENTS

10.1 Content and Dissemination of Disclosure Documentation

- (1) Except as otherwise provided in this Regulation, if a reporting issuer has outstanding restricted shares, or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted shares or subject securities, each document referred to in subsection (2) must:
- (a) refer to restricted shares using a term that includes the appropriate restricted share term;

- (b) not refer to shares by a term that includes “common”, or “preference” or “preferred”, unless the shares are common shares or preference shares, respectively;
 - (c) describe any restrictions on the voting rights of restricted shares;
 - (d) describe the rights to participate, if any, of holders of restricted shares if a takeover bid is made for securities of the reporting issuer with voting rights superior to those attached to the restricted shares;
 - (e) state the percentage of the aggregate voting rights attached to the reporting issuer’s securities that are represented by the class of restricted shares; and
 - (f) if holders of restricted shares have no right to participate if a takeover bid is made for securities of the reporting issuer with voting rights superior to those attached to the restricted shares, contain a statement to that effect in bold-face type.
- (2) Subsection (1) applies to the following documents except as provided in subsections (3) and (8):
- (a) an information circular;
 - (b) a document required by this Regulation to be delivered upon request by a reporting issuer to any of its securityholders; and
 - (c) an AIF prepared by a reporting issuer.
- (3) Despite subsection (2), annual financial statements, interim financial statements and MD&A or other accompanying discussion by management of those financial statements are not required to include the details referred to in paragraphs (1)(c), (d) and (f).
- (4) Each reference to restricted shares in any document not referred to in subsection (2) that a reporting issuer sends to its securityholders must include the appropriate restricted share term.
- (5) A reporting issuer must not refer, in any of the documents described in subsection (4), to shares by a term that includes “common” or “preference” or “preferred”, unless the shares are common shares or preference shares, respectively.
- (6) If a reporting issuer sends a document to all holders of any class of its equity shares the document must also be sent by the reporting issuer at the same time to the holders of its restricted shares.
- (7) A reporting issuer that is required by this Regulation to arrange for, or voluntarily makes arrangements for, delivery of the documents referred to in subsection (6) to the beneficial owners of any shares of a class of equity shares registered in the

name of a registrant, must make similar arrangements for delivery of the documents to the beneficial owners of shares of a class of restricted shares registered in the name of a registrant.

- (8) Despite paragraph (1)(b) and subsection (5), a reporting issuer may, in one place only in a document referred to in subsection (2) or (4), describe the restricted shares by the term used in the constating documents of the reporting issuer, to the extent that term differs from the appropriate restricted share term, if the description is not on the front page of the document and is in the same type face and type size as that used generally in the document.

10.2 Exemptions for Certain Reporting Issuers

- (1) The provisions of section 10.1 do not apply to:
 - (a) shares that carry a right to vote subject to a restriction on the number or percentage of shares 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 reporting issuer to be non-Canadians, but only to the extent of the restriction; and
 - (b) shares that are subject to a restriction, imposed by any law governing the reporting issuer, on the level of ownership of the shares by any person, company or combination of persons or companies, but only to the extent of the restriction.

PART 11

ADDITIONAL FILING REQUIREMENTS

11.1 Additional Filing Requirements

- (1) A reporting issuer must file a copy of any material:
 - (a) that it sends to more than 50% of the securityholders of a class of securities held by more than 50 securityholders; or
 - (b) in the case of an SEC issuer, that it files with or furnishes to the SEC, including material filed as exhibits to other documents, if the material contains information that has not been included in disclosure already filed in a jurisdiction by the SEC issuer.
- (2) A reporting issuer must file the material referred to in subsection (1) on the same date as, or as soon as practicable after, the earlier of:
 - (a) the date on which the reporting issuer sends the material to its securityholders; or

- (b) the date on which the reporting issuer files or furnishes the material to the SEC.

11.2 Change of Status Report

A reporting issuer must file a notice promptly after the occurrence of either of the following:

- (a) the reporting issuer becomes a venture issuer; or
- (b) the reporting issuer ceases to be a venture issuer.

11.3 Voting Results

A reporting issuer that is not a venture issuer must, promptly following a meeting of securityholders at which a matter was submitted to a vote, file a report that discloses, for each matter voted upon:

- (a) a brief description of the matter voted upon and the outcome of the vote; and
- (b) if the vote was conducted by ballot, the number or percentage of votes cast (which includes votes cast both in person and by proxy) for, against or withheld from each such vote.

11.4 Financial Information

A reporting issuer must file a copy of any news release issued by it that discloses information regarding its results of operations or financial condition for a financial year or interim period.

PART 12

FILING OF MATERIAL DOCUMENTS

12.1 Filing of Certain Material Documents

- (1) Unless previously filed, a reporting issuer must file copies of the following documents, and any amendments to the following documents:
 - (a) articles of incorporation, amalgamation, continuation or any other constating or establishing documents of the issuer;
 - (b) by-laws or other corresponding instruments currently in effect;
 - (c) any shareholder or voting trust agreements that can reasonably be regarded as material to an investor in securities of the reporting issuer;

- (d) any shareholders' rights plans or other similar plans; and
 - (e) any other contracts including indentures, excluding contracts entered into in the ordinary course of business, of the issuer or a subsidiary of the issuer that create or materially affect the rights or obligations of securityholders where the class of security is held by more than 50 securityholders, if those contracts can reasonably be regarded as material to an investor in securities of the reporting issuer.
- (2) The documents required in subsection (1) must be filed:
- (a) either:
 - (i) as an attachment to the reporting issuer's AIF required to be filed under section 5.1, if the document was made or adopted prior to the date of the issuer's AIF; or
 - (ii) if the reporting issuer is not required to file an AIF under section 5.1, as a separate filing to be made within 120 days after the end of the issuer's most recently completed financial year, if the document was made or adopted prior to the end of the issuer's most recently completed financial year; and
 - (b) as an attachment to the reporting issuer's material change report in Form 51-102F3 if the making of the document constitutes a material change for the issuer.

PART 13

EXEMPTIONS

13.1 Exemptions from this Regulation

- (1) The regulator or securities regulatory authority may grant an exemption from 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.

13.2 Existing Exemptions

- (1) A reporting issuer that was eligible to rely on an exemption, waiver or approval granted to it by a regulator or securities regulatory authority relating to continuous disclosure requirements of securities legislation or securities directions existing immediately before this Regulation came into force is entitled

to rely upon such exemption, waiver or approval from any substantially similar provision of this Regulation to the same extent and on the same conditions, if any, as contained in the earlier exemption, waiver or approval.

- (2) A reporting issuer must, at the time that it first intends to rely on subsection (1) in connection with a filing requirement under this Regulation, inform the securities regulatory authority in writing of:
 - (a) the general nature of the prior exemption, waiver or approval and the date on which it was granted; and
 - (b) the requirement under prior securities legislation or securities directions in respect of which the prior exemption, waiver or approval applied and the substantially similar provision of this Regulation.

13.3 Exemption for Certain Exchangeable Security Issuers

- (1) In this section:

“designated exchangeable security” means an exchangeable security which provides the holder of such security with economic and voting rights which are, as nearly as practicable (except for tax implications), equivalent to those provided by the underlying security;

“exchangeable security” means a security of an issuer that is exchangeable for, or carries the right of the holder to purchase, or of the parent issuer to cause the purchase of, an underlying security;

“exchangeable security issuer” means an issuer of exchangeable securities;

“parent issuer” in relation to an exchangeable security issuer means the issuer of the underlying securities; and

“underlying security” means a security of a parent issuer issued or transferred, or to be issued or transferred, on the exchange of an exchangeable security.

- (2) The requirements of this Regulation do not apply to an exchangeable security issuer so long as:
 - (a) the parent issuer is the direct or indirect beneficial owner of all the issued and outstanding voting securities of the exchangeable security issuer;
 - (b) the parent issuer:
 - (i) 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; and

- (ii) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America;
 - (c) the exchangeable security issuer does not issue any securities, other than:
 - (i) designated exchangeable securities;
 - (ii) securities issued to the parent issuer; or
 - (iii) debt securities issued to the parent issuer or to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions;
 - (d) the exchangeable security issuer files copies of all documents the parent issuer is required to file with the SEC, concurrently with such filing by the parent issuer;
 - (e) the exchangeable security issuer concurrently sends, or causes to be concurrently sent, to all holders of designated exchangeable securities, in the manner and at the time required by U.S. federal securities laws and any marketplace on which securities of the parent issuer are listed or quoted, all disclosure materials that are sent to holders of the underlying securities;
 - (f) the parent issuer is in compliance with the requirements of U.S. federal securities laws and any marketplace on which the securities of the parent issuer are listed or quoted in respect of making public disclosure of material information on a timely basis and immediately issues in Canada and files any press release that discloses a material change in its affairs;
 - (g) the exchangeable security issuer issues in Canada a press release and files a material change report in accordance with Part 7 of this Regulation for all material changes in respect of the affairs of the exchangeable security issuer that are not also material changes in the affairs of its parent issuer; and
 - (h) the parent issuer includes in all mailings of proxy solicitation materials to holders of designated exchangeable securities a clear and concise statement explaining the reason for the mailed material relating solely to the parent issuer and the statement indicates that the designated exchangeable securities are the economic equivalent to the underlying securities and describes the voting rights associated with the designated exchangeable securities.
- (3) The insider reporting requirement and the requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders*

will not apply to any insider of an exchangeable security issuer in respect of securities of the exchangeable security issuer so long as:

- (a) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning the parent issuer before the material facts or material changes are generally disclosed;
- (b) the insider is not an insider of the parent issuer in any capacity other than by virtue of being an insider of the exchangeable security issuer;
- (c) the parent issuer is the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the exchangeable security issuer;
- (d) the parent issuer:
 - (i) 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; and
 - (ii) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America; and
- (e) the exchangeable security issuer does not issue any securities, other than:
 - (i) designated exchangeable securities;
 - (ii) securities issued to the parent issuer; or
 - (iii) debt securities issued to the parent issuer or to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions.

PART 14

EFFECTIVE DATE AND TRANSITION

14.1 Effective Date

This Regulation comes into force on ●, 2004.

14.2 Transition

Unless otherwise stated, the provisions of this Regulation concerning:

- (a) annual financial statements and MD&A, apply for financial years beginning on or after ●, 2004²;
- (b) interim financial statements and MD&A, apply for interim periods in financial years beginning on or after ●, 2004;
- (c) AIFs, apply in respect of financial years beginning on or after ●, 2004;
- (d) all other disclosure obligations under this Regulation, apply from and after ●, 2004; and
- (e) business acquisition reports, apply to significant acquisitions if the initial legally binding agreement relating to the acquisition was entered into on or after ●, 2004.

² The date this Regulation is expected to become effective.

FORM 51-102F1

ANNUAL INFORMATION FORM

Table of Contents

Part 1 – General Instructions and Interpretation

- (a) What is an AIF?
- (b) Use of “Company”
- (c) Focus on Material Information
- (d) What is Material?
- (e) Incorporating Information by Reference
- (f) Date of Information
- (g) Defined Terms
- (h) Plain Language
- (i) Special Purpose Vehicles
- (j) Numbering and Headings
- (k) Include Subsidiaries and Investees
- (l) Omitting Information

Part 2 – Content of AIF

Item 1: Cover Page

- 1.1 Date
- 1.2 Revisions

Item 2: Table of Contents

- 2.1 Table of Contents

Item 3: Corporate Structure

- 3.1 Name, Address and Incorporation
- 3.2 Intercorporate Relationships

Item 4: General Development of the Business

- 4.1 Three Year History
- 4.2 Significant Acquisitions

Item 5: Describe the Business

- 5.1 General
- 5.2 Risk Factors
- 5.3 Companies with Asset-backed Securities Outstanding
- 5.4 Companies With Mineral Projects
- 5.5 Companies with Oil and Gas Activities

Item 6: Selected Consolidated Financial Information

- 6.1 Annual Information
- 6.2 Dividends

Item 7: Description of Capital Structure

- 7.1 General Description of Capital Structure
- 7.2 Constraints

7.3 Ratings

Item 8: Market for Securities

8.1 Trading Price and Volume

8.2 Prior Sales

Item 9: Escrowed Securities

9.1 Escrowed Securities

Item 10: Directors and Officers

10.1 Name, Occupation and Security Holding

10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

10.3 Conflicts of Interest

Item 11: Promoters

11.1 Promoters

Item 12: Legal Proceedings

12.1 Legal Proceedings

Item 13: Interest of Management and Others in Material Transactions

13.1 Interest of Management and Others in Material Transactions

Item 14: Transfer Agents and Registrars

14.1 Transfer Agent and Registrar

Item 15: Material Contracts

15.1 Material Contracts

Item 16: Interests of Experts

16.1 Names of Experts

16.2 Interests of Experts

Item 17: Additional Information

17.1 Additional Information

Item 18: Additional Disclosure for Companies Not Sending Information Circulars

18.1 Additional Disclosure

FORM 51-102F1

ANNUAL INFORMATION FORM

Part 1 – General Instructions and Interpretation

(a) What is an AIF?

An AIF (annual information form) is required to be filed annually by certain companies under Part 5 of Regulation 51-102. An AIF is a disclosure document intended to provide material information about your company and its business up to a point in time. This disclosure is supplemented throughout the year by subsequent continuous disclosure filings including press releases, material change reports, business acquisition reports, financial statements and management discussion and analysis. Your AIF describes your company, its operations and prospects, risks and other external factors that impact your company specifically.

(b) Use of “Company”

Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Focus on Material Information

Focus your AIF on material information. You do not need to disclose information that is not material. Exercise your judgment when determining whether information is material. However, you must disclose all corporate and individual cease trade orders, bankruptcies, penalties and sanctions in accordance with Item 10 of this Form.

(d) What is Material?

Would a reasonable investor’s decision whether or not to buy, sell or hold securities in your company likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

(e) Incorporating Information by Reference

You may incorporate information in your AIF by reference to another document. Clearly identify the referenced document or any excerpt of it that you incorporate into your AIF. Unless the referenced document or excerpt has already been filed, you must file it with your AIF. You must also disclose that the document is on SEDAR at www.sedar.com.

(f) Date of Information

Unless otherwise specified in this Form, the information in your AIF must be presented as at the last day of your company’s most recently completed financial year. For

information presented as at any date other than the last day of your company's most recently completed financial year, specify the relevant date in the disclosure.

Your AIF should be current such that it will not be misleading when filed.

(g) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of Regulation 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in Regulation 51-102, refer to section 1.4 of Policy Statement 51-102.

(h) Plain Language

Write the AIF so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Policy Statement 51-102. If you use technical terms, explain them in a clear and concise manner.

(i) Special Purpose Vehicles

If your company is a special purpose vehicle, you may have to modify the disclosure items in this Form to reflect the special purpose nature of your company's business.

(j) Numbering and Headings

The numbering, headings and ordering of items included in this Form are intended as guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(k) Include Subsidiaries and Investees

All references to your company in Items 4, 5, 6, 12, 13, 15 and 16 of this Form apply to both your company, its subsidiaries and investees.

(l) Omitting Information

You do not need to respond to any item in this Form that is inapplicable and you may omit negative answers.

Part 2 – Content of AIF

Item 1: Cover Page

1.1 Date

Specify the date of your AIF. The date must be no earlier than the date of the auditor’s report on the financial statements for your company’s most recently completed financial year.

You must file your AIF within 10 days of the date of the AIF.

1.2 Revisions

If you revise your company’s AIF after you have filed it, identify the revised version as a “revised AIF”.

Item 2: Table of Contents

2.1 Table of Contents

Include a table of contents.

