The Ontario Securities Commission

OSC Bulletin

July 4, 2003

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The Ontario Securities Commission Administers the Securities Act of Ontario (R.S.O. 1990, c.S.5) and the Commodity Futures Act of Ontario (R.S.O. 1990, c.C.20)

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JULY 4, 2003

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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20 Queen Street West
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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar	—	ST
Wendell S. Wigle, Q. C.	—	WSW

SCHEDULED OSC HEARINGS

DATE: TBA	**ATI Technologies Inc., Kwok Yuen Ho, Betty Ho, JoAnne Chang, David Stone, Mary de La Torre, Alan Rae and Sally Daub**
	s. 127
	M. Britton in attendance for Staff
	Panel: TBA
DATE: TBA	**Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.**
	s. 127
	Y. Chisholm in attendance for Staff
	Panel: TBA
July 11, 2003	**Brian Anderson, Leslie Brown, Douglas Brown, David Sloan and flat**
10:00 a.m.	**Electronic Data Interchange (a.k.a. F.E.D.I.)**
	s. 127
	K. Daniels in attendance for Staff
	Panel: HLM/WSW/RLS
July 21, 2003	**Robert Davies**
10:00 a.m.	s. 127
	T. Pratt in attendance for Staff
	Panel: HLM/RWD
October 7 to 10, 2003	**Gregory Hyrniw and Walter Hyrniw**
	s. 127
	Y. Chisholm in attendance for Staff
	Panel: TBA

October 20 to 31, 2003	**Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation**
	s. 127
	I. Smith in attendance for Staff
	Panel: TBA
November 3 to 21, 2003	**Patrick Fraser Kenyon Pierrepont Lett, Milehouse Investment Management Limited, Pierrepont**
10:00 a.m.	**Trading Inc., BMO Nesbitt Burns Inc.*, John Steven Hawkyard+ and John Craig Dunn**
	s. 127
	K. Manarin in attendance for Staff
	Panel: TBA

* BMO settled Sept. 23/02
\+ April 29, 2003

ADJOURNED SINE DIE

Buckingham Securities Corporation, Lloyd Bruce, David Bromberg, Harold Seidel, Rampart Securities Inc., W.D. Latimer Co. Limited, Canaccord Capital Corporation, BMO Nesbitt Burns Inc., Bear, Stearns & Co. Inc., Dundee Securities Corporation, Caldwell Securities Limited and B2B Trust

Global Privacy Management Trust and Robert Cranston

M.C.J.C. Holdings Inc. and Michael Cowpland

Philip Services Corporation

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

1.1.2 Notice of Commission Approval - Amendments to TSX Rules 1-101(2) and New Rule 4-107 and New Policy 4-107 Regarding Specialty Price Crosses

THE TORONTO STOCK EXCHANGE INC. (TSX)
NOTICE OF COMMISSION APPROVAL
AMENDMENTS TO TSX RULES 1-101(2) AND NEW RULE 4-107 AND NEW POLICY 4-107 REGARDING SPECIALTY PRICE CROSSES

On May 30, 2003, the Commission approved amendments to TSX Rules 1-101(2) and the new Rule 4-107 and new Policy 4-107 regarding Specialty Price Crosses. These amendments define Specialty Price Crosses and will allow Specialty Price Crosses to be executed on the Exchange during the Regular Session and the Specialty Trading Session. The amendments were initially published for comment on December 6, 2002 at (2002) 25 OSCB 8233. Some changes have been made to the amendments since the time they were previously published. The amendments are being republished in Chapter 13 of this Bulletin, along with a summary of comments received and responses from the TSX. The amendments have been black lined to indicate the changes from the previously published version.

1.1.3 TSX Notice of Commission Approval - Exemption from the Universal Market Integrity Rule 3.1 – Restrictions on Short Selling for Basis Trades Entered on the Toronto Stock Exchange

THE TORONTO STOCK EXCHANGE INC. (TSX)
NOTICE OF COMMISSION APPROVAL
EXEMPTION FROM THE UNIVERSAL MARKET INTEGRITY RULE 3.1 – RESTRICTIONS ON SHORT SELLING FOR BASIS TRADES ENTERED ON THE TORONTO STOCK EXCHANGE

On June 6, 2003, the Commission approved TSX's application for an exemption from Rule 3.1 Restrictions on Short Selling of the Universal Market Integrity Rules for Basis Trades entered on the TSX. Short sales are component transaction of Basis Trades, and an exemption from Rule 3.1 of the Universal Market Integrity Rules was necessary in order to implement amendments to TSX Rules 1-101(2), the new Rule 4-107 and new Policy 4-107, and allow Basis Trades to be executed on the Exchange. The application for exemption was published for comment on December 6, 2002 at (2002) 25 OSCB 8233.

1.2 Notices of Hearing

1.2.1 Robert Walter Harris - ss. 127 and 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, as amended (the "Act")

AND

ROBERT WALTER HARRIS

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the Act at the Commission's offices on the 17th floor, 20 Queen Street West, Toronto, Ontario, commencing on the 16th day of July, 2003 at 10:00 a.m., or as soon thereafter as the hearing can be held, to consider whether it is in the public interest to make an order that:

(a) trading in any securities by Robert Harris cease permanently or for such period as is specified in the order;

(b) any exemptions contained in Ontario securities law do not apply to Robert Harris permanently or for such period as is specified in the order;

(c) Robert Harris be reprimanded;

(d) Robert Harris resign all positions that he holds as officer or director of an issuer;

(e) Robert Harris be prohibited from becoming or acting as a director or officer of any issuer for such period as is specified in the order; and

(f) to make such other orders as the Commission considers appropriate.

AND FURTHER TAKE NOTICE that at the hearing the Commission will consider whether, pursuant to section 127.1 of the Act, Robert Harris shall pay the costs of Staff's investigation and the costs of or related to the hearing incurred by or on behalf of the Commission.

AND FURTHER TAKE NOTICE that any party to the proceedings may be represented by counsel.

AND FURTHER TAKE NOTICE that if any party to the proceedings fails to attend, the hearing may proceed in the absence of the party and the party is not entitled to any further notice of the proceeding.

June 25, 2003.

"John Stevenson"

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

ROBERT WALTER HARRIS

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

I. The Respondent

1. Robert Walter Harris graduated from the University of Toronto in 1965 and went to work in the investment business after graduation. He has been employed by a variety of both large and small investment dealers, and periodically worked on his own, from 1965 to the present.

2. Harris is employed at Dominick & Dominick Securities. He is registered as a trading officer in Ontario and Alberta. His responsibilities are primarily related to corporate finance transactions. Specifically, as agent for clients, he will make introductions between parties who wish to complete corporate deals and negotiate corporate reorganizations, including any necessary financing.

II. Overview of Staff's Allegations

3. Staff allege that:

(a) In late 1996 and 1997, Harris acted as agent for Clavos Enterprises Inc. (formerly Clavos Porcupine Mines Limited), a reporting issuer, to negotiate a corporate reorganization. Harris became a Director and Officer of Clavos in March, 1997;

(b) Harris was a person in a special relationship with Clavos. He sold securities of Clavos with knowledge of a material fact with respect to Clavos that had not been generally disclosed, contrary to section 76 of the *Securities Act*; and

(c) Harris failed to file the reports required to be filed by insiders disclosing his trades in Clavos, contrary to section 107(2) of the *Act*.

III. Background Facts: Corporate Reorganization of Clavos

4. In the summer of 1996, Jeff Becker, Chief

Executive Officer of Clavos, retained Harris to find a purchaser for Clavos. At that time, common shares of Clavos were traded on CDN. Clavos was essentially an inactive company with some assets in the mining area. Becker wanted to prepare Clavos as a shell for the purposes of a reverse take-over through which a private company would purchase Clavos. Harris had various contacts in the industry, which he used to determine who might be interested in purchasing Clavos.

5. Harris began making inquiries on behalf of Clavos in the late summer or early fall of 1996. The first party which expressed interest in a deal with Clavos did not complete an agreement. Harris recommended to Becker that Clavos be 'cleaned up' in order to be more desirable to purchasers. Becker then took steps to sell any assets of Clavos so that it held only cash and changed the name from Clavos Porcupine Mines to Clavos Enterprises in approximately January, 1997.

6. In late 1996 or early 1997, Harris identified Stephen Dattels of Magnesium Alloy Corporation ("MAC"), a private Ontario company, as someone who might be interested in a deal with Clavos.

7. Harris met with Dattels and others, including counsel for MAC and Clavos, to negotiate the terms of a purchase of Clavos by MAC.

8. In January, 1997, a private placement of shares of Clavos was announced. As a result of this private placement, Harris became a director of Clavos on March 31, 1997, as nominee of Continental Management, the company which subscribed for the private placement.

9. Between April to May, 1997, terms of a deal between Clavos and MAC had been largely negotiated between Harris and Dattels.

10. On June 10, 1997, Harris provided a written outline of proposed terms to Dattels for review. The terms were approved by Becker. Shortly after, terms for a letter of intent to proceed with a corporate reorganization of Clavos were agreed to between Harris on behalf of Clavos and Dattels on behalf of MAC. Harris provided the terms to counsel for Clavos, Mr. Bondy, who then prepared a draft letter of intent. This draft letter of intent was distributed to counsel for MAC and copied to Harris by Mr. Bondy on June 24, 1997.

11. The letter of intent dated June 26, 1997 was executed on June 27, 1997 by Harris on behalf of Clavos and by Congo Minerals Inc. (which would become MAC).

12. The press release regarding the letter of intent stated, in part, as follows:

Clavos Enterprises Inc. ("Clavos") announced today that it has entered into a letter of intent with a private Ontario company ("Magnesium Alloy") to complete a reorganization that will result in an amalgamation of Clavos and Magnesium Alloy and their continuance as one company ("Amalco") under the laws of Ontario under the name Magnesium Alloy Corporation.

Pursuant to the reorganization, shareholders of Clavos will receive one share of the Amalco for each two common shares of Clavos held on the effective date of the amalgamation. Such shares will represent approximately 10% of the issued and outstanding common shares of Amalco.

The reorganization is subject to a number of conditions including execution of an agreement to give effect to the reorganization, shareholders approval of Clavos and Magnesium Alloy and receipt of any necessary regulatory approvals.

13. As part of the reorganization, it was agreed that the new amalgamated entity would continue under the name Magnesium Alloy and that shareholders of Clavos would receive one new common share of MAC for every two common shares of Clavos.

14. On June 27, 1997 at 3:15 p.m., trading in Clavos was halted pending shareholder approval of the proposal and approval of the application for a listing of the amalgamated company on CDN.

15. A Notice of Special Shareholders Meeting to be held on September 23, 1997 and Management Information Circular was prepared in August. An Amalgamation Agreement between Clavos and MAC was executed as of October 23, 1997. Trading in the shares of MAC resumed on January 28, 1998, opening at $.80 U.S. per share. On January 28th, 54,800 shares traded at a weighted average price of $.94 U.S.

IV. Particulars of the Allegations

A. Insider Trading: Harris' Sale of Clavos Shares

16. As part of the private placement referred to above, Harris purchased 250,000 shares of Clavos on March 31, 1997 at a purchase price of $87,500. He placed the shares into his RRSP account with TD Evergreen. At the same time, he purchased 250,000 share purchase warrants. He prepared an initial Insider Report which was dated May 21, 1997 and filed with the Commission on July 2, 1997. This Insider Report reflected his ownership of these shares.

17. Harris sold all of his Clavos shares as follows:

Date	Sale of Clavos Shares
June 18, 1997	Sold 50,000 at $.75
June 18, 1997	Sold 50,000 at $.80
June 26, 1997	Sold 150,000 at $.80

The weighted average price of the shares on these sales was $.79.

18. Prior to June, 1997, there was minimal trading of Clavos shares. From October to December, 1996, 3,500 shares traded in total with a price range of $.30 to $.35. In the month of February, 1997, 10,000 shares traded at $.40. There were no other trades until the month of June, 1997, during which a total of 576,600 shares traded in the range of $.55 to $.85.

19. The intention to clean up Clavos as a shell in order to complete a reorganization had been generally disclosed in early 1997. However, until the press release of June 27, 1997, the identity of any parties with whom Clavos was negotiating was not public nor were the proposed terms of any reorganization public.

B. Failure to File Insider Reports

20. Harris knew of his obligations under the Act to file insider reports. As mentioned above, Harris did file an Insider Report dated May 21, 1997 reflecting his purchase of 250,000 Clavos shares.

21. Harris did not file any reports as required under section 107 of the *Act* regarding his sales of Clavos shares on June 18th and June 26th.

22. The Management Information Circular issued in August, 1997 regarding the corporate reorganization of Clavos contained misleading information in that it stated that Harris still owned 250,000 Clavos shares. Harris knew or should have known that it was important for correct information regarding major shareholders to be disclosed in the Management Information Circular.

V. Summary

23. On the basis of the foregoing, Staff submit that Harris has violated sections 76(1) and 107(2) of the Act and that his conduct was contrary to the public interest.

June 25, 2003.

1.3 News Releases

1.3.1 In the Matter of YBM Magnex International, Inc.

June 25, 2003

NOTICE: IN THE MATTER OF YBM MAGNEX INTERNATIONAL, INC.

TORONTO – Notice is hereby given that the decision and reasons in the Matter of YBM Magnex International, Inc. will be issued by the Ontario Securities Commission at **9:20 a.m.** on **Wednesday, July 2, 2003** (the "Release Date").

Copies of the decision and reasons will be available to the public on the Release Date at the offices of the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario. The decision and reasons will also be posted on the Commission's website, **www.osc.gov.on.ca**

For Inquiries: John P. Stevenson
Secretary to the Commission
20 Queen Street West
Toronto, Ontario
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Telephone: 416-593-8145

1.3.2 Three New Commissioners Appointed to Ontario Securities Commission

FOR IMMEDIATE RELEASE
June 25, 2003

THREE NEW COMMISSIONERS APPOINTED TO ONTARIO SECURITIES COMMISSION

TORONTO – The Ontario Securities Commission announced today the appointment of three new Commissioners, bringing the Commission to a total of 14 members. The new members, each appointed by Order in Council for three-year terms, are Wendell Wigle, appointed on May 28, 2003, as well as Paul Kevin Bates and Suresh Thakrar, both appointed on June 11, 2003.

"I am very impressed with the integrity and qualifications that our new Commissioners bring to the OSC," said David Brown, OSC Chair. "It is vital, as we rebuild investor confidence in our capital market, that our Commissioners bring broad knowledge of how the securities industry works, in all of its aspects and functions. As well, I am pleased that our new members will increase our ability to hear matters brought before the Commission in a timely manner."

The OSC Commissioners form the Board of Directors for the Commission, overseeing the management of the financial affairs of the Commission and setting policy under the *Ontario Securities Act* and the *Ontario Commodity Futures Act*. As well, commissioners sit as members of independent panels assembled to hear matters and impose sanctions as permitted by the Acts.

Biographical Information

Paul K. Bates
Former CEO of Charles Schwab Canada, Mr. Bates serves on boards in both the for-profit and not-for-profit sectors, is a management consultant and is a faculty member at the University of Toronto's Joseph L. Rotman School of Management. His appointment expires on June 10, 2006.

Suresh Thakrar, FICB
A former Vice-President of RBC Financial Group, where he has over the past 30 years held a number of senior positions across various areas of the Bank. Mr. Thakrar is currently on a sabbatical and engaged in a number of philanthropic activities in Canada and abroad. His appointment expires on June 10, 2006.

Wendell S. Wigle, Q.C.
A member of the Ontario Bar since 1957, appointed Queen's Counsel in 1972, certified as a Specialist (Civil Litigation) by the Law Society of Upper Canada in 1988, President of the Advocates' Society (1977-78) and the Medico-Legal Society of Toronto (1984-85), Mr. Wigle is senior litigation counsel at Hughes, Amys. His appointment expires on May 27, 2006.

The Ontario Securities Commission is the regulatory body responsible for overseeing the securities industry in

Ontario. Its purposes are to provide protection to investors from unfair, improper or fraudulent practices, and to foster fair and efficient capital markets.

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.3 Settlement Approved Over Repeated Late Filings of Financial Statements

FOR IMMEDIATE RELEASE
June 26, 2003

SETTLEMENT APPROVED
OVER REPEATED LATE FILINGS OF FINANCIAL STATEMENTS

TORONTO – The Ontario Securities Commission today approved a settlement agreement reached with The Farini Companies Inc. and Darryl Harris.

