

REGULATION TO AMEND REGULATION 51-102 RESPECTING CONTINUOUS DISCLOSURE OBLIGATIONS

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (8), (9), (11), (19), (20) and (34))

1. Paragraph (1) of section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations is amended:

(1) by inserting, after the introductory phrase, the following definition:

““acquisition date” means the acquisition date required for accounting purposes;”;

(2) in the French text of the definition of “common share”, by replacing the words “titres de participation” with the words “titres de capitaux propres”;

(3) in the French text of the definition of “preference share”, by replacing the words “titre de participation” and “titres de participation” with, respectively, the words “titre de capitaux propres” and “titres de capitaux propres”;

(4) by inserting, after the definition of “old financial year”, the following:

““operating income” means gross revenue minus royalty expenses and production costs;”;

(5) by inserting, after the definition of “common share”, the following:

““date of transition to IFRS” means the date of transition to IFRSs as that term is defined in Canadian GAAP;”;

(6) by deleting the definition of “date of acquisition”;

(7) in paragraph (c) of the definition of “venture issuer”, by replacing the words “date of acquisition” with the words “acquisition date”;

(8) by replacing the French text of the definition of “equity investee” with the following:

“« entreprise mise en équivalence » : une entreprise dans laquelle l'émetteur a une participation comptabilisée selon la méthode de la mise en équivalence;”;

(9) by inserting, after the definition of “financial outlook”, the following:

““financial statements” includes interim financial reports;

“first IFRS financial statements” has the meaning ascribed to that term in Canadian GAAP;”;

(10) by replacing the definition of “FOFI”, or “future-oriented financial information”, with the following:

““FOFI”, or “future-oriented financial information”, means forward-looking information about prospective financial performance, financial position or cash flows, based on assumptions about future economic conditions and courses of action, and presented in the format of a historical statement of financial position, statement of comprehensive income or statement of cash flows;”;

- (11) by inserting, after the definition of “form of proxy”, the following:

““forward-looking information” means disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection;”;

- (12) by replacing the definition of “inter-dealer bond broker” with the following:

““inter-dealer bond broker” means a person that is approved by the Investment Industry Regulatory Organization of Canada under its Rule 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its Rule 36 and its Rule 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;”;

- (13) by replacing the definition of “U.S. GAAP” with the following:

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

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

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

- (14) by deleting in the definition of “AIF”, the words “, Form 10-KSB”;

- (15) by replacing the French text of the definition of “U.S. GAAP” with the following:

“« PCGR américains » : les PCGR américains au sens du Règlement 52-107 sur les principes comptables et normes d’audit acceptables;”;

- (16) by replacing the definition of “issuer’s GAAP” with the following:

““issuer’s GAAP” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards approved by Ministerial Order (*indicate the number and date of the Ministerial Order approving the Regulation*);”;

- (17) by replacing the definition of “financial outlook” with the following:

““financial outlook” means forward-looking information about prospective financial performance, financial position or cash flows that is based on assumptions about future economic conditions and courses of action and that is not presented in the format of a historical statement of financial position, statement of comprehensive income or statement of cash flows;”;

- (18) by replacing the definition of “reverse takeover” with the following:

““reverse takeover” means a reverse acquisition, as defined in Canadian GAAP applicable to publicly accountable enterprises, or a transaction in which an issuer issues enough voting securities as consideration for the acquisition of an entity such that control of the issuer passes to the securityholders of the acquired entity;”;

- (19) by deleting, in the definition of “MD&A”, the words “or Item 303 of Regulation S-B”;

- (20) by deleting the definition of “income from continuing operations”;

(21) by replacing the definition of “exchange-traded security” with the following:

““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 Regulation 21-101 respecting Marketplace Operation adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0409 dated August 28, 2001 and Regulation 23-101 respecting Trading Rules adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0411 dated August 28, 2001;”;

(22) in the definition of “restricted security”, by replacing, wherever they occur in the French text, the words “titre de participation” and “titres de participation” with, respectively, the words “titre de capitaux propres” and “titres de capitaux propres”, and, in paragraph (c), by replacing the word “bénéfice” with the word “résultat”.

2. Section 4.1 of the Regulation is replaced with the following:

“4.1. Comparative Annual Financial Statements and Audit

(1) A reporting issuer must file annual financial statements that include

(a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for

(i) the most recently completed financial year; and

(ii) the financial year immediately preceding the most recently completed financial year, if any;

(b) a statement of financial position as at the end of each of the periods referred to in paragraph (a);

(c) a statement of financial position as at the beginning of the financial year immediately preceding the most recently completed financial year in the case of a reporting issuer that discloses in its annual financial statements an explicit and unreserved statement of compliance with IFRS and that

(i) applies an accounting policy retrospectively in its annual financial statements,

(ii) makes a retrospective restatement of items in its annual financial statements, or

(iii) reclassifies items in its annual financial statements;

(d) in the case of a reporting issuer’s first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS; and

(e) notes to the annual financial statements;

(2) Annual financial statements filed under subsection (1) must be audited.

(3) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (1).”.

3. Sections 4.3 to 4.8 of the Regulation are replaced with the following:

“4.3. Interim Financial Report

(1) Subject to sections 4.7 and 4.10, a reporting issuer must file an interim financial report for each interim period ended after it became a reporting issuer.

(2) The interim financial report required to be filed under subsection (1) must include

(a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any;

(b) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, 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, a statement of comprehensive income for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the immediately preceding financial year, if any;

(d) a statement of financial position as at the beginning of the immediately preceding financial year in the case of a reporting issuer that discloses in its interim financial report compliance with International Accounting Standard 34 *Interim Financial Reporting* and that

(i) applies an accounting policy retrospectively in its interim financial report,

(ii) makes a retrospective restatement of items in its interim financial report, or

(iii) reclassifies items in its interim financial report;

(e) in the case of the first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS; and

(f) notes to the interim financial report.

(2.1) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (2).

(3) An auditor review of an interim financial report must be disclosed as follows:

(a) If an auditor has not performed a review of an interim financial report required to be filed under subsection (1), the interim financial report must be accompanied by a notice indicating that the interim financial report has not been reviewed by an auditor.

(b) If a reporting issuer engaged an auditor to perform a review of an interim financial report required to be filed under subsection (1) and the auditor was unable to complete the review, the interim financial report must be accompanied by a notice indicating that the auditor was unable to complete a review of the interim financial report and the reasons why the auditor was unable to complete the review.

(c) If an auditor has performed a review of the interim financial report required to be filed under subsection (1) and the auditor has expressed a reservation in the auditor's interim review report, the interim financial report must be accompanied by a written review report from the auditor.

(4) If an SEC issuer that is a reporting issuer

(a) has filed an interim financial report prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises for one or more interim periods since its most recently completed financial year for which annual financial statements have been filed; and

(b) prepares its annual financial statements or an interim financial report for the period immediately following the periods referred to in paragraph (a) in accordance with U.S. GAAP,

the SEC issuer must

(c) restate the interim financial report for the periods referred to in paragraph (a) in accordance with U.S. GAAP; and

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

“4.4. Filing Deadline for an Interim Financial Report

An interim financial report 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, an interim financial report 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, an interim financial report for a period ending on the last day of the interim period.

“4.5. Approval of Financial Statements

(1) The annual financial statements a reporting issuer is required to file under section 4.1 must be approved by the board of directors before the statements are filed.

(2) The interim financial report a reporting issuer is required to file under section 4.3 must be approved by the board of directors before the report is filed.

(3) In fulfilling the requirement in subsection (2), the board of directors may delegate the approval of the interim financial report to the audit committee of the board of directors.

“4.6. Delivery of Financial Statements

(1) A reporting issuer must send annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request a copy of the reporting issuer's

annual financial statements and MD&A for the annual financial statements, the interim financial reports and MD&A for the interim financial reports, or both.

(2) The reporting issuer must, in accordance with the procedures set out in Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer send the form referred to in paragraph (1) to the beneficial owners of its securities who are identified under that Regulation as having chosen to receive all securityholder materials sent to beneficial owners of securities.

(3) If a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the issuer's annual financial statements or interim financial reports, the reporting issuer must send a copy of the requested financial statements to the person that made the request, without charge, by the later of,

(a) in the case of a reporting issuer other than a venture issuer, 10 calendar days after the filing deadline in subparagraph 4.2(a)(i) or 4.4(a)(i), section 4.7, or subsection 4.10(2), as applicable, for the financial statements requested;

(b) in the case of a venture issuer, 10 calendar days after the filing deadline in paragraph 4.2(b)(i) or 4.4(b)(i), section 4.7, or subsection 4.10(2), as applicable, for the financial statements requested; and

(c) 10 calendar days after the issuer receives the request.

(4) A reporting issuer is not required to send copies of annual financial statements or interim financial reports under subsection (3) that were filed more than two years before the issuer receives the request.

(5) Subsection (1) and the requirement to send annual financial statements under subsection (3) do not apply to a reporting issuer that sends its annual financial statements to its securityholders, other than holders of debt instruments, within 140 days of the issuer's financial year-end and in accordance with Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer.

(6) If a reporting issuer sends financial statements under this section, the reporting issuer must also send, at the same time, the annual or interim MD&A relating to the financial statements.