Item 3: Corporate Structure

3.1 Name, Address and Incorporation

- (1) State your company’s full corporate name or, if your company is an unincorporated entity, the full name under which it exists and carries on business, and the address(es) of your company’s head and registered office.
- (2) State the statute under which your company is incorporated, continued or organized or, if your company is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of your company.

3.2 Intercorporate Relationships

Describe, by way of a diagram or otherwise, the intercorporate relationships among your company and its subsidiaries. For each subsidiary state:

- (a) the percentage of votes attaching to all voting securities of the subsidiary that are beneficially owned, controlled or directed, by your company;
- (b) the percentage of each class of restricted shares of the subsidiary that is beneficially owned, controlled or directed, by your company; and

(c) where it was incorporated or continued.

INSTRUCTION

You may omit a particular subsidiary if, at the most recent financial year-end of your company,

- (i) the total assets of the subsidiary do not exceed 10 per cent of the consolidated assets of your company;*
- (ii) the sales and operating revenues of the subsidiary do not exceed 10 per cent of the consolidated sales and operating revenues of your company; and*
- (iii) the conditions in paragraphs (i) and (ii) would be satisfied if you*
 - (A) aggregated the subsidiaries that may be omitted under paragraphs (i) and (ii), and*
 - (B) changed the reference in those paragraphs from 10 per cent to 20 per cent.*

Item 4: General Development of the Business

4.1 Three Year History

Describe how your company's business has developed over the last three completed financial years. Include only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business. If your company produces or distributes more than one product or provides more than one kind of service, describe the products or services. Also discuss changes in your company's business that you expect will occur during the current financial year.

4.2 Significant Acquisitions

(1) General - Disclose

- (a)** any significant acquisition completed by your company during its most recently completed financial year for which financial statement disclosure is required under Part 8 of Regulation 51-102, other than significant acquisitions for which your company has already filed a Form 51-102F4; and
- (b)** by cross-reference, any Forms 51-102F4 filed by your company since you filed your previous AIF.

(2) Details - Under subsection (1) include particulars of

- (a) the nature of the assets acquired;
- (b) the date of each significant acquisition;
- (c) the consideration, both monetary and non-monetary, paid or to be paid by your company;
- (d) how the significant acquisition will impact the operating results and financial position of your company;
- (e) any valuation opinion obtained by the acquired business or your company within the last 12 months required under securities legislation or a requirement of a Canadian marketplace to support the consideration paid by your company or any of its subsidiaries for the business, including the name of the author, the date of the opinion, the business to which the opinion relates, the value attributed to the business and the valuation methodologies used; and
- (f) whether the transaction is with an informed person, associate or affiliate of your company and, if so, the identity and the relationship of the other parties to your company.

Item 5: Describe the Business

5.1 General

- (1) Describe the business of your company and its operating segments that are reportable segments as those terms are used in the Handbook. For each reportable segment include:
 - (a) **Summary** - For products or services,
 - (i) their principal markets;
 - (ii) distribution methods;
 - (iii) for each of the two most recently completed financial years, as dollar amounts or as percentages, the revenues for each category of products or services that accounted for 15 per cent or more of total consolidated revenues for the applicable financial year derived from
 - A. sales to customers, other than investees, outside the consolidated entity,
 - B. sales or transfers to investees, and

- C. sales or transfers to controlling shareholders;
 - (iv) if not fully developed, the stage of development of the products or services and, if the products are not at the commercial production stage
 - A. the timing and stage of research and development programs;
 - B. whether your company is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and
 - C. the additional steps required to reach commercial production and an estimate of costs and timing.
- (b) **Production and Services** – The actual or proposed method of production and, if your company provides services, the actual or proposed method of providing services.
- (c) **Leases or Mortgages** – A description of the payment terms, expiration dates and terms of any renewal options of any leases or mortgages, whether they are in good standing and, if applicable, that the landlord or mortgagee is not at arm's length with your company.
- (d) **Specialized Skill and Knowledge** – A description of any specialized skill and knowledge requirements and the extent to which the skill and knowledge are available to your company.
- (e) **Competitive Conditions** – The competitive conditions in your company's principal markets and geographic areas, including, if reasonably possible, an assessment of your company's competitive position.
- (f) **New Products** – If you have publicly announced the introduction of a new product, the status of the product.
- (g) **Components** – The sources, pricing and availability of raw materials, component parts or finished products.
- (h) **Intangible Properties** – The importance, duration and effect on the segment of identifiable intangible properties such as brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks.

- (i) **Cycles** – The extent to which the business of the segment is cyclical or seasonal.
 - (j) **Economic Dependence** – A description of any contract upon which your company’s business is substantially dependent, such as a contract to sell the major part of your company’s products or services or to purchase the major part of your company’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 your company’s business depends.
 - (k) **Changes to Contracts** – A description of any aspect of your company’s business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.
 - (l) **Environmental Protection** – The financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of your company in the current financial year and the expected effect in future years.
 - (m) **Employees** – The number of employees as at the most recent financial year-end or the average number of employees over the year, whichever is more meaningful in order to understand the business.
 - (n) **Foreign Operations** – Describe the dependence of your company and any segment upon foreign operations.
 - (o) **Lending** – With respect to your company’s lending operations, disclose the investment policies and lending and investment restrictions.
- (2) **Bankruptcy, etc.** - Disclose the nature and results of any bankruptcy, receivership or similar proceedings against your company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by your company or any of its subsidiaries, within the three most recently completed financial years and up to the date of the AIF.
- (3) **Reorganizations** - Disclose the nature and results of any material reorganization of your company or any of its subsidiaries within the three most recently completed financial years or proposed for the current financial year.

- (4) **Social and Environmental Policies** – Describe your company’s social and environmental policies and the steps your company is taking to implement them.

5.2 Risk Factors

Disclose risk factors relating to your company 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 your company, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be most likely to influence an investor’s decision to purchase securities of your company. Risks should be disclosed in the order of their seriousness. If there is a risk that securityholders of your company may become liable to make an additional contribution beyond the price of the security, disclose that risk.

5.3 Companies with Asset-backed Securities Outstanding

If your company had asset-backed securities outstanding that were distributed under a prospectus, disclose:

- (1) **Payment Factors** - A description of any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of any payments or distributions to be made under the asset-backed securities.
- (2) **Underlying Pool of Assets** - For the three most recently completed financial years of your company or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, information on the underlying pool of financial assets relating to
 - (a) the composition of the pool as of the end of each financial year or partial period;
 - (b) income and losses from the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
 - (c) the payment, prepayment and collection experience of the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
 - (d) servicing and other administrative fees; and
 - (e) any significant variances experienced in the matters referred to in paragraphs (a), (b), (c), or (d).

- (3) **Investment Parameters** - The investment parameters applicable to investments of any cash flow surpluses.
- (4) **Payment History** - The amount of payments made during the three most recently completed financial years or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, in respect of principal and interest or capital and yield, each stated separately, on asset-backed securities of your company outstanding.
- (5) **Acceleration Event** - The occurrence of any event that has led to, or with the passage of time could lead to, the accelerated payment of principal, interest or capital of asset-backed securities.
- (6) **Principal Obligors** - The identity of any principal obligors for the outstanding asset-backed securities of your company, the percentage of the underlying pool of financial assets represented by obligations of each principal obligor and whether the principal obligor has filed an AIF in any jurisdiction or a Form 10-K, Form 10-KSB or Form 20-F in the United States.

INSTRUCTIONS

- (i) *Present the information requested under subsection (2) in a manner that enables a reader to easily determine the status of the events, covenants, standards and preconditions referred to in subsection (1).*
- (ii) *If the information required under subsection (2)*
 - (A) *is not compiled specifically on the underlying pool of financial assets, but is compiled on 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, or*
 - (B) *in the case of a new company, where the underlying pool of financial assets will be randomly selected from a larger pool of the same assets such that the performance of the larger pool will be representative of the performance of the pool of securitized assets to be created,*

then a company may comply with subsection (2) by providing the information required based on the larger pool and disclosing that it has done so.

5.4 Companies With Mineral Projects

For companies with a mineral project, disclose the following information for each property material to your company:

- (1) **Property Description and Location**

- (a) The area (in hectares or other appropriate units) and the location of the property.
- (b) The nature and extent of your company's title to or interest in the property, including surface rights, obligations that must be met to retain the property and the expiration date of claims, licences and other property tenure rights.
- (c) The terms of any royalties, overrides, back-in rights, payments or other agreements and encumbrances to which the property is subject.
- (d) All environmental liabilities to which the property is subject.
- (e) The location of all known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailing ponds, waste deposits and important natural features and improvements.
- (f) To the extent known, the permits that must be acquired to conduct the work proposed for the property and if the permits have been obtained.

(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography

- (a) The means of access to the property.
- (b) The proximity of the property to a population centre and the nature of transport.
- (c) To the extent relevant to the mining project, the climate and length of the operating season.
- (d) The sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pads areas and potential processing plant sites.
- (e) The topography, elevation and vegetation.

(3) History

- (a) The prior ownership and development of the property and ownership changes and the type, amount, quantity and results of the exploration work undertaken by previous owners, and any previous production on the property, to the extent known.

- (b) If your company acquired a property within the three most recently completed financial years or during the current financial year from, or intends to acquire a property from, an informed person or promoter of your company or an associate or affiliate of an informed person or promoter, the name and address of the vendor, the relationship of the vendor to your company, and the consideration paid or intended to be paid to the vendor.
 - (c) To the extent known, the name of every person or company that has received or is expected to receive a greater than five per cent interest in the consideration received or to be received by the vendor referred to in paragraph (b).
- (4) **Geological Setting** - The regional, local and property geology.
- (5) **Exploration** - The nature and extent of all exploration work conducted by, or on behalf of, your company on the property, including
 - (a) the results of all surveys and investigations and the procedures and parameters relating to surveys and investigations;
 - (b) an interpretation of the exploration information;
 - (c) whether the surveys and investigations have been carried out by your company or a contractor and if by a contractor, the name of the contractor; and
 - (d) a discussion of the reliability or uncertainty of the data obtained in the program.
- (6) **Mineralization** - The mineralization encountered on the property, the surrounding rock types and relevant geological controls, detailing length, width, depth and continuity together with a description of the type, character and distribution of the mineralization.
- (7) **Drilling** - The type and extent of drilling, including the procedures followed and an interpretation of all results.
- (8) **Sampling and Analysis** - The sampling and assaying including
 - (a) description of sampling methods and the location, number, type, nature, spacing or density of samples collected;
 - (b) identification of any drilling, sampling or recovery factors that could materially impact the accuracy or reliability of the results;

- (c) a discussion of the sample quality and whether the samples are representative and of any factors that may have resulted in sample biases;
 - (d) rock types, geological controls, widths of mineralized zones, cut-off grades and other parameters used to establish the sampling interval; and
 - (e) quality control measures and data verification procedures.
- (9) **Security of Samples** - The measures taken to ensure the validity and integrity of samples taken.
- (10) **Mineral Resource and Mineral Reserve Estimates** - The mineral resources and mineral reserves, if any, including
- (a) the quantity and grade or quality of each category of mineral resources and mineral reserves;
 - (b) the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves; and
 - (c) the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues.
- (11) **Mining Operations** - For development properties and production properties, the mining method, metallurgical process, production forecast, markets, contracts for sale of products, environmental conditions, taxes, mine life and expected payback period of capital.
- (12) **Exploration and Development** - A description of your company's current and contemplated exploration or development activities.

INSTRUCTIONS

- (i) *Disclosure regarding mineral exploration development or production activities on material properties must comply with and is subject to the limitations set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects. You must use the appropriate terminology to describe mineral reserves and mineral resources. You must base your disclosure on a technical report, or other information, prepared by or under the supervision of a qualified person.*

- (ii) *In giving the information required under section 5.4 include the nature of ownership interests, such as fee interests, leasehold interests, royalty interests and any other types and variations of ownership interests.*

5.5 Companies with Oil and Gas Activities

If your company is engaged in oil and gas activities (as defined in Regulation 51-101 *Standards of Disclosure for Oil and Gas Activities*) or in extracting hydrocarbons from shale, tar sands or coal, disclose the following information:

(1) Reserves Data and Other Information

- (a) In the case of information that, for purposes of Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*, is to be prepared as at the end of a financial year, disclose that information as at your company's most recently completed financial year-end.
 - (b) In the case of information that, for purposes of Form 51-101F1, is to be prepared for a financial year, disclose that information for the most recently completed financial year for which MD&A is provided.
 - (c) To the extent not reflected in the information disclosed in response to paragraphs (a) and (b), disclose the information contemplated by Part 6 of Regulation 51-101 in respect of material changes that occurred after your company's most recently completed financial year-end.
- (2) **Report of Qualified Independent Evaluator** - Include with the disclosure under subsection (1) the report of a qualified evaluator, referred to in Item 2 of section 5.1 of Regulation 51-101, on the reserves data included in the disclosure required under paragraph (1)(a) above.
- (3) **Report of Management** - 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).

INSTRUCTION

The information presented in response to section 5.5 must be in accordance with Regulation 51-101 Standards of Disclosure for Oil and Gas Activities.

Item 6: Selected Consolidated Financial Information

6.1 Annual Information

Provide the following financial data derived from your company's financial statements for each of the three most recently completed financial years:

- (a) Net sales or total revenues.
- (b) Income from continuing operations, in total and on a per-share and diluted per-share basis.
- (c) Net income or loss, in total and on a per-share and diluted per-share basis.
- (d) Total assets.
- (e) Total long-term financial liabilities.
- (f) Cash dividends declared per-share for each class of share.

Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of your business, and any other information your company believes would enhance an understanding of, and would highlight trends in, financial condition and results of operations.

INSTRUCTION

Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency and, if the underlying financial statements have been reconciled to Canadian GAAP, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

6.2 Dividends

- (1) Describe any restriction that could prevent your company from paying dividends.
- (2) Disclose your company's current dividend policy and any intended change in dividend policy.

Item 7: Description of Capital Structure

7.1 General Description of Capital Structure

Describe your company's capital structure. State the description or the designation of each class of authorized security, and describe the material

characteristics of each class of authorized security, including voting rights, provisions for exchange, conversion, exercise, redemption and retraction, dividend rights and rights upon dissolution or winding-up.

INSTRUCTION

This Item requires only a brief summary of the provisions that are material from a securityholder's standpoint. The provisions attaching to different classes of securities do not need to be set out in full. This information should include the disclosure required in subsection 10.1(1) of Regulation 51-102.

7.2 Constraints

If there are constraints imposed on the ownership of securities of your company to ensure that your company has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities is or will be monitored and maintained.

7.3 Ratings

If one or more ratings, including provisional ratings, has been received from one or more rating organizations for securities of your company that are outstanding and the rating or ratings continue in effect, disclose:

- (a) each security rating, including a provisional rating, received from an approved rating organization;
- (b) for each rating disclosed under paragraph (a), the name of the approved rating organization that has assigned the rating;
- (c) a definition or description of the category in which each approved rating organization rated the securities and the relative rank of each rating within the organization's overall classification system;
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities 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;
- (f) a statement that a security 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 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 section.

Item 8: Market for Securities

8.1 Trading Price and Volume

- (1) For each class of securities of your company 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 your company is not traded or quoted on a Canadian marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume of trading 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 most recently completed financial year.

8.2 Prior Sales

For each class of securities of your company that is outstanding but not listed or quoted on a marketplace, state the price at which securities of the class have been sold during the most recently completed financial year by your company and the number of securities of the class sold.

Item 9: Escrowed Securities

9.1 Escrowed Securities

- (1) State, in substantially the following tabular form, the number of securities of each class of your company held, to your company's knowledge, in escrow, and the percentage that number represents of the outstanding securities of that class.