In the settlement agreement, Farini agreed that, in the period between 1996 and present, it failed on 11 occasions to file its interim financial statements within the time period required by the *Securities Act*. It also agreed that it failed to file its annual financial statements within the required time period on 8 occasions. Harris became a director of Farini in 1999, and was therefore a director at the time of the majority of these late filings.

The Commission reprimanded both Farini and Harris. It made an order requiring Harris to resign as a director of Farini by June 30, 2003 and prohibiting him from acting as an officer or director of any issuer for a period of one year.

The full text of the Commission's order, including a copy of the settlement agreement, is available in the Enforcement section of the OSC website at **www.osc.gov.on.ca**

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

For Investor Inquiries: OSC Contact Centre
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1-877-785-1555 (Toll Free)

1.3.4 OSC Sets Dates for Cowpland Hearing

FOR IMMEDIATE RELEASE
June 26, 2003

OSC SETS DATES FOR COWPLAND HEARING

TORONTO – The Ontario Securities Commission set the matter of M.C.J.C. Holdings Inc. and Michael Cowpland for hearing from 10 a.m. October 20, 2003 to November 7, 2003. M.C.J.C. is alleged to have committed insider trading. Cowpland is alleged to have authorized as a Director the insider trading of M.C.J.C. and misled Staff of the Commission.

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Manager, Media Relations
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1.3.5 OSC Issues Investor Confidence Rules

FOR IMMEDIATE RELEASE
June 27, 2003

OSC ISSUES INVESTOR CONFIDENCE RULES

TORONTO – As part of its campaign to restore investor confidence in our capital markets, the Ontario Securities Commission issued three proposed rules for comment today. The proposed rules are the latest in a series of initiatives designed to reassure investors in the wake of U.S. financial reporting scandals.

"The rules are as robust as parallel rules required by the U.S. Sarbanes-Oxley legislation, but address unique Canadian concerns," said David Brown, OSC Chair. "They are made in Canada and right for the Canadian market. They include accommodations for smaller issuers, closely-held companies and issuers that are listed on an American exchange. And most importantly, the rules have near-unanimous national backing, with 12 of our 13 provincial and territorial securities regulators joining in support."

The rules deal with:

1. CEO and CFO certification of annual and interim disclosures;

2. the role and composition of audit committees; and

3. support for the work of the Canadian Public Accountability Board in its oversight of auditors of public companies.

"Canada is not isolated from the effects of major regulatory changes in the U.S. market," said Mr. Brown. "Since Sarbanes-Oxley became law in the U.S., we have consulted widely and are publishing draft rules that will boost investor confidence by addressing key concerns."

The OSC stated that its goal is to ensure that investors in Canada receive protection that is second to none, while preserving companies' ability to seek capital in the Canadian market. "We must be able to compete with global markets and maintain the ever-higher standards that are being set by such international bodies as the International Organization of Securities Commissions. And we must consider bringing uniformity to our domestic market in ways that converge with emerging international trends," added Brown.

The OSC also released today a cost-benefit analysis of the application of the new rules. The study, conducted by the OSC's Chief Economist's office, found that as in virtually every other cost-benefit study, it is easier to identify and quantify the costs than the benefits. Nonetheless, the study demonstrates that even the high-end of the range of potential costs is significantly lower than the low-end of the range of potential benefits. Even taking into account just a partial list of benefits, the study shows that the benefits realized can be expected to be greater than the sum of the costs.

"It is gratifying that the rule changes not only make sense from a policy perspective, they also make sense from a cost-benefit perspective," concluded Mr. Brown.

Full text of the rules is available on the OSC's website at **www.osc.gov.on.ca**. Comments on the proposed rules are requested by September 25, 2003.

For Media Inquiries: Eric Pelletier
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1-877-785-1555 (Toll Free)

Backgrounder: OSC Issues Investor Confidence Rules

FOR IMMEDIATE RELEASE
June 27, 2003

BACKGROUND: OSC ISSUES INVESTOR CONFIDENCE RULES

The three proposed instruments are initiatives of certain members of the Canadian Securities Administrators (CSA). The proposed instruments are expected to be adopted in each of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon Territory and Nunavut. The British Columbia Securities Commission has not yet determined whether it will adopt the proposed instruments.

CEO and CFO certification of annual and interim disclosures

Multilateral Instrument 52-109 *Certification of Disclosure in Companies' Annual and Interim Filings* will require CEOs and CFOs of all Canadian public companies to personally certify four times a year that their issuers' annual and interim filings do not contain a misrepresentation, and that they fairly present the issuers' financial condition. CEOs and CFOs will also be required to certify that they have reasonable internal controls in place, and the rule will specify that they must evaluate the effectiveness of these controls and disclose any deficiencies to the firms' audit committees and auditors.

All reporting issuers should, and most typically already have, a reasonable process of internal and disclosure controls in place. However, some issuers may not yet have controls that their CEOs and CFOs believe are appropriate for the purpose of making all of the representations required of them in the annual and interim certificates. In addition, it is seen to be appropriate to require certification of matters relating to financial periods ending prior to the implementation of the proposed rule. Therefore, the proposed rule includes a one-year transition period for all issuers. During this transition period, issuers will be required to provide only a "bare" version of the annual and interim certificate. This rule is comparable to similar measures undertaken by the SEC in response to Sarbanes-Oxley.

The role and composition of audit committees

Multilateral Instrument 52-110 *Audit Committees* concerns the role and composition of audit committees. Consistent with emerging international best practices, it addresses the conflict of interest that may arise when management assumes the role of overseeing the relationship between an issuer and its external auditors. The rule requires every reporting issuer to have an independent audit committee to which the external auditors must directly report. Every audit committee must have at least three members, each of whom is independent and financially literate. A member is independent if the member has no direct or indirect material relationship with the issuer. In addition, each

issuer must disclose whether or not there is an audit committee financial expert serving on its audit committee.

The rule requires that an audit committee recommend to the board of directors the external auditors to be nominated for the purpose of preparing or issuing an audit report (or any related work), as well as the compensation to be paid to such auditors. In addition, each audit committee must be responsible for, among other matters: overseeing the work of the external auditors; pre-approving all non-audit services to be provided to the issuer by the external auditors; and reviewing the issuer's financial statements, MD&A and earnings press releases before the issuer publicly discloses this information.

The rule is sensitive to the unique characteristics of Canada's capital markets. Smaller issuers, including those listed on the TSX Venture Exchange, will be exempt from the audit committee composition requirements under the rule. To address the concerns of closely-held companies, independent directors of an affiliated company will be permitted to be members of an issuer's audit committee. As such, the independent directors of a parent company will be permitted to be members of a subsidiary's audit committee. Finally, in order to avoid requiring issuers to comply with two sets of parallel regulations, issuers that are listed on an American exchange and that comply with the U.S. regulation will be exempt from the provisions of the rule.

Canadian Public Accountability Board oversight of auditors of public companies

Multilateral Instrument 52-108 *Auditor Oversight* will contribute to investor confidence by promoting high quality, independent auditing. The rule will require public accounting firms that audit the financial statements of reporting issuers to participate in the public oversight program established by the Canadian Public Accountability Board (CPAB) and to remain in good standing with the CPAB. The rule will also require public accounting firms to provide notice to securities regulators in situations where restrictions or sanctions are imposed following an inspection by the CPAB.

Full text of the rules is available on the OSC's website at **www.osc.gov.on.ca**. Comments on the proposed rules are requested by September 25, 2003.

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.6 OSC Issues Notice of Hearing and Statement of Allegations Against Robert Walter Harris

FOR IMMEDIATE RELEASE
June 27, 2003

OSC ISSUES NOTICE OF HEARING AND STATEMENT OF ALLEGATIONS AGAINST ROBERT WALTER HARRIS

TORONTO – The Ontario Securities Commission issued a Notice of Hearing and a Statement of Allegations against Robert Walter Harris on June 25, 2003.

The Statement of Allegations states that it appears that Mr. Harris sold shares of Clavos Enterprises with knowledge of material facts with respect to Clavos Enterprises that had not been generally disclosed, contrary to section 76 of the *Securities Act*. The Statement of Allegations further alleges that Mr. Harris failed to file insider reports as required by the *Securities Act*.

A set-date appearance is scheduled for July 16, 2003.

Copies of the Notice of Hearing and Statement of Allegations are available on the Commission's web-site at **www.osc.gov.on.ca**.

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Manager, Media Relations
416-595-8913

For Investor Inquiries: OSC Contact Centre
416-593-8314
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1.3.7 OSC Issues Reasons for Decision in the Matter of Jack Banks a.k.a Jacques Benquesus

FOR IMMEDIATE RELEASE
June 27, 2003

OSC ISSUES REASONS FOR DECISION IN THE MATTER OF JACK BANKS a.k.a JACQUES BENQUESUS

TORONTO – The Ontario Securities Commission has released reasons relating to its decision, dated April 23, 2003, wherein the Commission held that Bank's conduct was contrary to the public interest. The Commission also imposed sanctions. As stated by the Commission, "it now appears that there was a misunderstanding."

Following the release of the decision on April 23, counsel for Mr. Banks advised Staff counsel that he understood that he would have an opportunity to make submissions on sanctions if the Commission decided to make a section 127 order. Subsequently, the Executive Director of the Commission made an application under section 144 of the Act. Section 144 gives the Commission the power to revoke or vary a decision. On the return of the application, Staff counsel urged the Commission to proceed with the application. Staff agreed with the sanctions imposed by the Commission, but wanted the opportunity to make submissions as to why the sanctions imposed were in the public interest. However, Mr. Banks insisted he had the option of proceeding by way of appeal or section 144 and that he had chosen the former.

As a result, Commissioners M. Theresa, McLeod and H. Lorne Morphy and Vice-Chair Paul M. Moore dismissed the application. Vice-Chair Moore issued separate reasons.

Copies of the Reasons for Decision are available at **www.osc.gov.on.ca**

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416-595-8913

For Investor Inquiries: OSC Contact Centre
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1.3.8 In the Matter of YBM Magnex International Inc.

FOR IMMEDIATE RELEASE
July 2, 2003

IN THE MATTER OF YBM MAGNEX INTERNATIONAL INC.

TORONTO – The Ontario Securities Commission issued today its decision in the matter of YBM Magnex International Inc. The decision, reasons for decision and order are available on the Commission's website at **www.osc.gov.on.ca**.

For Media Inquiries: John Stevenson
Secretary, Ontario Securities Commission
416 593-8145

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.9 OSC Issues YBM Decision: Finds Disclosure Documents Did Not Contain Full, True and Plain Disclosure of Material Facts

FOR IMMEDIATE RELEASE
July 2, 2003

OSC ISSUES YBM DECISION: FINDS DISCLOSURE DOCUMENTS DID NOT CONTAIN FULL, TRUE AND PLAIN DISCLOSURE OF MATERIAL FACTS

TORONTO – The Ontario Securities Commission issued today its decision in the matter of YBM Magnex International Inc.

In its decision, the independent panel of OSC Commissioners stated: "This case raises serious questions with respect to the meaning of materiality in the prospectus and timely disclosure provisions of the *Securities Act* (the "Act"). A basic tenet of securities law is that disclosure is generally limited to *material* matters. Confronted by the dilemma of what should be disclosed to the public, the respondents relied on the concept of materiality as the cornerstone for disclosure. YBM's key disclosure documents did not, we find, contain full, true and plain disclosure of all material facts. YBM also failed to disclose a material change in its affairs forthwith. While disclosing good news with little hesitation, its practice was to restrict the disclosure of bad news."

"YBM's disclosure leads the reader to believe that the risks faced by YBM were no greater than the inherent risks faced by any company operating in Eastern Europe at that time. We find this to be incorrect. YBM was subject to company-specific risks. An investor in YBM's securities had the right to know what specific risks were presently threatening the issuer. Disclosure continues as the main principle for protecting investors, ensuring fairness in the trading markets and enhancing investor trust."

"Despite a hearing which took over 124 hearing days to complete, this case is not about organized crime, money laundering or whether the respondents believed YBM was not a real company. It is about the disclosure of risk. Materiality is reinforced as the standard for such disclosure in securities markets by taking into account the considerations associated with the exercise of judgement and reasonable diligence."

Staff is of the view that the decision clarifies standards for directors and officers and will help prevent another situation like YBM from occurring in the future. It is clear that information about risks, even if they can not be proven to be accurate, must be disclosed to investors. As well, issuers must disclose material changes in their affairs, such as notification by the issuer's auditor that it would not perform any further services, including rendering an audit opinion with respect to financial statements. The panel also found that underwriters must ensure that key personnel do not have conflicts of interest.

The panel of the Commission made the following orders:

1. **YBM Magnex International Inc.**: trading in any securities of YBM Magnex International Inc. cease permanently;

2. **Jacob G. Bogatin:** be permanently prohibited from becoming or acting as a director or officer of any issuer;

3. **Igor Fisherman:** be permanently prohibited from becoming or acting as a director or officer of any issuer;

4. **R. Owen Mitchell**:

   (a) resign any positions that he holds as a director or officer of a reporting issuer;

   (b) be prohibited from becoming or acting as a director or officer of any reporting issuer for five years from the date this order takes effect; and

   (c) pay investigation and hearing costs in the amount of $250,000;

5. **Kenneth E. Davies:**

   (a) resign any positions that he holds as a director or officer of a reporting issuer;

   (b) be prohibited from becoming or acting as a director or officer of any reporting issuer for three years from the date this order takes effect; and

   (c) pay investigation and hearing costs in the amount of $75,000;

6. **Harry W. Antes:**

   (a) resign any positions that he holds as a director or officer of a reporting issuer;

   (b) be prohibited from becoming or acting as a director or officer of any reporting issuer for three years from the date this order takes effect; and

   (c) pay investigation and hearing costs in the amount of $75,000;

7. **National Bank Financial Corp.**: pay investigation and hearings costs in the amount of $400,000; and

8. **Griffiths McBurney & Partners**:

   (a) submit to a review of its practices and procedures as an underwriter by an independent person approved by staff of the Commission and institute any changes recommended by that person; and

(b) investigation and hearing costs in the amount of $400,000.

The decision, a summary of the decision and the order issued today are available on the Commission's website at **www.osc.gov.on.ca.**

For Media Inquiries: Eric Pelletier
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416 595-8913

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Royal Bank of Canada - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to certain vice presidents of a reporting issuer from the insider reporting requirements subject to certain conditions – vice presidents satisfy criteria contained in Canadian Securities Administrators Staff Notice 55-306 Applications for Relief from the Insider Reporting Requirements by Certain Vice-Presidents.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Part VIII.

Rules Cited

National Instrument 55-101 - Exemption from Certain Insider Reporting Requirements.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
THE ROYAL BANK OF CANADA

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from the Royal Bank of Canada (the "Bank") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of the Bank or insiders of reporting issuers ("Investment Issuers") in which the Bank is an insider by reason of having a nominal vice-president title or another nominal title inferring a similar level of authority or responsibility given to employees who perform functions similar to those performed by employees with a nominal vice-president title (a "Nominal Title");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), the Commission des valeurs mobilières du Québec is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101 Definitions or in Quebec Commission Notice 14-101;

AND WHEREAS the Bank has represented to the Decision Makers that:

1. The Bank is a Schedule 1 Canadian chartered bank incorporated under the *Bank Act* (Canada) with its head office in Montreal, Quebec.

2. The Bank is a reporting issuer in each of the Jurisdictions where such concept exists.

3. The Bank's common shares trade on The Toronto Stock Exchange, the New York Stock Exchange and the Electronic (Swiss) Exchange and the Bank's preferred shares trade on The Toronto Stock Exchange.

4. As at October 31, 2002, the Bank had approximately 415 subsidiaries, four of which were as at October 31, 2002 "major subsidiaries" of the Bank as defined under National Instrument 55-101 ("NI 55-101").

5. The Bank is and may from time to time be an insider of certain Investment Issuers, as a result of which the Bank's insiders would be required to file insider reports in respect of transaction on securities of such Investment Issuers. Accordingly the Bank is seeking exemptive relief from the insider reporting requirements both in respect to securities of the Bank and securities of Investment Issuers.

6. As at October 31, 2002, the Bank was an insider in six Investment Issuers, namely, Chromos Molecular Systems Inc., Consolidated Envirowaste Industries Inc., Megawheels Technologies Inc., Peace Arch Entertainment

Group, RBC Capital Trust, Royal Trust Real Estate Limited Partnership, Resolute Energy Inc.