“4.7. Filing of Financial Statements After Becoming a Reporting Issuer

(1) Despite any provisions of this Part other than subsections (2), (3) and (4) of this section, the first annual financial statements and interim financial reports 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 of the issuer

(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 a reporting issuer is required to file annual financial statements for a financial year that ended before the issuer became a reporting issuer, those annual financial statements must be filed on or before the later of

(a) the 20th day after the issuer became a reporting issuer; and

(b) the filing deadline in section 4.2.

(3) If a reporting issuer is required to file an interim financial report for an interim period that ended before the issuer became a reporting issuer, that interim financial report must be filed on or before the later of

- (a) the 10th day after the issuer became a reporting issuer; and
- (b) the filing deadline in section 4.4.

(4) A reporting issuer is not required to provide comparative interim financial information for periods that ended before the issuer became a reporting issuer if

- (a) to a reasonable person 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 report 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) An SEC issuer satisfies this section if

- (a) it complies with the requirements of U.S. laws relating to a change of fiscal year; and
- (b) it files a copy of all materials required by U.S. laws relating to a change of fiscal year at the same time as, or as soon as practicable after, they are filed with or furnished to the SEC and, in the case of financial statements, no later than the filing deadlines prescribed under sections 4.2 and 4.4.

(2) If a reporting issuer decides to change its financial year-end by more than 14 days, it must file a notice 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 financial statements required to be filed, either annual or interim, whichever comes first; and
- (b) the filing deadline, based on the reporting issuer's new financial year-end, for the next financial statements required to be filed, either annual or interim, 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 each interim financial report and the annual financial statements to be filed for the reporting issuer's transition year and its new financial year; and

(f) the filing deadlines, prescribed under sections 4.2 and 4.4, for the annual financial statements and interim financial reports for the reporting issuer's transition year.

(4) For the purposes of this section,

(a) a transition year must not exceed 15 months; and

(b) the first interim period after an old financial year must not exceed four months.

(5) Despite subsection 4.3(1)(b), a reporting issuer is not required to file an interim financial report for any period in its transition year that ends not more than one month

(a) after the last day of its old financial year; or

(b) before the first day of its new financial year.

(6) Despite subsection 4.1(1), if a transition year is less than nine months in length, the reporting issuer must include as comparative financial information to its annual financial statements for its new financial year

(a) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and notes to the financial statements for its transition year;

(b) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements for its old financial year;

(c) a statement of financial position as at the beginning of the old financial year in the case of a reporting issuer that discloses in its annual financial statements an explicit and unreserved statement of compliance with IFRS and that

(i) applies an accounting policy retrospectively in its annual financial statements,

(ii) makes a retrospective restatement of items in its annual financial statements, or

(iii) reclassifies items in its annual financial statements; and

(d) in the case of a reporting issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS.

(7) Despite subsection 4.3(2), 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 each interim financial report 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 statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows for the 12 month period that constitutes its old financial year;

(b) as comparative financial information in each interim financial report during its new financial year

year; and

(ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows 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;

(c) a statement of financial position as at the beginning of the earliest comparative period in the case of a reporting issuer that discloses in its interim financial report compliance with International Accounting Standard 34 *Interim Financial Reporting* and that

financial report,

financial report, or

(iii) reclassifies items in its interim financial report; and

(d) in the case of the first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS.

(8) Despite subsection 4.3(2), 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

financial report,

financial year; and

in equity and statement of cash flows 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;

during its new financial year

year; and

in equity and statement of cash flows 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;

comparative period in the case of a reporting issuer that discloses in its interim financial report compliance with International Accounting Standard 34 *Interim Financial Reporting* and that

financial report,

(ii) makes a retrospective restatement of items in its interim financial report, or

(iii) reclassifies items in its interim financial report; and

(d) in the case of the first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS.”.

4. Paragraph (h) of section 4.9 of the Regulation is amended by replacing the words “interim and annual financial statements” with the words “interim financial reports and the annual financial statements”.

5. Section 4.10 of the Regulation is amended:

(1) in paragraph (2):

(a) in the French text of subparagraph (a), by deleting the word “il”;

(b) in subparagraph (c), by replacing the words “the interim financial statements” with the words “each interim financial report”;

(2) in subparagraph (c) of paragraph (3), by replacing the word “statements” with the word “report”.

6. Section 4.11 of the Regulation is replaced with the following:

“4.11. Change of Auditor

(1) In this section

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

(a) the appointment as its auditor of a person; and

(b) the decision by the board of directors of the reporting issuer to propose to holders of qualified securities to appoint such person as its auditor to replace its former auditor;

“consultation” means advice provided by a successor auditor, whether or not in writing, to a reporting issuer during the relevant period, 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) a report provided by an auditor on the reporting issuer’s financial statements;

(c) scope or procedure of an audit or review engagement; 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 report, if the difference of opinion

(a) resulted in a modified opinion 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 modified opinion 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 report 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 report 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 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

(a) commencing at the beginning of the reporting issuer's two most recently completed financial years and ending on the date of termination or resignation; or

(b) during which the former auditor was the reporting issuer's auditor, if the former auditor was not the reporting issuer's auditor throughout the period described in paragraph (a);

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

"reporting package" means

(a) the documents referred to in subparagraphs (5)(a)(i) and (6)(a)(i);

(b) the letter referred to in clause (5)(a)(ii)(B), if received by the reporting issuer, unless an updated letter referred to in clause (6)(a)(iii)(B) has been received by the reporting issuer;

(c) the letter referred to in clause (6)(a)(ii)(B), if received by the reporting issuer; and

(d) any updated letter referred to in clause (6)(a)(iii)(B) 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

(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 of

(a) the removal of its auditor before the expiry of the auditor’s term of appointment, the expiry of its auditor’s term of appointment without reappointment, or the appointment of a different person as its auditor upon expiry 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 be appointed as its auditor upon, the expiry 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 reports provided by the auditor relating to the financial statements, for 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 the financial statements;

(2) For the purposes of this section, the term “material” has a meaning consistent with the discussion of the term “materiality” in the issuer’s GAAP.

(3) This section does not apply if

(a) the following three conditions are met:

(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) An SEC issuer satisfies this section if it

(a) complies with the requirements of U.S. laws relating to a change of auditor;

(b) files a copy of all materials required by U.S. laws 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) 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 securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor agrees, disagrees and the reasons why, or 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 the securities regulatory authority;

(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) Upon an appointment of a successor auditor, a reporting issuer must

(a) within 10 days after the date of appointment

(i) prepare a change of auditor notice in accordance with subsection (7) and deliver it 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 securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor agrees, disagrees and the reasons why, or 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 clause (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 clause (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 letters referred to in clauses (6)(a)(ii)(B) and (6)(a)(iii)(B) if received by the reporting issuer, and approve the change of auditor notice;

(ii) file a copy of the reporting package with the securities regulatory authority;

(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 and either describing the information in the reporting package or referring to the news release required under subparagraph (5)(b)(iv).

(7) 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 a modified opinion and, if so, a description of each modification;
- (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; and
 - (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) If the successor auditor becomes aware that the change of auditor notice required by this section has not been prepared and filed 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 securities regulatory authority.”.

7. Subparagraph (b) of paragraph (2) of section 4B.2 of the Regulation is amended, in the French text, by replacing the word “conventions” with the word “méthodes”.

8. Sections 5.1 to 5.7 of the Regulation are replaced with the following:

“5.1. Filing of MD&A

(1) A reporting issuer must file MD&A relating to its annual financial statements and each interim financial report.

(1.1) Despite subsection (1), a reporting issuer does not have to file MD&A relating to the annual financial statements and interim financial reports required under sections 4.7 and 4.10 for financial years and interim periods that ended before the issuer became a reporting issuer.

(2) The MD&A required to be filed must be filed on or before the earlier of

(a) the filing deadlines for the annual financial statements and each interim financial report set out in sections 4.2 and 4.4, as applicable; and

(b) the date the reporting issuer files the financial statements under subsections 4.1(1) or 4.3(1), as applicable.

“5.2. Filing of MD&A for SEC Issuers

Despite subsection 5.1(2), if an SEC issuer that is a reporting issuer is filing its annual or interim MD&A prepared in accordance with Item 303 of Regulation S-K under the 1934 Act, the SEC issuer must file that document on or before the earlier of

(a) the date the SEC issuer would be required to file that document under section 5.1; and

(b) the date the SEC issuer files that document with the SEC.

“5.3. Additional Disclosure for Venture Issuers Without Significant Revenue

(1) A venture issuer that has not had significant revenue from operations in either of its last two financial years, must disclose in its MD&A, for each period referred to in subsection (2), a breakdown of material components of

(a) exploration and evaluation assets or expenditures;

(b) expensed research and development costs;

(c) intangible assets arising from development;

(d) general and administration expenses; and

(e) any material costs, whether expensed or recognized as assets, not referred to in paragraphs (a) through (d);

and if the venture issuer’s business primarily involves mining exploration and development, the analysis of exploration and evaluation assets or expenditures must be presented on a property-by-property basis.

(2) The disclosure in subsection (1) must be provided for the following periods:

(a) in the case of annual MD&A, for the two most recently completed financial years; and

(b) in the case of interim MD&A, for the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report.

(3) Subsection (1) does not apply if the information required under that subsection has been disclosed in the financial statements to which the MD&A relates.

“5.4. Disclosure of Outstanding Share Data

(1) A reporting issuer must disclose in its MD&A the designation and number or principal amount of

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

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

(c) 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) For the application of paragraph (1)(c), 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 that 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 under subsections (1) and (2) must be prepared as of the latest practicable date.