ESCROWED SECURITIES		
Designation of Class	Number of Securities held in Escrow	Percentage of Class

- (2) In a note to the table, disclose the name of the escrow agent, if any, and the date of and conditions governing the release of the securities from escrow.

INSTRUCTION

For the purposes of this Item, escrow includes a pooling agreement.

Item 10: Directors and Officers

10.1 Name, Occupation and Security Holding

- (1) List the name and province of residence of each director and executive officer of your company and indicate their respective positions and offices held with your company and their respective principal occupations during the five preceding years.
- (2) State the period or periods during which each director has served as a director and when his or her term of office will expire.
- (3) State the number and percentage of securities of each class of voting securities of your company 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 your company as a group.
- (4) Identify the members of each committee of the board.
- (5) If the principal occupation of a director or executive officer of your company is acting as an officer of a person or company other than your company, disclose that fact and state the principal business of the person or company.

INSTRUCTION

For the purposes of subsection (3), securities of subsidiaries of your company that are beneficially owned, directly or indirectly, or controlled or directed, by directors or executive officers through ownership or control or direction over securities of your company, do not need to be included.

10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

- (1) If a director or executive officer of your company, or a shareholder holding a sufficient number of securities of your company to affect materially the control of your company is, as at the date of the AIF, or within the 10 years before the date of the AIF:
 - (a) has been a director or executive officer of any company (including your company) that:
 - (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant 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;

- (ii) while that person was acting in that capacity, was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant 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
 - (iii) while that person was acting in that capacity, or 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) 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 the assets of the director, officer or shareholder, state the fact.
- (2) 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 director or executive officer of your company, or a shareholder holding a sufficient number of securities of your company to affect materially the control of your company, has:
- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

- (3) Despite subsection (2), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable investor in making an investment decision.

INSTRUCTION

The disclosure required by subsections (1) and (2) also applies to any personal holding companies of any of the persons referred to in subsections (1) and (2).

10.3 Conflicts of Interest

Disclose particulars of existing or potential material conflicts of interest between your company or a subsidiary of your company and any director or officer of your company or a subsidiary of your company.

Item 11: Promoters

11.1 Promoters

For a person or company that as of the date of your company's AIF is, or has been within the two years immediately preceding the date of the AIF, a promoter of your company or of a subsidiary of your company, state:

- (a) the person or company's name;
- (b) the number and percentage of each class of voting securities and equity securities of your company or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised;
- (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 your company or from a subsidiary of your company, and the nature and amount of any assets, services or other consideration therefor received or to be received by your company or a subsidiary of your company; and
- (d) for an asset acquired within the two years before the date of your company's AIF, or to be acquired, by your company or by a subsidiary of your company 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 your company, the promoter, or an associate or affiliate of your company 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.

Item 12: Legal Proceedings

12.1 Legal Proceedings

Describe any legal proceedings to which your company is a party or of which any of its property is the subject and any such proceedings known to your company to be contemplated, including 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

No information need be given with respect to any proceeding that involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed ten per cent of the current assets of your company and your company's subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the amount involved in the other proceedings must be included in computing the percentage.

Item 13: Interest of Management and Others in Material Transactions

13.1 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 most recently completed financial years that has materially affected or will materially affect your company:

- (a) any director or executive officer of your company;
- (b) a principal shareholder of your company; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

INSTRUCTIONS

- (i) *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 securityholders.*

- (ii) *This Item does not apply to any interest arising from the ownership of securities of your company if the securityholder 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.*
- (iii) *Give a brief description of the material transactions. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to your company.*
- (iv) *For any transaction involving the purchase of assets by or sale of assets to your company or a subsidiary of your company, 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.*
- (v) *No information is required by this Item for 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 your company or your company's subsidiaries.*
- (vi) *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 your company or your company's subsidiaries.*

Item 14: Transfer Agents and Registrars

14.1 Transfer Agent and Registrar

State the name of your company's transfer agent(s) and registrar(s) and the location (by municipalities) of the register(s) of transfers of each class of securities.

Item 15: Material Contracts

15.1 Material Contracts

Give particulars of every contract, other than a contract entered into in the ordinary course of business, that can reasonably be regarded as material to an investor in securities of your company and that was entered into within the two years before the date of the AIF. State a reasonable time and place at which the executed contracts, or copies of them, may be inspected.

INSTRUCTION

- (i) Set out a complete list of all contracts for which particulars must be given under section 15.1, indicating those that are disclosed elsewhere in the AIF. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the AIF.*
- (ii) Particulars of contracts should include the dates of, parties to, consideration provided for in, and general nature of, the contracts.*

Item 16: Interests of Experts

16.1 Names of Experts

Name each person or company:

- (a) who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under Regulation 51-102 by your company during, or relating to, your company's most recently completed financial year; and
- (b) whose profession or business gives authority to the statement, report or valuation made by the person or company.

16.2 Interests of Experts

- (1) Disclose all direct, indirect or beneficial interests in any securities or other property of your company or of one of your associates or affiliates:

- (a) held by an expert named in section 16.1 when that expert prepared the statement, report, or valuation referred to in paragraph 16.1(a);
 - (b) received by an expert named in section 16.1 after the time specified in paragraph 16.2(1)(a); or
 - (c) to be received by an expert named in section 16.1.
- (2) For the purposes of subsection (1), if the person's or company's interest in the securities represents less than one per cent of your outstanding securities of the same class, a general statement to that effect is sufficient.
- (3) If a person or a director, officer or employee of a person or company referred to in subsection (1) is or is expected to be elected, appointed or employed as a director, officer or employee of your company or of any associate or affiliate of your company, disclose the fact or expectation.

INSTRUCTIONS

- (i) *Your company may be required by other securities legislation to obtain the consent of an expert before referring to the expert's opinion, for example National Instrument 43-101 Standards of Disclosure for Mineral Projects and Regulation 51-101 Standards of Disclosure for Oil and Gas Activities.*
- (ii) *Section 16.2 does not apply to:*
 - (a) *auditors of a business acquired by your company provided they have not or will not be appointed as your company's auditor subsequent to the acquisition; and*
 - (b) *your company's predecessor auditors, if any, for periods when they were not your company's auditor.*
- (iii) *Section 16.2 does not apply to direct, indirect or beneficial interests held through mutual funds.*

Item 17: Additional Information

17.1 Additional Information

- (1) Disclose that additional information relating to your company may be found on SEDAR at www.sedar.com.
- (2) Include a statement to the effect that additional information including directors' and officers' remuneration and indebtedness, principal holders of your company's securities, securities authorized for issuance under equity compensation plans and interests of informed persons in material

transactions, if applicable, is contained in your company’s information circular for its most recent annual meeting of securityholders that involved the election of directors and that additional financial information is provided in your company’s financial statements and MD&A for its most recently completed financial year.

Item 18: Additional Disclosure for Companies Not Sending Information Circulars

18.1 Additional Disclosure

For companies that are not required to distribute a Form 51-102F5 to any of their securityholders, disclose the information required under Items 5 - 12 of Form 51-102F5, as modified below:

<u>Form 51-102F5 Reference</u>	<u>Modification</u>
Item 6 - Voting Securities and Principal Holders of Voting Securities	Include the disclosure specified in section 6.1 without regard to the phrase “entitled to be voted at the meeting”. Do not include the disclosure specified in sections 6.3 and 6.4. Include the disclosure specified in section 6.5.
Item 7 – Election of Directors	Disregard the preamble of section 7.1. Include the disclosure specified in section 7.1 without regard to the word “proposed” throughout. Do not include the disclosure specified in section 7.3.
Item 8 – Executive Compensation	Include this disclosure.
Item 9 – Securities Authorized for Issuance under Equity Compensation Plans	Include this disclosure.
Item 10 – Indebtedness of Directors and Executive Officers	Include the disclosure specified throughout; however, replace the phrase “date of the information circular” with “date of the AIF” throughout.
Item 11 – Interests of Informed Persons in Material Transactions	Include this disclosure.
Item 12 – Appointment of Auditor	Name the auditor. If the auditor was first appointed within the last five years, state the date when the auditor was first appointed.

Form 51-102F5 Reference

Modification

Item 13 – Management Contracts

Include this disclosure.

FORM 51-102F2
MANAGEMENT'S DISCUSSION & ANALYSIS
TABLE OF CONTENTS

Part 1 — General Instructions and Interpretation

- (a) What is MD&A?
- (b) What Must You Discuss?
- (c) Use of “Company”
- (d) Explain Your Analysis
- (e) Focus on Material Information
- (f) What is Material?
- (g) Forward-Looking Information
- (h) Development-Stage Issuers
- (i) Reverse Takeover Transactions
- (j) Foreign Accounting Principles
- (k) Resource Issuers
- (l) Numbering and Headings
- (m) Omitting Information
- (n) Defined Terms
- (o) Plain Language

Part 2 – Content of MD&A

Item 1 — Annual MD&A

- 1.1 Date
- 1.2 Analyze your Overall Performance
- 1.3 Summary of Quarterly Results
- 1.4 Results of Operations
- 1.5 Liquidity
- 1.6 Capital Resources
- 1.7 Off-Balance Sheet Arrangements
- 1.8 Transactions with Related Parties
- 1.9 Fourth Quarter
- 1.10 Proposed Transactions
- 1.11 Critical Accounting Estimates
- 1.12 Changes in Accounting Policies including Initial Adoption
- 1.13 Financial Instruments and Other Instruments That May be Settled by the Delivery of Non-Financial Assets
- 1.14 Other MD&A Requirements

Item 2 — Interim MD&A

- 2.1 Date
- 2.2 Interim MD&A
- 2.3 Other MD&A Requirements

MANAGEMENT'S DISCUSSION & ANALYSIS

Part 1 — General Instructions and Interpretation

(a) What is MD&A?

MD&A provides an opportunity to explain to your shareholders and other investors how your company performed during the period covered by the financial statements, along with your company's financial condition and future prospects. MD&A describes your company through the eyes of management.

MD&A should help current and prospective investors to understand what the financial statements show and do not show, important trends and risks that have shaped the past, and trends and risks that are reasonably likely to shape the future.

Your MD&A must discuss material information that may not be fully reflected in the financial statements. Some examples are environmental, social or cultural matters, legal proceedings, contingent liabilities and defaults under debt, off-balance sheet financing arrangements or other contractual obligations.

Your MD&A should be designed:

- to provide a narrative explanation of your company's financial statements that enables investors to see your company through the eyes of management;
- to improve overall financial disclosure and provide the context within which financial statements should be analyzed; and
- to provide information about the quality, and potential variability, of your company's earnings and cash flow, to assist investors in ascertaining the likelihood that past performance is indicative of future performance.

MD&A should complement and supplement your financial statements, but does not form part of your financial statements.

(b) What Must You Discuss?

You must discuss your company's results of operations, financial condition, liquidity and capital resources. The discussion should be balanced, openly reporting bad news as well as good news. In preparing the MD&A, take into account information available up to the date of the MD&A.

Your MD&A should be current such that it will not be misleading when filed.

(c) Use of “Company”

Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(d) Explain Your Analysis

Explain the nature of and reasons for changes in your company’s performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid the use of boilerplate language. Your discussion should assist the reader to understand trends, events, transactions or expenditures.

(e) Focus on Material Information

Focus your MD&A on material information. You do not need to disclose information that is not material. Exercise your judgment when determining whether information is material.

(f) What is Material?

Would a reasonable investor’s decision whether or not to buy, sell or hold securities in your company likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

(g) Forward-Looking Information

You are encouraged to provide forward-looking information provided you have a reasonable basis for making the statements. Preparing your MD&A necessarily involves some degree of prediction or projection. For example, MD&A requires a discussion of known trends or uncertainties that have had or that your company reasonably expects will have favourable or unfavourable effects on net sales or revenues or income or loss from continuing operations. However, MD&A does not require that your company provide a detailed forecast of future revenues, income or loss or other information.

All forward-looking information must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, your material assumptions and appropriate risk disclosure and cautionary language.

You must discuss any forward-looking information disclosed in MD&A for a prior period which in light of intervening events and absent further explanation, may be misleading. Forward looking statements may be considered misleading when they are unreasonably optimistic or aggressive, or lack objectivity, or are not adequately explained. Your timely disclosure obligations might also require you to issue a news release and file a material change report.

(h) Development-Stage Issuers

If your company is a development-stage issuer focus your discussion and analysis of results of operations on expenditures and progress towards achieving your business objectives and milestones. Your company is a development-stage issuer if it is devoting substantially all of its efforts to establishing a new business and its planned principal operations have not commenced.

(i) Reverse Takeover Transactions

When an acquisition is accounted for as a reverse takeover, the MD&A should be based on the reverse takeover acquirer's financial statements for the period.

(j) Foreign Accounting Principles

If your company's primary financial statements have been prepared using accounting principles other than Canadian GAAP and a reconciliation is provided, your MD&A must focus on the primary financial statements.

(k) Resource Issuers

If your company has mineral projects, your disclosure must comply with National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, including ensuring all scientific and technical disclosure is based on a technical report or other information prepared by or under the supervision of a qualified person.

If your company has oil and gas activities, your disclosure must comply with Regulation 51-101 *Standards of Disclosure for Oil and Gas Activities*.

(l) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(m) Omitting Information

You do not need to respond to any item in this Form that is inapplicable and you may omit negative answers.

(n) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of Regulation 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of the local jurisdiction and in Regulation 51-102, refer to section 1.4 of Policy Statement 51-102.

(o) Plain Language

Write the MD&A so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Policy Statement 51-102. If you use technical terms, explain them in a clear and concise manner.

Part 2 – Content of MD&A

Item 1 — Annual MD&A

1.1 Date

Specify the date of your MD&A. The date of the MD&A must be no earlier than the date of the auditor's report on the financial statements for your company's most recently completed financial year.

1.2 Analyze your Overall Performance

Provide an analysis of your company's financial condition, results of operations and cash flows. Compare your company's performance in the most recently completed financial year to the prior year's performance. Analyze and compare at least the following:

- (a) operating segments that are reportable segments as those terms are used in the Handbook or other parts of your business if:
 - (i) any part of the business has a disproportionate effect on revenues, income or cash needs;
 - (ii) there are any legal or other restrictions on the flow of funds from one part of your company's business to another; or
 - (iii) known trends, demands, commitments, events or uncertainties within a part of the business are reasonably likely to have an effect on the business as a whole;
- (b) industry and economic factors affecting your company's performance;
- (c) why changes have occurred or expected changes have not occurred in your company's financial condition and results of operations; and
- (d) the effect of discontinued operations on current operations.

INSTRUCTIONS

- (i) *When explaining changes in your company's financial condition and results, include an analysis of the impact on your continuing operations of any asset acquisition, disposition, write-off, abandonment or other similar transaction.*
- (ii) *Financial condition includes your company's financial position (as shown on the balance sheet) and other factors that may affect your company's liquidity and capital resources.*
- (iii) *Include information for a period longer than two financial years if it will help the reader to better understand a trend.*

1.3 Summary of Quarterly Results

Provide the following information in summary form for each of the eight most recently completed quarters at the end of the most recently completed financial year:

- (a) Net sales and total revenues;
- (b) Income from continuing operations; and
- (c) Net income or loss.

Discuss the factors that have caused variations over the quarters.

