

REGULATION TO AMEND REGULATION 51-102 RESPECTING CONTINUOUS DISCLOSURE OBLIGATIONS

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (2), (8), (9), (19), (20) and (34))

1. Section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations is amended, in paragraph (1):

(1) by inserting, after the definition of the term “SEC issuer”, the following:

““securitized product” means any of the following:

(a) a security that entitles the security holder to receive payments that primarily depend on the cash flow from self-liquidating financial assets collateralizing the security, such as loans, leases, mortgages, and secured or unsecured receivables, including, without limitation

(i) an asset-backed security,

(ii) a collateralized mortgage obligation,

(iii) a collateralized debt obligation,

(iv) a collateralized bond obligation,

(v) a collateralized debt obligation of asset-backed securities, or

(vi) a collateralized debt obligation of collateralized debt obligations;

(b) a security that entitles the security holder to receive payments that substantially reference or replicate the payments made on one or more securities of the type described in paragraph (a) but that do not primarily depend on the cash flow from self-liquidating financial assets that collateralize the security, including, without limitation

(i) a synthetic asset-backed security,

(ii) a synthetic collateralized mortgage obligation,

(iii) a synthetic collateralized debt obligation,

(iv) a synthetic collateralized bond obligation,

(v) a synthetic collateralized debt obligation of asset-backed securities, or

(vi) a synthetic collateralized debt obligation of collateralized debt obligations;

““senior-unlisted issuer” means an issuer that

(a) does not have any of its securities listed or quoted on any of the marketplaces listed in paragraph 3(2)(b) of Regulation 51-103 respecting Ongoing Governance and Disclosure Requirements for Venture Issuers, and

(b) the only outstanding securities that it has distributed by prospectus are any of the following:

- (i) debt securities;
- (ii) preferred shares;
- (iii) securitized products;”;

(2) by replacing, in subparagraph (iii) of paragraph (k) of the French definition of “solicit”, the words “la communication est faite, à titre de client” with the words “la communication leur est faite, à titre de clients”;

(3) by replacing the definition of the term “venture issuer” with the following:

““venture issuer” has the same meaning as in section 1 of Regulation 51-103 respecting Ongoing Governance and Disclosure Requirements for Venture Issuers.”.

2. Section 2.1 of the Regulation is replaced with the following:

“2.1. Application

This Regulation does not apply to an investment fund or a venture issuer.”.

3. Section 4.1 of the Regulation is amended by replacing, in the French text of subparagraph (a) of paragraph (1), the words “périodes suivantes” with the words “exercices suivants”.

4. Section 4.2 of the Regulation is amended:

(1) by replacing, in paragraph (a), the words “venture issuer” with the words “senior-unlisted issuer”;

(2) by replacing, in paragraph (b), the words “venture issuer” with the words “senior-unlisted issuer”.

5. Section 4.4 of the Regulation is amended:

(1) by replacing, in paragraph (a), the words “venture issuer” with the words “senior-unlisted issuer”;

(2) by replacing, in paragraph (b), the words “venture issuer” with the words “senior-unlisted issuer”.

6. Section 4.6 of the Regulation is amended by replacing, in subparagraphs (a) and (b) of paragraph 3, the words “venture issuer” with the words “senior-unlisted issuer”.

7. Section 4.10 of the Regulation is amended by replacing, in subparagraph (iii) of subparagraph (b) and subparagraph (iii) of subparagraph (c) of paragraph (2), the words “venture issuer” with the words “senior-unlisted issuer”.

8. Section 5.3 of the Regulation is amended:

(1) by replacing, in the title, the words “**Venture Issuers**” with the words “**Senior-unlisted issuers**”;

(2) by replacing, wherever they occur in paragraph (1), the words “venture issuer” with the words “senior-unlisted issuer”.

9. Section 6.1 of the Regulation is amended by replacing the words “venture issuer” with the words “senior-unlisted issuer”.

10. Section 8.2 of the Regulation is amended by replacing, in subparagraphs (a) and (b) of paragraph (2), the words “venture issuer” with the words “senior-unlisted issuer”.

11. Section 8.3 of the Regulation is amended:

(1) by replacing, in subparagraphs (a) and (b) of paragraph (1) and subparagraphs (a) and (b) of paragraph (3), the words “venture issuer” with the words “senior-unlisted issuer”;

(2) by replacing, in paragraph (13.1), the words “venture issuer” with the words “senior-unlisted issuer”.