“5.5. Approval of MD&A

(1) The annual MD&A that a reporting issuer is required to file under this Part must be approved by the board of directors before being filed.

(2) The interim MD&A that a reporting issuer is required to file under this Part must be approved by the board of directors before being filed.

(3) In fulfilling the requirement in subsection (2), the board of directors may delegate the approval of the interim MD&A required to be filed under this Part to the audit committee of the board of directors.

“5.6. Delivery of MD&A

(1) If a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the reporting issuer's annual or interim MD&A, the reporting issuer must send a copy of the requested MD&A to the person that made the

request, without charge, by the delivery deadline set out in subsection 4.6(3) for the annual financial statements or interim financial report to which the MD&A relates.

(2) A reporting issuer is not required to send copies of any MD&A that was filed more than two years before the issuer receives the request.

(3) The requirement to send annual MD&A under subsection (1) does not apply to a reporting issuer that sends its annual MD&A and any related MD&A supplement to its securityholders, other than holders of debt instruments, within 140 days of the issuer's financial year-end and in accordance with Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer.

(4) If a reporting issuer sends MD&A under this section, the reporting issuer must also send, at the same time, the annual financial statements or interim financial report to which the MD&A relates.

“5.7. Additional Disclosure for Reporting Issuers with Significant Equity Investees

(1) A reporting issuer that has a significant equity investee must disclose in its MD&A for each period referred to in subsection (2),

(a) summarized financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and

(b) the reporting issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the reporting issuer's share of profit or loss.

(2) The disclosure in subsection (1) must be provided for the following periods:

(a) in the case of annual MD&A, for the two most recently completed financial years; and

(b) in the case of interim MD&A, for the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report.

(3) Subsection (1) does not apply if

(a) the information required under that subsection has been disclosed in the financial statements to which the MD&A relates; or

(b) the issuer files separate financial statements of the equity investee for the periods referred to in subsection (2).”.

9. Section 5.8 of the Regulation is amended:

(1) by deleting, wherever they occur, the words “, or MD&A supplement if one is required under section 5.2,” and the words “or MD&A supplement”;

(2) by replacing, in subparagraph (iii) of subparagraph (b) of paragraph (3), the word “on” with the word “at”;

(3) by replacing, in subparagraph (a) of paragraph (5), the words “, in its MD&A or MD&A supplement if one is required under section 5.2, disclose” with the words “disclose in its MD&A”;

(4) by replacing, in subparagraph (iii) of subparagraph (b) of paragraph (6), the word “on” with the word “at”.

10. Section 6.2 of the Regulation is amended:

(1) in paragraph (b), by replacing the words “in Form 10-K, Form 10-KSB” with the words “on Form 10-K”;

(2) in subparagraph (ii) of paragraph (b), by deleting the words “, Form 10-KSB”.

11. Section 8.1 of the Regulation is amended:

(1) by replacing, in the French text of the definition of “acquisition”, the words “comptabilisation à la valeur de consolidation” with the words “mise en équivalence”;

(2) by inserting, after the definition of “acquisition of related businesses”, the following:

““acquisition test profit or loss” means profit or loss, adjusted to exclude discontinued operations and income taxes;”.

12. Section 8.2 of the Regulation is amended by replacing, wherever they occur, the words “date of acquisition” with the words “acquisition date”.

13. Section 8.3 of the Regulation is amended:

(1) by replacing paragraph (2) with the following:

“(2) For the purposes of subsection (1), 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 annual 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 acquisition date.

(b) The investment test: The reporting issuer’s consolidated investments in and advances to the business or related businesses as at the acquisition date 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 acquisition date, excluding any investments in or advances to the business or related businesses as at that date.

(c) The profit or loss test: The reporting issuer’s proportionate share of the consolidated acquisition test profit or loss of the business or related businesses exceeds 20 percent of the consolidated acquisition test profit or loss of the reporting issuer calculated using the audited annual 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 acquisition date.”;

(2) by replacing subparagraphs (b) and (c) of paragraph (4) with the following:

“(b) The investment test: The reporting issuer’s consolidated investments in and advances to the business or related businesses as at the acquisition date exceeds 20 percent of the consolidated assets of the reporting issuer as at the last day of the most recently completed interim period or financial year of the reporting issuer, excluding any investments in or advances to the business or related businesses as at that date.

(c) The profit or loss test: The acquisition test profit or loss calculated under the following subparagraph (i) exceeds 20 percent of the acquisition test profit or loss calculated under the following subparagraph (ii):

(i) the reporting issuer's proportionate share of the consolidated acquisition test profit or loss 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 acquisition test profit or loss 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.”;

(3) by inserting the following paragraphs after paragraph (4):

“(4.1) For the purposes of calculating significance under the significance tests in subsection (2) or re-calculating significance under the optional significance tests in subsection (4), the reporting issuer must not remeasure its previously held equity interest in the business or related businesses and must not

(a) include the remeasurement in the asset test or the investment test, or

(b) include any resulting gain or loss from remeasurement in the profit or loss test.

(4.2) For the purposes of the significance test in paragraph (2)(b) and the optional significance test in paragraph (4)(b), the reporting issuer's investments in and advances to the business or related businesses must include

(a) the consideration transferred for the acquisition, measured in accordance with the issuer's GAAP,

(b) payments made in connection with the acquisition which do not constitute consideration transferred but which would not have been paid unless the acquisition had occurred, and

(c) contingent consideration for the acquisition measured in accordance with the issuer's GAAP.”;

(4) in paragraph (6), by replacing the words “date of acquisition” with the words “acquisition date”;

(5) by replacing paragraphs 8 to 12 with the following:

“(8) For the purposes of paragraph (2)(c) and clause (4)(c)(ii)(A), if the reporting issuer's consolidated acquisition test profit or loss for the most recently completed financial year was lower by 20 percent or more than its average consolidated acquisition test profit or loss for the three most recently completed financial years, the issuer may, subject to subsection (10), substitute the average consolidated acquisition test profit or loss for the three most recently completed financial years in determining whether the significance test set out in paragraph (2)(c) or (4)(c) is satisfied.

(9) For the purpose of clause (4)(c)(ii)(B) if the reporting issuer's consolidated acquisition test profit or loss for the most recently completed 12-month period was lower by 20 percent or more than its average consolidated acquisition test profit or loss for the three most recently completed 12-month periods, the issuer may, subject to subsection (10), substitute the average consolidated acquisition test profit or loss for the three most recently completed 12-month periods in determining whether the significance test set out in paragraph (4)(c) is satisfied.

(10) If the reporting issuer's consolidated acquisition test profit or loss for either of the two earlier financial periods referred to in subsections (8) and (9) is a loss, the reporting issuer's acquisition test profit or loss for that period is considered to be zero for the purposes of calculating the average consolidated acquisition test profit or loss for the three financial periods.

(11) If a reporting issuer has made multiple investments in the same 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, the reporting issuer must apply the significance tests set out in subsections (2) and (4) 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 reporting issuer previously filed, the reporting issuer must apply the significance tests set out in subsections (2) and (4) to the initial and incremental investments on a combined basis.

(11.1) For the purposes of calculating the optional profit or loss test under clause (4)(c)(ii)(A), a reporting issuer may use pro forma consolidated acquisition test profit or loss for its most recently completed financial year that was included in a previously filed document if

(a) the reporting issuer has made a significant acquisition of a business after its most recently completed financial year; and

(b) the previously filed document included

(i) audited annual financial statements of that acquired business for the periods required by this Part; and

(ii) the pro forma financial information required by subsection 8.4(5) or (6).

(12) In determining whether an acquisition of related businesses is a significant acquisition, related businesses acquired after the ending date of the most recently filed audited annual financial statements of the reporting issuer must be considered on a combined basis.”;

(6) in paragraph (13), by replacing the words “reporting currency” with the words “presentation currency”;

(7) by replacing paragraph (14) with the following:

“(14) 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 subsections 3.11(1), 3.11(2) and 3.11(3) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards if the financial statements of the business or related businesses for the most recently completed financial year have not been audited.”;

(8) in paragraph (15), by replacing, wherever it occurs in the French text, the word “vérifiés” with the word “audités”.

14. Section 8.4 of the Regulation is replaced with the following:

“8.4. Financial Statement Disclosure for Significant Acquisitions

(1) If a reporting issuer is required to file a business acquisition report under section 8.2, the business acquisition report must include the following for each business or related businesses:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the following periods:

(i) if the business has completed one financial year,

(A) the most recently completed financial year ended on or before the acquisition date; and

(B) the financial year immediately preceding the most recently completed financial year, if any; or

(ii) if the business has not completed one financial year, the financial period commencing on the date of formation and ending on a date not more than 45 days before the acquisition date;

(b) a statement of financial position as at the end of each of the periods specified in paragraph (a); and

(c) notes to the financial statements.

(2) The most recently completed financial period referred to in subsection (1) must be audited.

(3) If a reporting issuer is required to include financial statements in a business acquisition report under subsection (1), the business acquisition report must include financial statements for

(a) the most recently completed interim period or other period that started the day after the date of the statement of financial position specified in paragraph (1)(b) and ended,

(i) in the case of an interim period, before the acquisition date; or

(ii) in the case of a period other than an interim period, after the interim period referred to in subparagraph (i) and on or before the acquisition date; and

(b) a comparable period in the preceding financial year of the business.