INSTRUCTIONS

- (i) *You do not have to provide information for a quarter prior to your company becoming a reporting issuer if your company has not prepared quarterly financial statements for those quarters.*
- (ii) *Present the information in (b) and (c) in total and on a per-share and diluted per-share basis, as required by the Handbook.*

1.4 Results of Operations

Discuss your analysis of your company's operations for the most recently completed financial year including:

- (a) net sales or total revenues by operating business segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold, or the introduction of new products or services;
- (b) any other significant factors that caused changes in net sales or total revenues;

- (c) cost of sales or gross profit;
- (d) for issuers in the development stage or issuers that have significant projects that have not yet generated operating revenue, explain the nature of the project(s) under development, the status of the project(s) under development, expenditures made and how these relate to anticipated timing and costs to complete the project(s) under development;
- (e) for resource issuers with producing mines, identify milestones such as mine expansion plans, productivity improvements, or plans to develop a new deposit;
- (f) factors that caused a change in the relationship between costs and revenues, including changes in costs of labour or materials, price changes or inventory adjustments;
- (g) known trends, commitments, events, risks or uncertainties that you reasonably believe will materially affect your company's future performance including net sales, total revenue and income from continuing operations;
- (h) effect of inflation and specific price changes on your company's net sales and total revenues and on income from continuing operations;
- (i) a comparison in tabular form of disclosure you previously made about how your company was going to use proceeds (other than working capital) from any financing, an explanation of variances and the impact of the variances, if any, on your company's ability to achieve its business objectives and milestones; and
- (j) unusual or infrequent events or transactions.

INSTRUCTIONS

- (i) *For sections 1.2, 1.3 and 1.4, consider identifying, discussing and analyzing the following factors:*
 - (A) *changes in customer buying patterns, including changes due to new technologies and changes in demographics;*
 - (B) *changes in selling practices, including changes due to new distribution arrangements or a reorganization of a direct sales force;*
 - (C) *changes in competition, including an assessment of the issuer's resources, strengths and weaknesses relative to those of its competitors;*

- (D) *the impact of exchange rates;*
 - (E) *changes in pricing of inputs, constraints on supply, order backlog, or other input-related matters;*
 - (F) *changes in production capacity, including changes due to plant closures and work stoppages;*
 - (G) *changes in volume of discounts granted to customers, volumes of returns and allowances, excise and other taxes or other amounts reflected on a net basis against revenues;*
 - (H) *changes in the terms and conditions of service contracts;*
 - (I) *the progress in achieving previously announced milestones; and*
 - (J) *for resource issuers with producing mines, changes in production throughput, head-grade, cut-off grade, metallurgical recovery and any expectation of future changes.*
- (ii) *Your discussion under paragraph 1.4(d) should include:*
- (A) *any decision points reached or expected to be reached;*
 - (B) *any change in strategy or priority in advancing the project(s) under development;*
 - (C) *any factors that have affected the value of the project(s) under development such as change in commodity prices, land use, political or environmental issues; and*
 - (D) *if your company has exploration projects, an analysis of any exploration results and how they have impacted the technical merit of a mineral project, whether positive or negative.*

1.5 Liquidity

Provide an analysis of your company's liquidity including:

- (a) its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain your company's capacity, to meet your company's planned growth or to fund development activities;
- (b) trends or expected fluctuations in your company's liquidity, taking into account demands, commitments, events or uncertainties;
- (c) its working capital requirements;

- (d) liquidity risks associated with financial instruments;
- (e) if your company has or expects to have a working capital deficiency, discuss its ability to meet obligations as they become due and how you expect it to remedy the deficiency;
- (f) balance sheet conditions or income or cash flow items that may affect your company's liquidity;
- (g) legal or practical restrictions on the ability of subsidiaries to transfer funds to your company and the effect these restrictions have had or may have on the ability of your company to meet its obligations; and
- (h) defaults or arrears or anticipated defaults or arrears on:
 - (i) dividend payments, interest or principal payment on debt;
 - (ii) debt covenants during the most recently completed financial year; and
 - (iii) redemption or retraction or sinking fund payments;

and how your company intends to cure the default or arrears.

INSTRUCTIONS

- (i) *In discussing your company's ability to generate sufficient amounts of cash and cash equivalents you should describe sources of funding and the circumstances that could affect those sources that are reasonably likely to occur. Examples of circumstances that could affect liquidity would be market or commodity price changes, economic downturns, defaults on guarantees and contractions of operations.*
- (ii) *In discussing trends or expected fluctuations in your company's liquidity and liquidity risks associated with financial instruments you should discuss:*
 - (A) *provisions in debt, lease or other arrangements that could trigger an additional funding requirement or early payment. Examples of such situations would be provisions linked to credit rating, earnings, cash flows or share price; and*
 - (B) *circumstances that could impair your company's ability to undertake transaction considered essential to operations. Examples of such circumstances would be the inability to maintain investment grade credit rating, earnings per-share, cash flow or share price.*

- (iii) *In discussing your company’s working capital requirements you should discuss situations where your company must maintain significant inventory to meet customers’ delivery requirements or any situations involving extended payment terms.*
- (iv) *In discussing your company’s balance sheet conditions or income or cash flow items you should present a summary, in tabular form, of contractual obligations including payments due for each of the next five years and thereafter. The summary and table do not have to be provided if your company is a venture issuer. An example of a table that can be adapted to your company’s particular circumstances follows:*

<i>Contractual Obligations</i>	<i>Payments Due by Period</i>				
	<i>Total</i>	<i>Less than 1 year</i>	<i>1 - 3 years</i>	<i>4 - 5 years</i>	<i>After 5 years</i>
<i>Long Term Debt</i>					
<i>Capital Lease Obligations</i>					
<i>Operating Leases</i>					
<i>Purchase Obligations</i> ¹					
<i>Other Long Term Obligations</i> ²					
<i>Total Contractual Obligations</i>					

¹ “Purchase Obligation” means an agreement to purchase goods or services that is enforceable and legally binding on your company that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

² “Other Long Term Obligations” means other long-term liabilities reflected on your company’s balance sheet.

The tabular presentation may be accompanied by footnotes to describe provisions that create, increase or accelerate obligations, or other details to the extent necessary for an understanding of the timing and amount of your company’s specified contractual obligations.

1.6 Capital Resources

Provide an analysis of your company's capital resources including:

- (a) commitments for capital expenditures as of the date of your company's financial statements including:
 - (i) the amount, nature and purpose of these commitments;
 - (ii) the expected source of funds to meet these commitments;
 - (iii) expenditures not yet committed but required to maintain your company's capacity, to meet your company's planned growth or to fund development activities;
- (b) known trends or expected fluctuations in your company's capital resources, including expected changes in the mix and relative cost of these resources; and
- (c) sources of financing that your company has arranged but not yet used.

INSTRUCTIONS

- (i) *Capital resources are financing resources available to your company and include debt, equity and any other financing arrangements that you reasonably consider will provide financial resources to your company.*
- (ii) *In discussing your company's commitments you should discuss any exploration and development, or research and development expenditures required to maintain properties or agreements in good standing.*

1.7 Off-Balance Sheet Arrangements

Discuss any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial condition, results of operations, liquidity or capital resources of your company.

In your discussion of off-balance sheet arrangements you should discuss their business purpose and activities, their economic substance, risks associated with the arrangements, and the key terms and conditions associated with any commitments. Your discussion should include:

- (A) a description of the other contracting party(ies);

- (B) the effects of terminating the arrangement;
- (C) the amounts receivable or payable, revenues, expenses and cash flows resulting from the arrangement;
- (D) the nature and amounts of any other obligations or liabilities arising from the arrangement that could require your company to provide funding under the arrangement and the triggering events or circumstances that could cause them to arise; and
- (E) any known event, commitment, trend or uncertainty that may effect the availability or benefits of the arrangement (including any termination) and the course of action that management has taken, or proposes to take, in response to any such circumstances.

INSTRUCTIONS

- (i) *Contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.*
- (ii) *Disclosure of off-balance sheet arrangements should cover the most recently completed financial year. However, the discussion should address changes from the previous year where such discussion is necessary to understand the disclosure.*
- (iii) *The discussion need not repeat information provided in the notes to the financial statements. However, the discussion should clearly cross-reference to specific information in the relevant notes and integrate the substance of the notes into the discussion in a manner that details the significance of the information not included.*

1.8 Transactions with Related Parties

Discuss all transactions involving related parties as defined by the Handbook.

INSTRUCTION

In discussing your company's transactions with related parties, your discussion should include both qualitative and quantitative characteristics that are necessary for an understanding of the transactions' business purpose and economic substance. You should discuss:

- (A) *the relationship and identify the related person or entities;*
- (B) *the business purpose of the arrangement;*

- (C) *the recorded amount of the transaction and the measurement basis used; and*
- (D) *any ongoing contractual or other commitments resulting from the arrangement.*

1.9 Fourth Quarter

Discuss and analyze fourth quarter events or items that affected your company's financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments, seasonal aspects of your company's business and dispositions of business segments.

1.10 Proposed Transactions

Discuss the expected impact on financial condition, results of operations and cash flows of any proposed asset or business acquisition or disposition if your company's board of directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with the transaction. Include the status of any required shareholder or regulatory approvals.

INSTRUCTION

You do not have to disclose this information if, under section 7.1 of Regulation 51-102, your company has filed a Form 51-102F3 Material Change Report regarding the transaction on a confidential basis and the report remains confidential.

1.11 Critical Accounting Estimates

If your company is not a venture issuer, provide an analysis of your company's critical accounting estimates. Your analysis should:

- (a) identify and describe each critical accounting estimate used by your company including:
 - (i) a description of the accounting estimate;
 - (ii) the methodology used in determining the critical accounting estimate;
 - (iii) the assumptions underlying the accounting estimate that relate to matters highly uncertain at the time the estimate was made;
 - (iv) any known trends, commitments, events or uncertainties that you reasonably believe will materially

affect the methodology or the assumptions described;
and

- (v) if applicable, why the accounting estimate is reasonably likely to change from period to period and have a material impact on the financial presentation;
- (b) explain the significance of the accounting estimate to your company's financial condition, changes in financial condition and results of operations and identify the financial statement line items affected by the accounting estimate;
- (c) quantify the changes in overall financial performance and financial statement line items if you assume that the accounting estimate was to change by using either:
 - (i) reasonably likely changes in the material assumptions;
or
 - (ii) the upper and lower ends of the range of estimates from which the recorded estimate was selected;
- (d) discuss changes made to critical accounting estimates during the past two financial years including the reasons for the change and the quantitative effect on your company's overall financial performance and financial statement line items; and
- (e) identify the segments of your company's business the accounting estimate affects and discuss the accounting estimate on a segment basis, if your company operates in more than one segment.

INSTRUCTION

An accounting estimate would be a critical accounting estimate only if:

- (A) it requires your company to make assumptions about matters that are highly uncertain at the time the accounting estimate is made; and*
- (B) different estimates that your company could have used in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on your company's financial condition, changes in financial condition or results of operations.*

1.12 Changes in Accounting Policies including Initial Adoption

Discuss and analyze any changes in your company's accounting policies including:

- (a) for any accounting policies that you expect to adopt subsequent to the date of your company's financial statement, including changes you expect to make voluntarily and those due to a change in an accounting standard or a new accounting standard that you do not have to adopt until a future date, you should:
 - (i) describe the new standard, the date you are required to adopt it and, if determined, the date you plan to adopt it;
 - (ii) disclose the methods of adoption permitted by the accounting standard and the method you expect to use;
 - (iii) discuss the expected impact on the financial statements, or if applicable, a statement that you cannot reasonably estimate the impact;
 - (iv) discuss the potential impact on your business, for example technical violations or default of debt covenants or changes in business practices; and

- (b) for any accounting policies that you have initially adopted during the most recently completed financial year, you should:
 - (i) describe the events or transactions that gave rise to the initial adoption of an accounting policy;
 - (ii) describe the accounting principle that has been adopted and the method of applying that principle;
 - (iii) discuss the impact resulting from the initial adoption of the accounting policy on your company's financial condition, changes in financial condition and results of operations;
 - (iv) if your company is permitted a choice among acceptable accounting principles:
 - (A) explain that you had made a choice among acceptable alternatives;
 - (B) identify the alternatives;
 - (C) describe why you made the choice that you did; and
 - (D) discuss the impact, where material, on your company's financial condition, changes in financial condition and results of operations under the alternatives not chosen; and

- (v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to your initial adoption of the accounting policy, explain your decision regarding which accounting principle to use and the method of applying that principle.

INSTRUCTION

You do not have to present the discussion under paragraph (b) for the initial adoption of accounting policies resulting from the adoption of new accounting standards.

1.13 Financial Instruments and Other Instruments

For financial instruments and other instruments:

- (a) discuss the nature and extent of your company's use of, including relationships among, the instruments and the business purposes that they serve;
- (b) describe and analyze the risks associated with the instruments;
- (c) describe how you manage the risks in (b), including a discussion of the objectives, general strategies and instruments used to manage the risks, including any hedging activities;
- (d) disclose the financial statement classification and amounts of income, expenses, gains and losses associated with the instrument; and
- (e) discuss the significant assumptions made in determining the fair value of financial instruments, the total amount and financial statement classification of the change in fair value of financial instruments recognized in income for the period, and the total amount and financial statement classification of deferred or unrecognized gains and losses on financial instruments.

INSTRUCTIONS

- (i) *“Other instruments” are instruments that may be settled by the delivery of non-financial assets. A commodity futures contract is an example of an instrument that may be settled by delivery of non-financial assets.*
- (ii) *Your discussion under paragraph (a) should enhance a reader's understanding of the significance of recognized and unrecognized instruments on your company's financial position, results of operations and cash flows. The information should also assist a reader in assessing the amounts, timing, and certainty of future cash*

flows associated with those instruments. Also discuss the relationship between liability and equity components of convertible debt instruments.

- (iii) For purposes of paragraph (c), if your company is exposed to significant price, credit or liquidity risks, consider providing a sensitivity analysis or tabular information to help readers assess the degree of exposure. For example, an analysis of the effect of a hypothetical change in the prevailing level of interest or currency rates on the fair value of financial instruments and future earnings and cash flows may be useful in describing your company's exposure to price risk.*
- (iv) For purposes of paragraph (d), disclose and explain the income, expenses, gains and losses from hedging activities separately from other activities.*

1.14 Other MD&A Requirements

Your MD&A must also provide the information required in the following sections of Regulation 51-102:

- (a) Section 6.3 – Additional Disclosure for Venture Issuers without Significant Revenue;
- (b) Section 6.4 – Disclosure of Outstanding Share Data; and
- (c) Section 10.1 – Content and Dissemination of Disclosure Documentation.

Item 2 — Interim MD&A

2.1 Date

Specify the date of your interim MD&A.

2.2 Interim MD&A

Interim MD&A must update your company's annual MD&A for all disclosure required by Item 1. This disclosure must include:

- (a) a discussion of your analysis of:
 - (i) current quarter and year-to-date results including a comparison of results of operations and cash flows to the corresponding periods in the previous year;
 - (ii) changes in results of operations and elements of income or loss that are not related to ongoing business operations;

- (iii) any seasonal aspects of your company's business that affect its financial condition, results of operations or cash flows; and
- (b) a comparison of your company's interim financial condition to your company's financial condition as at the most recently completed financial year-end.

INSTRUCTION

- (i) *For the purposes of paragraph (b), you may assume the reader has access to your annual MD&A. You do not have to duplicate the discussion and analysis of financial condition in your annual MD&A. For example, if economic and industry factors are substantially unchanged you may make a statement to this effect.*
- (ii) *For the purposes of subparagraph (a)(i), you should generally give prominence to the current quarter.*
- (iii) *In discussing your company's balance sheet conditions or income or cash flow items for an interim period, you do not have to present a summary, in tabular form, of all known contractual obligations as contemplated under section 1.5. Instead, you should disclose material changes in the specified contractual obligations during the interim period that are outside the ordinary course of your company's business.*
- (iv) *Interim MD&A prepared in accordance with Item 2 is not required for your company's fourth quarter as relevant fourth quarter content should be contained in your company's annual MD&A prepared in accordance with Item 1 (e.g. see section 1.9).*

2.3 Other MD&A Requirements

Your MD&A must also provide the information required in *Regulation 51-102*, section 6.5 – Disclosure of Auditor Review.