7. As at October 31, 2002, there were approximately 3,600 persons who were insiders of the Bank pursuant to the Legislation, of whom:

   (a) 137 are senior officers of the Bank or its subsidiaries who, by virtue of their positions, may in the ordinary course receive or have access to material undisclosed information concerning the Bank or Investment Issuers (current and future senior officers of the Bank or its subsidiaries who meet the foregoing description are collectively referred to as "Non-Exempt Officers");

   (b) approximately 2,000 are insiders of the Bank pursuant to the Legislation who are exempt from the insider reporting requirements of the Legislation with respect to securities of the Bank pursuant to NI 55-101 or exemption orders previously granted by certain of the Decision Makers;

   (c) approximately 3,290 are insiders of the Bank pursuant to the Legislation who are exempt from the insider reporting requirements of the Legislation with respect to securities of Investment Issuers pursuant to NI 55-101; and

   (d) approximately 195 are employees of the Bank and approximately 1,290 are employees of major subsidiaries of the Bank who have been given a Nominal Title.

8. The Bank has made this application to seek relief from the insider reporting requirement for individuals who meet the following criteria (the "Nominal Officer Criteria"):

   (a) the individual has been given a Nominal Title; and

   (b) the individual is not in charge of a principal business unit, division or function of the Bank or a "major subsidiary" of the Bank (as that term is defined in NI 55-101); and

   (c) in the case of relief from the insider reporting requirement in respect of securities of the Bank:

      (A) the individual does not in the ordinary course, receive or have access to information regarding material facts or material changes concerning the Bank before the material facts or material changes are generally disclosed; and

      (B) the individual is not an insider of the Bank in any capacity other than as result of holding a Nominal Title; and

   (d) in the case of relief from the insider reporting requirement in respect of securities of an Investment Issuer:

      (A) the individual does not in the ordinary course, receive or have access to information regarding material facts or material changes concerning such Investment Issuer before the material facts or material changes are generally disclosed; and

      (B) the individual is not an insider of such Investment Issuer in any capacity other than as result of holding a Nominal Title.

Current and future employees of the Bank or any subsidiary of the Bank that is now or in the future becomes a major subsidiary of the Bank and who meet the "Nominal Officer Criteria" are collectively referred to as "Nominal Officers".

9. The Bank and its subsidiaries (collectively, "RBC Financial Group") have well established and regularly reviewed policies and procedures: (a) to identify undisclosed material information concerning the Bank, (b) that prohibit improper use of such information, (c) to educate employees on the use of undisclosed material information, (d) that restrict certain senior officers to trading in Bank securities only during designated "open windows", and (e) that require pre-clearance and monitoring of trades in Bank securities by certain senior officers and other employees. Such policies and procedures will continue to apply regardless of the relief granted under this Decision.

10. Certified excerpts of the relevant policies and procedures have been provided to the Decision Makers. Designated staff in the legal and compliance departments of RBC Financial Group are responsible for the administration and application of such policies and procedures.

11. Under the supervision of the Senior Vice-President, Group Risk Management - Compliance of the Bank and Senior Vice-President, Strategic and Leadership Development of the Bank, designated RBC Financial Group staff will:

(a) ensure that any employee of the Bank or a major subsidiary of the Bank who is appointed to a Non-Exempt Officer position in the future is advised of their responsibility to comply with insider reporting requirements;

(b) implement a system to identify insiders (i) who are not otherwise exempt from insider reporting requirements as described in paragraph 7(b) above, and (ii) who meet the Nominal Officer Criteria; and

(c) review the process for determining Non-Exempt Officers and Nominal Officers annually.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file insider reports:

(a) in respect of securities of the Bank shall not apply to present and future Nominal Officers of the Bank or its major subsidiaries; and

(b) in respect of securities of Investment Issuers shall not apply to present and future Nominal Officers of the Bank,

so long as:

(c) each such individual satisfies the Nominal Officer Criteria;

(d) the Bank, upon the request of the Decision Makers, makes available to the Decision Makers as soon as practicable following such request a list of all individuals who are relying on the exemption granted by this Decision as at the last day of the Bank's most recent interim financial reporting period; and

(e) the relief granted hereby will cease to be effective on the date when NI 55-101 is amended.

June 6, 2003.

"Josée Deslauriers"

2.1.2 Newalta Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer deemed to be no longer a reporting issuer under the Act.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, MANITOBA, ONTARIO AND QUÉBEC

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
NEWALTA CORPORATION

MRRS DECISION DOCUMENT

1. WHEREAS, the local securities regulatory authority or regulator (the "Decision Maker") in Alberta, Manitoba, Ontario and Québec (the "Jurisdictions") has received an application from Newalta Corporation ("Newalta") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Newalta be deemed to have ceased to be a reporting issuer under the Legislation;

2. AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission is the principal regulator for this application;

3. AND WHEREAS Newalta has represented to the Decision Maker that:

   3.1 Newalta was incorporated pursuant to the *Business Corporations Act* (Alberta) (the "ABCA") on July 15, 1980, and was continued under the ABCA on August 21, 1984. On June 4, 1991, two wholly-owned subsidiaries of Newalta amalgamated to form Newalta Environmental Services Corporation which then amalgamated with Newalta and continued under the name Newalta Corporation;

   3.2 on January 01, 2002, Newalta amalgamated with three of its wholly-owned subsidiaries and continued under the name Newalta Corporation;

3.3 Newalta's head office and principal address is located in Calgary, Alberta;

3.4 the authorized share capital of Newalta consists of an unlimited number of common shares (the "Common Shares"), an unlimited number of senior preferred shares, an unlimited number of junior preferred shares and 5,000,000 non-voting shares as of May 9, 2003.

3.5 as of May 9, 2003, 43,634,169 Common Shares and no senior preferred shares, junior preferred shares or non-voting shares are issued and outstanding. Two 9½% convertible debentures in the aggregate principal amount of $6,000,000 (the "Debentures") have been issued by Newalta to a person resident in the Province of British Columbia. In connection with the Arrangement (as defined below), the terms of the Debentures were amended to provide for their conversion into Trust Units (the "Trust Units") of Newalta Income Fund (the "Fund"), rather than Common Shares of Newalta. Accordingly, there are no outstanding securities convertible into securities of Newalta;

3.6 in connection with the Arrangement, the Common Shares were de-listed from the TSX on March 6, 2003 and no securities of Newalta are listed or quoted on any exchange or market;

3.7 Newalta is a reporting issuer under the Legislation, and is not in default of any requirements thereunder;

3.8 Newalta has, concurrently herewith, notified the British Columbia Securities Commission pursuant to British Columbia Instrument 11-502 – Voluntary Surrender of Reporting Issuer Status, that Newalta will cease to be a reporting issuer on May 19, 2003;

3.9 pursuant to an arrangement agreement dated January 16, 2003 (the "Arrangement Agreement") between Newalta, Newalta Acquisition Corporation ("AcquisitionCo") and the Fund the parties thereto agreed, among other things, to take all reasonable action necessary to give effect to a Plan of Arrangement (the "Arrangement") under section 193 of the ABCA in order to reorganize the affairs of Newalta to create a trust structure;

3.10 at the special meeting of shareholders and optionholders of Newalta (the "Securityholders") held on February 24, 2003, the Securityholders of Newalta approved the Arrangement;

3.11 the Arrangement was approved by Final Order of the Court of Queen's Bench of Alberta on February 24, 2003, and on the filing of Articles of Arrangement on March 1, 2003 pursuant to the ABCA, the Arrangement was made effective.

3.12 Under the Arrangement, each issued and outstanding Common Share (other than Common Shares held by dissenting Securityholders and non-board lot holders) was transferred to the Fund in exchange for Trust Units on the basis of one Trust Unit for every two Common Shares. Under the Arrangement, Newalta optionholders were entitled to receive rights to purchase trust units or cash, as applicable, in exchange for their options;

3.13 as a further step to the Arrangement, the Common Shares held by the Fund were transferred to AcquisitionCo in exchange for unsecured, subordinated notes and one AcquisitonCo common share. Following these exchanges, the Fund owned all of the issued and outstanding common shares of AcquisitionCo and AcquistionCo owned all of the issued and outstanding Common Shares;

3.14 as a further step to the Arrangement, AcquistionCo and Newalta amalgamated to form a new entity and called it Newalta Corporation;

3.15 as a result of the Arrangement and subsequent amalgamation, the Fund is currently the sole shareholder of Newalta;

3.16 other than the Common Shares held by the Fund and the Debentures, Newalta has no other securities, including debt securities, outstanding;

3.17 Newalta does not intend to seek public financing by way of an offering of its securities;

4. AND WHEREAS under the System, the MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the legislation that provides the Decision Maker with the jurisdiction to meet the Decision has been met;

6. THE DECISION of the Decision Maker under the Legislation is that Newalta is deemed to have ceased to be a reporting issuer under the Legislation.

June 17, 2003.

"Patricia M. Johnston"

2.1.3 Endev Energy Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – take-over bid offer and auditor's consent – applicant required to provide an auditor's report as part of take-over bid circular – auditors were Arthur Anderson – Arthur Anderson ceases practising public accounting and no longer consents to the use of previously issued auditors' reports – applicant's inability to obtain consent letter form Arthur Anderson an exceptional situation outside control of applicant – in the absence of a consent from Arthur Anderson, applicant included in the take-over bid circular certain prominent disclosure – applicant exempt from consent requirement in connection with the take-over bid.

Applicable Statutory Provision

Securities Act, R.S.O. 1990, c. S.5, as amended, s. 104(2)(c).

Applicable Regulatory Provision

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as amended, s. 196.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NOVA SCOTIA, AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
ENDEV ENERGY INC.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, and Newfoundland and Labrador (the "Jurisdictions") has received an application from Endev Energy Inc. ("Endev") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Endev be exempt from the requirement in the Legislation to include a consent (the "Consent Requirement") of Endev's former auditors, Arthur Andersen LLP ("Arthur Andersen") to the incorporation by reference of the auditors' reports of Arthur Andersen on the financial statements of NCE Energy Assets (1993) Fund, NCE Oil and Gas (1993) Fund, NCE Energy Assets (1994) Fund, NCE Oil and Gas (1994) Fund, NCE Energy

Assets (1995) Fund, NCE Oil and Gas (1995) Fund, NCE Energy Assts (1996) Fund, NCE Oil and Gas (1996) Fund, and NCE Oil and Gas (1997) Fund (collectively, the "Partnerships") for each of the fiscal years ended in the five year period ended December 1, 2001 in a take-over bid circular dated June 17, 2003 (the "Circular") in connection with a proposed take-over bid (the "Bid") by Endev for all of the outstanding common shares of Moxie Exploration Ltd. ("Moxie");

2. AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;

3. AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions* or in Québec Commission Notice 14-101;

4. AND WHEREAS Endev has represented to the Decision Makers that:

4.1 Endev is incorporated under the laws of the Province of Alberta and Endev's head office is located in Calgary, Alberta;

4.2 Endev is a reporting issuer in all the provinces of Canada, its common shares are listed on the Toronto Stock Exchange, and it is qualified to file a short-form prospectus in each of the Jurisdictions in accordance with the requirements of the National Instrument 44-101 – Short Form Prospectus Distributions ("NI 44-101");

4.3 Endev is required to include the Partnership's financial statements in the Circular as, in April, 2002, Endev acquired all the assets of the Partnerships, and since that time, Endev has utilized those assets in their continuing oil and gas operations;

4.4 Moxie is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Québec, its common shares are listed on the TSX Venture Exchange, and its head office is located in Calgary, Alberta;

4.5 on May 27, 2003, Endev and Moxie entered into a pre-acquisition agreement (the "Pre-Acquisition Agreement") under which Endev agreed to purchase all of the issued and outstanding shares (the "Shares") of Moxie on a basis of a combined share and cash consideration of $0.46 for each Share;

4.6 Endev and Moxie announced the proposed transaction after the close of markets on May 27, 2003;

4.7 under the terms of the Pre-Acquisition Agreement, Endev is required to mail the Circular to all holders of the Shares on or before June 17, 2003;

4.8 the proposed acquisition of the Shares constitutes a "significant probable acquisition" by Endev within the meaning of section 1.4 of NI 44-101. Accordingly, Endev is required to include or incorporate by reference in the Circular, among other things:

4.8.1 the audited financial statements of Moxie and the notes thereto as at and for the fiscal year ended December 31, 2002, together with the report of the auditors thereon (collectively the "Moxie 2002 Audited Financial Statements"); and

4.8.2 the financial information as at and for each of the fiscal years ended in the five year period ended December 1, 2001 as contained in the audited consolidated financial statements of the Partnerships and the notes thereto as at and for the fiscal year then ended, together with the reports of the auditors thereon (collectively, the "Partnerships 2001 Audited Financial Statements");

4.9 the audit report in respect of the Moxie 2002 Audited Financial Statements was delivered by Ernst & Young LLP. The consent of Ernst & Young LLP as required by the Legislation and subsection 10.4(1) of NI 44-101 has been filed together with the Circular;

4.10 the audit report in respect of the Partnerships 2001 Audited Financial Statements was delivered by Arthur Andersen;

4.11 on June 3, 2002 Arthur Andersen ceased practising public accounting. As a result, Arthur Andersen will no longer consent to the use of previously issued auditors' reports for the purposes of securities filings;

4.12 the inability of Endev to obtain a consent letter from Arthur Andersen to the inclusion of its auditor's report on the

Partnerships 2001 Audited Financial Statements is an exceptional situation that is outside of the control of Endev;

4.13 the Canadian Securities Administrators (the "CSA") issued CSA Staff Notices 43-304, 62-302, and 81-308 *Prospectus Filing Matters – Arthur Anderson LLP Consent* (the "Andersen Notice") to provide guidance to issuers with respect to the inclusion in, among other things, securities exchange take-over bid circulars of financial statements previously audited by Arthur Andersen;

4.14 the Andersen Notice states that CSA staff will consider applications from issuers to waive the requirement to obtain the consent of Arthur Andersen for audit reports relating to financial statements incorporated by reference in a prospectus, provided that the prospectus includes certain prominent disclosure; and

4.15 in the absence of a consent from Arthur Andersen, Endev has included in the Circular the disclosure set forth in Appendix A attached hereto and included a cross-reference to such disclosure in the relevant paragraph of the list of documents incorporated by reference in the Circular;

5. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

6. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

7. THE DECISION of the Decision Makers under the Legislation is that Endev is exempt from the Consent Requirement in connection with the Bid.

June 18, 2003.

"Glenda A. Campbell" "Stephen R. Murison"

APPENDIX A

"Note with Respect to Arthur Andersen LLP

Arthur Andersen LLP is no longer engaged in the practice of public accounting in Canada. Accordingly, Endev is unable to obtain the consent of Arthur Andersen LLP with respect to the incorporation by reference in the Circular of the auditors' report of Arthur Andersen LLP on the consolidated financial statements of the NCE Partnerships in each case for the years ended December 31, 2001. Because Arthur Andersen LLP has not provided this consent, Shareholders of Moxie will not have the statutory rights of action for damages against Arthur Andersen LLP prescribed by applicable securities legislation. Generally, in accordance with applicable securities legislation, holders of securities may only exercise a statutory right of action against a person or company that has prepared a report, opinion or statement that is included in a take-over bid circular if that person or company has filed a consent in respect of such report, opinion or statement and such right of action may only be exercised in respect of the report opinion or statement that has been made by such person or company. In addition, Arthur Andersen LLP may not have sufficient assets available to satisfy any judgments against it.

2.1.4 Canada Dominion Resources Limited Partnership VII and Canada Dominion Resources Limited Partnership VIII - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has no securities outstanding - issuer deemed to have ceased being a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am. s. 83.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, ONTARIO AND QUÉBEC

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
CANADA DOMINION RESOURCES LIMITED
PARTNERSHIP VII

AND

CANADA DOMINION RESOURCES LIMITED
PARTNERSHIP VIII

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Ontario and Québec (collectively, the "Jurisdictions") has received an application from Canada Dominion Resources Limited Partnership VII ("LP VII") and Canada Dominion Resources Limited Partnership VIII ("LP VIII" and together with LP VII, the "Applicants") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that each Applicant cease to be a reporting issuer, or the equivalent under the Legislation;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

AND WHEREAS the Applicants have represented to the Decision Makers that:

1. LP VII is a limited partnership formed on December 19, 2000 under the *Limited Partnerships Act* (Ontario) (the "LPA") and is a reporting issuer under the Legislation in each of the Jurisdictions.

2. LP VIII is a limited partnership formed on December 19, 2000 under the LPA and is a reporting issuer under the Legislation in each of the Jurisdictions.