(3.1) If a reporting issuer is required under subsection (3) to include an interim financial report in a business acquisition report and the financial statements for the business

or related businesses acquired are prepared in accordance with Canadian GAAP applicable to private enterprises, as permitted under Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards, then the interim financial report 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; and

(c) notes to the financial statements.

(3.2) Subsection (3.1) does not apply in Ontario.

(4) Despite subsection (3), the business acquisition report may include financial statements for a period ending not more than one interim period before the period referred to in subparagraph (3)(a)(i) if

(a) the business does not, or related businesses do not, constitute a material departure from the business or operations of the reporting issuer immediately before the acquisition; and

(b) (deleted)

(c) either

(i) the acquisition date is, and the reporting issuer files the business acquisition report, within the following time after the business's or related businesses' most recently completed interim period:

(A) 45 days, if the reporting issuer is not a venture issuer;
or

(B) 60 days, if the reporting issuer is a venture issuer; or

(ii) the reporting issuer filed a document before the acquisition date that included financial statements for the business or related businesses that would have been required if the document were a prospectus, and those financial statements are for a period ending not more than one interim period before the interim period referred to in subparagraph (3)(a)(i).

(5) If a reporting issuer is required to include financial statements in a business acquisition report under subsection (1) or (3), the business acquisition report must include

(a) a pro forma statement of financial position of the reporting issuer,

(i) as at the date of the reporting issuer's most recent statement of financial position filed, that gives effect, as if they had taken place as at the date of the pro forma statement of financial position, to significant acquisitions that have been completed, but are not reflected in the reporting issuer's most recent statement of financial position for an annual or interim period; or

(ii) if the reporting issuer has not filed a statement of financial position for any annual or interim period, as at the date of the acquired business's most recent statement of financial position, that gives effect, as if they had taken place as at the date of the pro forma statement of financial position, to significant acquisitions that have been completed;

(b) a pro forma income statement of the reporting issuer that gives effect to significant acquisitions completed since the beginning of the financial year referred to in clause (i)(A) or (ii)(A), as applicable, as if they had taken place at the beginning of that financial year, for each of the following financial periods:

(i) the reporting issuer's

(A) most recently completed financial year for which it has filed financial statements; and

(B) interim period for which it has filed an interim financial report that started after the period in clause (A) and ended immediately before the acquisition date or, in the reporting issuer's discretion, after the acquisition date; or

(ii) if the reporting issuer has not filed a statement of comprehensive income for any annual or interim period, for the business's or related businesses'

(A) most recently completed financial year that ended before the acquisition date; and

(B) period for which financial statements are included in the business acquisition report under paragraph (3)(a); and

(c) pro forma earnings per share based on the pro forma financial statements referred to in paragraph (b).

(6) Despite paragraph (5)(a) and clauses (5)(b)(i)(B) and (5)(b)(ii)(B), if the reporting issuer relies on subsection (4), the business acquisition report may include

(a) a pro forma statement of financial position as at the date of the statement of financial position filed immediately before the reporting issuer's most recent statement of financial position filed; and

(b) a pro forma income statement for the period ending not more than one interim period before the interim period referred to in clause (5)(b)(i)(B) or (5)(b)(ii)(B), as applicable.

(7) If a reporting issuer is required to include pro forma financial statements in a business acquisition report under subsection (5),

(a) the reporting issuer must identify in the pro forma financial statements each significant acquisition, if the pro forma financial statements give effect to more than one significant acquisition;

(b) 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;

(c) if the financial year-end of the business differs from the reporting issuer's year-end by more than 93 days, for the purpose of preparing the pro forma income statement for the reporting issuer's most recently completed financial year, the reporting issuer must construct an income statement of the business 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;

(d) if a constructed income statement is required under paragraph (c), the pro forma financial statements must disclose the period covered by the constructed income

statement 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 forma financial statements and do not conform with the financial statements for the business included elsewhere in the business acquisition report;

(e) if a reporting issuer is required to prepare a pro forma income statement for an interim period required by paragraph (5)(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, the reporting issuer must disclose in a note to the pro forma financial statements the revenue, expenses and profit or loss from continuing operations included in each pro forma income statement for the overlapping period; and

(f) a constructed period referred to in paragraph (c) does not have to be audited.

(8) 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.”.

15. Section 8.6 of the Regulation is replaced with the following:

“8.6. Exemption for Significant Acquisitions Accounted for Using the Equity Method

A reporting issuer is exempt from the requirements in section 8.4 if

(a) the acquisition is, or will be, of an equity investee;

(b) the business acquisition report includes disclosure for the periods for which financial statements are otherwise required under subsection 8.4(1) that

(i) summarizes financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and

(ii) describes the reporting issuer’s proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the reporting issuer’s share of profit or loss;

(c) the financial information provided under paragraph (b) for the most recently completed financial year

(i) has been derived from audited financial statements of the equity investee; or

(ii) has been audited; and

(d) the business acquisition report

(i) identifies the financial statements referred to in subparagraph (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 subparagraph (i), or the financial information referred to in subparagraph (ii), was issued without a modified opinion.”.

16. Section 8.9 of the Regulation is amended:

(1) in the introductory sentence, by replacing the words “interim financial statements” with the words “an interim financial report”;

(2) in subparagraph (c) of paragraph (3), by replacing the word “statements” with the word “report”.

17. Section 8.10 of the Regulation is amended:

(1) by replacing paragraph (2) with the following:

“(2) Despite subsections 8.3(1), 8.3(2), 8.3(3), 8.3(4), 8.3(8), 8.3(9), 8.3(10) and 8.3(11.1), a reporting issuer must substitute “operating income” for “acquisition test profit or loss” for the purposes of the profit or loss test in paragraphs 8.3(2)(c) and 8.3(4)(c) if the acquisition is one described in subsection (1).”;

(2) in paragraph (3):

(a) by deleting subparagraph (d);

(b) by replacing the French text of subparagraphs (e) and (f) with the following:

“*e*) la déclaration d'acquisition d'entreprise comprend, à l'égard de l'entreprise ou des entreprises reliées, pour chacune des périodes comptables pour lesquelles des états financiers devraient normalement être présentés en vertu de l'article 8.4, l'information suivante :

i) un compte de résultat opérationnel indiquant pour l'entreprise ou les entreprises reliées au moins les éléments suivants :

- A) les produits bruts;
- B) les charges liées aux redevances;
- C) les coûts de production;
- D) le résultat opérationnel;

ii) un compte de résultat opérationnel pro forma de l'émetteur assujéti qui tient compte des acquisitions significatives réalisées au cours de son dernier exercice pour lequel il a déposé des états financiers, comme si elles avaient été réalisées au début de cet exercice, pour chacune des périodes comptables visées dans le sous-paragraphe *b* du paragraphe 5 de l'article 8.4;

iii) une description du ou des terrains et de la participation acquise par l'émetteur assujéti;

iv) les volumes de production annuelle de pétrole et de gaz de l'entreprise ou des entreprises reliées;

f) le compte de résultat opérationnel pour le dernier exercice visé au paragraphe 1 de l'article 8.4 est audité;”

(3) in the French text of subparagraph (a) of paragraph (4), by replacing the words “bénéfice d'exploitation” with the words “résultat opérationnel”.

18. Section 8.11 of the Regulation is amended:

(1) in the title, by replacing the words “**Step-By-Step Acquisitions**” with the words “**Multiple Investments in the Same Business**”;

(2) by replacing the words “a “step-by-step” purchase as described in the Handbook” with the words “multiple investments in the same business”.

19. The Regulation is amended by inserting the following after section 8.11:

“8.12. Exemption for financial statements of a business or related businesses prepared in accordance with Canadian GAAP applicable for private enterprises

(1) This section does not apply in Ontario.

(2) Subsection 8.3(13) does not apply if the financial statements for the business or related businesses referred to in subsections 8.3(2) and (4)

(a) are prepared in accordance with Canadian GAAP applicable to private enterprises;

(b) consolidate any subsidiaries and account for significantly influenced investees and joint ventures using the equity method; and

(c) were not prepared in accordance with any of the accounting principles specified in paragraphs 3.11(1)(a) through (e) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

(3) Despite subsection (2), for the purposes of the significance tests in subsections 8.3(2) and (4), the financial statements of the business or related businesses must be translated into the same presentation currency as that used in the reporting issuer’s financial statements.”.

20. Section 9.4 of the Regulation is amended:

(1) by replacing, wherever they occur in the French text, the words “du vérificateur” with the words “de l’auditeur”;

(2) by inserting, at the end of subparagraph (a) of paragraph (9), the words “or, in the case of a solicitation under subsection 9.2(4), the document required under paragraph 9.2(6)(a)”.

21. Paragraph (3) of section 10.1 of the Regulation is amended by replacing the words “interim financial statements” with the words “an interim financial report”.

22. Section 10.2 of the Regulation is amended, in the French text:

(1) in paragraph (1), by replacing the words “titres de participation” with the words “titres capitaux propres”;

(2) in paragraph (2), by replacing the words “titres de participation inscrites” with the words “titres de capitaux propres inscrits”.

23. Section 11.4 of the Regulation is amended by replacing the words “results of operations” with the words “financial performance”.

24. Paragraph (b) of section 11.5 of the Regulation is amended by replacing the word “retroactive” with the word “retrospective”.

25. Section 13.3 of the Regulation is amended by replacing, in the French text of subparagraph (iii) of subparagraph (c) of paragraph (2) and of subparagraph (iii) of subparagraph (e) of paragraph (3), the words “titres d'emprunt” with the words “titres de créance”.