FORM 51-102F3

MATERIAL CHANGE REPORT

Part 1 – General Instructions and Interpretation

(a) Confidentiality

If this Report is filed on a confidential basis, state in block capitals “CONFIDENTIAL” at the beginning of the Report.

(b) Use of “Company”

Wherever this Form uses the word “company” the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Numbering and Headings

The numbering, headings and ordering of the items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(d) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of Regulation 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in Regulation 51-102, refer to section 1.4 of Policy Statement 51-102.

(e) Plain Language

Write the Report so that readers are able to understand it. Consider both the level of detail provided and the language used in the document. Refer to the plain language principles listed in section 1.5 of Policy Statement 51-102. If you use technical terms, explain them in a clear and concise manner.

Part 2 – Content of Material Change Report

Item 1: Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

Item 2: Date of Material Change

State the date of the material change.

Item 3: News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of Regulation 51-102.

Item 4: Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

Item 5: Full Description of Material Change

Supplement the summary required under Item 4 with sufficient disclosure to enable a reader to appreciate the significance and impact of the material change without having to refer to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

Some examples of significant facts relating to the material change include: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the issuer or its subsidiaries. Specific financial forecasts would not normally be required.

Other additional disclosure may be appropriate depending on the particular situation.

INSTRUCTIONS

If your company is engaged in oil and gas activities or in extracting hydrocarbons from shale, tar sands or coal, the disclosure under Item 5 must also satisfy the requirements of Part 6 of Regulation 51-101 Standards of Disclosure for Oil and Gas Activities.

Item 6: Reliance on subsection 7.1(3) of Regulation 51-102

If this Report is being filed on a confidential basis in reliance on subsection 7.1(3) of Regulation 51-102, state the reasons for such reliance.

INSTRUCTION

Refer to subsections 7.1(5) and (6) of Regulation 51-102 concerning continuing obligations in respect of reports filed pursuant to subsection 7.1(3) of Regulation 51-102.

Item 7: Omitted Information

State whether any information has been omitted on the basis that it is confidential information.

In a separate letter to the applicable regulator or securities regulatory authority marked “Confidential” provide the reasons for your company’s omission of confidential significant facts in the Report in sufficient detail to permit the applicable regulator or

securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.

INSTRUCTIONS

In certain circumstances where a material change has occurred and a Report has been or is about to be filed but subsection 7.1(3) or 7.1(5) of Regulation 51-102 is not or will no longer be relied upon, your company may nevertheless believe one or more significant facts otherwise required to be disclosed in the Report should remain confidential and not be disclosed or not be disclosed in full detail in the Report.

Item 8: Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Item 9: Date of Report

Date the Report.

FORM 51-102F4

BUSINESS ACQUISITION REPORT

Part 1 – General Instructions and Interpretation

(a) What is a Business Acquisition Report?

Your company must file a Business Acquisition Report after completing a significant acquisition. See Part 8 of Regulation 51-102. The Business Acquisition Report describes the significant businesses acquired by your company and the effect of the acquisition on your company.

(b) Use of “Company”

Wherever this Form uses the word “company”, the term includes other types of business organizations including partnerships, trusts and other unincorporated business entities.

(c) Focus on Relevant Information

When providing the disclosure required by this Form, focus your discussion on information that is relevant to an investor, analyst or other reader.

(d) Incorporating Material By Reference

Attach the financial statements required by Item 3 of this Form. You may incorporate information required by this Form by reference to another document other than a news release or material change report filed in respect of the significant acquisition. Clearly identify the referenced document, or any excerpt of it, that you incorporate into this Report. Unless the referenced document or excerpt has already been filed, you must file it with this Report.

(e) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of Regulation 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in Regulation 51-102, refer to section 1.4 of Policy Statement 51-102.

(f) Plain Language

Write this Report so that readers are able to understand it. Consider both the level of detail provided and the language used in the document. Refer to the plain language principles listed in section 1.5 of Policy Statement 51-102. If you use technical terms, explain them in a clear and concise manner.

(g) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

Part 2 – Content of Business Acquisition Report

Item 1: Identity of Company

1.1 Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

1.2 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the significant acquisition and the Report, or the name of an officer through whom such executive officer may be contacted.

Item 2: Details of Acquisition

2.1 Nature of Business Acquired

Describe the nature of the business acquired.

2.2 Date of Acquisition

State the date of acquisition used for accounting purposes. For accounting purposes, the date of acquisition is one of the following two dates, whichever is applicable:

- (a) the date the net assets or equity interests are received, and the consideration given; or
- (b) the date of the written agreement that provides that control of the acquired enterprise transferred to the acquirer, subject only to those conditions required to protect the interests of the parties involved, or the date specified in the written agreement that such control is to be transferred.

2.3 Consideration

Disclose the type and amount of consideration, both monetary and non-monetary, paid or payable by your company in connection with the significant acquisition, including contingent consideration. Identify the source of funds

used by your company for the acquisition, including a description of any financing associated with the acquisition.

2.4 Effect on Financial Position

Describe any plans or proposals for material changes in your business affairs or the affairs of acquired business which may have a significant effect on the results of operations and financial position of your company. Examples would include any proposal to liquidate the business, to sell, lease or exchange all or a substantial part of its assets, to amalgamate the business with any other business organization or to make any material changes to your business or the business acquired such as changes in corporate structure, management or personnel.

2.5 Prior Valuations

Describe in sufficient detail any valuation opinion obtained by the acquired business or your company within the last 12 months required under securities legislation or a requirement of a Canadian exchange or market to support the consideration paid by your company or any of its subsidiaries for the business, including the name of the author, the date of the opinion, the business to which the opinion relates, the value attributed to the business and the valuation methodologies used.

2.6 Parties to Transaction

State whether the transaction is with an informed person, associate or affiliate of your company and, if so, the identity and the relationship of the other parties to your company.

2.7 Date of Report

Date the Report.

Item 3: Financial Statements

Include the financial statements or other information required by Part 8 of Regulation 51-102.

FORM 51-102F5

INFORMATION CIRCULAR

Table of Contents

Part 1 — General Instructions and Interpretation

- (a) Timing of Information
- (b) Use of “Company”
- (c) Incorporating Information by Reference
- (d) Defined Terms
- (e) Plain Language
- (f) Numbering and Headings
- (g) Tables and Figures
- (h) Omitting Information

Part 2 — Content

- Item 1 — Date
- Item 2 — Revocability of Proxy
- Item 3 — Persons Making the Solicitation
- Item 4 — Proxy Instructions
- Item 5 — Interest of Certain Persons or Companies in Matters to be Acted Upon
- Item 6 — Voting Securities and Principal Holders of Voting Securities
- Item 7 — Election of Directors
- Item 8 — Executive Compensation
- Item 9 — Securities Authorized for Issuance Under Equity Compensation Plans
- Item 10 — Indebtedness of Directors and Executive Officers
- Item 11 — Interest of Informed Persons in Material Transactions
- Item 12 — Appointment of Auditor
- Item 13 — Management Contracts
- Item 14 — Particulars of Matters to be Acted Upon
- Item 15 — Restricted Shares
- Item 16 — Additional Information

FORM 51-102F5
INFORMATION CIRCULAR

Part 1 — General Instructions and Interpretation

(a) Timing of Information

The information required by this Form 51-102F5 must be given as of a specified date not more than thirty days prior to the date you first send the information circular to any securityholder of the issuer.

(b) Use of “Company”

Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Incorporating Information by Reference

You may omit information that was contained in another information circular, notice of meeting or form of proxy sent to the same persons or companies whose proxies were solicited in connection with the same meeting, as long as you clearly identify the particular document containing the information.

In addition, you may incorporate information in the information circular by reference to another document filed by the issuer. Clearly identify the referenced document or any excerpt of it that you incorporate into the information circular. You must also disclose that the document is on SEDAR at www.sedar.com and that, upon request, you will promptly, and in any event prior to the meeting for which proxies are being solicited, provide a copy of any such document free of charge to a securityholder of the issuer.

(d) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of Regulation 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of the local jurisdiction and in Regulation 51-102, refer to section 1.4 of Policy Statement 51-102.

(e) Plain Language

Write this document so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Policy Statement 51-102. If you use technical terms, explain them in a clear and concise manner.

(f) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(g) Tables and Figures

Where practicable and appropriate, present information in tabular form. State all amounts in figures.

(h) Omitting Information

You do not need to respond to any item in this Form that is inapplicable and you may omit negative answers. You may also omit information that is not known to the person or company on whose behalf the solicitation is made and that is not reasonably within the power of the person or company to obtain if you briefly state the circumstances that render the information unavailable.

Part 2 — Content

Item 1— Date

Specify the date of the Form.

Item 2 — Revocability of Proxy

State whether the person or company giving the proxy has the power to revoke it. If any right of revocation is limited or is subject to compliance with any formal procedure, briefly describe the limitation or procedure.

Item 3 — Persons Making the Solicitation

3.1 If solicitation is made by or on behalf of the management of the issuer, state this. Name any director of the issuer who has informed the management in writing that he or she intends to oppose any action intended to be taken by the management and indicate the action that he or she intends to oppose.

3.2 If a solicitation is made other than by or on behalf of the management of the issuer, state this and give the name of the person or company by whom, or on whose behalf, it is made.

3.3 If the solicitation is to be made other than by mail, describe the method to be employed. If the solicitation is to be made by specially engaged employees or soliciting agents, state,

(a) the parties to and material features of any contract or arrangement for the solicitation, and

(b) the cost or anticipated cost thereof.

3.4 State who has borne or will bear, directly or indirectly, the cost of soliciting.

Item 4 — Proxy Instructions

4.1 The information circular or the form of proxy to which the information circular relates must indicate in bold-face type that the securityholder has the right to appoint a person or company to represent the securityholder at the meeting other than the person or company, if any, designated in the form of proxy and must contain instructions as to the manner in which the securityholder may exercise the right.

4.2 The information circular or the form of proxy to which the information circular relates must state that the securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for and that, if the securityholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.

Item 5 — Interest of Certain Persons or Companies in Matters to be Acted Upon

Briefly describe any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons or companies in any matter to be acted upon other than the election of directors or the appointment of auditors:

- (a) if the solicitation is made by or on behalf of the management of the issuer, each person who has been a director or executive officer of the issuer at any time since the beginning of the issuer's last financial year;
- (b) if the solicitation is made other than by or on behalf of the management of the issuer, each person or company by whom, or on whose behalf, directly or indirectly, the solicitation is made;
- (c) each proposed nominee for election as a director of the issuer; and
- (d) each associate or affiliate of any of the persons or companies listed in (a) – (c).

INSTRUCTIONS

(i) *The following persons and companies are deemed to be persons or companies by whom or on whose behalf the solicitation is made (collectively, “solicitors” or individually a “solicitor”):*

(A) *any member of a committee or group that solicits proxies, and any person or company whether or not named as a member who, acting alone or with one or more other persons or*

companies, directly or indirectly takes the initiative or engages in organizing, directing or financing any such committee or group;

(B) any person or company who contributes, or joins with another to contribute, more than \$250 to finance the solicitation of proxies; or

(C) any person or company who lends money, provides credit, or enters into any other arrangements, under any contract or understanding with a solicitor, for the purpose of financing or otherwise inducing the purchase, sale, holding or voting of securities of the issuer provided that this clause does not include a bank or other lending institution or a dealer that, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities.

(ii) Subject to (i), the following persons and companies are deemed not to be solicitors:

(A) any person or company retained or employed by a solicitor to solicit proxies or any person or company who merely transmits proxy-soliciting material or performs ministerial or clerical duties;

(B) any person or company employed or retained by a solicitor in the capacity of lawyer, accountant, or advertising, public relations, investor relations or financial advisor and whose activities are limited to the performance of their duties in the course of the employment or retainer;

(C) any person regularly employed as an officer or employee of the issuer or any of its affiliates; or

(D) any officer or director of or any person regularly employed by any solicitor.

Item 6 — Voting Securities and Principal Holders of Voting Securities

6.1 For each class of voting securities of the issuer entitled to be voted at the meeting, state the number of securities outstanding and the particulars of voting rights for each class.

6.2 For each class of restricted shares, provide the information required in subsection 10.1(1) of Regulation 51-102.

6.3 Give the record date as of which the securityholders entitled to vote at the meeting will be determined or particulars as to the closing of the security transfer register, as the case may be, and, if the right to vote is not limited to securityholders of record as of specified record date,

indicate the conditions under which securityholders are entitled to vote.

- 6.4** If action is to be taken with respect to the election of directors and if the securityholders or any class of securityholders have the right to elect a specified number of directors or have cumulative or similar voting rights, include a statement of such rights and state briefly the conditions precedent, if any, to the exercise thereof.
- 6.5** If, to the knowledge of the issuer's directors or executive officers, any person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10 per cent or more of the voting rights attached to any class of voting securities of the issuer, name each person or company and state:
- (a) the approximate number of securities beneficially owned, directly or indirectly, or controlled or directed by each such person or company, and
 - (b) the percentage of the class of outstanding voting securities of the issuer represented by the number of voting securities so owned, controlled or directed.

Item 7 — Election of Directors

- 7.1** If directors are to be elected, provide the following information, in tabular form to the extent practicable, for each person proposed to be nominated for election as a director and each other person whose term of office as a director will continue after the meeting.
- (a) State the name and province of residence of each director and proposed director.
 - (b) State the period or periods during which each director has served as a director and when the term of office for each director and proposed director will expire.
 - (c) Identify the members of each committee of the board.
 - (d) State the present principal occupation, business or employment of each director and proposed director. Give the name and principal business of any company in which any such employment is carried on. Furnish similar information as to all of the principal occupations, businesses or employments of each proposed director within the five preceding years, unless the proposed director is now a director and was elected to the present term of office by a vote of securityholders at a meeting, the notice of which was accompanied by an information circular.

- (e) Where a director or proposed director has held more than one position in the issuer, or a parent or subsidiary, state only the first and last position held.
- (f) State the number of securities of each class of voting securities of the issuer or any of its subsidiaries beneficially owned, directly or indirectly, or controlled or directed by each proposed director.
- (g) If securities carrying 10 per cent or more of the voting rights attached to all voting securities of the issuer or of any of its subsidiaries are beneficially owned, directly or indirectly, or controlled or directed by any proposed director and the proposed director's associates or affiliates:
 - (i) state the number of securities of each class of voting securities beneficially owned, directly or indirectly, or controlled or directed by the associates or affiliates; and
 - (ii) name each associate or affiliate whose security holdings are 10 per cent or more.

7.2 If a proposed director is, or within the 10 years before the date of the Form:

- (a) has been a director or executive officer of any company that:
 - (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant 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;
 - (ii) while that person was acting in that capacity, was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant 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
 - (iii) while that person was acting in that capacity, or 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) 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 the assets of the proposed director, state the fact.

- 7.3** If any proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the issuer acting solely in such capacity, name the other person or company and describe briefly the arrangement or understanding.

Item 8 — Executive Compensation

Include in this information circular a completed Form 51-102F6 *Statement of Executive Compensation*.

Item 9 — Securities Authorized for Issuance Under Equity Compensation Plans

- 9.1** In the tabular form under the caption set out, provide the information specified in section 9.2 as of the end of the issuer's most recently completed financial year with respect to compensation plans (including individual compensation arrangements) under which equity securities of the issuer are authorized for issuance, aggregated as follows:

- (a) all compensation plans previously approved by securityholders; and
- (b) all compensation plans not previously approved by securityholders.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders			
Equity compensation plans not approved by securityholders			
Total			

9.2 Include in the table the following information as of the end of the issuer's most recently completed financial year for each category of equity compensation plan described in section 9.1:

- (a) The number of securities to be issued upon the exercise of outstanding options, warrants and rights (column (a));
- (b) The weighted-average exercise price of the outstanding options, warrants and rights disclosed under subsection 9.2(a) (column (b)); and
- (c) Other than securities to be issued upon the exercise of the outstanding options, warrants and rights disclosed in subsection 9.2(a), the number of securities remaining available for future issuance under the plan (column (c)).