3. The head office of each of the Applicants is located in Toronto, Ontario.

4. Neither Applicant is in default of any of the requirements of the Legislation.

5. On May 15, 2003, each Applicant transferred all of its assets to StrategicNova Canada Dominion Resource Fund Ltd., an open-end mutual fund corporation amalgamated under the laws of Ontario (the "Fund"), in exchange for redeemable Series A preferred shares ("Mutual Fund Shares") of the Fund, pursuant to asset purchase agreements between the Fund and each of the Applicants dated March 20, 2003 (the "Transactions").

6. Units of limited partners who elected not to participate in the Transactions were repurchased by the Applicants, as applicable, pursuant to a repurchase option immediately prior to the Transactions.

7. The Transactions were carried out in accordance with the amended and restated limited partnership agreement governing each Applicant.

8. Following the Transactions, each of the Applicants dissolved, wound up its affairs and distributed its assets, consisting solely of the Mutual Fund Shares, to its limited partners on a pro rata basis. Former limited partners of the Applicants are now registered holders of Mutual Fund Shares of the Fund.

9. No securities of the Applicants are traded on a marketplace as defined in National Instrument 21-101.

10. Neither Applicant has any securities, including debt securities, issued or outstanding.

11. Neither Applicant intends to seek public financing by way of an offering of its securities.

12. Neither Applicant is a reporting issuer or the equivalent in any jurisdiction in Canada other than the Jurisdictions.

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that each of the Applicants is deemed to have ceased to be a reporting issuer under the Legislation.

June 23, 2003.

"John Hughes"

2.1.5 Saskatchewan Wheat Pool - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer exempt from the requirement to prepare and file comparative financial statements in connection with a reorganization accounted for on a "fresh start" basis, provided that the Issuer prepare and file comparative financial statements that are segregated to disclose financial statements on a pre and post reorganization basis.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am. s. 83. ss. 77, 80(b)(iii).

Applicable Ontario Rules Cited

OSC Rule 52-501 - Financial Statements - Parts 2.1, 2.2(1)(a),2.2(2), 4.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, NOVA SCOTIA, AND
NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
SASKATCHEWAN WHEAT POOL

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Saskatchewan Wheat Pool (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that certain requirements contained in the Legislation requiring the Filer to file its comparative interim financial statements for the fiscal periods ending (or ended, as the case may be) April 30, 2003, October 31, 2003, January 31, 2004 and April 30, 2004, respectively, and to file its comparative annual statements for the years ending July 31, 2003 and July 31, 2004, respectively, shall not apply to the Filer;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Saskatchewan Financial Services

Commission, Securities Division, is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Quebec Commission Notice 14-101;

AND WHEREAS the Filer has represented to each Decision Maker that:

1. The Filer is organized under the laws of the Province of Saskatchewan, and is a reporting issuer in each of the Jurisdictions that provides for a reporting issuer regime and is not on the list of defaulting reporting issuers maintained by the Jurisdictions;

2. The Filer completed a consensual capital restructuring that resulted in $105 million of bank debt and $300 million principal amount of publicly held Medium Term Notes (as defined below) being exchanged for $150 million of a new series of senior subordinated notes, $255 million of a new series of convertible subordinated notes and 22,938,037 class "B" non-voting shares ("Class B Shares") in the capital of the Filer (the "Reorganization"). As part of the Reorganization, the Filer arranged new bank operating and term loan facilities, which replaced the existing bank facilities and which will be used to finance operations and the Filer's securitization requirements. In connection with the Reorganization the Filer implemented certain corporate governance changes, including the appointment of four independent directors and establishment of a lead director position. The Reorganization was approved by the holders of the Medium Term Notes (as defined below) at a meeting on February 3, 2003 and subsequently closed on March 14, 2003;

3. Under the Reorganization, the Filer exchanged and cancelled its outstanding 7.25% notes due February 24, 2004 and 6.60% notes due July 18, 2007 (collectively, the "Medium Term Notes") for the issuance of (i) two newly created series of notes designated as the 8% senior subordinated notes due November 29, 2008 (the "Senior Subordinated Notes") and the convertible subordinated notes due November 30, 2008 (the "Convertible Subordinated Notes") issued under a trust indenture and supplement dated March 14, 2003; and (ii) Class B Shares;

4. Under the Reorganization, for each $1,000 principal amount of Medium Term Notes and each $1,000 of the exchanged bank debt (an aggregate of $405 million of Medium Term Notes and bank debt), holders received $370.37 of Senior Subordinated Notes, $629.63 of Convertible Subordinated Notes, and 56.637128 Class B Shares (rounded down to the nearest whole share). In total, the banks and the holders of the Medium Term Notes received 38 per cent of the outstanding Class B Shares or 22,938,037 Class B Shares;

5. The Class B Shares were listed and posted for trading on the Toronto Stock Exchange on March 14, 2003;

6. The total Class B Shares issued and outstanding after the issuance was 60,363,256 shares;

7. The holders of the Convertible Subordinated Notes can convert such notes into Class B Shares at any time prior to the maturity date. Each $1,000 of principal amount of Convertible Subordinated Notes is convertible at the holder's option into approximately 2,227 Class B Shares. At maturity, the Filer has the right to convert, subject to certain conditions and certain adjustments, the Convertible Subordinated Notes into a single class of voting, common shares of the Filer that represents 90% of such class of shares, provided that any conversions by holders of such Notes into Class B Shares prior to maturity shall proportionally reduce this 90% conversion ratio;

8. The Filer accounted for the implementation of the Reorganization as at January 31, 2003 on a "fresh start" basis in accordance with the guidelines set forth by the Canadian Institute of Chartered Accountants (the "CICA"), which contemplates that figures for a prior period may be excluded from a company's financial statements where that company has undergone a financial reorganization resulting in a substantial realignment of its non-equity and equity interests;

9. The balance sheet required to be included in the interim financial statements for the periods ending (or ended, as the case may be) April 30, 2003 and October 31, 2003 and the balance sheet required to be included in the annual financial statements for the year ending July 31, 2003 of the Filer will not be comparable to the balance sheets as at April 30, 2002, July 31, 2002 and October 31, 2002 due to the Reorganization;

10. The statements of earnings and retained earnings and statements of cash flows required to be included in the interim statements for April 30, 2003, October 31, 2003, January 31, 2004 and April 30, 2004 and the statements of earnings and retained earnings and statements of cash flows required to be included in the annual financial statements for the years ending July 31, 2003 and July 31, 2004 of the Filer will not be comparable to such statements for the equivalent period of the prior year due to the Reorganization;

11. The Filer will prepare and file with the Jurisdictions interim financial statements for the period ended

April 30, 2003, which will be comprised of (a) a balance sheet as at April 30, 2003 presented on a comparative basis with a "fresh start" opening balance sheet as at January 31, 2003 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earning and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization column, the three month period ended April 30, 2003, and (y) under the pre-Reorganization columns, the six month period ended January 31, 2003, the three month period ended April 30, 2002 and the nine month period ended April 30, 2002;

12. The Filer will prepare and file with the Jurisdictions annual financial statements for the year ending July 31, 2003, which will be comprised of (a) a balance sheet as at July 31, 2003, presented on a comparative basis with a "fresh start" opening balance sheet as at January 31, 2003 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization column, the six month period ended July 31, 2003, and (y) under the pre-Reorganization columns, the six month period ended January 31, 2003 and the twelve month period ended July 31, 2002;

13. The Filer will prepare and file with the Jurisdictions interim financial statements for the three month period ended October 31, 2003 which will be comprised of (a) a balance sheet as at October 31, 2003 presented on a comparative basis with a balance sheet as at the Filer's July 31, 2003 year end, with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization column, the three month period ended October 31, 2003, and (y) under the pre-Reorganization column, the three month period ended October 31, 2002;

14. The Filer will prepare and file with the Jurisdictions interim financial statements for the six month period ended January 31, 2004 which will be comprised of (a) a balance sheet as at January 31, 2004 presented on a comparative basis with a "fresh start" opening balance sheet as at January 31, 2003 and a balance sheet as at the Filer's July 31, 2003 year end, with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization columns, the three month and six month periods ended January 31, 2004, and (y) under the pre-Reorganization columns, the three and six month periods ended January 31, 2003;

15. The Filer will prepare and file with the Jurisdictions interim financial statements for the nine month period ended April 30, 2004 which will be comprised of (a) a balance sheet as at April 30, 2004 presented on a comparative basis with a balance sheet as of April 30, 2003 and a balance sheet as at the Filer's July 31, 2003 year end, with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization columns, the three month period ended April 30, 2004, the three month period ended April 30, 2003 and the nine month period ended April 30, 2004, and (y) under the pre-Reorganization columns, the six month period ended January 31, 2003;

16. The Filer will prepare and file with the Jurisdictions annual financial statements for the year ended July 31, 2004 which will be comprised of (a) a balance sheet as at July 31, 2004 presented on a comparative basis with the Filer's balance sheet as at July 31, 2003 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization columns, the year ended July 31, 2004 and the six month period ended July 31, 2003, and (y) under the pre-Reorganization column, the six month period ended January 31, 2003;

17. The Filer will provide information relating to the Filer's Reorganization both in its interim financial statements for the periods ended April 30, 2003 and October 31, 2003 and January 31, 2004 and April 30, 2004 and its annual financial statements for the years ended July 31, 2003 and July 31, 2004, as well as in its management discussion and analysis of financial condition for the corresponding periods; and

18. Failure to present the financial information of the Filer for the periods before and after the Reorganization on a segregated columnar basis as described in the preceding paragraphs could subject the financial statements of the Filer to misinterpretation by investors;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Filer is exempt from the applicable requirements of the Legislation requiring the Filer (i) to prepare and file comparative interim financial statements for the periods ending (or ended, as the case may be) April 30, 2003 and October 31, 2003 and January 31, 2004 and April 30, 2004, respectively; and (ii) prepare and file comparative annual financial statements for the years ending July 31, 2003 and July 31, 2004, respectively, provided that:

1. The Filer prepares and files with the Jurisdictions interim financial statements with the Jurisdictions for the period ended April 30, 2003, which will be comprised of (a) a balance sheet as at April 30, 2003 presented on a comparative basis with a "fresh start" opening balance sheet as at January 31, 2003 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earning and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization column, the three month period ended April 30, 2003, and (y) under the pre-Reorganization columns, the six month period ended January 31, 2003, the three month period ended April 30, 2002 and the nine month period ended April 30, 2002;

2. The Filer prepares and files with the Jurisdictions annual financial statements for the year ended July 31, 2003, which will be comprised of (a) a balance sheet as at July 31, 2003, presented on a comparative basis with a "fresh start" opening balance sheet as at January 31, 2003 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization column, the six month period ended July 31, 2003, and (y) under the pre-Reorganization columns, the six month period ended January 31, 2003 and the twelve month period ended July 31, 2002;

3. The Filer prepares and files with the Jurisdictions interim financial statements for the three month period ended October 31, 2003 which will be comprised of (a) a balance sheet as at October 31, 2003 presented on a comparative basis with a balance sheet as at the Filer's July 31, 2003 year end, with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization column, the three month period ended October 31, 2003, and (y) under the pre-Reorganization column, the three month period ended October 31, 2002;

4. The Filer prepares and files with the Jurisdictions interim financial statements for the six month period ended January 31, 2004 which will be comprised of (a) a balance sheet as at January 31, 2004 presented on a comparative basis with a "fresh start" opening balance sheet as a January 31, 2003 and a balance sheet as at the Filer's July 31, 2003 year end, with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization columns, the three month and six month periods ended January 31, 2004, and (y) under the pre-Reorganization columns, the three and six month periods ended January 31, 2003;

5. The Filer prepares and files with the Jurisdictions interim financial statements for the nine month period ended April 30, 2004 which will be comprised of (a) a balance sheet as at April 30, 2004 presented on a comparative basis with a balance sheet as at April 30, 2003 and a balance sheet as at the Filer's July 31, 2003 year end, with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization columns, the three month period ended April 30, 2004, the three month period ended April 30, 2003 and the nine month period ended April 30, 2004, and (y) under the pre-Reorganization columns, the six month period ended January 31, 2003;

6. The Filer prepares and files with the Jurisdictions annual financial statements for the year ended July 31, 2004 which will be comprised of (a) a balance sheet as at July 31, 2004 presented on a comparative basis with the Filer's balance sheet as at July 31, 2003 with note disclosure for the disclosure items specified by CICA Handbook Section 1625, and (b) comparative statements of earnings and retained earnings and statements of cash flows presented on a columnar basis to reflect pre- and post-Reorganization results as follows: (x) under the post-Reorganization columns, the year ended July 31, 2004 and the six

month period ended July 31, 2003, and (y) under the pre-Reorganization column, the six month period ended January 31, 2003; and

7. The Filer provides information relating to the Filer's Reorganization both in its interim financial statement for the periods ended April 30, 2003 and October 31, 2003, January 31, 2004 and April 30, 2004, and its annual financial statements for the years ended July 31, 2003 and July 31, 2004, as well as in its management discussion and analysis of financial condition for the corresponding periods.

June 25, 2003.

"David Wild"

2.1.6 Rogers Communications Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice-presidents of a reporting issuer from the insider reporting requirements subject to certain conditions as outlined in CSA Staff Notice 55-306 - Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Part VIII.

Rules Cited

National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, NEWFOUNDLAND AND
LABRADOR AND NOVA SCOTIA

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
ROGERS COMMUNICATIONS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Labrador and Nova Scotia (collectively, the "Jurisdictions") has received an application from Rogers Communications Inc. ("RCI") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of RCI on the grounds they are "nominal vice-presidents" (as defined in CSA Staff Notice 55-306 *Application for Relief from the Insider Reporting Requirements by Certain Vice-Presidents* (the "Staff Notice")).

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the

"System"), the Ontario Securities Commission is the Principal Regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 — Definitions or in Quebec Commission Notice 14-101;

AND WHEREAS RCI has represented to the Decision Makers that:

1. RCI is a British Columbia corporation and is a reporting issuer (or equivalent) in each of the provinces of Canada and, to the best of its knowledge, is not in default of any requirement of the Act or the respective regulations or rules made thereunder.

2. The authorized share capital of RCI consists of 2 billion shares divided into 200,000,000 Class A Voting Shares (the "RCI Voting Shares"), without par value, 1.4 billion Class B Non-Voting Shares (the "RCI Non-Voting Shares") with a par value of $1.62478 per share and 400,000,000 Preferred Shares (the "RCI Preferred Shares"), issuable in one or more series. As at May 22, 2003 there were outstanding 56,240,494 RCI Voting Shares, 163,029,501 RCI Non-Voting Shares, 123,112 Series E RCI Preferred Shares, 60,000 Series XXVII RCI Preferred Shares, 818,300 Series XXX RCI Preferred Shares and 300,000 Series XXXI RCI Preferred Shares.

3. The RCI Voting Shares are listed and traded on the Toronto Stock Exchange (the "TSX"). The RCI Non-Voting Shares are listed and traded on the TSX and the New York Stock Exchange.

4. RCI is Canada's national communications company, which is engaged in cable television, Internet access and video retailing through Rogers Cable Inc.; digital PCS cellular, data communications and paging through Rogers Wireless Communications Inc.; and radio, television broadcasting, televised shopping, and publishing businesses through Rogers Media Inc.

5. RCI maintains an insider trading and corporate disclosure policy (the "Policy") that applies to all directors, officers and employees of RCI. RCI has also established a disclosure committee (the "Disclosure Committee") to monitor the effectiveness of and compliance with the Policy and oversee RCI's disclosure practices.

6. Pursuant to the Policy, insiders and employees and other persons in a "special relationship" (as defined in the Policy) with RCI (collectively, the "Insiders") who have knowledge of material undisclosed information are prohibited from trading in securities of RCI until the information has been fully disclosed publicly and a reasonable period of time (at least one full trading day) has passed for the information to be widely disseminated. In addition, the Insiders may not trade in securities of RCI during "black-out" periods around the preparation of financial results or any other "black-out" period as determined by the board of directors of RCI (the "Board of Directors"), the Chief Executive Officer of RCI, the Chief Financial Officer of RCI or the Disclosure Committee.

7. As of May 29, 2003, 217 individuals are "insiders" (as defined in the *Securities Act* (Ontario)) of RCI, by reason of being an officer or director of RCI or its subsidiaries. Of those individuals, 43 are currently exempt from the insider reporting requirements of the Legislation by reason of the exemptions contained in National Instrument 55-101 *Exemption from Certain Insider Reporting Requirements* ("NI 55-101"). RCI has made this application in respect of 91 individuals (the "Exempted Vice-Presidents").