26. Section 13.4 of the Regulation is amended:

(1) in paragraph (1):

(a) by adding the word “and” after the definition of “subsidiary credit supporter”;

(b) by replacing the definition of “summary financial information” with the following:

““summary financial information” includes the following line items:

(a) revenue;

(b) profit or loss from continuing operations;

(c) profit or loss; and

(d) unless the accounting principles used to prepare the financial statements of the person permits the preparation of the person’s statement of financial position without classifying assets and liabilities between current and non-current and the person provides alternative meaningful financial information which is more appropriate to the industry,

(i) current assets;

(ii) non-current assets;

(iii) current liabilities; and

(iv) non-current liabilities.”;

(c) in the definition of “designated credit support securities”:

(i) in subparagraph (a), by inserting the word “securities” after the word “debt” wherever it occurs and by replacing the word “is” with the word “are”;

(ii) by deleting the word “and” at the end of subparagraph (d);

(2) in the French text of subparagraph (c) of paragraph (1.1), by replacing the words “à la valeur de consolidation” with the words “selon la méthode de la mise en équivalence”;

(3) in paragraph (2):

(a) in the French text of subparagraph (iii) of subparagraph (c), by replacing the words “titres d'emprunt” with the words “titres de créance”;

(b) in subparagraph (g):

(i) by replacing the words “the interim and annual financial statements” with the words “each consolidated interim financial report and consolidated annual financial statements”;

(ii) in subparagraph (A) of subparagraph (i), by replacing the

word “revenues” with the word “revenue”;

(iii) in subparagraph (ii), by replacing the words “interim or annual consolidated” with the words “consolidated interim financial report or consolidated annual”;

(c) by replacing, wherever they occur in the French text of subparagraph (i), the words “titres d'emprunt” with the words “titres de créance”;

(4) by replacing the introductory sentence of subparagraph (c) of paragraph (2.1) with the following:

“(c) the credit support issuer files, in electronic format, in the notice referred to in clause (2)(d)(ii)(A) or in or with the copy of each consolidated interim financial report and the consolidated annual financial statements filed under subparagraph (2)(d)(i) or clause (2)(d)(ii)(B), for a period covered by any consolidated interim financial report or consolidated annual financial statements of the parent credit supporter filed by the parent credit supporter, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:”;

(5) in subparagraph (b) of paragraph (2.2), by replacing the word “revenues” with the word “revenue”.

27. The Regulation is amended by adding the following after section 14.2:

“14.3. Transition – Interim Financial Report

(1) Despite section 4.4 and paragraph 4.10(2)(c), the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 must be filed

(a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of

(i) the 75th day after the end of the interim period; and

(ii) the date of filing, in a foreign jurisdiction, an interim financial report 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 90th day after the end of the interim period; and

(ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.

(2) Despite subsection 5.1(2), the MD&A required to be filed under subsection 5.1(1) relating to the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 must be filed on or before the earlier of

(a) the filing deadline for the interim financial report set out in subsection (1); and

(b) the date the reporting issuer files the interim financial report under subsections (1) or 4.3(1), as applicable.

(3) Despite subsection 4.6(3), if a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the issuer's first interim financial report required to be filed in the year of adopting IFRS in respect of an

interim period beginning on or after January 1, 2011, the reporting issuer must send a copy of the required interim financial report and the interim MD&A relating to the interim financial report to the person that made the request, without charge, by the later of,

(a) in the case of a reporting issuer relying on subsection (1), 10 calendar days after the filing deadline set out in subsection (1), for the financial statements requested;

(b) in the case of a reporting issuer not relying on subsection (1), 10 calendar days after the filing deadline in subparagraph 4.4(a)(i) or 4.4(b)(i), subsection 4.10(2) or subsection 14.3(1), as applicable, for the financial statements requested; and

(c) 10 calendar days after the issuer receives the request.

(4) Subsections (1), (2) and (3) do not apply if the first interim financial report is in respect of an interim period ending after March 30, 2012.

“14.4. Transition – Application of Amendments

Despite section 14.1 the amendments to this Regulation which came into force on January 1, 2011 only apply to periods relating to financial years beginning on or after January 1, 2011.”.

28. Form 51-102F1 of the Regulation is amended:

(1) in Part 1:

(a) in paragraph (a), by replacing the words “results of operations” with the words “financial performance” and the word “earnings” with the words “profit or loss”;

(b) in the French text of paragraph (d), by replacing the word “connu” with the word “connues”;

(c) in paragraph (f), by deleting the sentence “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”;

(d) by replacing paragraphs (g) and (h) with the following:

“(g) Venture Issuers Without Significant Revenue

If your company is a venture issuer without significant revenue from operations, focus your discussion and analysis of financial performance on expenditures and progress towards achieving your business objectives and milestones.

(h) Reverse Takeover Transactions

If an acquisition is a reverse takeover, the MD&A should be based on the reverse takeover acquirer’s financial statements.”;

(e) by deleting paragraph (i);

(f) in paragraph (m), by inserting, at the end, the following after the first paragraph:

“This Form also uses accounting terms that are defined, or referred to, in Canadian GAAP. See subsections 1.4(7) and (8) of Policy Statement to Regulation 51-102.”;

(g) in paragraph (o), by replacing the words “results of operations” with the words “financial performance”;

(h) by adding the following after paragraph (o):

“(p) Use of “Financial Condition”

This Form uses the term “financial condition”. Financial condition reflects the overall health of the company and includes your company’s financial position (as shown on the statement of financial position) and other factors that may affect your company’s liquidity, capital resources and solvency.”;

(2) in Part 2:

(a) in section 1.1, by inserting the word “annual” after the words “auditor’s report on the”;

(b) by replacing sections 1.2 and 1.3 with the following:

“1.2. Overall Performance

Provide an analysis of your company’s financial condition, financial performance and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on your company’s business. Compare your company’s performance in the most recently completed financial year to the prior year’s performance. Your analysis should address at least the following:

- (a) operating segments that are reportable segments;
- (b) other parts of your business if
 - (i) they have a disproportionate effect on revenue, profit or loss or cash needs; or
 - (ii) there are any legal or other restrictions on the flow of funds from one part of your company’s business to another;
- (c) industry and economic factors affecting your company’s performance;
- (d) why changes have occurred or expected changes have not occurred in your company’s financial condition and financial performance; and
- (e) 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 effect on your continuing operations of any acquisition, disposition, write-off, abandonment or other similar transaction.*

(ii) *A discussion of financial condition should include important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future.*

(iii) *Include information for a period longer than two financial years if it will help the reader to better understand a trend.*

“1.3. Selected Annual Information

(1) Provide the following financial data derived from your company’s annual financial statements for each of the three most recently completed financial years:

- (a) total revenue;
- (b) profit or loss before discontinued operations, in total and on a per-share and diluted per-share basis;
- (c) profit or loss, in total and on a per-share and diluted per-share basis;
- (d) total assets;
- (e) total non-current financial liabilities; and
- (f) distributions cash dividends declared per-share for each class of share.

(2) 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 position and financial performance.

INSTRUCTION

Indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency, the functional currency if different from the presentation currency.”;

- (c) in section 1.4:
 - (i) in the title, by replacing the word “**Results**” with the word “**Discussion**”;
 - (ii) in paragraph (a), by replacing the words “net sales or total revenues by operating business” with the words “total revenue by reportable”;
 - (iii) in paragraph (b), by replacing the words “net sales or total revenues” with the words “total revenue”;
 - (iv) in the French text of paragraph (c), by replacing the words “marge bénéficiaire brute” with the words “marge brute”;
 - (v) in paragraph (d), by deleting the word “operating”;
 - (vi) in paragraph (f), by replacing the word “revenues” with the word “revenue”;
 - (vii) by replacing paragraphs (g) and (h) with the following:
 - “(g) commitments, events, risks or uncertainties that you reasonably believe will materially affect your company’s future performance including total revenue and profit or loss before discontinued operations;
 - (h) effect of inflation and specific price changes on your company’s total revenue and on profit or loss before discontinued operations;”;

(d) in section 1.5:

(i) in paragraph (a), by replacing the words “net sales or total revenues” with the words “total revenue”;

(ii) by replacing paragraphs (b) and (c) with the following :

“(b) profit or loss before discontinued operations, in total and on a per-share and diluted per-share basis; and

(c) profit or loss, in total and on a per-share and diluted per-share basis.”;

(iii) in instruction (iii):

(A) in subparagraph (G), by replacing the word “revenues” with the word “revenue”;

(B) in subparagraph (J), by replacing the words “cash flow” with the words “cash flows”;

(C) by replacing the French text of subparagraph (K) with the following:

“K) pour les émetteurs qui ont une entreprise mise en équivalence significative, la nature de la participation et sa signification pour la société.”;

(iv) by replacing instruction (iv) with the following:

“(iv) Indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency, the functional currency if different from the presentation currency.”;

(e) in section 1.6:

(i) by replacing paragraph (f) with the following:

“(f) statement of financial position conditions or profit or loss or cash flow items that may affect your company’s liquidity.”;

(ii) in subparagraph (i) of paragraph (h), by replacing the word “dividend” with the words “distributions or dividends”;

(iii) in instruction (ii):

(A) in subparagraph (A), by replacing the word “earnings” with the words “profit or loss”;