9.3 For each compensation plan under which equity securities of the issuer are authorized for issuance and that was adopted without the approval of securityholders, describe briefly, in narrative form, the material features of the plan.

INSTRUCTIONS

- (i) *Provide disclosure with respect to any compensation plan and individual compensation arrangement of the issuer (or parent, subsidiary or affiliate of your company) under which equity securities of the issuer are authorized for issuance to employees or non-employees (such as directors, consultants, advisors, vendors, customers, suppliers or lenders) in exchange for consideration in the form of goods or services as described in section 3870 “Stock-based Compensation and Other Stock-based Payments” of the Handbook. No disclosure is required regarding any plan, contract or arrangement for the issuance of warrants or rights to all securityholders of the issuer on a pro rata basis (such as a rights offering).*
- (ii) *If more than one class of equity security is issued under the issuer’s compensation plans, aggregate plan information for each class of security.*
- (iii) *You may aggregate information regarding individual compensation arrangements with the plan information required under subsections 9.1(a) and (b), as applicable.*
- (iv) *You may aggregate information regarding a compensation plan assumed in connection with a merger, consolidation or other acquisition transaction pursuant to which the issuer may make subsequent grants or awards of its equity securities with the plan information required under subsections 9.1(a) and (b), as applicable. Disclose on an aggregated basis in a footnote to the table the information required under subsections 9.2(a) and (b) with respect to any individual options, warrants or rights assumed in connection with a merger, consolidation or other acquisition transaction.*
- (v) *To the extent that the number of securities remaining available for future issuance disclosed in column (c) includes securities available for future issuance under any compensation plan or individual compensation arrangement other than upon the exercise of an option, warrant or right, disclose the number of securities and type of plan separately for each such plan in a footnote to the table.*
- (vi) *If the description of an equity compensation plan set forth in the issuer’s financial statements contains the disclosure required by section 9.3, a cross-reference to the description satisfies the requirements of section 9.3.*
- (vii) *If an equity compensation plan contains a formula for calculating the number of securities available for issuance under the plan, including, without limitation, a formula that automatically increases the number*

of securities available for issuance by a percentage of the number of outstanding securities of the issuer, describe this formula in a footnote to the table.

Item 10 — Indebtedness of Directors and Executive Officers

10.1 Aggregate Indebtedness

AGGREGATE INDEBTEDNESS (\$)		
Purpose	To the Issuer or its Subsidiaries	To Another Entity
(a)	(b)	(c)
Share purchases		
Other		

- (1) Complete the above table for the aggregate indebtedness outstanding as at a date within thirty days before the date of the information circular entered into in connection with:
 - (a) a purchase of securities; and
 - (b) all other indebtedness.
- (2) Report separately the indebtedness to:
 - (a) the issuer or any of its subsidiaries (column (b)); and
 - (b) another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the issuer or any of its subsidiaries (column (c)),

of all officers, directors, employees and former officers, directors and employees of the issuer or any of its subsidiaries.
- (3) “Support agreement” includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

10.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS						
Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During [Most Recently Completed Financial Year] (\$)	Amount Outstanding as at [the date of the Form] (\$)	Financially Assisted Securities Purchases During [Most Recently Completed Financial Year] (#)	Security for Indebtedness	Amount Forgiven During [Most Recently Completed Financial Year] (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Securities Purchase Programs						
Other Programs						

- (1) Complete the above table for each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the issuer, each proposed nominee for election as a director of the issuer, and each associate of any such director, executive officer or proposed nominee,
- (a) who is, or at any time since the beginning of the most recently completed financial year of the issuer has been, indebted to the issuer or any of its subsidiaries, or
 - (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar

arrangement or understanding provided by the issuer or any of its subsidiaries,

and separately disclose the indebtedness for security purchase programs and all other programs.

(2) Note the following:

Column (a) – disclose the name and principal position of the borrower. If the borrower was, during the year, but no longer is a director or executive officer, state that fact. If the borrower is a proposed nominee for election as a director, state that fact. If the borrower is included as an associate, describe briefly the relationship of the borrower to an individual who is or, during the year, was a director or executive officer or who is a proposed nominee for election as a director, name that individual and provide the information required by this subparagraph for that individual.

Column (b) – disclose whether the issuer or a subsidiary of the issuer is the lender or the provider of a guarantee, support agreement, letter of credit or similar arrangement or understanding.

Column (c) – disclose the largest aggregate amount of the indebtedness outstanding at any time during the last completed financial year.

Column (d) – disclose the aggregate amount of indebtedness outstanding as at a date within thirty days before the date of the information circular.

Column (e) – disclose separately for each class or series of securities, the sum of the number of securities purchased during the last completed financial year with the financial assistance (security purchase programs only).

Column (f) – disclose the security for the indebtedness, if any, provided to the issuer, any of its subsidiaries or the other entity (security purchase programs only).

Column (g) – disclose the total amount of indebtedness that was forgiven at any time during the last completed financial year.

(3) Supplement the above table with a summary discussion of:

(a) the material terms of each incidence of indebtedness and, if applicable, of each guarantee, support agreement, letter of credit or other similar arrangement or understanding, including:

- (i) the nature of the transaction in which the indebtedness was incurred;
 - (ii) the rate of interest;
 - (iii) the term to maturity;
 - (iv) any understanding, agreement or intention to limit recourse; and
 - (v) any security for the indebtedness;
- (b) any material adjustment or amendment made during the most recently completed financial year to the terms of the indebtedness and, if applicable, the guarantee, support agreement, letter of credit or similar arrangement or understanding. Forgiveness of indebtedness reported in column (g) of the above table should be explained; and
- (c) the class or series of the securities purchased with financial assistance or held as security for the indebtedness and, if the class or series of securities is not publicly traded, all material terms of the securities, including the provisions for exchange, conversion, exercise, redemption, retraction and dividends.

10.3 No disclosure need be made under this Item of indebtedness that has been entirely repaid on or before the date of the information circular or of routine indebtedness.

“Routine indebtedness” means indebtedness described in any of the following clauses:

- (i) If an issuer makes loans to employees generally:
 - (A) loans made on terms no more favourable than the terms on which loans are made by the issuer to employees generally, and
 - (B) the amount at any time during the last completed financial year remaining unpaid under the loans to any one director, executive officer or proposed nominee together with his or her associates does not exceed \$25,000.
- (ii) Loans to a director or executive officer who is a full-time employee of the issuer:
 - (A) that are fully secured against the residence of the borrower, and

- (B) the amount of which in total does not exceed the annual salary of the borrower.
- (iii) If the issuer makes loans in the ordinary course of business, a loan made to a person or company other than a full-time employee of the issuer:
 - (A) on substantially the same terms, including those as to interest rate and security, as are available when a loan is made to other customers of the issuer with comparable credit; and
 - (B) with no more than usual risks of collectibility.
- (iv) Loans arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, or for similar reasons, if the repayment arrangements are in accord with usual commercial practice.

Item 11 — Interest of Informed Persons in Material Transactions

Describe briefly and, where practicable, state the approximate amount of any material interest, direct or indirect, of any informed person of the issuer, any proposed director of the issuer, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the issuer's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the issuer or any of its subsidiaries.

INSTRUCTIONS:

- (i) *Briefly describe the material transaction. State the name and address of each person or company whose interest in any transaction is described and the nature of the relationship giving rise to the interest.*
- (ii) *For any transaction involving the purchase or sale of assets by or to the issuer or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost of the assets to the seller, if acquired by the seller within two years prior to the transaction.*
- (iii) *This Item does not apply to any interest arising from the ownership of securities of the issuer where the securityholder receives no extra or special benefit or advantage not shared on a proportionate basis by all holders of the same class of securities or by all holders of the same class of securities who are resident in Canada.*
- (iv) *Include information as to any material underwriting discounts or commissions upon the sale of securities by the issuer where any of the specified persons or companies was or is to be an underwriter in a*

contractual relationship with the issuer with respect to securities or is an associate or affiliate of a person or company that was or is to be such an underwriter.

- (v) *No information need be given in answer to this Item for any transaction or any interest in that transaction where,*
 - (A) *the rates or charges involved in the transaction are fixed by law or determined by competitive bids;*
 - (B) *the interest of the specified person in the transaction is solely that of director of another company that is a party to the transaction;*
 - (C) *the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust indenture or other similar services; or*
 - (D) *the transaction does not directly or indirectly, involve remuneration for services, and*
 - (1) *the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company that is a party to the transaction,*
 - (2) *the transaction is in the ordinary course of business of the issuer or its subsidiaries, and*
 - (3) *the amount of the transaction or series of transactions is less than 10 per cent of the total sales or purchases, as the case may be, of the issuer and its subsidiaries for the most recently completed financial year.*
- (vi) *Provide information for transactions not excluded above which involve remuneration, directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person arises solely from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company furnishing the services to the issuer or its subsidiaries.*

Item 12 — Appointment of Auditor

Name the auditor of the issuer. If the auditor was first appointed within the last five years, state the date when the auditor was first appointed.

If action is to be taken to replace an auditor, provide the information required under section 4.11 of Regulation 51-102.

Item 13 — Management Contracts

If management functions of the issuer or of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the issuer or subsidiary:

- (a) give details of the agreement or arrangement under which the management functions are performed, including the name and address of any person or company who is a party to the agreement or arrangement or who is responsible for performing the management functions;
- (b) give the names and provinces of residence of the informed persons of any person or company with which the issuer or subsidiary has any such agreement or arrangement and, if the following information is known to the directors or executive officers of the issuer, give the names and provinces of residence of any person or company that would be an informed person of any person or company with which the issuer or subsidiary has any such agreement or arrangement if the person were an issuer;
- (c) for any person or company named under paragraph (a) state the amounts paid or payable by the issuer and its subsidiaries to the person or company since the commencement of the most recently completed financial year and give particulars; and
- (d) for any person or company named under paragraph (a) or (b) and their associates or affiliates, give particulars of,
 - (i) any indebtedness of the person, company, associate or affiliate to the issuer or its subsidiaries that was outstanding, and
 - (ii) any transaction or arrangement of the person, company, associate or affiliate with the issuer or subsidiary,

at any time since the start of the issuer's most recently completed financial year.

INSTRUCTIONS:

- (i) *Do not refer to any matter that is relatively insignificant.*
- (ii) *In giving particulars of indebtedness, state the largest aggregate amount of indebtedness outstanding at any time during the period, the nature of the indebtedness and of the transaction in which it was incurred, the amount of the indebtedness presently outstanding and the rate of interest paid or charged on the indebtedness.*
- (iii) *Do not include as indebtedness amounts due from the particular person for purchases subject to usual trade terms, for ordinary travel and expense advances and for other similar transactions.*

Item 14 — Particulars of Matters to be Acted Upon

- 14.1** If action is to be taken on any matter to be submitted to the meeting of securityholders other than the approval of financial statements, briefly describe the substance of the matter, or related groups of matters, except to the extent described under the foregoing items, in sufficient detail to enable reasonable securityholders to form a reasoned judgment concerning the matter. Without limiting the generality of the foregoing, such matters include alterations of share capital, charter amendments, property acquisitions or dispositions, reverse takeovers, amalgamations, mergers, arrangements or reorganizations and other similar transactions.
- 14.2** If the action to be taken is in respect of a significant acquisition or a restructuring transaction under which securities are to be changed, exchanged, issued, or distributed, the information circular must include information sufficient to enable a reasonable securityholder to form a reasoned judgment concerning the nature and effect of the significant acquisition or restructuring transaction and the expected resulting entity or entities. This information must include the disclosure (including financial statement disclosure) for each entity, securities of which are being changed, exchanged, issued, or distributed, and for each entity that would result from the significant acquisition or restructuring transaction, prescribed by the form of prospectus that the entity would be eligible to use for a distribution of securities in the jurisdiction. For the purposes of this section 14.2, a restructuring transaction means a reverse takeover, amalgamation, merger, arrangement or reorganization or other similar transaction, but does not include a subdivision, consolidation, or other transaction that only affects the number of securities of a class that are outstanding. If the action is to be taken on a matter that is a reverse takeover, disclosure in this Item must include disclosure prescribed by the appropriate prospectus form for the reverse takeover acquirer.
- 14.3** If the matter is one that is not required to be submitted to a vote of securityholders, state the reasons for submitting it to securityholders and state what action management intends to take in the event of a negative vote by the securityholders.
- 14.4** Section 14.2 does not apply to a Form 51-102F5 that is sent to holders of voting securities of a reporting issuer soliciting proxies otherwise than on behalf of management of the reporting issuer (a “dissident circular”), unless the sender of the dissident circular is proposing a significant acquisition or restructuring transaction involving the reporting issuer and the sender, under which securities of the sender, or an affiliate of the sender, are to be distributed or transferred to securityholders of the reporting issuer. However, a sender of a dissident circular shall include in the dissident circular the disclosure required by section 14.2 if the sender of the dissident circular is proposing a significant acquisition or restructuring transaction under

which securities of the sender or securities of an affiliate of the sender are to be changed, exchanged, issued or distributed.

- 14.5** Section 14.2 does not apply to a Form 51-102F5 that is prepared in connection with a Qualifying Transaction for an issuer that is a CPC (as such terms are defined in the TSX Venture Exchange policy on Capital Pool Companies) provided that the issuer complies with the policies and requirements of the TSX Venture Exchange in respect of that Qualifying Transaction.

Item 15 — Restricted Shares

- 15.1** If the action to be taken involves a transaction that would have the effect of converting or subdividing, in whole or in part, existing shares into restricted shares, or creating new restricted shares, the information circular must also include, as part of the minimum disclosure required, a detailed description of:
- (a) the voting rights attached to the restricted shares that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the shares of any other class of shares of the issuer that are the same or greater on a per share basis than those attached to the restricted shares that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise;
 - (b) the percentage of the aggregate voting rights attached to the issuer's securities that are represented by the class of restricted shares;
 - (c) any significant provisions under applicable corporate and securities law, in particular whether the restricted shares may or may not be tendered in any takeover bid for securities of the reporting issuer having voting rights superior to those attached to the restricted shares, that do not apply to the holders of the restricted shares that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity shares, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted shares; and
 - (d) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted shares that are the subject of the transaction either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity shares of the issuer and to

speaking at the meetings to the same extent that holders of equity shares are entitled.

- 15.2** If holders of restricted shares do not have all of the rights referred to in section 15.1, the detailed description referred to in section 15.1 must include, in bold-face type, a statement of the rights the holders do not have.

Item 16 — Additional Information

- 16.1** Disclose that additional information relating to the issuer is on SEDAR at www.sedar.com.
- 16.2** Include a statement that financial information is provided in the issuer's comparative financial statements and MD&A for its most recently completed financial year.