8. Each of the Exempted Vice-Presidents meets the definition of "nominal vice-president" (as defined in the Staff Notice) as:

   (a) each of the Exempted Vice-Presidents is a vice-president;

   (b) none of the Exempted Vice-Presidents is in charge of a principal business unit, division or function of RCI or a "major subsidiary" (as defined in NI 55-101) of RCI;

   (c) none of the Exempted Vice-Presidents in the ordinary course receives or has access to information as to material facts or material changes concerning RCI before the material facts or material changes are generally disclosed; and

   (d) none of the Exempted Vice-Presidents is an insider of RCI in any other reporting capacity.

9. RCI determined that each of the Exempted Vice-Presidents meets the criteria for exemption set out in the Staff Notice, by considering each such Exempted Vice-President's activities and responsibilities within RCI and/or its major subsidiaries, as applicable.

10. On an ongoing basis, RCI intends to monitor the eligibility for the exemption available under the Staff Notice of each of the Exempted Vice-Presidents, and that of other employees of RCI and its major subsidiaries whose title is vice-president and who may satisfy the criteria of "nominal vice-president" from time to time, by monitoring such persons' respective job functions and responsibilities and assessing the extent to which in the ordinary course they receive notice of

material facts or material changes with respect to RCI prior to such facts or changes being generally disclosed.

11. RCI has filed with the Decision Makers in connection with the relief herein granted a copy of the Policy and a list of Exempted Vice-Presidents.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to the Exempted Vice-Presidents or any other employee of RCI or its major subsidiaries who hereafter is given the title vice-president, provided that:

(a) each such person satisfies the definition of "nominal vice-president" contained in the Staff Notice;

(b) RCI prepares and maintains a list of all individuals who propose to rely on the exemption granted herein, submits the list on an annual basis to the Board of Directors for approval and files the list with the Decision Makers;

(c) RCI files with the Decision Makers a copy of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other person whose trading activities are restricted by RCI; and

(d) the relief granted herein will cease to be effective on the date when NI 55-101 is amended.

June 24, 2003.

"Paul M. Moore" "Robert W. Davis"

2.1.7 Qwest Energy RSP/Flow-Through Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the registration and prospectus requirements in respect of the first trade by a limited partnership to its limited partners of warrants to purchase flow-through shares of resource companies. Limited partnership will dissolve within a year. An exemption from the registration and prospectus requirements is available to distribute warrants to the limited partners on the winding up of the limited partnership but not before such time. Limited partners were accredited investors when they invested in partnership units. It is not practical for the limited partnership to monitor the accredited investor status of the limited partners.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 35(1) 12.ii., 72(1)(f)(ii); 74(1).

Ontario Rules

Rule 45-501 – Exempt Distributions (2001) 24 O.S.C.B. 7011.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA,
MANITOBA AND ONTARIO

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
QWEST ENERGY RSP/FLOW-THROUGH
LIMITED PARTNERSHIP

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Manitoba and Ontario (the "Jurisdictions") has received an application from Qwest Energy RSP/Flow-Through Limited Partnership ("Qwest") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the registration requirement and prospectus requirement in the Legislation (the "Registration and Prospectus Requirements") do not apply, in British Columbia and Alberta, to the acquisition of Warrants (defined below) by Qwest (the "Warrant Acquisitions") or, in each of the Jurisdictions, to the first trade of Warrants by

Qwest to the limited partners (the "Limited Partners") of Qwest (the "Non-Exempt Trades");

2. AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the British Columbia Securities Commission is the principal regulator for this application;

3. AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions;*

4. AND WHEREAS Qwest has represented to the Decision Makers that:

   1. Qwest is a limited partnership formed under the laws of British Columbia on December 30, 2002 under the *Partnership Act* (British Columbia) to achieve capital appreciation for its Limited Partners primarily by investing in a diversified portfolio of options, warrants or similar rights to purchase flow-through shares issued by resource issuers whose principal business is oil and gas/mineral exploration, development and/or production or energy generation;

   2. Qwest's head office is located in British Columbia;

   3. Qwest is authorized to issue an unlimited number of limited partnership units (the "Units"), of which one Unit is currently issued and outstanding;

   4. Qwest is not currently a reporting issuer or the equivalent in any jurisdiction in Canada;

   5. Qwest Energy RSP/Flow-Through Management Corp. (the "General Partner") is the general partner of Qwest and manages the business and affairs of Qwest;

   6. Qwest wishes to conduct a financing in the Jurisdictions by way of private placement using an offering memorandum;

   7. in traditional flow-through limited partnership unit offerings ("Traditional Flow-Through Offerings"), a limited partnership is organized to invest in flow-through shares issued by resource issuers which are listed on a Canadian stock exchange and whose principal business is oil and gas/mineral exploration, development and/or production or energy generation; such Traditional Flow-Through Offerings are usually blind pool offerings;

   8. following the first closing of a traditional Flow-Through Offering, the limited partnership will enter into agreements to subscribe for common shares from the treasury of one or more resource issuers ("Resource Cos") under flow-through investment subscription agreements (the "Flow-Through Agreements"); under the Flow-Through Agreements, each Resource Co in question will typically incur and renounce Canadian Exploration Expense ("CEE") or Canadian Development Expense ("CDE") to the partnership in an amount equal to the subscription price of the Resource Co's common shares; that CEE and CDE is then flowed through the partnership to the limited partner investors;

   9. traditional Flow-Through Offerings commonly provide that the general partner will propose a liquidity mechanism to the limited partners, at a special meeting to be held approximately 24 months after closing of an initial public offering; such liquidity mechanisms typically involve terminating the partnership after exchanging partnership assets for securities of a mutual fund corporation or other investment vehicle on a tax-deferred basis;

   10. if the limited partners do not pass an extraordinary resolution to exchange the partnership's assets for the securities of a mutual fund corporation or other investment vehicle on a tax-deferred basis, the limited partners receive a *pro rata* share of the net assets of the partnership, including the common shares of Resource Cos held by the partnership;

   11. in the flow-through offering structure proposed by Qwest (the "Proposed Flow-Through Offering"), an additional investment in a single-purpose financing vehicle will be added to the Traditional Flow-Through Offering structure, and the limited partnership will be dissolved sooner than is the case with Traditional Flow-Through Offerings;

   12. investors who have passed a credit evaluation will have the opportunity to first make an RRSP-eligible investment in bonds issued by a single-purpose financing entity, Qwest Energy RSP/Flow-Through Financial Corp. ("Financial Corp."), which are guaranteed

by a TSX Venture Exchange listed company, Knightswood Financial Corp.;

13. accordingly, an investor, his or her registered retirement savings plan ("RRSP") or the RRSP of the investor's spouse or child will purchase bonds of Financial Corp. maturing on December 31, 2012 which bear cumulative interest at a rate of approximately 5% per annum (the "Bonds"); the Bonds will initially be sold by way of private placement using an offering memorandum in each of the Jurisdictions;

14. Financial Corp. will then loan (a "Loan") the net proceeds from each investor's or RRSP's purchase of Bonds to that investor (an "RRSP Investor"); each Loan will bear interest at a fixed cumulative interest rate of approximately 7.5% per annum and repayment of principal will be due on December 31, 2012; each Loan will be secured by a pledge of Units of Qwest acquired by the RRSP Investor (with proceeds from the Loan) and any Warrants, Flow-Through Shares or Mutual Fund Shares (as defined below) registered in the name of the RRSP Investor along with the RRSP Investor's interest in the Investment Portfolio (as defined below) at any time before or after Qwest's dissolution;

15. RRSP Investors will be required by the terms of the Loan to purchase Units of Qwest;

16. the Units will be sold by way of private placement using an offering memorandum; in addition to being sold to RRSP Investors, Units will also be sold to conventional purchasers of Flow-Through Shares, other than RRSP Investors, although these purchasers will not receive the same overall tax benefit as an RRSP Investor who has invested in Bonds or whose beneficially-owned RRSP or whose spouse's or child's beneficially-owned RRSP has invested in Bonds; the net proceeds of the offering of Units (the "Funds") will be deposited in a bank account of the General Partner;

17. the limited partnership agreement (the "Partnership Agreement") governing Qwest will:

    (a) include standard provisions governing the formation of Qwest; capital; investment objectives, strategy and guidelines; liabilities of partners; and function and powers of the partners;

    (b) require Qwest to be dissolved, without any approval or other action by the Limited Partners on December 31, 2003, or such earlier date on which Qwest disposes of all of its assets, or a date authorized by an extraordinary resolution of the Limited Partners;

    (c) provide that on dissolution of Qwest, any Warrants (as defined below) to purchase flow-through shares of Resource Cos registered in the name of Qwest will be distributed among the former Limited Partners of Qwest *pro rata*;

    (d) grant to the General Partner an irrevocable power of attorney, which will survive the dissolution of Qwest, to exercise Warrants to purchase flow-through shares of Resource Cos on behalf of the former holders of Units and enter into Investment Agreements (as defined below) with Resource Cos; and

    (e) grant the General Partner the authority, which will survive the dissolution of Qwest, as agent for each Limited Partner, to direct payment of the Funds to Resource Cos upon exercise of Warrants to purchase flow-through shares of Resource Cos by the Limited Partners;

18. certificates representing the Units issued and registered in the name of an RRSP Investor will be delivered to and held by or on behalf of Financial Corp. as security for that RRSP Investor's Loan under the terms of a pledge contained in the Loan documentation;

19. from time to time throughout 2003, Qwest, as principal, will then enter into agreements to subscribe for warrants, rights or options (the "Warrants") issued by Resource Cos to purchase their flow-through shares (and possibly other incidental securities, such as share purchase warrants that are comprised in a unit with a flow-through share) (collectively, the "Flow-Through Shares") from treasury; Qwest will pay nominal consideration to each Resource Co in

consideration for the issuance of these Warrants;

20. Qwest anticipates that the Warrants will be issued under the registration and prospectus exemptions contained in the Legislation applicable to purchases of securities made by "accredited investors" in Ontario;

21. as a "non-redeemable investment fund", Qwest cannot rely on the accredited investor exemption in Multilateral Instrument 45-103 *Capital Raising Exemptions* in British Columbia or Alberta to acquire the Warrants;

22. the Warrants will:

(a) set the exercise price to purchase the Flow-Through Shares, based on negotiation between the General Partner and the Resource Cos;

(b) be exercisable for a brief period of time (not to exceed 30 days);

(c) be transferable to the Limited Partners of Qwest at any time during their term;

(d) be distributable on the dissolution of Qwest among the former Limited Partners of Qwest;

(e) in the case of Warrants distributed to RRSP Investors, be pledged to Financial Corp. as security for Loans and documentation evidencing these Warrants will be held by Financial Corp. or by a Custodian (as defined below) on behalf of Financial Corp.;

(f) require the execution of an Investment Agreement (defined below) by the Resource Cos and the General Partner, as attorney for each of the Limited Partners, at the time of exercise of the Warrants and before the issuance of the Flow-Through Shares to the Limited Partners;

23. the Investment Agreement and the Warrants will require that the Resource Cos use not less than 70% of the proceeds received by them on the purchase of the Flow-Through Shares following the exercise of the Warrants to incur CEE or qualifying CDE, and to use the remainder of the proceeds to incur non-qualifying CDE, which will be renounced to the holders of the Flow-Through Shares effective on December 31, 2003.

24. the Loan documentation between Financial Corp. and each RRSP Investor will require each RRSP Investor's Warrants (and any Flow-Through Shares received on exercise thereof or Mutual Fund Shares (as defined below) registered in the name of the RRSP Investor along with the RRSP Investor's interest in the Investment Portfolio (as defined below) to be pledged as security for his or her Loan; the documents evidencing the Warrants (and on exercise thereof, the share certificates representing the Flow-Through Shares or any other interest in the Investment Portfolio (as defined below) will be held by a custodian (the "Custodian"), which will be a Trust Company, for the benefit of Financial Corp. or, in the case of Limited Partners who are not RRSP Investors, by the Custodian as trustee on their behalf;

25. throughout 2003, the Resource Cos who grant Warrants to Qwest will require funding; accordingly, it will become appropriate for the Warrants to be exercised and Flow-Through Shares purchased with some of the Funds; Qwest will distribute from the Funds the exercise price of the Warrants to the Limited Partners *pro rata*; such Funds will be held by the General Partner as agent on behalf of the Limited Partners;

26. the General Partner, acting on behalf of the Limited Partners, will notify the Resource Cos that the Limited Partners have elected to exercise their Warrants to purchase Flow-Through Shares and, as attorney on behalf of each Limited Partner, will enter into subscription agreements (the "Investment Agreements") with Resource Cos, under which each Limited Partner, in his or her personal capacity and not in his or her capacity as Limited Partner, will exercise and subscribe for Flow-Through Shares issued by the Resource Cos under the terms of each Limited Partner's Warrants; the Investment Agreements will contain the same terms as are included in conventional flow-through share subscription agreements, including the requirement for the Resource Cos to use not less than 70% of the proceeds

received by them from the purchase of the Flow-Through Shares to incur CEE or qualifying CDE and to use the remainder of the proceeds to incur non-qualifying CDE, which will be renounced to the holders of the Flow-Through Shares effective on December 31, 2003;

27. concurrently with the execution of the Investment Agreements, the General Partner, as agent for each Limited Partner, will direct payment to the Resource Cos of the exercise price for the Flow-Through Shares from the Funds; certificates representing Flow-Through Shares will be issued and registered in the names of the Limited Partners and the General Partner will pay to each Resource Co the exercise price for these Flow-Through Shares from the Funds on behalf of the Limited Partners;

28. the Flow-Through Shares issued and registered in the name of each RRSP Investor will be held by the Custodian for the benefit of Financial Corp. as security for that RRSP Investor's Loan under the terms of a pledge contained in the Loan documentation and under a custodian agreement until the earlier of a Liquidity Transaction (as defined below) and December 31, 2005; thereafter, any Flow-Through Shares, any portion of the Investment Portfolio or any Mutual Fund Shares registered in the name of each RRSP Investor will be held by Financial Corp. as security for that RRSP Investor's Loan under the terms of a pledge contained in the Loan documentation;

29. Flow-Through Shares issued and registered in the names of Limited Partners other than RRSP Investors will be delivered to and physically held by the Custodian, as trustee for each such Limited Partner, under a custodian agreement until the earlier of a Liquidity Transaction (as defined below) and December 31, 2005; thereafter, certificates and funds in the non-RRSP Investor's Investment Portfolio will be released to the non-RRSP Investors;

30. some of the Flow-Through Shares will be qualified by a prospectus and, therefore will be freely tradeable; however, some of the Flow-Through Shares (the "Restricted Flow-Through Shares") may be issued on a private placement basis and accordingly subject to hold periods;

31. shortly before December 31, 2003, Qwest will be dissolved; it is anticipated that all Warrants will have been transferred to the Limited Partners and exercised and the vast majority of the Funds will have been expended to purchase Flow-Through Shares before the dissolution of Qwest;

32. immediately before the dissolution, any remaining Funds will be distributed by Qwest to the Limited Partners *pro rata* in proportion to the number of Units held by each Limited Partner; the RRSP Investors will direct that these Funds be held by the Custodian for the benefit of Financial Corp. as security for their Loans; Limited Partners who are not RRSP Investors will direct that these Funds be held by the Custodian and constitute a component of the Investment Portfolio (described below);

33. the portfolio of Flow-Through Shares issued and registered in the name of each former Limited Partner (the "Investment Portfolio") will be held by the Custodian and will be managed on an ongoing basis by a registered portfolio manager;

34. the Custodian will be granted the contractual discretion by the former Limited Partners to sell Flow-Through Shares (respecting any seasoning periods attached thereto) and other securities comprising the former Limited Partner's Investment Portfolio and to reinvest the net proceeds from such dispositions in securities of resource issuers whose principal business is oil and gas, mining, certain energy production, pulp and paper, forestry, or a related resource business, such as a pipeline or service company or utility on the directions of a registered portfolio manager;

35. on or about February 28, 2005, the General Partner may make a proposal to former Limited Partners to provide for liquidity and long-term growth of capital, which may involve exchanging each former Limited Partner's Investment Portfolio for shares ("Mutual Fund Shares") of a mutual fund corporation or other investment vehicle on a tax-deferred basis (a "Liquidity Transaction"); any such liquidity rollover will be subject to obtaining all necessary regulatory approvals and must occur on or before June 30, 2005; each former Limited Partner may elect whether or not to

exchange their Investment Portfolio for such Mutual Fund Shares;

36. on December 31, 2012, the Loans will become due; the Loans, however, may also be repaid in full on not less than 30 days' written notice on June 30 of each year beginning on June 30, 2005 and ending on June 30, 2012; upon repayment in full of each Loan, the certificates and Funds in the RRSP Investors' Investment Portfolio or Mutual Fund Shares held by or on behalf of Financial Corp. as security for the Loan will be released to the appropriate RRSP Investor; for RRSP Investors who have repaid the Loan in full but did not elect the Liquidity Transaction, the earliest date that the release will occur will be December 31, 2005;

37. the principal received by Financial Corp. from repayment of the Loans will be distributed to owners of Bonds as a repayment of principal and it is anticipated that Financial Corp. will wind-up within the six months after repayment of the Bonds;

38. for tax purposes, in order to allow the full amount of the renounced CEE and qualifying CDE to be available to the RRSP Investors, the Limited Partners must be the persons who exercise the Warrants and acquire the Flow-Through Shares, rather than Qwest itself; accordingly, for tax purposes, the Warrants must be transferred to the RRSP Investors before they are exercised;

39. Qwest cannot rely on the registration and prospectus exemptions in the Legislation relating to the distribution of securities as part of a winding-up to distribute all of the Warrants to the Limited Partners because the formal winding-up of Qwest is not scheduled to occur until the end of December of 2003; Qwest could structure the Proposed Flow-Through Offering to include multiple limited partnerships that could be wound-up whenever Warrants had to be distributed; however, this would increase administrative time, expense and complexity and the likelihood of investor confusion;

40. due to the structure of the Proposed Flow-Through Offering, the Flow-Through Shares will be subject to contractual restrictions on transfer by the Limited Partners until at least June 30, 2005, restrictions that are similar to those that would typically occur in Traditional Flow-Through Offerings;

5. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

6. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

7. THE DECISION of the Decision Makers under the Legislation is that the Registration and Prospectus Requirements do not apply:

   (a) in British Columbia and Alberta, to the Warrant Acquisitions, and

   (b) to the Non-Exempt Trades

   provided that the first trade in a Warrant (other than a non-Exempt Trade) or a Restricted Flow-Through Share issued upon exercise of a Warrant is deemed to be a distribution unless the conditions in sections 2.5(2) and (3) of MI 45-102 *Resale of Securities* are satisfied.