(B) by replacing the French text of subparagraph (B) with the following:

“B) les situations qui pourraient nuire à la capacité de la société d’entreprendre des opérations jugées essentielles pour ses activités, par exemple l’incapacité de maintenir sa notation dans une catégorie d’évaluation supérieure, son résultat par action, ses flux de trésorerie ou le cours de son action.”;

(iv) in instruction (iv):

(A) by replacing the words “*balance sheet conditions or income*” with the words “*statement of financial position conditions or profit or loss*”;

(B) in the table, by deleting the words “*Long Term*”, wherever they occur, and by replacing the word “*Capital*” with the word “*Finance*”;

(v) by replacing footnote (2) of the table with the following:

“(2) “*Other Obligations*” means other financial liabilities reflected on your company’s statement of financial position.”;

(f) in section 1.8:

(i) in the first paragraph, by replacing the words “results of operations” with the words “financial performance”;

(ii) in subparagraph (c) of the second paragraph, by replacing the word “revenues” with the word “revenue”;

(iii) by replacing subparagraph (D) of instruction (i) with the following:

“(D) any obligation held by your company in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to your company, or engages in leasing, hedging activities or, research and development services with your company.”;

(iv) by replacing, in the French text of instruction (iv), the words “*notes afférentes aux états financiers*” with the words “*notes des états financiers*”;

(g) in section 1.9:

(i) by replacing the word “Handbook” with the words “issuer’s GAAP”;

(ii) by replacing instruction (C) with the following:

“(C) the recorded amount of the transaction and describe the measurement basis used; and”;

(h) in section 1.10, by replacing the words “cash flows or results of operations, including extraordinary items” with the words “financial performance or cash flows”;

(i) in section 1.11, by replacing the words “results of operations” with the words “financial performance”;

(j) in section 1.12:

(i) in paragraph (b), by replacing the words “financial condition, changes in financial condition and results of operations” with the words “financial position, changes in financial position and financial performance”;

(ii) by replacing paragraph (e) with the following:

“(e) identify the reportable segments of your company’s business that the accounting estimate affects and discuss the accounting estimate on a reportable segment basis, if your company operates in more than one reportable segment.”;

(iii) in subparagraph (B) of instruction (i), by replacing the words

“*results of operations*” with the words “*financial performance*”;

(k) in section 1.13, by replacing, wherever they occur, the words “financial condition, changes in financial condition and results of operations” with the words “financial position, changes in financial position and financial performance”;

(l) in section 1.14:

(i) in paragraph (d), by replacing the word “income” with the word “revenue”;

(ii) in paragraph (e), by replacing the word “income” with the word “profit or loss”;

(iii) in instruction (ii), by replacing the words “*results of operations*” with the words “*financial performance*”;

(iv) in instruction (iii), by replacing the word “*earnings*” with the words “*profit or loss*”;

(v) in instruction (iv), by replacing the word “*income*” with the word “*revenue*”;

(m) by replacing the French text of subparagraph (iii) of paragraph (b) of section 1.15 with the following:

“*iii*) à l’article 5.7 qui concerne l’information additionnelle exigée des émetteurs assujettis ayant une entreprise mise en équivalence significative.”;

(n) in section 2.2:

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

“(a) a discussion of your analysis of

(i) current quarter and year-to-date results including a comparison of financial performance to the corresponding periods in the previous year;

(i.i) a comparison of cash flows to the corresponding period in the previous year;

(ii) changes in financial performance and elements of profit or loss that are not related to ongoing business operations;

(iii) any seasonal aspects of your company’s business that affect its financial position, financial performance or cash flows; and”;

(ii) in instructions (i) and (vii), by replacing the word “*interim financial statements*” with the word “*interim financial report*”;

(iii) by replacing instruction (iv) with the following:

“(iv) *In discussing your company’s statement of financial position conditions or profit or loss or cash flow items for an interim period, you do not have to present a summary, in tabular form, of all known contractual obligations contemplated under section 1.6. Instead, you should disclose material changes in the specified contractual obligations during the interim period.*”.

29. Form 51-102F2 of the Regulation is amended:

(1) in Part 1:

(a) in the French text of paragraph (c), by replacing the words “à la valeur de consolidation” with the words “selon la méthode de la mise en équivalence”;

(b) in the French text of paragraph (d), by moving the words “(applicables à votre société ou à certaines personnes)” after the word “sanction”;

(c) in paragraph (e), by deleting the sentence “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”;

(d) in paragraph (g), by inserting, at the end, the following paragraph:

“This Form also uses accounting terms that are defined, or referred to, in Canadian GAAP. See subsections 1.4(7) and (8) of Policy Statement to Regulation 51-102.”;

(e) by replacing paragraph (i) with the following:

“(i) Special Purpose Entities

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

(2) in Part 2:

(a) in the French text of section 1.1, by replacing the words “du vérificateur” with the words “de l’auditeur”;

(b) in section 3.2, by replacing subparagraph (ii) of the instruction with the following:

“(ii) *the revenue of the subsidiary does not exceed 10 per cent of the consolidated revenue of your company; and*”;

(c) in paragraph (1) of section 5.1:

(i) by replacing the introductory sentence with the following:

“(1) Describe the business of your company and its operating segments that are reportable segments. For each reportable segment include:”;

(ii) in subparagraph (iii) of paragraph (a), by replacing, wherever it occurs, the word “revenues” with the word “revenue”;

(iii) in the French text of subparagraph (A) of subparagraph (iii) of paragraph (a), by replacing the words “à la valeur de consolidation” with the words “selon la méthode de la mise en équivalence”;

(iv) in paragraph (h), by inserting the word “reportable” after the words “the business of the”;

(v) in paragraph (k), by replacing the word “earnings” with the words “profit or loss”;

(vi) in paragraph (m), by inserting the word “reportable” after the word “any”;

- (d) in section 5.3:
 - (i) in subparagraph (b) of paragraph (2), by replacing the word “income” with the word “profit”;
 - (ii) in the French text of paragraph (2.1), by replacing the words “vérifiés” and “la vérification” with, respectively, the words “audités” and “l’audit”;
 - (iii) in paragraph (6), by deleting the words “, Form 10K-SB”;
- (e) in item 6:
 - (i) in the title, by replacing the word “or” with the word “and”;
 - (ii) by replacing, in the title of section 6.1, the word “or” with the word “and”;
- (f) in the instructions of section 7.3, by replacing the word “derivatives” with the words “derivative instruments”;
- (g) in the French text of paragraph (2) of section 8.1 of, by inserting the words “ni négociée sur un tel marché” after the words “marché canadien”;
- (h) by replacing paragraph (2.1) of section 16.2 with the following:

“(2.1) Despite subsection (1), an auditor who is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or who has performed an audit in accordance with U.S. PCAOB GAAS or U.S. AICPA GAAS is not required to provide the disclosure in subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC’s rules on auditor independence.”;

 - (i) in the French text of section 18.1, by replacing the words “à base de titres de participation”, “d’un vérificateur” and “du vérificateur” with, respectively, the words “fondés sur des titres de capitaux propres”, “d’un auditeur” and “de l’auditeur”;
 - (j) by replacing, wherever they occur in the French text, the words “titres de participation” with the words “titres de capitaux propres”.

30. Form 51-102F4 of the Regulation is amended:

- (1) in paragraph (e) of Part 1, by inserting, at the end, the following paragraph:

“This Form also uses accounting terms that are defined, or referred to, in Canadian GAAP. See subsections 1.4(7) and (8) of Policy Statement to Regulation 51-102.”;
- (2) in Part 2:
 - (a) in section 2.2:
 - (i) by replacing, wherever they occur, the words “date of acquisition” with the words “acquisition date”;
 - (ii) by deleting the instruction;
 - (b) in the French text of section 2.3, by replacing the words “contrepartie conditionnelle” with the words “contrepartie éventuelle”;

(c) in section 2.4, by replacing the words “results of operations” with the words “financial performance”;

(d) in item 3:

(i) in the title, by inserting the words “**and Other Information**” after the words “**Financial Statements**”;

(ii) in the French text, by replacing the word “vérificateurs” with the word “auditeurs”.

31. Form 51-102F5 of the Regulation is amended:

(1) in paragraph (d) of Part 1, by inserting, at the end, the following paragraph:

“This Form also uses accounting terms that are defined, or referred to, in Canadian GAAP. See subsections 1.4(7) and (8) of Policy Statement to Regulation 51-102.”;

(2) in Part 2:

(a) in item 9:

(i) by replacing, wherever they occur in the French text, the words “à base de titres de participation” with the words “fondé sur des titres de capitaux propres”, and making the necessary changes;

(ii) by replacing, wherever they occur in the French text, the words “titres de participation” with the words “titres de capitaux propres”, and making the necessary changes;

(iii) in instruction (ii) of section 9.3, by deleting the words “*as described in section 3870 “Stock-based Compensation and Other Stock-based Payments” of the Handbook*”;

(b) in the French text of item 12, by replacing, wherever it occurs, the word “vérificateur” with the word “auditeur”, and making the necessary changes;

(c) in section 14.1, by inserting the word “annual” after the words “the approval of”;

(d) in section 14.2, by replacing the second paragraph with the following:

“The disclosure for the company, business or entity must be the disclosure (including financial statements) prescribed under securities legislation and described in the form of prospectus that the company, business or entity, respectively, would be eligible to use immediately prior to the sending and filing of the information circular in respect of the significant acquisition or restructuring transaction, for a distribution of securities in the jurisdiction.”;

(e) in the French text of paragraph (c) of section 15.1, by replacing the words “titres de participation” with the words “titres de capitaux propres”;

(f) in section 16.2, by inserting the word “annual” after the word “comparative”.