FORM 51-102F6

STATEMENT OF EXECUTIVE COMPENSATION

Table of Contents

- Item 1 — General Instructions and Interpretation
- Item 2 — Summary Compensation Table
- Item 3 — LTIP Awards Table
- Item 4 — Options and SARs
- Item 5 — Option and SAR Repricings
- Item 6 — Defined Benefit or Actuarial Plan Disclosure
- Item 7 — Termination of Employment, Change in Responsibilities and Employment Contracts
- Item 8 — Composition of Compensation Committee
- Item 9 — Report on Executive Compensation
- Item 10 — Performance Graph
- Item 11 — Compensation of Directors
- Item 12 — Unincorporated Issuers
- Item 13 — Venture Issuers
- Item 14 — Issuers Reporting in the United States

Form 51-102F6

Statement of Executive Compensation

Item 1— General Instructions and Interpretation

- 1.1 The purpose of this Form is to provide disclosure of all compensation earned by certain executive officers and directors in connection with office or employment by the issuer or a subsidiary of the issuer.
- 1.2 Issuers should prepare the Form in the prescribed format. A table or column of a table may be omitted if it is not applicable.
- 1.3 Definitions. For the purposes of this Form:

“Chief Executive Officer” or “CEO” means an individual(s) who served as chief executive officer of the issuer or acted in a similar capacity during the most recently completed financial year;

“long-term incentive plan” or “LTIP” means a plan providing compensation intended to motivate performance over a period greater than one financial year. LTIPs do not include option or SAR plans or plans for compensation through restricted stock or restricted stock units;

“measurement period” means the period beginning at the “measurement point” which is established by the market close on the last trading day before the beginning of the issuer’s fifth preceding financial year, through and including the end of the issuer’s most recently completed financial year. If the class or series of securities has been publicly traded for a shorter period of time, the period covered by the comparison may correspond to that time period;

“Named Executive Officers” or “NEOs” means the following individuals:

- (a) each CEO;
- (b) each of the issuer’s four most highly compensated executive officers, other than the CEO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$100,000; and
- (c) any additional individuals for whom disclosure would have been provided under (b) except that the individual was not serving as an officer of the issuer at the end of the most recently completed financial year-end;

“normal retirement age” means normal retirement age as defined in a pension plan or, if not defined, the earliest time at which a plan participant may retire without any benefit reduction due to age;

“options” includes all options, share purchase warrants and rights granted by the issuer or its subsidiaries as compensation for employment services or office. An extension of an option or replacement grant is a grant of a new option. Also, options includes any grants made to a NEO by a third party or a non-subsidiary affiliate of the issuer in respect of services to the issuer or a subsidiary of the issuer;

“plan” includes, but is not limited to, any arrangement, whether or not set forth in any formal document and whether or not applicable to only one individual, under which cash, securities, options, SARs, phantom stock, warrants, convertible securities, restricted stock or restricted stock units, performance units and performance shares, similar instruments may be received or purchased. It excludes the Canada Pension Plan, similar government plans and group life, health, hospitalization, medical reimbursement and relocation plans that are available generally to all salaried employees (e.g. does not discriminate in scope, terms or operation in favour of executive officers or directors);

“replacement grant” means the grant of an option or SAR reasonably related to any prior or potential cancellation of an option or SAR;

“repricing” of an option or SAR means the adjustment or amendment of the exercise or base price of a previously awarded option or SAR. Any repricing occurring through the operation of a formula or mechanism in, or applicable to, the previously awarded option or SAR equally affecting all holders of the class of securities underlying the option or SAR is excluded; and

“stock appreciation right” or “SAR” means a right, granted by an issuer or any of its subsidiaries as compensation for employment services or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities.

If a term is used but not defined in this Form, refer to Part 1 of Regulation 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in Regulation 51-102, refer to section 1.4 of Policy Statement 51-102.

1.4 In preparing this Form:

- (a) Determination of Most Highly Compensated Executive Officers. The determination of the issuer’s most highly compensated executive officers is based on the total annual salary and bonus of each executive officer during the most recently completed financial year.
- (b) Change in Status of an NEO During the Financial Year. If the NEO served in that capacity during any part of a financial year for which disclosure is required, disclose all of his or her compensation for the full financial year.

- (c) Exclusion of Executive Officer Due to Unusual Compensation or Compensation for Foreign Assignment. In limited circumstances, the issuer can exclude disclosure of an individual, other than a CEO, who is one of the four most highly compensated executive officers. Factors to consider in determining to exclude an individual are:
 - (i) a payment or accrual of an unusually large amount of cash compensation (such as bonus or commission) that is not part of a recurring arrangement and is unlikely to continue; or
 - (ii) the payment of additional amounts of cash compensation for increased living expenses due to an assignment outside of Canada.
- (d) All Compensation Covered. This Form requires disclosure of all plan and non-plan compensation for each NEO and director covered by Item 11. Except as expressly provided, no amount, benefit or right reported as compensation for a financial year need be reported as compensation for any subsequent fiscal year.
- (e) Sources of Compensation. Compensation to officers and directors must include compensation from the issuer and its subsidiaries. Also, any compensation under an understanding or agreement existing among any of the issuer, its subsidiaries or an officer or director of the issuer or its subsidiary and another entity, for the primary purpose of the other entity compensating the officer or director for employment services or office, must be included in the appropriate compensation category.
- (f) Compensation Furnished to Associates. Any compensation to an associate, under an understanding or agreement among any of the issuer, its subsidiaries or another entity and an officer or director of the issuer or its subsidiary for the primary purpose of the issuer, its subsidiary or the other entity compensating the officer or director for employment services or office, must be included in the appropriate compensation category.

Item 2 — Summary Compensation Table

2.1 Summary Compensation Table

NEO Name and Principal Position (a)	Year (b)	Annual Compensation			Long-Term Compensation			All Other Compensation (\$)(i)
		Salary (\$)(c)	Bonus (\$)(d)	Other Annual Compensation (\$)(e)	Awards		Payouts	
					Securities Under Options/SARs Granted (#)(f)	Restricted Stock or Restricted Stock Units (\$)(g)	LTIP Payouts (\$)(h)	
CEO	XXX3 XXX2 XXX1							
A	XXX3 XXX2 XXX1							
B	XXX3 XXX2 XXX1							
C	XXX3 XXX2 XXX1							
D	XXX3 XXX2 XXX1							

- Complete this table for each of the NEOs for the issuer’s three most recently completed financial years. Note the following:
 - Columns (c) and (d) – include any cash or non-cash base salary and bonus earned by the NEO. For non-cash compensation, disclose the fair market value of the compensation at the time the compensation is earned. Amounts deferred at the election of a NEO must be included in the financial year in which earned. If the amount of salary and/or bonus earned in a given financial year is not calculable, that fact must be disclosed in a footnote and the amount must be disclosed in the subsequent financial year in the column for the financial year in which earned.
 - Any salary or bonus earned in a covered year that was foregone, at the election of a NEO, under a program of the issuer under which non-cash compensation may be received in lieu of a portion of annual compensation, need not be included in the salary or bonus columns. Instead, the issuer may disclose the non-cash

compensation in the appropriate column for that year (i.e. columns (f), (g) and (i)). If the election was made under a LTIP and therefore is not reportable at the time of grant in this table, a footnote must be added to the salary or bonus column disclosing this fact and referring to Table 3.1.

- Commissions can be treated as salary or bonus. Issuers can add a footnote to the table to indicate that such amounts are paid under a commission arrangement and disclose details of the arrangement in the compensation committee report (Item 9).
- Column (e) – disclose all other compensation of the NEO that is not properly categorized as salary or bonus, including:
 - (a) Perquisites and other personal benefits, securities or property, unless the aggregate amount of such compensation is less than \$50,000 and 10 per cent of the total of the annual salary and bonus of the NEO for the financial year. Generally, a perquisite is a benefit that is not available to all employees. Examples of perquisites are:
 - Car allowance
 - Car lease
 - Cars
 - Corporate aircraft
 - Club membership
 - Financial assistance to provide education to children of the executives
 - Financial counselling

The following are not considered perquisites and thus need not be reported:

- Contributions to professional dues
- CPP
- Dental
- Employee relocation plans available to all employees
- Group life benefits available to all employees
- Long-term benefits available to all employees
- Medical

Each perquisite or other personal benefit exceeding 25 per cent of the total perquisites and other personal benefits reported for an NEO must be identified by type and amount in a footnote to column (e). Perquisites and other personal benefits must be valued on the basis of the aggregate incremental cost to the issuer and its subsidiaries;

- (b) The above-market portion of all interest, dividends or other amounts paid concerning securities, options, stock appreciation rights (SARs), loans, deferred compensation or other obligations issued to an NEO during the financial year or payable during that period but deferred at the election of the NEO. Above-market or preferential means a rate greater than the rate ordinarily paid by the issuer or its subsidiary on securities or other obligations having the same or similar features issued to third parties. Any above-market portion not reported in column (e) should be reported in column (i);
 - (c) Earnings on LTIP compensation or dividend equivalents paid during the financial year or payable during that period but deferred at the election of the NEO;
 - (d) Amounts reimbursed during the financial year for the payment of taxes;
 - (e) The difference between the price paid by a NEO for a security of the issuer or its subsidiaries that was purchased from the issuer or its subsidiaries and the fair market value of the security at the time of purchase, unless the discount was available generally, either to all security holders or to all salaried employees of the issuer;
 - (f) The imputed interest benefits from loans provided to, or debts incurred on behalf of, the NEO by the issuer and its subsidiaries as computed in accordance with the *Income Tax Act* (Canada); and
 - (g) The amounts of loan or interest obligations of the NEO to the issuer, its subsidiaries or third parties that were serviced or settled by the issuer or its subsidiaries without the substitution of an obligation to repay the amount to the issuer or subsidiaries in its place.
- Column (f) - includes the number of securities under option (with or without tandem SARs) and, separately, the number of securities subject to freestanding SARs. The figures in this column for the most recent fiscal year should equal those reported in Table 4.1, column (b). These figures are not cumulative.
 - If at any time during the most recently completed financial year the issuer repriced options or freestanding SARs previously awarded to an NEO, disclose the repriced options or SARs as new options or SARs grants in column (f).
 - Column (g) - includes the dollar value (net of consideration paid by the NEO) of any restricted stock or restricted stock units

(calculated by multiplying the closing market price of the issuer's unrestricted stock on the date of grant by the number of shares or share units awarded).

- In a footnote to units column (g) disclose:
- the number and value of the aggregate holdings of restricted stock and restricted stock units at the end of the most recently completed financial year;
- for any restricted stock or restricted stock unit that will vest, in whole or in part, in less than three years from the date of grant, the total number of securities awarded and the vesting schedule; and
- whether dividends or dividend equivalents will be paid on the restricted stock and restricted stock units disclosed in the column.
- Column (h) – includes the dollar value of all payouts under LTIPs.
- Awards of restricted stock or restricted stock units that are subject to performance-based conditions prior to vesting may be disclosed as LTIP awards under column (i) instead of under column (g). If this approach is selected, once the restricted stock or restricted stock unit vests, it must be reported as an LTIP payout in column (h).
- If any specified performance target, goal or condition to payout was waived regarding any amount included in LTIP payouts, disclose this fact in a footnote to the column (h).
- Column (i) – must include, but is not limited to:
- the amount paid, payable or accrued to a NEO for:
 - (i) the resignation, retirement or other termination of the NEO's employment with the issuer or a subsidiary of the issuer; or
 - (ii) a change in control of the issuer or a subsidiary of the issuer or a change in the NEO's responsibilities following such a change in control.
- The dollar value of the above-market portion of all interest, dividends or other amounts earned during the financial year, or calculated with respect to that period, excluding amounts that are paid during that period, or payable during that period at the election of the NEO that were reported as other annual compensation in column (e). See the description for column (e), point (b) for an explanation of the above market portion.

- The dollar value of amounts earned on LTIP compensation during the financial year, or calculated with respect to that period, and dividend equivalents earned during that period except that amounts paid during that period, or payable during that period at the election of the NEO must be reported as other annual compensation in column (e).
 - Annual contributions or other allocations by the issuer or its subsidiaries to vested and unvested defined contribution plans, employee savings plans or stock purchase plans. These benefits are not considered to be perquisites due to their all-inclusive nature.
 - The dollar value of any insurance premium paid by, or on behalf of, the issuer or its subsidiaries during the financial year with respect to term life insurance for the benefit of a NEO. If there is an arrangement or understanding, whether formal or informal, that the NEO has received or will receive or be allocated an interest in any cash surrender value under the insurance policy, either:
 - (i) the full dollar value of the remainder of the premiums paid by, or on behalf of, the issuer or its subsidiaries; or
 - (ii) if the premiums will be refunded to the issuer or its subsidiaries on termination of the policy, the dollar value of the benefit to the NEO of the remainder of the premium paid by, or on behalf of, the issuer or its subsidiaries during the financial year. This benefit must be determined for the period, projected on an actuarial basis, between payment of premium and the refund.
 - The same method of reporting under this paragraph must be used for each NEO. If the issuer changes methods of reporting from one year to the next, that fact and the reason for the change must be disclosed in a footnote to column (i).
 - The following need not be reported in column (i):
 - (i) LTIP awards and amounts received on exercise of options and SARs; and
 - (ii) Information on defined benefit and actuarial plans.
2. The \$100,000 threshold only applies to the most recent fiscal year in determining the NEOs.
 3. If, during any of the financial years covered by the table, the issuer or its subsidiaries did not employ an NEO for the entire financial year,

disclose this fact and the number of months the NEO was so employed during the year in a footnote to the table.

4. If during any of the financial years covered by the table, an NEO was compensated by a non-subsidiary affiliate of the issuer, disclose in a note to the table:
 - (a) the amount and nature of such compensation; and
 - (b) whether the compensation is included in the compensation reported in the table.

5. Information with respect to a financial year-end prior to the most recently completed financial year-end need not be provided if the issuer was not a reporting issuer at any time during such prior financial year.

Item 3 — LTIP Awards Table

3.1 LTIP—Awards In Most Recently Completed Financial Year

NEO Name (a)	Securities, Units or Other Rights (#) (b)	Performance or Other Period Until Maturation or Payout (c)	Estimated Future Payouts Under Non-Securities-Price-Based Plans		
			Threshold (\$ or #) (d)	Target (\$ or #) (e)	Maximum (\$ or #) (f)
CEO					
A					
B					
C					
D					

1. Complete Table 3.1 for each LTIP award made to the NEOs during the most recently completed financial year. Note the following:
 - Column (b) – Include the number of securities, units or other rights awarded under any LTIP and, if applicable, the number of securities underlying any such unit or right.
 - Columns (d) to (f) - For plans not based on stock price, the dollar value of the estimated payout or range estimated payouts under the award (threshold, target and maximum amount), whether such award is denominated in stock or cash.

- Threshold is the minimum amount payable for a certain level of performance under the plan.
 - Target is the amount payable if the specified performance target(s) is reached. An issuer should provide a representative amount based on the previous financial year's performance if the target award is not determinable.
 - Maximum is the maximum payout possible under the plan.
2. Describe in a footnote to the table, the material terms of any award, including a general description of the formula or criteria applied in determining the amounts payable. Issuers are not required to disclose confidential information that would adversely affect the issuer's competitive position.
 3. A tandem grant of two instruments, only one of which is under an LTIP, need be reported only in the table applicable to the other instrument.