June 20, 2003.

"Brent W. Aitken"

2.1.8 Barrick Gold Corporation and Barrick Gold Inc.

Headnote

Relief from certain prospectus disclosure requirements of National Instrument 44-101 - Short Form Prospectus Distributions where parent guarantees issuer's debt securities.

National Instruments Cited

National Instrument 44 –101 - Short Form Prospectus Distributions.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
THE PROVINCE OF ONTARIO

AND

IN THE MATTER OF
BARRICK GOLD CORPORATION

AND

BARRICK GOLD INC.

DECISION DOCUMENT

WHEREAS the Director has received an application from Barrick Gold Corporation (Barrick) and Barrick Gold Inc. (formerly Homestake Canada Inc.) (BGI) (collectively, the Filer) for a decision pursuant to Section 15.1 of National Instrument 44-101 exempting the Filer in connection with the filing of the preliminary base shelf prospectus and final base shelf prospectus referred to below from the requirements to include therein the information set forth in items 4.1, 7.1, 12.1(1)1, 12.1(1)2, 12.1(1)5 through 8, inclusive, and 12.2(1) through (4), inclusive, of Form 44-101F3 with respect to BGI (the Prospectus Disclosure Requirements);

AND WHEREAS the Filer has represented to the Director as follows:

1. On September 28, 1998, Homestake Mining Company (Homestake), Homestake Canada Holdings Company, BGI and Prime Resources Group Inc. (Prime) entered into an arrangement agreement pursuant to which BGI acquired the approximately 49.4% of the common shares of Prime which it did not already own by way of a plan of arrangement under the *Companies Act* (British Columbia). Under such plan of arrangement, holders of Prime common shares received shares of Homestake common stock or exchangeable shares of BGI (the Exchangeable Shares) exchangeable at the option of the holder for shares of Homestake common stock. Upon completion of such plan of arrangement, BGI became a reporting issuer in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec by virtue of provisions of the securities legislation of such provinces. On January 1, 1999, BGI amalgamated with Prime, which was then a reporting issuer in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

2. On December 14, 2001, Homestake Merger Co., a U.S. subsidiary of Barrick, merged with Homestake pursuant to an agreement and plan of merger dated June 24, 2001 (the Merger). In connection with the Merger, the Exchangeable Shares remained outstanding, but each such Exchangeable Share became exchangeable for 0.53 Barrick common shares, rather than for one share of Homestake common stock.

3. In contemplation of the Merger, a decision (the Original Continuous Disclosure Decision) was obtained from the securities regulators in each of the provinces and territories of Canada (the Regulators) to, among other things, exempt BGI from the continuous disclosure requirements of applicable securities laws provided that the conditions of such decision were satisfied. The Original Continuous Disclosure Decision was varied by a further decision of the Regulators dated May 30, 2003 to permit BGI to issue debt securities to Barrick and/or its subsidiaries, banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions (the Original Continuous Disclosure Decision as so varied, the "Existing Continuous Disclosure Decision"). Contemporaneously herewith, the Filer has made an application to the Regulators to further vary the Existing Decision to permit BGI to issue debt obligations guaranteed by Barrick and to add certain provisions which shall apply in the event of the issuance to the public of any debt obligations of BGI, including, among other things, provisions setting forth the ongoing financial disclosure requirements in respect of BGI.

4. Barrick was formed by the amalgamation of three mining companies on July 14, 1984 under the *Business Corporations Act* (Ontario). Its head office is located at BCE Place, Canada Trust Tower, Suite 3700, 161 Bay Street, P.O. Box 212, Toronto, ON M5J 2S1.

5. The authorized capital of Barrick consists of (i) an unlimited number of common shares, (ii) an unlimited number of first preferred shares, issuable in series of which one has been designated as first preferred shares, series C special voting share, and (iii) an unlimited number of second preferred shares, issuable in series. As of April 30, 2003, Barrick had 541,460,118 common shares, one first preferred share series C special voting share and no second preferred shares outstanding.

6. As at March 31, 2003, Barrick had approximately U.S. $757 million in long-term debt outstanding. All rated debt of Barrick is currently rated "A" by Standard & Poor's and "A3" by Moody's Investor Services.

7. Barrick is a reporting issuer (or equivalent) in each of the provinces and territories of Canada and is not on the list of reporting issuers in default in any of those jurisdictions.

8. The Barrick common shares are listed and posted for trading on The Toronto Stock Exchange, the New York Stock Exchange, the London Stock Exchange, the Swiss Exchange and the Paris Bourse.

9. BGI is a corporation governed by the *Business Corporations Act* (Ontario).

10. BGI is an indirect subsidiary of Barrick.

11. The authorized capital of BGI consists of (i) an unlimited number of Class A common shares, (ii) an unlimited number of Class B common shares, (iii) an unlimited number of Exchangeable Shares, (iv) an unlimited number of third preference shares, issuable in series, of which 10,000,000 have been designated as third preference shares, series 1, and (v) an unlimited number of fourth preference shares. As of April 30, 2003, 100,000 Class A common shares, 1,570,522 Exchangeable Shares (excluding shares held by Barrick and its affiliates), 103,986,397 Class B common shares, no third preference shares and 277,775,266 fourth preference shares were outstanding. All of BGI's outstanding shares, other than the Exchangeable Shares held by the public, are held by Barrick and its affiliates.

12. BGI is a reporting issuer (or equivalent) in Ontario, Quebec, British Columbia, Saskatchewan, Manitoba and Nova Scotia and is not on the list of reporting issuers in default in any of those jurisdictions.

13. The Exchangeable Shares are listed and posted for trading on The Toronto Stock Exchange.

14. Each Exchangeable Share provides the holder thereof with the economic and voting equivalent, to the extent practicable, of 0.53 Barrick common shares and the holders of Exchangeable Shares receive the same disclosure that Barrick provides to holders of Barrick common shares.

15. BGI carries on more than minimal operations that are independent of Barrick.

16. Barrick and BGI propose to file a preliminary shelf prospectus (the Preliminary Shelf Prospectus) and final shelf prospectus (the Final Shelf Prospectus) pursuant to National Instruments 44-101 and 44-102 (collectively, the Shelf Requirements) pursuant to which they may issue up to a fixed aggregate principal amount of debentures, notes and/or other similar evidences of indebtedness (Debt Securities) from time to time over the period of effectiveness of the Final Shelf Prospectus. Any Debt Securities issued by BGI (BGI Debt Securities) will be fully, unconditionally and irrevocably guaranteed by Barrick as to payment of principal, interest and all other amounts due thereunder.

17. The Preliminary Shelf Prospectus and the Final Shelf Prospectus will be filed in Canada only in the Province of Ontario and will also be filed in the United States under the Multijurisdictional Review System.

18. In connection with any offering of Debt Securities (any such offering, an Offering):

(a) it is proposed that the Final Shelf Prospectus and a prospectus supplement or supplements (collectively, the Prospectus) will be prepared pursuant to the Shelf Requirements, with the disclosure required by:

(i) Item 4.1 of Form 44-103F3 being addressed by including the required disclosure with respect to Barrick only;

(ii) Item 7 of Form 44-101F3 being addressed by including the required disclosure with respect to Barrick only;

(iii) Item 12 of Form 44-101F3 being addressed by incorporating by reference Barrick's public disclosure documents, including Barrick's most recent annual report; and

(iv) Item 13 of Form 44-101F3 being addressed by incorporating by reference the audited annual financial statements of Barrick for the year ended December 31, 2002, including the note thereto which contains a summary of selected consolidated financial information for BGI, including information as to its consolidated revenues and other income, costs and expenses, income before taxes, net income, current assets, non-current assets, current liabilities and non-current liabilities;

(b) the Prospectus will include all material disclosure required by the Shelf Requirements concerning Barrick and BGI;

(c) the Prospectus will incorporate by reference disclosure Barrick's current and future public disclosure documents as required by Item 12 of Form 44-101F3 and will state that purchasers of BGI Debt Securities will not receive separate continuous disclosure information regarding BGI;

(d) Barrick will fully, unconditionally and irrevocably guarantee payment of the principal and interest on any BGI Debt Securities, together with any other amounts that may be due under any provisions of the trust indenture relating to such BGI Debt Securities;

(e) the Debt Securities will have an approved rating (as defined in National Instrument 44-101);

(f) Barrick will sign the Prospectus as issuer and credit supporter; and

(g) Barrick will continue to file with the securities regulatory authorities in the Province of Ontario all documents required to be filed by it under the securities laws of such province.

AND WHEREAS the Director is satisfied that the decision requested by the Filer may be granted pursuant to Section 15.1 of NI 44-101;

THE DECISION of the Director is that the Prospectus Disclosure Requirements shall not apply to the Final Shelf Prospectus or any prospectus supplement filed in respect of an Offering made pursuant thereto provided that each of Barrick and BGI complies with paragraph 18 above.

June 25, 2003.

"John Hughes"

2.1.9 AMJ Campbell Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has only two security holders - issuer deemed to have ceased being a reporting issuer.

Subsection 1(6) of the OBCA – Issuer deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am. s. 83.

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s.1(6).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO AND QUEBEC

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
AMJ CAMPBELL INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, Saskatchewan, Ontario and Quebec (the Jurisdictions) has received an application from AMJ Campbell Inc. (the Issuer) for a decision pursuant to the securities legislation of the Jurisdictions (the Legislation) that the Issuer be deemed to have ceased to be a reporting issuer under the Legislation;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the System) the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Issuer has represented to the Decision Makers that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Ontario) (the OBCA) with its registered office located at 1190 Meyerside Drive, Mississauga, Ontario L5T 1R7.

2. The Issuer has been a reporting issuer since its initial public offering on September 11, 1992.

3. The common shares of the Issuer were listed on the Toronto Stock Exchange (the TSX). However,

the Issuer has been de-listed from the TSX effective as of the close of business on March 14, 2003 and no securities of the Issuer are listed or quoted on any market or exchange.

4. The Issuer is a reporting issuer in the Jurisdictions and is not in default of its obligations as a reporting issuer under the Legislation.

5. The Issuer's authorized capital consists of an unlimited number of common shares (the Common Shares).

6. By take-over bid circular dated January 7, 2003, as extended by notice dated February 14, 2003, AMJ Management Acquisition Inc. (Acquisitionco), a wholly-owned subsidiary of 2015825 Ontario Inc. (Parentco), made an offer (the Offer) to acquire all of the outstanding Common Shares not previously owned by Parentco and its affiliates and associates for $2.30 cash per Common Share.

7. Pursuant to the Offer, Acquisitionco acquired approximately 91% of the Issuer's Common Shares not previously owned by Parentco and its affiliates and associates which, together with the Common Shares held by Parentco, represented approximately 91% of the outstanding Common Shares.

8. Following the Offer and pursuant to the compulsory acquisition provisions of the OBCA, the Issuer acquired the remaining issued and outstanding Common Shares not deposited under the Offer.

9. All equity securities of the Issuer are owned by Acquisitionco and Parentco.

10. The Issuer has no debt securities outstanding, other than loan facilities provided by two Canadian banks.

11. The Issuer does not intend to seek public financing by way of an offering of its securities.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION OF the Decision Makers under the Legislation is that the Issuer is deemed to have ceased to be a reporting issuer under the Legislation;

June 26, 2003.

"John Hughes"

AND IT IS HEREBY ORDERED by the Ontario Securities Commission pursuant to subsection 1(6) of the OBCA that the Issuer is deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

June 26, 2003.

"Robert L. Shirriff" "Robert W. Korthals

2.1.10 Sherritt Power Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has only one security holder - issuer deemed to have ceased being a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am. s. 83.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO, QUÉBEC,
NOVA SCOTIA AND NEWFOUNDLAND
AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
SHERRITT POWER CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (collectively, the Jurisdictions) has received an application from Sherritt Power Corporation (the Applicant) for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Applicant be deemed to have ceased to be a reporting issuer under the Legislation.

AND WHEREAS pursuant to section 3.2 of National Policy 12-201 - Mutual Reliance Review System for Exemptive Relief Applications (the National Policy), the Ontario Securities Commission is the principal regulator for this application.

AND WHEREAS the Applicant has represented to the Decision Makers that:

1.1. The Applicant was incorporated under the *Business Corporations Act* (New Brunswick) by a certificate of an amalgamation on March 28, 2003.

1.2. The head office of the Applicant is located at 1133 Yonge Street, Toronto, Ontario, M4T 2Y7.

1.3. The Applicant is the corporation resulting from the amalgamation (the Amalgamation) on March 28, 2003 of Sherritt Power Corporation (Old Sherritt Power) and 605447 N.B. Ltd. (Subco), a wholly-owned subsidiary of Sherritt International Corporation (Sherritt International).

1.4. As a result of the Amalgamation, the Applicant became a reporting issuer in the Jurisdictions on March 28, 2003.

1.5. The authorized capital of Old Sherritt Power consisted of an unlimited number of common shares (the Common Shares) and an unlimited number of preferred shares, of which 8,050,000 Common Shares and no preferred shares were issued and outstanding as of February 25, 2003. At the time of the Amalgamation, Subco owned 4,000,000 of the outstanding Common Shares.

1.6. As of February 25, 2003, Old Sherritt Power also had outstanding $180.45 million principal amount of 12.125% amortizing notes due March 31, 2007 (the Old Sherritt Notes). The Old Sherritt Notes were issued pursuant to a prospectus of Old Sherritt Power dated February 25, 1998 and traded in the over-the-counter market.

1.7. Upon the Amalgamation:

1.7.1. each shareholder of Old Sherritt Power, other than Subco, received 1.45 restricted voting shares of Sherritt International for each Common Share held;

1.7.2. each Common Share held by Subco was cancelled without any payment therefore;

1.7.3. the Common Shares held by shareholders of Old Sherritt Power other than Subco were cancelled;

1.7.4. each issued common share of Subco was converted into one common share of the Applicant; and

1.7.5. the terms of the Old Sherritt Notes were amended (the Amended Notes) by way of an Amended and Restated Trust Indenture dated March 28, 2003 amongst Old Sherritt Power, Sherritt International and CIBC Mellon Trust Company (the Amended Trust Indenture) and, as a result of the Amalgamation, the Amended Notes became obligations of the Applicant.