32. Form 51-102F6, Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008) of the Regulation is amended:

(1) in section 1.2:

(a) in the French text, by replacing the definitions of “share-based award” and “option-based award” with the following, and making the necessary changes:

« attribution fondée sur des actions » : l'attribution, en vertu d'un plan incitatif fondé sur des titres de capitaux propres, d'instruments fondés sur des actions qui ne présentent pas de caractéristiques assimilables à celles des options, notamment les actions ordinaires, les actions incessibles, les unités d'actions incessibles, les unités d'actions différées, les actions fictives, les unités d'actions fictives et les unités équivalentes à des actions ordinaires;

« attribution fondée sur des options » : l'attribution, en vertu d'un plan incitatif fondé sur des titres de capitaux propres, d'options, notamment les options sur actions, les droits à la plus-value d'actions et tout instrument semblable qui présente des caractéristiques assimilables à celles des options;”;

(b) in the definition of “grant date”, by replacing the words “Section 3870 of the Handbook” with the words “IFRS 2 *Share-based Payment*”;

(c) in the definition of “equity incentive plan” by replacing the words “Section 3870 of the Handbook” with the words “IFRS 2 *Share-based Payment*”;

(d) in the French text, by replacing the definition of “non-equity incentive plan” with the following:

« plan incitatif non fondé sur des titres de capitaux propres » : un plan incitatif ou une partie d'un plan incitatif qui n'est pas un plan incitatif fondé sur des titres de capitaux propres;”;

(2) in commentary 1 under paragraph (8) of section 1.3, by replacing the words “*Regulation 52-107, or the Handbook*” with the words “*Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards*”;

(3) in the French text of paragraph (4) of section 2.1, by replacing the words “bénéfice par action” with the words “résultat par action”;

(4) by replacing the French text of section 2.3 with the following:

“2.3. Attributions fondées sur des options

Décrire le processus selon lequel la société fait des attributions fondées sur des options aux membres de la haute direction. Aborder notamment le rôle du comité de la rémunération et des membres de la haute direction dans l'établissement et la modification de tout plan incitatif fondé sur des titres de capitaux propres en vertu duquel des attributions fondées sur des options sont octroyées. Indiquer si les attributions antérieures sont prises en considération lorsque de nouvelles attributions sont envisagées.”;

(5) in section 3.1:

(a) by replacing the French text of paragraph (1) with the following:

“3.1. Tableau sommaire de la rémunération

1) Malgré le sous-paragraphe a du paragraphe 8 de la rubrique 1.3, pour chaque membre de la haute direction visé au cours du dernier exercice, remplir le tableau ci-dessous pour chacun des trois derniers exercices de la société terminé le 31 décembre 2008 ou après cette date.

Nom et poste principal (a)	Exercice (b)	Salaire (\$) (c)	Attributions fondées sur des actions (\$) (d)	Attributions fondées sur des options (\$) (e)	Rémunération en vertu d'un plan incitatif non fondé sur des titres de capitaux propres (\$) (f)		Valeur du régime de retraite (\$) (g)	Autre rémunération (\$) (h)	Rémunération totale (\$) (i)
					Plans incitatifs annuels (f1)	Plans incitatifs à long terme (f2)			
Chef de la direction									
Chef des finances									
A									
B									
C									

Commentaire

En vertu du paragraphe 1, la société n'est pas tenue de présenter les données de périodes correspondantes aux fins de comparaison conformément aux obligations prévues par l'Annexe 51 102A6 entrée en vigueur le 30 mars 2004 et ses modifications, ou la présente annexe, à l'égard d'un exercice se terminant avant le 31 décembre 2008.”;

(b) by replacing paragraphs (3) to (5) with the following:

“(3) In column (d), disclose the dollar amount based on the fair value of the award on the grant date for a covered financial year.

(4) In column (e), disclose the dollar amount based on the fair value of the award on the grant date for a covered financial year. Include option-based awards both with or without tandem share appreciation rights.

(5) For an award disclosed in column (d) or (e), in a footnote to the table or in a narrative after the table,

(a) if the fair value of the award on the grant date is different from the fair value determined in accordance with IFRS 2 *Share-based Payment* (accounting fair value), state the amount of the difference and explain the difference, and

(b) describe the methodology used to calculate the fair value of the award on the grant date, disclose the key assumptions and estimates used for each calculation, and explain why the company chose that methodology.

Commentary

1. This commentary applies to subsections (3), (4) and (5).

2. The value disclosed in columns (d) and (e) of the summary compensation table should reflect what the board of directors intended to pay, make payable, award, grant, give or otherwise provide as compensation on the grant date (fair value of the award) as set out in comment 3, below. This value may differ from the value reported in the issuer's financial statements.

3. While compensation practices vary, there are generally two approaches that boards of directors use when setting compensation. A board of directors may decide the value in securities of the company it intends to award or pay as compensation. Alternatively, a board of directors may decide the portion of the potential

ownership of the company it intends to transfer as compensation. A fair value ascribed to the award will normally result from these approaches.

A company may calculate this value either in accordance with a valuation methodology identified in IFRS 2 Share-based Payment or in accordance with another methodology set out in comment 5 below.

4. In some cases, the fair value of the award disclosed in columns (d) and (e) may differ from the accounting fair value. For financial statement purposes, the accounting fair value amount is amortized over the service period to obtain an accounting cost (accounting compensation expense), adjusted at year end as required.

5. While the most commonly used methodologies for calculating the value of most types of awards are the Black-Scholes-Merton model and the binomial lattice model, companies may choose to use another valuation methodology if it produces a more meaningful and reasonable estimate of fair value.

6. The summary compensation table requires disclosure of an amount even if the accounting compensation expense is zero. The amount disclosed in the table should reflect the fair value of the award following the principles described under comments 2 and 3, above.

7. Column (d) includes common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, stock, and similar instruments that do not have option-like features.”;

(c) in paragraph (6), by replacing the words “section 3870 of the Handbook” with the words “IFRS 2 Share-based Payment”;

(d) by replacing the French text of paragraphs (8) and (9) with the following:

“8) Déclarer dans la colonne (f) la valeur de tous les montants gagnés pour services rendus au cours de l'exercice visé et qui se rapportent à des attributions en vertu d'un plan incitatif non fondé sur des titres de capitaux propres, ainsi que tous les gains réalisés sur ces attributions en cours.

a) Si l'objectif de performance pertinent ou la condition similaire pertinente a été rempli au cours d'un exercice visé, y compris pendant un seul exercice d'un plan qui prévoit un objectif de performance ou une condition similaire sur plusieurs exercices, déclarer les montants gagnés pendant cet exercice, même s'ils sont payables ultérieurement; il n'est pas nécessaire de les déclarer de nouveau dans le tableau sommaire de la rémunération lorsqu'ils sont payés au membre de la haute direction visé.

b) Décrire et quantifier dans une note au tableau tous les montants gagnés sur la rémunération en vertu d'un plan incitatif non fondé sur des titres de capitaux propres, qu'ils aient été payés au cours de l'exercice, qu'ils soient payables mais différés au choix du membre de la haute direction visé ou qu'ils soient payables ultérieurement selon leurs modalités.

c) Inclure tous gains, attributions d'espèces, paiements ou sommes à payer discrétionnaires qui n'étaient pas fondés sur un objectif de performance ou une condition similaire préétabli communiqué au préalable au membre de la haute direction visé. Indiquer dans la colonne (f) toute attribution en vertu d'un plan de rémunération en fonction de la performance qui prévoit des objectifs de performance ou des conditions similaires préétablis.

d) Indiquer dans la colonne (f1) toute rémunération gagnée en vertu d'un plan incitatif non fondé sur des titres de capitaux propres annuel, telle

que les primes et les montants discrétionnaires. Dans la colonne (f1), inclure cette rémunération gagnée au cours d'un seul exercice. Dans la colonne (f2), indiquer toute rémunération gagnée en vertu d'un plan incitatif non fondé sur des titres de capitaux propres relatif à une période supérieure à une année.

9) Dans la colonne (g), inclure l'ensemble de la rémunération liée aux régimes à prestations ou à cotisations définies, comme le coût des services rendus au cours de l'exercice et les autres éléments rémunérateurs, notamment les modifications touchant le régime ainsi que les gains différents de ceux estimés pour les régimes à prestations définies et les gains réalisés au-dessus du cours du marché pour les régimes à cotisations définies.