12. Section 8.4 of the Regulation is amended:

(1) by replacing, in subparagraphs (A) and (B) of subparagraph (i) of subparagraph (c) of paragraph (4), the words “venture issuer” with the words “senior-unlisted issuer”;

(2) by replacing, in subparagraph (d) of paragraph (7) of the French text, the word “établit” with the word “reconstitue”.

13. Section 11.2 of the Regulation is amended by replacing, in paragraphs (a) and (b), the words “venture issuer” with the words “senior-unlisted issuer”.

14. Section 11.3 of the Regulation is amended by replacing the words “venture issuer” with the words “senior-unlisted issuer”.

15. Section 14.3 of the Regulation is amended, in paragraph (1):

(1) by replacing, in subparagraph (a), the words “venture issuer” with the words “senior-unlisted issuer”;

(2) by replacing, in subparagraph (b), the words “venture issuer” with the words “senior-unlisted issuer”.

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

(1) in paragraph (g) of part 1:

(a) by replacing, in the title, the words “**Venture Issuers**” with the words “**Senior-unlisted issuers**”;

(b) by replacing the words “venture issuer” with the words “senior-unlisted issuer”;

(2) in part 2:

(a) by replacing, in instruction (iv) of item 1.6, the words “*venture issuer*” with the words “*senior-unlisted issuer*”;

(b) by replacing, in item 1.12, the words “venture issuer” with the words “senior-unlisted issuer”;

(c) by replacing, in subparagraph (i) of paragraph (b) of item 1.15, the words “venture issuers” with the words “senior-unlisted issuers”;

(d) by replacing, in instruction (vii) of item 2.2, the words “*if you were a venture issuer*” with the words “*if you were a senior-unlisted issuer*”, the words “*If you ceased to be a venture issuer*” with the words “*If you ceased to be a senior-unlisted issuer*” and the words “*as a venture issuer*” with the words “*as a senior-unlisted issuer*”.

17. Form 51-102F2 of the Regulation is amended, in part 2:

(1) by replacing, in paragraph (1) of item 3.1 of the French text, the words “siège social” with the word “siège”;

(2) by replacing item 5.4 with the following:

“5.4. Companies with Mineral Projects

If your company had a mineral project, provide a summary of the following information for each project material to your company:

(1) **Current Technical Report** – The title, author or authors, and date of the most recent technical report on the property filed in accordance with Regulation 43-101 respecting Standards of Disclosure for Mineral Projects.

(2) **Project Description, Location, and Access**

(a) The location of the project and means of access.

(b) The nature and extent of your company’s title to or interest in the project, including surface rights, obligations that must be met to retain the project, and the expiration date of claims, licences, and other property tenure rights.

(c) The terms of any royalties, overrides, back-in rights, payments or other agreements and encumbrances to which the project is subject.

(d) To the extent known, any significant factors or risks that may affect access, title or the right or ability to perform work on the property, including permitting and environmental liabilities to which the project is subject.

(3) **History**

(a) To the extent known, a summary of the prior exploration and development of the property, including the type, amount, and results of the exploration work undertaken by previous owners, any significant historical estimates, and any previous production on the property.

(b) If your company acquired a project within the three most recently completed financial years or during the current financial year from, or intends to acquire a project from, an informed person or promoter of your company or an associate or affiliate of an informed person or promoter, the name of the vendor, the relationship of the vendor to your company, and the consideration paid or intended to be paid to the vendor.

(c) To the extent known, the name of every person or company that has received or is expected to receive a greater than 5 % interest in the consideration received or to be received by the vendor referred to in paragraph (b).

(4) **Geological Setting, Mineralization, and Deposit Types**

(a) The regional, local, and property geology.

(b) The significant mineralized zones encountered on the property, the surrounding rock types and relevant geological controls, and the length, width, depth, and continuity of the mineralization, together with a description of the type, character, and distribution of the mineralization.

(c) The mineral deposit type or geological model or concepts being applied.

(5) **Exploration** - The nature and extent of all relevant exploration work other than drilling, conducted by or on behalf of your company, including a summary and interpretation of the relevant results.

(6) **Drilling** - The type and extent of drilling and a summary and interpretation of all relevant results.

(7) **Sampling, Analysis, and Data Verification** - The sampling and assaying including, without limitation,

(a) sample preparation methods and quality control measures employed before dispatch of samples to an analytical or testing laboratory;

(b) the security measures taken to ensure the validity and integrity of samples taken;

(c) assaying and analytical procedures used and the relationship, if any, of the laboratory to your company; and

(d) quality control measures and data verification procedures, and their results.