Item 4 — Options and SARs

4.1 Option/SAR Grants During The Most Recently Completed Financial Year

NEO Name (a)	Securities, Under Options/S ARs Granted (#) (b)	Per cent of Total Options/ SARs Granted to Employees in Financial Year (c)	Exercise or Base Price (\$/Security) (d)	Market Value of Securities Underlying Options/ SARs on the Date of Grant (\$/Security) (e)	Expiration Date (f)
CEO					
A					
B					
C					
D					

1. Complete Table 4.1 for individual grants of options to purchase or acquire securities of the issuer or any of its subsidiaries (whether or not in tandem with SARs) and freestanding SARs made during the

most recently completed financial year to each of NEO. Note the following:

- The information must be presented for each NEO in groups according to each issuer and class or series of security underlying the options or SARs granted and within these groups in reverse chronological order. For each grant, disclose in a footnote the issuer and the class or series of securities underlying the options or freestanding SARs granted.
- If more than one grant of options or freestanding SARs was made to a NEO during the most recently completed financial year, a separate row must be used to provide the particulars of each grant. However, multiple grants during a single financial year to a NEO can be aggregated if each grant was made on the same terms (eg. exercise price, expiration date and vesting thresholds, if any).
- A single grant of options or freestanding SARs must be reported as separate grants for each tranche with a different exercise or base price, expiration date or performance-vesting threshold.
- Each material term of the grant, including but not limited to the date of exercisability, the number of SARs, dividend equivalents, performance units or other instruments granted in tandem with options, a performance-based condition to exercisability, a re-load feature or a tax-reimbursement feature must be disclosed in a footnote to the table.
- Options or freestanding SARs granted in an option repricing transaction must be disclosed.
- If the exercise or base price is adjustable over the term of an option or freestanding SAR in accordance with a prescribed standard or formula, include in a footnote to the table, a description of the standard or formula.
- If any provision of an option or SAR (other than an anti-dilution provision) could cause the exercise or base price to be lowered, a description of the provision and its potential consequences must be included in a footnote to the table.
- In determining the grant date market value of the securities underlying options or freestanding SARs, use either the closing market price or any other formula prescribed under the option or SAR plan. For options or SARs granted prior to the establishment of a trading market in the underlying securities, the initial offering price may be used.

4.2 Aggregated Option/SAR Exercises During The Most Recently Completed Financial Year And Financial Year-End Option/SAR Values

NEO Name (a)	Securities, Acquired on Exercise (#) (b)	Aggregate Value Realized (\$) (c)	Unexercised Options/SARs at FY-End (#) Exercisable/ Unexercisable (d)	Value of Unexercised in-the-Money Options/SARs at FY-End (\$) Exercisable/ Unexercisable (e)
CEO				
A				
B				
C				
D				

- Complete Table 4.2 for each exercise of options (or tandem SARs) and freestanding SARs during the most recently completed financial year by each NEO and the financial year-end value of unexercised options and SARs, on an aggregated basis. Note the following:
 - Column (c) - the aggregate dollar value realized upon exercise. The dollar value is equal to column (b) times the difference between the market value of the securities underlying the options or SARs at exercise or financial year-end, respectively, and the exercise or base price of the options or SARs.
 - Column (d) - the total number of securities underlying unexercised options and SARs held at the end of the most recently completed financial year, separately identifying the exercisable and unexercisable options and SARs.
 - Column (e) - the aggregate dollar value of in-the-money, unexercised options and SARs held at the end of the financial year, separately identifying the exercisable and unexercisable options and SARs. The dollar value is calculated the same way as in column (c). Options or freestanding SARs are in-the-money at financial year-end if the market value of the underlying securities on that date exceeds the exercise or base price of the option or SAR.

Item 5 — Option and SAR Repricings

5.1 Table of Option and SAR Repricings

NEO Name (a)	Date of Repricing (b)	Securities Under Options/SARs Repriced or Amended (#) (c)	Market Price of Securities at Time of Repricing or Amendment (\$/Security) (d)	Exercise Price at Time of Repricing or Amendment (\$/Security) (e)	New Exercise Price (\$/Security) (f)	Length of Original Option Term Remaining at Date of Repricing or Amendment (g)

1. Complete Table 5.1 if at any time during the most recently completed financial year, the issuer has repriced downward any options or freestanding SARs held by any NEO.
2. State the following information for all downward repricings of options or SARs held by executive officers of the issuer during the shorter of:
 - (a) the 10 year period ending on the date of this Form; and
 - (b) the period during which the issuer has been a reporting issuer.
3. Information about a replacement grant made during the financial year must be disclosed even if the corresponding original grant was cancelled in a prior year. If the replacement grant is not made at the current market value, describe this fact and the terms of the grant in a footnote to the table.
4. The information must be presented in groups according to issuer and class or series of security underlying options or SARs and within these groups in reverse chronological order.
5. In a narrative immediately before or after this table, explain in reasonable detail the basis for all downward repricings during the most recently completed financial year of options and SARs held by any of the NEOs.

Item 6 — Defined Benefit or Actuarial Plan Disclosure

6.1 Pension Plan Table

Remuneration (\$)	Years of Service				
	15	20	25	30	35
125,000					
150,000					
175,000					
200,000					
225,000					
250,000					
300,000					
400,000					
[insert additional rows as appropriate for additional increments]					

1. Disclose Table 6.1 for defined benefit or actuarial plans under which benefits are determined primarily by final compensation (or average final compensation) and years of service. The estimated annual benefits payable upon retirement (including amounts attributable to any defined benefit supplementary or excess pension awards plan) for the specified compensation and years of service should be disclosed .

2. Immediately following the table disclose:
 - (a) the compensation covered by the plan(s), including the relationship of the covered compensation to the compensation reported in Table 2.1;
 - (b) the current compensation covered by the plan for any NEO whose total compensation differs substantially (by more than 10 per cent) from that set out in the Summary Compensation Table;
 - (c) a statement as to the basis upon which benefits are computed (for example; straight-life annuity amounts), and whether or not the benefits listed in the table are subject to any deduction for social security or other offset amount; and
 - (d) the estimated credited years of service for each NEO.

3. Compensation disclosed in the table must allow for reasonable increases in existing compensation levels or, alternately, the issuer may present, as the highest compensation level in the table, an amount equal to 120 per cent of the amount of covered compensation of the most highly compensated of the NEOs.
4. For defined benefit or actuarial plans under which benefits are not determined primarily by final compensation (or average final compensation) and years of service, state in narrative form:
 - (a) the formula by which benefits are determined; and
 - (b) the estimated annual benefits payable upon retirement at normal retirement age for each of the NEOs.

Item 7 — Termination of Employment, Change in Responsibilities and Employment Contracts

- 7.1 Describe the terms and conditions, including dollar amounts, of each of the following contracts or arrangements:
 - (a) Any employment contract between the issuer or its subsidiaries and an NEO; and
 - (b) Any compensatory plan or arrangement, where the amount involved, including periodic payments or instalments, exceeds \$100,000, to be received from the issuer or its subsidiaries, with respect to a NEO, if such plan or arrangement results or will result from:
 - (i) the resignation, retirement or any other termination of the NEO's employment with the issuer and its subsidiaries;
 - (ii) a change of control of the issuer or any of its subsidiaries of the issuer; or
 - (iii) a change in the NEO's responsibilities following a change-in-control.

Item 8 — Composition of the Compensation Committee

- 8.1 If any compensation is reported in Items 2 to 6 for the most recently completed financial year, under the caption "Composition of the Compensation Committee", identify each member of the issuer's compensation committee (or other board committee performing equivalent functions or in the absence of any such committee, the entire board of directors) during the most recently completed year. Also, indicate each committee member who:

- (a) was, during the financial year, an officer or employee of the issuer or any of its subsidiaries;
- (b) was formerly an officer of the issuer or any of its subsidiaries;
- (c) had or has any relationship that requires disclosure by the issuer under Form 51-102F5 *Information Circular*, Item 10 “Indebtedness of Directors and Executive Officers” and Item 11 “Interest of Informed Persons in Material Transactions”;
- (d) was an executive officer of the issuer and also served as a director or member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another issuer, one of whose executive officers served either:
 - (i) on the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of the issuer; or
 - (ii) as a director of the issuer.

8.2 If a committee member who signs Item 9 “Report on Executive Compensation” is not a member under this Item during the year, then disclose the change in membership as well as any of the relationships described in section 8.1, if any.

Item 9 — Report on Executive Compensation

9.1 If any compensation is reported in Items 2 to 6 for the most recently completed financial year, describe under the caption “Report on Executive Compensation” the policies of the compensation committee or other board committee performing equivalent functions, or in the absence of any such committee then of the entire board of directors of the issuer, during the most recently completed financial year, for determining compensation of executive officers. Boilerplate language should be avoided.

9.2 This report should include a discussion of:

- (a) the relative emphasis of the issuer on cash compensation, options, SARs, securities purchase programs, restricted stock, restricted stock units and other incentive plans, and annual versus long-term compensation;
- (b) whether the amount and terms of outstanding options, SARs, restricted stock and restricted stock units were taken into account when determining whether and how many new option grants would be made;

- (c) the specific relationship of the issuer's performance to executive compensation, and, in particular, describing each measure of the issuer's performance, whether quantitative or qualitative, on which executive compensation was based and the weight assigned to each measure, e.g. percentage ranges; and
- (d) the waiver or adjustment of the relevant performance criteria and the bases for the decision if an award was made to a NEO under a performance-based plan despite failure to meet the relevant performance criteria. For example, an issuer should explain how bonuses are earned and why they were awarded this period, if applicable.

9.3 The report should state the following information about each CEO's compensation:

- (a) the bases for the CEO's compensation for the most recently completed financial year, including the factors and criteria upon which the CEO's compensation was based and the relative weight assigned to each factor;
- (b) the competitive rates, if compensation of the CEO was based on assessments of competitive rates, with whom the comparison was made, the nature of, and the basis for, selecting the group with which the comparison was made and at what level in the group the compensation was placed. Disclose if different competitive standards were used for different components of the CEO's compensation; and
- (c) the relationship of the issuer's performance to the CEO's compensation for the most recently completed financial year, describing each measure of issuer's performance, whether quantitative or qualitative, on which the CEO's compensation was based and the weight assigned to each measure, e.g. percentage ranges.

9.4 The report must be made over the name of each member of the issuer's compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors). If the board of directors modified or rejected in any material way any action or recommendation by the committee with respect to decisions in the most recently completed financial year, the report should indicate this fact, explain the reasons for the board's action and be made over the name of all members of the board.

9.5 In the event of a dissenting committee member, a report need not be made over the name of the dissenting member; however, the report must identify the dissenting member and the reasons provided to the committee for the dissent.

- 9.6 Disclosure of target levels with respect to specific quantitative or qualitative performance-related factors considered by the committee (or board), or any factors or criteria involving confidential information is not required.
- 9.7 If compensation of executive officers is determined by different board committees, a joint report may be presented indicating the separate committee's responsibilities and members of each committee or alternatively separate reports may be prepared for each committee.

Item 10 — Performance Graph

- 10.1 If any compensation is reported in response to Items 2 to 6 for the most recently completed financial year, immediately after Item 9, provide a line graph called “Performance Graph” comparing:
 - (a) the yearly percentage change in the issuer’s cumulative total shareholder return on each class or series of equity securities that are publicly traded, as measured in accordance with section 10.2, with
 - (b) the cumulative total return of a broad equity market index assuming reinvestment of dividends, that includes issuers whose securities are traded on the same exchange or are of comparable market capitalization, provided that, if the issuer is within the S&P/TSX Composite Index, the issuer must use the total return index value of the S&P/TSX Composite Index.
- 10.2 The yearly percentage change in an issuer’s cumulative total shareholder return on a class or series of securities must be measured by dividing:
 - (a) the sum of:
 - (i) the cumulative amount of dividends for the measurement period, assuming dividend reinvestment; and
 - (ii) the difference between the price for the securities of the class or series at the end and the beginning of the measurement period, by
 - (b) the price for the securities of the class or series at the beginning of the measurement period.

At the measurement point, which is the beginning of the measurement period, the closing price must be converted into a fixed investment of \$100 in the issuer’s securities (or in the securities represented by a given index), with cumulative returns for each subsequent financial year measured as a change from that investment.

- 10.3 In preparing the required graphic comparisons:

- (a) use, to the extent feasible, comparable methods of presentation and assumptions for the total return calculations, provided that, if the issuer constructs its own peer group index under section 10.5(b), the same methodology must be used in calculating both the issuer's total return and that of the peer group index;
 - (b) assume the reinvestment of dividends into additional securities of the same class or series at the frequency with which dividends are paid on the securities during the applicable financial year; and
 - (c) each financial year should be plotted with points showing the cumulative total return as of that point. The value of the investment as of each point plotted on a given return line is the number of securities held at that point multiplied by the then-prevailing security price.
- 10.4 The issuer must present information for the issuer's last five financial years, and may choose to graph a longer period but the \$100 measurement point remains the same. A period shorter than five years may be used if the class or series of securities forming the basis for the comparison has been publicly traded for a shorter time period.
- 10.5 The issuer also may elect to include in the graph a line charting the cumulative total return, assuming reinvestment of dividends, of:
- (a) a published industry or line-of-business index which is any index that is prepared by a party other than the issuer or its affiliate and is accessible to the issuer's securityholders, provided that, an issuer may use an index prepared by it or its affiliate if such index is widely recognized and used;
 - (b) peer issuer(s) selected in good faith. If the issuer does not select its peer issuers on an industry or line-of-business basis, the issuer must disclose the basis for its selection; or
 - (c) issuer(s) with similar market capitalization(s), but only if the issuer does not use a published industry or line-of-business index and does not believe it can reasonably identify a peer group. If the issuer uses this alternative, the graph must be accompanied by a statement of the reasons for this selection.
- 10.6 If the issuer uses peer issuer comparisons or comparisons with issuers with similar market capitalizations, the identity of those issuers must be disclosed and the returns of each component issuer of the group must be weighted according to the respective issuer's market capitalization at the beginning of each period for which a return is indicated.
- 10.7 Any election by an issuer to use an additional index under section 10.5 is considered to apply in respect of all subsequent financial years unless abandoned by the issuer in accordance with this section. In order to abandon

the index, the issuer must have, in the information circular or annual filing for the financial year immediately preceding the most recently completed financial year:

- (a) stated its intention to abandon the index;
- (b) explained the reason(s) for this change; and
- (c) compared the issuer's total return with that of the elected additional index.

10.8 Issuers may include comparisons using performance measures in addition to total return, such as return on average common shareholders' equity, so long as the issuer's compensation committee (or other board committee performing equivalent functions or in the absence of any such committee the entire board of directors) describes the link between that measure and the level of executive compensation in the report required by Item 9.

Item 11 — Compensation of Directors

11.1 Disclose the following under the "Compensation of Directors" heading:

- (a) any standard compensation arrangements, stating amounts, earned by directors of the issuer for their services as directors from the issuer and its subsidiaries during the most recently completed financial year, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangements, stating the amounts paid and the name of the director, under which directors were compensated for their services as directors from the issuer and its subsidiaries during the most recently completed financial year; and
- (c) any other arrangements, stating the amounts paid and the name of the director, under which directors of the issuer were compensated for services as consultants or experts, by the issuer and its subsidiaries during the most recently completed financial year.

11.2 If information required by Item 11.1 is provided in response to another item of this Form, a cross-reference to where the information is provided satisfies Item 11.1.

Item 12 — Unincorporated Issuers

12.1 Unincorporated issuers must report:

- (a) a description of and amount of fees or other compensation paid by the issuer to individuals acting as directors or trustees of the issuer for the most recently completed financial year; and

- (b) a description of and amount of expenses reimbursed by the issuer to such individuals as directors or trustees during the most recently completed financial year.

- 12.2 The information required by this Item may be disclosed in the issuer's annual financial statements instead.

Item 13 — Venture Issuers

- 13.1 A venture issuer may omit the disclosure required by Items 5, 6, 8, 9 and 10. A venture issuer must, in a narrative that accompanies the table required by Item 4.1, disclose which grants of options or SARs result from repricing and explain in reasonable detail the basis for the repricing.

Item 14 — Issuers Reporting in the United States

- 14.1 Except as provided in section 14.2, SEC issuers may satisfy the requirements of this Form by providing the information required by Item 402 “Executive Compensation” of Regulation S-K under the 1934 Act.
- 14.2 Section 14.1 is not available to an issuer that, as a foreign private issuer, satisfies Item 402 of Regulation S-K by providing the information required by Items 6.B “Compensation” and 6.E.2 “Share Ownership” of Form 20-F under the 1934 Act.