L'information concerne tous les plans qui prévoient le paiement de prestations de retraite. Utiliser les montants indiqués dans la colonne (e) du tableau des régimes de retraite à prestations définies prévu à la rubrique 5 pour l'exercice visé et les montants indiqués dans la colonne (c) du tableau des régimes de retraite à cotisations définies prévu à cette même rubrique pour l'exercice visé.”;

(e) in paragraph (10):

(i) in subparagraph (f), by replacing the words “grant date fair value” with the words “fair value of the award on the grant date”;

(ii) in subparagraph (g), by replacing the words “section 3870 of the Handbook” with the words “IFRS 2 *Share-based Payment*”;

(iii) in the French text of subparagraph (h), by replacing the words “plans de retraite à cotisations déterminées” with the words “régimes de retraite à cotisations définies”, and the words “plans non enregistrés” with the words “régimes non enregistrés”;

(6) in the French text of section 3.2, by replacing the words “d’attributions à base d’actions ou d’options” with the words “d’attributions fondées sur des actions ou des options”;

(7) in section 3.3, by replacing, wherever they occur, the words “reporting currency” with the words “presentation currency”;

(8) in the French text of section 4.1:

(a) by replacing the title with the following:

“4.1. Attributions fondées sur des actions et des options en cours”;

(b) by replacing, wherever they occur, the words “à base d’options” and “à base d’actions” with, respectively, the words “fondée sur des options” and “fondée sur des actions”, and making the necessary changes;

(9) in the French text of section 4.3:

(a) by replacing, wherever they occur, the words “autre qu’à base d’actions” with the words “non fondé sur des titres de capitaux propres”, and making the necessary changes;

(b) in the commentary, by replacing the words “*attributions à base d’actions*” with the words “*attributions fondées sur des actions*”, and the word “*objectif*” with the word “*objectifs*”;

(10) by replacing the French text of the title of item 5 with the following:

“Rubrique 5 Prestations en vertu d’un régime de retraite”;

(11) by replacing section 5.1 with the following:

“5.1. Defined benefit plans table

(1) Complete this table for all pension plans that provide for payments or benefits at, following, or in connection with retirement, excluding defined contribution plans. For all disclosure in this table, use the same assumptions and methods used for financial statement reporting purposes under the accounting principles used to prepare the company’s financial statements, as permitted by Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

Name (a)	Number of years credited service (#) (b)	Annual benefits payable (\$) (c)		Opening present value of defined benefit obligation (\$) (d)	Compensatory change (\$) (e)	Non-compensatory change (\$) (f)	Closing present value of defined benefit obligation (\$) (g)
		At year end (c1)	At age 65 (c2)				
		CEO					
CFO							
A							
B							
C							

(2) In columns (b) and (c), the disclosure must be as of the end of the company’s most recently completed financial year. In columns (d) through (g), the disclosure must be as of the reporting date used in the company’s audited annual financial statements for the most recently completed financial year.

(3) In column (b), disclose the number of years of service credited to an NEO under the plan. If the number of years of credited service in any plan is different from the NEO’s number of actual years of service with the company, include a footnote that states the amount of the difference and any resulting benefit augmentation, such as the number of additional years the NEO received.

(4) In column (c), disclose

(a) the annual lifetime benefit payable at the end of the most recently completed financial year in column (c1) based on years of credited service reported in column (b) and actual pensionable earnings as at the end of the most recently completed financial year, and

(b) the annual lifetime benefit payable at age 65 in column (c2) based on years of credited service as of age 65 and actual pensionable earnings through the end of the most recently completed financial year, as per column (c1).

(5) In column (d), disclose the present value of the defined benefit obligation at the start of the most recently completed financial year.

(6) In column (e), disclose the compensatory change in the present value of the defined benefit obligation for the most recently completed financial year. This includes service cost net of employee contributions plus plan changes and differences between actual and estimated earnings, and any additional changes that have retroactive impact, including, for greater certainty, a change in valuation assumptions as a consequence

of an amendment to benefit terms.

Disclose the valuation method and all significant assumptions the company applied in quantifying the closing present value of the defined benefit obligation. The company may satisfy all or part of this disclosure by referring to the disclosure of assumptions in its financial statements, footnotes to the financial statements or discussion in its management's discussion and analysis.

(7) In column (f), disclose the non-compensatory changes in the present value of the defined benefit obligation for the company's most recently completed financial year. Include all items that are not compensatory, such as changes in assumptions other than those already included in column (e) because they were made as a consequence of an amendment to benefit terms, employee contributions and interest on the present value of the defined benefit obligation at the start of the most recently completed financial year.

(8) In column (g), disclose the present value of the defined benefit obligation at the end of the most recently completed financial year.”;

(12) by replacing the French text of sections 5.2 and 5.3 with the following:

“5.2. Tableau des régimes à cotisations définies

1) Remplir ce tableau pour tous les régimes de retraite qui prévoient des paiements ou des prestations à la retraite, à l'exclusion des régimes à prestations définies. Pour le calcul des valeurs déclarées dans ce tableau, utiliser les mêmes hypothèses et méthodes que celles ayant servi à établir les états financiers de la société selon les principes comptables qui y ont été appliqués, conformément au Règlement 52-107 sur les principes comptables et normes d'audit acceptables.

Nom	Valeur accumulée au début de l'exercice(\$)	Montant rémunérateur(\$)	Montant non rémunérateur(\$)	Valeur accumulée à la fin de l'exercice(\$)
(a)	(b)	(c)	(d)	(e)
Chef de la direction				
Chef des finances				
A				
B				
C				

2) Déclarer dans la colonne (c) les cotisations d'employeur et les gains préférentiels ou réalisés au-dessus du cours du marché sur les cotisations d'employeur et les cotisations salariales. Les gains préférentiels ou réalisés au-dessus du cours du marché s'appliquent aux régimes non enregistrés et s'entendent de ceux qui sont établis à un taux supérieur à celui que la société ou ses filiales versent ordinairement sur les titres, ou toute autre forme d'obligation présentant des caractéristiques identiques ou similaires, émis à des tiers.

3) Déclarer dans la colonne (d) le montant non rémunérateur, y compris les cotisations salariales et les revenus de placement réguliers des cotisations d'employeur et des cotisations salariales. Les revenus de placement réguliers s'entendent de tous les revenus de placement des régimes à cotisations définies qui sont enregistrés et des gains des autres régimes à cotisations définies qui ne sont pas des gains préférentiels ni réalisés au-dessus du cours du marché.

4) Déclarer dans la colonne (e) la valeur accumulée à la fin du dernier exercice.

Commentaire

En ce qui concerne les régimes de retraite qui prévoient le maximum de ce qui suit : i) la valeur des prestations définies, et ii) la valeur accumulée des

cotisations définies, déclarer la valeur globale du régime de retraite dans le tableau des régimes à prestations définies conformément à la rubrique 5.1.

En ce qui concerne les régimes qui prévoient la somme de la composante à prestations définies et de la composante à cotisations définies, déclarer les composantes respectives du régime de retraite. Déclarer la composante à prestations définies dans le tableau des régimes à prestations définies de la rubrique 5.1 et la composante à cotisations définies dans celui des régimes à cotisations définies de la rubrique 5.2.

“5.3. Explications à fournir

Pour chaque régime de retraite auquel participe le membre de la haute direction visé, décrire et expliquer tout facteur significatif nécessaire à la compréhension de l'information présentée dans le tableau des régimes à prestations définies et celui des régimes à cotisations définies prévus respectivement aux rubriques 5.1 et 5.2.

Commentaire

Les facteurs significatifs décrits dans les explications fournies en vertu de la rubrique 5.3 varieront mais peuvent comprendre les suivants :

- *les modalités significatives des paiements et des prestations en vertu du régime, y compris les paiements à l'âge normal de la retraite et en cas de retraite anticipée, la formule de calcul des prestations et des cotisations, le calcul des intérêts crédités en vertu du régime à cotisations définies et les critères d'admissibilité;*

- *les dispositions relatives à la retraite anticipée, le cas échéant, notamment le nom du membre de la haute direction visé et le régime, la formule de calcul des paiements et des prestations en cas de retraite anticipée et les critères d'admissibilité; la retraite anticipée est prise avant l'âge normal de la retraite défini par le régime ou prévu de quelque autre façon en vertu du régime;*

- *les éléments de la rémunération, par exemple le salaire ou les primes, inclus dans la formule de calcul des paiements et des prestations, en indiquant chaque élément séparément si cette information est fournie;*

- *les politiques de la société, notamment sur l'attribution d'années décomptées supplémentaires, en indiquant les personnes qu'elles concernent et les raisons pour lesquelles elles sont jugées appropriées.”;*

(13) in paragraph (1) of section 5.2, by replacing the words “Regulation 52-107” with the words “Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards”;

(14) in the French text of section 6.1:

(a) in subparagraph (a) of paragraph (1), by replacing the words “plan de retraite” with the words “régime de retraite”;

(b) in paragraph (2), by replacing the words “attributions à base d'actions ou d'options” with the words “attributions fondées sur des actions ou des options”;

(15) by replacing, wherever they occur, the words “Section 3870 of the Handbook” with the words “IFRS 2 *Share-based Payment*”;

(16) by replacing, wherever they occur in the French text, the words “attribution à base d'actions”, “attributions à base d'actions”, “attribution à base d'options”, “attributions à base d'options” and “plan incitatif autre qu'à base d'actions” with,

respectively, the words “attribution fondée sur des actions”, “attributions fondées sur des actions”, “attribution fondée sur des options”, “attributions fondées sur des options” and “plan incitatif non fondé sur des titres de capitaux propres”, and making the necessary changes;

(17) by replacing, wherever they occur in the French text, the words “plan de retraite” with the words “régime de retraite”, and making the necessary changes.

33. The Regulation is amended by replacing, wherever it occurs in the French text, the word “vérifiés” with the word “audités”.

34. The Regulation is amended by replacing, wherever they occur in the French text, the words “titres d’emprunt” with the words “titres de créance”.

35. This Regulation only applies to periods relating to financial years beginning on or after January 1, 2011.

36. This Regulation comes into force on January 1, 2011.