(8) **Mineral Processing and Metallurgical Testing** - If mineral processing or metallurgical testing analyses have been carried out, discuss the nature and extent of the testing and analytical procedures, and provide a summary of the relevant results and, to the extent known, any processing factors or deleterious elements that could have a significant effect on potential economic extraction.

(9) **Mineral Resource and Mineral Reserve Estimates** - The mineral resources and mineral reserves, if any, including, without limitation,

(a) the effective date of the estimates;

(b) the quantity and grade or quality of each category of mineral resources and mineral reserves;

(c) the key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves; and

(d) the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, and other relevant issues.

(10) **Mining Operations** - For advanced properties, the current or proposed mining methods, including a summary of the relevant information used to establish the amenability or potential amenability of the mineral resources or mineral reserves to the proposed mining methods.

(11) **Processing and Recovery Operations** - For advanced properties, a summary of current or proposed processing methods and reasonably available information on test or operating results relating to the recoverability of the valuable component or commodity.

(12) **Infrastructure, Permitting, and Compliance Activities** - For advanced properties,

(a) the infrastructure and logistic requirements for the project; and

(b) the reasonably available information on environmental, permitting, and social or community factors related to the project.

(13) **Capital and Operating Costs** – For advanced properties,

(a) a summary of capital and operating cost estimates, with the major components set out in tabular form; and

(b) an economic analysis with forecasts of annual cash flow, net present value, internal rate of return, and payback period, unless exempted under Instruction (2) to Item 22 of Form 43-101F1.

(14) **Exploration, Development, and Production** - A description of your company's current and contemplated exploration, development or production activities.

INSTRUCTIONS

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

(ii) *You may satisfy the disclosure requirements in section 5.4 by reproducing the summary from the technical report on the material property, and incorporating the detailed disclosure in the technical report into the AIF by reference.”;*

(3) by replacing subparagraphs (a) and (b) of paragraph (1.2) of item 10.2 of the French text with the following:

“a) est, à la date du prospectus provisoire, ou a été, au cours des 10 années précédentes, administrateur ou membre de la haute direction d’une personne qui, pendant que le promoteur exerçait ces fonctions ou au cours de l’année suivant la cessation de ses fonctions, a fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l’insolvabilité, fait l’objet ou été à l’origine d’une procédure judiciaire, d’un concordat ou d’un compromis avec des créanciers, ou pour laquelle un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir l’actif;

b) a, au cours des 10 années précédant la date de la notice annuelle, fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l’insolvabilité, fait l’objet ou été à l’origine d’une procédure judiciaire, d’un concordat ou d’un compromis avec des créanciers, ou un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir son actif;”;

(4) in item 16.2 of the French text:

(a) in paragraph 2.1:

(i) by replacing the words “du territoire ou qui a effectué une vérification” with the words “d’un territoire du Canada ou qui a effectué un audit”;

(ii) by replacing the word “vérificateurs” with the word “auditeurs”;

(b) by inserting, in paragraph (3) and after the word “personne”, the words “ou un administrateur”;

(c) by replacing, in paragraphe (ii) of the instructions, everywhere it occurs, the word “vérificateurs” with the word “auditeurs”.

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

(1) by replacing paragraphs (b) and (c) of item 7.2 of the French text with the following:

“b) est, à la date du prospectus provisoire, ou a été, au cours des 10 années précédentes, administrateur ou membre de la haute direction d’une personne qui, pendant que le promoteur exerçait ces fonctions ou au cours de l’année suivant la cessation de ses fonctions, a fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l’insolvabilité, fait l’objet ou été à l’origine d’une procédure judiciaire, d’un concordat ou d’un compromis avec des créanciers, ou pour laquelle un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir l’actif;

c) a, au cours des 10 années précédant la date de la notice annuelle, fait faillite, fait une proposition concordataire en vertu de la législation sur la faillite ou l’insolvabilité, fait l’objet ou été à l’origine d’une procédure judiciaire, d’un concordat ou d’un compromis avec des créanciers, ou un séquestre, un séquestre-gérant ou un syndic de faillite a été nommé afin de détenir son actif;”;

(2) by inserting, in item 7.2.3 and after the word “means”, the words “any of the following, if in effect for a period of more than 30 consecutive days”;

(3) by replacing, in the French text of the second paragraph of item 14.2, the words “pourrait utiliser” with the words “pouvait utiliser”.

19. Form 51-102F6, Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008), of the Regulation is amended by replacing, in subparagraph (i) of paragraph (a) of item 2.2, the words “venture issuer” with the words “senior-unlisted issuer”.

20. This Regulation comes into force on (*indicate the date of coming into force of this Regulation*).