1.8. On March 28, 2003, immediately following the Amalgamation, the Applicant transferred all of its assets to Sherritt International and Sherritt International assumed all the liabilities of the Applicant, including the obligations of the Applicant with respect to the Amended Notes under the Amended Trust Indenture (the Applicant Wind-Up). Upon the Applicant Wind-Up and pursuant to the Amended Trust Indenture, Sherritt International expressly assumed all of the obligations of the Applicant under the Amended Trust Indenture and the Amended Notes and

succeeded to the rights and powers of the Applicant under the Amended Trust Indenture and the Applicant was relieved of all further obligations and covenants under the Amended Trust Indenture and the Amended Notes.

1.9. As a result of the Amalgamation and related transactions, all of the shareholders of Old Sherritt Power, other than Subco, became shareholders of Sherritt International and, as described above, Sherritt International expressly assumed all of the obligations of the Applicant with respect to the Amended Notes and the Applicant was relieved of all further obligations and covenants with respect to the Amended Notes.

1.10. The authorized capital of the Applicant consists of an unlimited number of common shares of which 4,000,000 common shares are issued and outstanding as of the date hereof. Sherritt International is now the sole shareholder of the Applicant.

1.11. Other than the common shares of the Applicant held by Sherritt International, the Applicant has no securities, including debt securities, outstanding.

1.12. The Applicant is currently a reporting issuer in each of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador and is not in default of its obligations as a reporting issuer in those jurisdictions, with the exception of failing to file its annual financial statements, annual information form and annual report for the year ended December 31, 2002 and its interim financial statements for the period ended March 31, 2003 and failing to pay its annual corporate finance participation fee within 140 days of the year ended December 31, 2002.

1.13. The Common Shares were delisted from the Toronto Stock Exchange on April 1, 2003. None of Old Sherritt Power's securities are currently listed or quoted on any stock exchange or quotation system in Canada or elsewhere.

1.14. None of the Applicant's securities are currently listed or quoted on any stock exchange or quotation system in Canada or elsewhere.

1.15. The Applicant does not intend to seek public financing by way of an offering of its securities.

AND WHEREAS under the National Policy, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision).

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

THE DECISION of the Decision Makers under the Legislation is that the Applicant is deemed to have ceased to be a reporting issuer under the Legislation.

June 26, 2003.

"Robert L. Shirriff" "Robert W. Korthals"

2.1.11 Rogers Wireless Communications Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice-presidents of a reporting issuer from the insider reporting requirements subject to certain conditions as outlined in CSA Staff Notice 55-306 - Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Part VIII.

Rules Cited

National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEWFOUNDLAND AND LABRADOR AND NOVA SCOTIA

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
ROGERS WIRELESS COMMUNICATIONS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Labrador and Nova Scotia (collectively, the "Jurisdictions") has received an application from Rogers Wireless Communications Inc. ("RWCI") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of RWCI on the grounds they are "nominal vice-presidents" (as defined in CSA Staff Notice 55-306 *Application for Relief from the Insider Reporting Requirements by Certain Vice-Presidents* (the "Staff Notice")).

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des valeurs mobilières du Québec is the Principal Regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 — Definitions or in Quebec Commission Notice 14-101;

AND WHEREAS RWCI has represented to the Decision Makers that:

1. RWCI is continued under the *Canada Business Corporations Act* and is a reporting issuer (or equivalent) in each of the provinces of Canada and, to the best of its knowledge, is not in default of any requirement of the Act or the respective regulations or rules made thereunder.

2. The authorized share capital of RWCI consists of an unlimited number of Class A Multiple Voting Shares (the "RWCI Multiple Voting Shares"), without par value, an unlimited number of Class B Restricted Voting Shares (the "RWCI Restricted Voting Shares"), without par value and an unlimited number of Preferred Shares (the "RWCI Preferred Shares"), issuable in one or more series. As at May 22, 2003, 90,468,259 RWCI Multiple Voting Shares, 51,278,683 RWCI Restricted Voting Shares and no RWCI Preferred Shares were issued and outstanding.

3. The RWCI Restricted Voting Shares are listed and traded on the Toronto Stock Exchange.

4. RWCI operates under the co-brand Rogers AT&T Wireless and has offices in Canadian cities from coast-to-coast. The Company is one of Canada's leading wireless communications service providers, offering a complete range of wireless solutions including Digital PCS, cellular, advanced wireless data services, two-way messaging and paging to over 3.7 million customers across Canada.

5. RWCI maintains an insider trading and corporate disclosure policy (the "Policy") that applies to all directors, officers and employees of RWCI. RWCI has also established a disclosure committee (the "Disclosure Committee") to monitor the effectiveness of and compliance with the Policy and oversee RWCI's disclosure practices.'

6. Pursuant to the Policy, insiders and employees and other persons in a "special relationship" (as defined in the Policy) with RWCI (collectively, the "Insiders") who have knowledge of material undisclosed information are prohibited from trading in securities of RWCI until the information has been fully disclosed publicly and a reasonable period of time (at least one full trading day) has passed for the information to be widely disseminated. In addition, the Insiders may not trade in securities of RWCI during "black-out"

periods around the preparation of financial results or any other "black-out" period as determined by the board of directors of RWCI (the "Board of Directors"), the Chief Executive Officer of RWCI, the Chief Financial Officer of RWCI or the Disclosure Committee.

7. As of May 29, 2003, 61 individuals are "insiders" of RWCI, by reason of being an officer or director of RWCI or its subsidiaries. Of those individuals, 3 are currently exempt from the insider reporting requirements of the Legislation by reason of the exemptions contained in National Instrument 55-101 *Exemption from Certain Insider Reporting Requirements* ("NI 55-101"). RWCI has made this application in respect of 18 individuals (the "Exempted Vice-Presidents").

8. Each of the Exempted Vice-Presidents meets the definition of "nominal vice-president" (as defined in the Staff Notice):

   (a) the individual is a vice-president;

   (b) the individual is not in charge of a principal business unit, division or function of RWCI or a "major subsidiary" of RWCI (as defined in NI 55-101);

   (c) the individual does not in the ordinary course receive or have access to information as to material facts or material changes concerning RWCI before the material facts or material changes are generally disclosed; and

   (d) the individual is not an insider of RWCI in any other capacity.

9. RWCI determined that each of the Exempted Vice-Presidents meets the criteria for exemption set out in the Staff Notice, by considering each such Exempted Vice-President's activities and responsibilities within RWCI and/or its major subsidiaries, as applicable.

10. On an ongoing basis, RWCI intends to monitor the eligibility for the exemption available under the Staff Notice of each of the Exempted Vice-Presidents, and that of other employees of RWCI and its major subsidiaries whose title is vice president and who may satisfy the criteria of "nominal vice-president" from time to time, by monitoring such persons' respective job functions and responsibilities and assessing the extent to which in the ordinary course they receive notice of material facts or material changes with respect to RWCI prior to such facts or changes being generally disclosed.

11. RWCI has filed with the Decision Makers in connection with the relief a copy of the Policy and a list of Exempted Vice-Presidents.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to the Exempted Vice-Presidents or any other employee of RWCI or its major subsidiaries who hereafter is given the title vice-president, provided that:

(a) each such person satisfies the definition of "nominal vice-president" contained in the Staff Notice;

(b) RWCI prepares and maintains a list of all individuals who propose to rely on the exemption granted herein, submits the list on an annual basis to the Board of Directors for approval and files the list with the Decision Makers;

(c) RWCI files with the Decision Makers a copy of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other persons whose trading activities are restricted by RWCI; and

(d) the relief granted herein will cease to be effective on the date when NI 55-101 is amended.

June 26, 2003.

"Josée Deslauriers"

2.1.12 National Bank Financial Inc. and National Bank of Canada - MRRS Decision

Headnote

MRRS – Issuer is a related and connected issuer of the sole agent – issuer proposing distribution by prospectus of notes providing a return representing the return of a basket of securities managed by the agent – complete relief from independent underwriter requirement granted as agent has no input in the pricing of the notes and notes are clearly a house product of the issuer marketed exclusively to the existing clients of the issuer.

National Instruments Cited

National Instrument 33-105 – Underwriting Conflicts ss. 2.1 and 5.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
THE PROVINCES OF BRITISH COLUMBIA, ALBERTA, ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF

NATIONAL BANK OF CANADA AND NATIONAL BANK FINANCIAL INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of British Columbia, Alberta, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (collectively, the "**Jurisdictions**") has received an application from National Bank Financial Inc. ("**NBF**") and National Bank of Canada (the "**Issuer**") (collectively, the "**Filer**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the requirement contained in the Legislation regarding acting as an underwriter in connection with a distribution of securities of an issuer made by means of a prospectus where the issuer is a "related issuer" of the registrant (the "**Independent Underwriter Requirements**"), shall not apply to NBF in respect of the proposed distributions (the "**Offerings**") of an aggregate amount of up to $500,000,000 of NBC Ex-Tra Total Return Notes (the "**Notes**") of the Issuer to be made under a short form shelf prospectus (the "**Prospectus**") and prospectus supplements (the "**Prospectus Supplements**") expected to be filed with the Decision Maker in each of the Jurisdictions;

AND WHEREAS under the Mutual Reliance System for Exemptive Relief Applications (the "**System**"), the Commission des valeurs mobilières du Québec is the principal regulator for this application;

AND WHEREAS NBF has represented to the Decision Makers that:

1. The Issuer is a bank governed by the *Bank Act* (Canada). The Issuer's head office and principal place of business is located at 600 de la Gauchetière Street West, Montreal, Québec, H3B 4L2.

2. The Issuer is a "reporting issuer" or the equivalent not in default under the Legislation of all of the provinces of Canada.

3. NBF is registered as an unrestricted dealer under the Legislation of each of the Jurisdictions and has its head office and principal place of business in Québec.

4. NBF is a wholly-owned subsidiary of the Issuer.

5. NBF intends to act as exclusive agent in respect of the Offerings.

6. The proposed offering will consist of an aggregate principal amount of $500,000,000 of Notes, issuable in series, including Notes already issued. The Notes will not bear interest. The return on the Notes will be based on the increase or decrease in the Index Value between the issue date and the maturity date or, as the case may be, between the issue date and the redemption date.

7. On the specified maturity date, each holder of Notes of a series will be entitled to receive an amount equal to the Index Value (the "Index Value") in respect of each Note held by such Noteholder. Until maturity, the Index Value will be calculated weekly by reference to the return of the net asset value per unit of the Bank's External-Traders Program (the "Program") converted from US dollars to the specified currency.

8. The Program is a proprietary investment strategy managed by the Bank for its own funds and those of outside parties. The goal of the Program is to efficiently deploy capital among an optimal number of external highly-specialized trading advisors ("Trading Advisors") to maximize risk-adjusted returns through diversification and trader selection. Capital of the Notes will not be guaranteed.

9. The proposed offering has been structured by the Issuer and NBF in order to provide investors' access to the Program. Holders of Notes would have no interest in the assets of the Program, but an entitlement under the Notes, enforceable

against the Issuer, the value of which will be determined by the performance of the Program.

10. The Notes issued on the closing date under any Prospectus Supplement will be sold at a price per Note equal to the Index Value of the Note at that date.

11. The net asset value ("NAV") of the Program is the market value (both realized and unrealized) based on the closing prices as determined by the Program Manager, or any other price the Program Manager believes to be reliable and representative of the market value of all cash and money market instruments, of all open positions and commodities interest and all other assets held in the Program, minus all applicable liabilities of the Program computed daily in US dollars. The NAV per Unit is the NAV of the Program divided by the number of units then outstanding at the corresponding date.

12. Expenses borne by the Program and paid from assets will include: management and incentive fees of the Trading Advisors, brokerage fees, clearing fees, exchange fees, audit fees and borrowing costs. In general, the Program will pay to a Trading Advisor, out of the assets of the Program, a base fee of 1% of the allocated capital to such Trading Advisor and incentive fees of around 20% on the net profit realized and unrealized. Incentive fees are calculated for each Trading Advisor on a cumulative basis and, in case of losses, are not payable to such Trading Advisor until all prior net losses are recouped. In some instances, the return must exceed a certain benchmark before becoming payable. These fees and expenses will reduce the NAV per Unit and will therefore be reflected in the Index Value.

13. The Index Value will be reduced by a percentage per annum representing the Management Fee and the Service Fee at the end of each Calculation Period (the applicable rate will be prorated by the number of days in the Calculation Period). This reduction will reflect the Management Fee payable monthly that the Bank is entitled to receive to manage the Program and the Service Fee payable monthly by the Bank to investment advisors on record for their ongoing services to their clients. This Service Fee will be payable to each investment advisor on record on the last Business Day of the month for ongoing services to their clients equal to a percentage per annum of the average value of the Notes held by its clients (excluding Notes issued during that month) payable monthly on the 15th day of the following month. The Service Fee will not be payable on Notes redeemed during the month. The specific Management Fee and Service Fee payable will be set forth in the relevant Prospectus Supplement.

14. The issue price of each Offering, along with other information regarding each issue of Notes, including the aggregate principal amount of Notes being offered, the specified currency, the closing date, the issue price, the maturity date, the management fee, the service fee, the proceeds to the Bank and the Agent's remuneration will be set forth in the Prospectus Supplement that will accompany the Prospectus.

15. Since NBF is a wholly-owned subsidiary of the Issuer, the Issuer is a related issuer to NBF under the definition of "related issuer" under the Legislation.

16. In Québec, under decision 2003-C-0047 and in all other jurisdictions under National Instrument No. 33-105 ("**NI 33-105**"), subject to certain exceptions, a registrant may not act as an underwriter or agent in a distribution of securities of a related issuer unless, among other things, an independent underwriter receives a certain portion of the total agents' fees.

17. Because of the nature of the Notes, NBF will have no input in the pricing of the Notes. As indicated above, the Notes will be initially priced at the Index Value of the Notes on the first closing date. Thereafter, the price of issue of the Notes will be equal to the Index Value which will be calculated under a formula, as disclosed in the Prospectus.

18. An independent auditor has been retained on behalf of Note holders to audit, on a semi-annual basis, the financial statements of the Program, the NAV per Unit and the Index Value.

19. NBF as agent will not receive any benefit in connection with the Offerings other than the fee payable by the Issuer to NBF as agent.

20. The Prospectus contains the information specified in Appendix "C" of NI 33-105 on the basis that the Issuer is a "related issuer" of NBF, including disclosure concerning the nature of the relationship with the Issuer (the "**Disclosure Requirements**").

21. The Issuer is not and it is not expected that the Issuer could be in financial difficulty.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "**Decision**");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Issuer and NBF are exempt from the Independent Underwriter Requirements in connection with

the Offerings, subject to compliance with the Disclosure Requirements.

June 17, 2003.

"Guy Lemoine" "Mark M. Rosenstein"

2.1.13 The Descartes Systems Group Inc and 3079393 Nova Scotia Company - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer bids – convertible debentures – debentures convertible into common shares at a conversion price far in excess of current value of common shares – conversion feature is of no material value – debentures trade like non-convertible, subordinated, unsecured debt based on applicant's underlying creditworthiness – convertible debentures are out-of-the-money – circular to include opinion letter on convertibility feature – applicant to comply with all other requirements – applicant exempt from valuation requirement.

Applicable Rule

61-501 – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 3.3, 3.4, and 9.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
THE DESCARTES SYSTEMS GROUP INC.

AND

IN THE MATTER OF
3078393 NOVA SCOTIA COMPANY

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from The Descartes Systems Group Inc. (the "Corporation") and 3079393 Nova Scotia Company, a wholly-owned subsidiary of the Corporation (the "Subsidiary" and, together with the Corporation, the "Applicants"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to obtain a valuation (the "Valuation Requirement") shall not apply to the proposed purchase by the Subsidiary of a portion of the Corporation's outstanding 5.5% Convertible Unsecured Subordinated

Debentures due June 30, 2005 (the "Debentures") pursuant to a formal issuer bid (the "Proposed Issuer Bid");

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for the Application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Quebec Commission Notice 14-101;

AND WHEREAS the Applicants have represented to the Decision Makers that:

1. The Corporation was amalgamated under the *Business Corporations Act* (Ontario) on January 26, 1999. Its principal executive office is located in Waterloo, Ontario.

2. The Corporation is authorized to issue an unlimited number of common shares (the "Common Shares"). As of May 23, 2003, the Corporation had outstanding 52,231,711 Common Shares.

3. As of May 23, 2003 the Corporation had outstanding Debentures in the aggregate principal amount of U.S.$71,995,000.

4. The Corporation is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any requirements of the Legislation. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "DSG" and on the Nasdaq National Market under the trading symbol "DSGX" and its Debentures are listed and posted for trading on the TSX under the trading symbol "DSG.DB.U".

5. The Subsidiary was incorporated on May 27, 2003 and is governed by the *Nova Scotia Companies Act*. It is a wholly-owned subsidiary of the Corporation. The Subsidiary is not a reporting issuer in any of the Jurisdictions.

6. The Debentures were issued pursuant to an indenture dated June 30, 2000 (the "Indenture") between the Corporation and Montreal Trust Company of Canada (now Computershare Trust Company of Canada) and distributed pursuant to a short form prospectus dated June 26, 2000.

7. The Indenture provides that, unless an "Event of Default" (as defined in the Indenture) has occurred and is continuing under the Indenture, the Corporation may purchase for cancellation any or all of the Debentures by invitation for tenders or by private contract. No Event of Default has occurred under the Indenture. There are no other restrictions upon the Corporation's and no restrictions on the Subsidiary's ability to purchase the Debentures.

8. The Debentures are convertible at the Debentureholder's option into Common Shares at any time prior to the earlier of June 30, 2005 and the last business day immediately preceding the date specified for redemption by the Corporation. The conversion price for the Debentures is U.S.$35.00 per Common Share, being a rate of approximately 28.57 Common Shares per U.S.$1,000 principal amount of Debentures.

9. On August 1, 2002, the Corporation announced an offer to repurchase for cancellation by way of a substantial issuer bid expiring on September 6, 2002 (the "2002 Debenture Offer") up to an aggregate of U.S.$51,428,571 principal amount of its outstanding Debentures at a price of U.S.$700 for each U.S.$1,000 principal amount of Debentures plus unpaid interest accrued to the date of purchase. The Corporation purchased for cancellation a nominal amount of Debentures pursuant to the 2002 Debenture Offer.

10. A significant holder of Debentures has agreed with the Corporation to tender U.S.$30,856,500 aggregate principal amount of Debentures under the Proposed Issuer Bid at a purchase price of U.S.$950 for each U.S.$1,000 principal amount of Debentures. To the knowledge of the Corporation no other person or company holds more than 10% of the aggregate principal amount of outstanding Debentures.

11. The Corporation proposes to purchase, for a period concurrent with the Proposed Issuer Bid, up to 11,578,000 Common Shares at a single purchase price within the range of Cdn.$3.00 to Cdn.$3.85 using a "Dutch Auction" procedure.

12. The Corporation announced the intention to make the Proposed Issuer Bid and certain anticipated details of the Proposed Issuer Bid on May 12, 2003 (the "Announcement Date"). The purchase price is U.S.$950 for each U.S.$1,000 principal amount of Debentures.

13. Over the 12 complete months prior to the Announcement Date, the Debentures traded on the TSX on 158 out of 272 trading days, with an average daily trading value of U.S.$48,596 on the days traded, and the price range over that period was U.S.$680 to U.S.$930 per U.S.$1,000 principal amount of Debentures.

14. As at May 12, 2003 and May 13, 2003 (one day after the Announcement Date), the closing price of the Debentures on the TSX was Cdn.$850.00 and U.S.$922.50 per U.S.$1,000 aggregate principal amount outstanding respectively.

15. The Debentures are convertible into Common Shares at a conversion price which is significantly in excess of the current market price of the Common Shares. The Debenture conversion price of U.S.$35.00 per Common Share for each U.S.$1,000 in aggregate principal amount of Debentures outstanding is equivalent to Cdn.$48.55 per Common Share based on the foreign exchange rates as of May 13, 2003. On May 13, 2003, the closing price of the Common Shares on the TSX was Cdn.$3.20, which was approximately 6.4% of the conversion price of the Debentures at such time, based on the foreign exchange rates then in effect. Over the 12 months ended April 30, 2003, the Common Shares traded on the TSX in a range between Cdn.$2.88 and Cdn.$6.06 per Common Share.

16. In a letter (the "Opinion Letter") dated June 2, 2003, Griffiths McBurney & Partners ("GMP") advised the Corporation that, in GMP's opinion:

    (i) the convertibility feature of the Debentures is of no material value; and

    (ii) the Debentures trade on the TSX like non-convertible, subordinated, unsecured debt based on the Corporation's underlying creditworthiness.

17. The Proposed Issuer Bid is proceeding by way of an issuer bid circular dated June 2, 2003, which includes a summary and copy of the Opinion Letter. The Proposed Issuer Bid will expire on July 11, 2003, unless extended.

18. The Subsidiary intends to acquire the aggregate principal amount of U.S.$45,000,000 of Debentures at the Purchase Price, representing approximately 62.5% of the outstanding principal amount of Debentures. The Corporation anticipates using cash on hand, cash equivalents and/or marketable securities to fund the Debenture acquisitions.

19. The Proposed Issuer Bid is an "issuer bid" within the meaning of the Legislation in the Jurisdictions because the Debentures are convertible debt securities.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers in the Jurisdictions under the Legislation is that the Valuation Requirement shall not apply to Proposed Issuer Bid, provided that the Applicants comply with the other applicable provisions of the Legislation relating to formal issuer bids.

June 25, 2003.

"Ralph Shay"

2.1.14 The Descartes Systems Group Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – dutch auction issuer bid – with respect to securities tendered at or below clearing price – there is a liquid market for the securities – circular to contain certain disclosure including information regarding take up and payment mechanics as well as facts supporting reliance on the liquid market exemption – offeror to comply with all other legislative requirements – offeror exempt from requirement to take up and pay for securities proportionately according to number of securities deposited by each shareholder – offeror also exempt from the associated disclosure requirement.

Applicable Statutory Provision

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 95(7) and 104(2)(c).

Applicable Regulatory Provision

Ontario Regulation 1015 – General Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as amended, s. 189(b).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
THE DESCARTES SYSTEMS GROUP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from The Descartes Systems Group Inc. (the "Corporation") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to:

(i) take up and pay for securities proportionately according to the number of securities deposited by each shareholder (the "Proportionate Take Up and Payment Requirement");

(ii) provide disclosure in the issuer bid circular (the "Circular") of such proportionate take up and payment (the "Associated Disclosure Requirement"); and

(iii) obtain a valuation of the Corporation's common shares (the "Shares") and provide disclosure in the Circular of such valuation, or a summary thereof (the "Valuation Requirement"),

shall not apply to the Corporation in connection with its proposed purchase of a portion of the Shares pursuant to a formal issuer bid (the "Proposed Issuer Bid");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for the Application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

AND WHEREAS the Corporation has represented to the Decision Makers that:

1. The Corporation was amalgamated under the *Business Corporations Act* (Ontario) on January 26, 1999.

2. The Corporation is authorized to issue an unlimited number of Shares. As of May 23, 2003, the Corporation had 52,231,711 Shares issued and outstanding.

3. The Corporation is a reporting issuer or the equivalent in each of the Jurisdictions, is not in default of any requirements of the Legislation and is not on the list of defaulting reporting issuers maintained pursuant to such Legislation, where applicable.

4. The Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "DSG" and on the Nasdaq National Market ("Nasdaq") under the trading symbol "DSGX", and its Debentures are listed and posted for trading on the TSX under the trading symbol "DSG.DB.U".

5. The Corporation, or the Corporation indirectly through its wholly-owned subsidiary, proposes to purchase, for a period concurrent with the Proposed Issuer Bid, up to U.S.$45,000,000 aggregate principal amount of its 5.50% Convertible Unsecured Subordinated Debentures due June 30, 2005 ("Debentures") at a purchase price of U.S.$950 for each U.S.$1,000 of principal amount of Debentures plus any accrued and unpaid interest.

6. To the knowledge of the Corporation, the only holder of Shares that currently holds greater than 10% of the Shares is PRIMECAP Management Company, which owns 5,698,600 Shares as of May 16, 2003, representing approximately 10.9% of the issued and outstanding Shares.

7. The intention to make the Proposed Issuer Bid and certain anticipated details of the Proposed Issuer Bid were announced on May 12, 2003 (the "Announcement Date").

8. The Proposed Issuer Bid will be made pursuant to a modified dutch auction procedure (the "Procedure") as follows:

   (a) the Circular specifies the maximum number of Shares that the Corporation intends to purchase under the Proposed Issuer Bid is 11,578,000 Shares (the "Specified Number");

   (b) the Circular also specifies a price range of $3.00 to $3.85 (the "Price Range") within which the Corporation is prepared to purchase the Shares under the Proposed Issuer Bid;

   (c) holders of Shares (collectively, the "Shareholders") wishing to tender to the Proposed Issuer Bid may specify the lowest price within the Price Range at which they are willing to sell all or a portion of their Shares (an "Auction Tender");

   (d) Shareholders willing to tender to the Proposed Issuer Bid but who do not wish to make an Auction Tender may elect to tender such Shares at the purchase price (the "Clearing Price") determined in accordance with paragraph 8(f) below (a "Purchase Price Tender");

   (e) all Shares tendered and not withdrawn by Shareholders who fail to specify any tender price for such tendered Shares and fail to indicate that they have tendered such Shares pursuant to a Purchase Price Tender will be deemed to have been tendered pursuant to a Purchase Price Tender;

   (f) the Clearing Price of the Shares tendered to the Proposed Issuer Bid will be the lowest price that will enable the Corporation to purchase the Specified Number and will be determined based upon the number of Shares tendered and not withdrawn pursuant to an Auction Tender at each price within the Price Range and tendered and not withdrawn pursuant to a Purchase Price Tender, with each Purchase Price Tender being considered a tender at the lowest price in the Price Range for the purposes of calculating the Clearing Price;

   (g) the aggregate amount that the Corporation will pay for Shares tendered to the Proposed Issuer Bid will not be ascertained until the Clearing Price is determined;

   (h) all Shares tendered and not withdrawn at or below the Clearing Price pursuant to an Auction Tender and all Shares tendered and not withdrawn pursuant to a Purchase Price Tender will be taken up and paid for at the Clearing Price (calculated to the nearest whole Share, so as to avoid the creation of fractional Shares), subject to pro ration if the aggregate number of Shares tendered and not withdrawn at or below the Clearing Price pursuant to Auction Tenders and the number of Shares tendered and not withdrawn pursuant to Purchase Price Tenders exceeds the Specified Number;

   (i) all Shares tendered and not withdrawn at prices above the Clearing Price will be returned to the appropriate Shareholders;

   (j) in the event that more than the Specified Number of Shares are tendered at or below the Clearing Price, the Shares to be purchased by the Corporation will be pro rated from the Shares so tendered;

   (k) in the event that the bid is under-subscribed by the initial expiration date but all the terms and conditions thereof have been complied with except those waived by the Corporation, the Corporation may wish to extend the bid for at least 10 days, in which case the Corporation must first take up and pay for all Shares deposited thereunder and not withdrawn. In the event the bid is under-subscribed at the expiration date, there would be no proration among the tenders taken up and paid for at such time. However, by the time any extension is over, the bid may be oversubscribed in which case the Corporation intends to pro-rate only among tenders received during the extension and after the original expiration date;

   (l) all Shares tendered and not withdrawn by Shareholders who specify a tender price for such tendered Shares that falls outside the Price Range will be considered to have been improperly

tendered, will be excluded from the determination of the Clearing Price, will not be purchased by the Corporation and will be returned to the tendering Shareholders;

(m) tendering Shareholders who make either an Auction Tender or a Purchase Price Tender but fail to specify the number of Shares that they wish to tender to the Proposed Issuer Bid will be considered to have tendered all Shares held by such Shareholder; and

(n) if the aggregate number of Shares validly tendered, or deemed to have been tendered, to the Proposed Issuer Bid at or below the Clearing Price and not withdrawn is less than or equal to the Specified Number, the Corporation will purchase all Shares so deposited.

9. Prior to the expiry of the Proposed Issuer Bid, all information regarding the number of Shares tendered and the prices at which such Shares are tendered will be kept confidential, and the depositary under the Proposed Issuer Bid will be directed by the Corporation to maintain such confidentiality until the Clearing Price is determined.

10. Since the Proposed Issuer Bid will be for fewer than all the Shares, if the number of Shares tendered to the Proposed Issuer Bid at or below the Clearing Price exceeds the Specified Number, the Legislation would require the Corporation to take up and pay for deposited Shares proportionately, according to the number of Shares deposited by each Shareholder. In addition, the Legislation would require disclosure in the Circular that the Corporation would, if Shares tendered to the Proposed Issuer Bid exceeded the Specified Number, take up such Shares proportionately according to the number of Shares tendered by each Shareholder to the Proposed Issuer Bid.

11. During the period of 12 months before the Announcement Date:

(a) the number of outstanding Shares was at all times at least 5,000,000, excluding Shares that either were beneficially owned, directly or indirectly, or over which control or direction was exercised, by related parties of the Corporation or were not freely tradeable;

(b) the aggregate trading volume of the Shares on the TSX was at least 1,000,000 Shares;

(c) there were at least 1,000 trades in Shares on the TSX; and

(d) the aggregate trading value based on the price of the trades referred to in paragraph (c) above was at least $15,000,000.

12. The market value of the Shares on the TSX was approximately $168,536,044 for the calendar month preceding the Announcement Date.

13. The board of directors of the Corporation has determined it is reasonable to conclude that, following completion of the Proposed Issuer Bid, there will be a market for the beneficial owners of Shares who do not tender to the Proposed Issuer Bid that is not materially less liquid than the market that exists at the time the Proposed Issuer Bid is made and the Corporation intends to rely upon the exemptions from the Valuation Requirement contained in sections 3.4(3) of Ontario Securities Commission Rule 61-501 and Quebec Local Policy Statement Q-27 (the "Presumption of Liquid Market Exemptions").

14. The Circular:

(a) discloses the mechanics for the take-up and payment for, or return of, Shares as described in paragraph 8 above;

(b) explains that, by tendering Shares at the lowest price in the Price Range or pursuant to a Purchase Price Tender, a Shareholder can reasonably expect that Shares so tendered will be purchased at the Clearing Price, subject to pro ration as described in paragraph 8(j) above;

(c) discloses the facts supporting the Corporation's reliance on the Presumption of Liquid Market Exemptions, calculated with reference to the Announcement Date; and

(d) contains the disclosure prescribed by the Legislation for issuer bids, except to the extent exemptive relief is granted by this decision.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Proportionate Take up and Payment Requirement, the Associated Disclosure Requirement, and the Valuation Requirement shall not apply to the Corporation in connection with the Proposed Issuer Bid provided that:

(i) Shares tendered to the Proposed Issuer Bid are taken up and paid for, or returned to the Shareholders in accordance with the Procedure;

(ii) the facts supporting the Corporation's reliance on the Presumption of Liquid Market Exemptions calculated with reference to the Announcement Date are disclosed; and

(iii) The Corporation complies with other applicable provisions of the Legislation relating to formal bids made by issuers.

June 25, 2003.

"Paul M. Moore" "Robert W. Davis"

2.1.15 Barrick Gold Corporation and Barrick Gold Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – variation of decision granting exemption to issuer of exchangeable shares from certain continuous disclosure requirements, subject to certain conditions. Decision amended to permit issuer to issue debt obligations guaranteed by parent provided that issuer files the continuous disclosure information of the parent and summarized financial information with respect to issuer.

Ontario Securities Cited

Securities Act, R.S.O. C. S. 5 as am., s. 144.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR, THE YUKON TERRITORY, THE NORTHWEST TERRITORIES AND NUNAVUT

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
BARRICK GOLD CORPORATION

AND

BARRICK GOLD INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories and Nunavut (the Jurisdictions) has received an application from Barrick Gold Corporation (Barrick) and Barrick Gold Inc. (formerly Homestake Canada Inc.) (BGI) (collectively, the Filer), for a decision pursuant to the securities legislation of the Jurisdictions (the Legislation) that the decision dated September 18, 2001 granted to Barrick and BGI by the Decision Maker in each Jurisdiction (the Original Decision), as varied pursuant to the decision (the Variation) dated May 30, 2003 granted to Barrick and BGI by the Decision Makers, (together with the Original Decision, the Existing Decision) be further varied (i) so that BGI shall be permitted to issue debt obligations which are fully, unconditionally and irrevocably guaranteed by Barrick and (ii) to set forth

certain additional provisions which shall apply in respect of the Continuous Disclosure Requirements (as defined in the Original Decision) to which BGI would otherwise be subject in the event of the issuance of any such debt obligations to the public;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the System), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 or in Québec Commission Notice 14-101;

AND WHEREAS the Filer has represented to the Decision Makers as follows:

1. On December 14, 2001, Homestake Merger Co., a U.S. subsidiary of Barrick, merged with Homestake Mining Company pursuant to an agreement and plan of merger dated June 24, 2001 (the Merger). In connection with the Merger, the Exchangeable Shares remained outstanding, but each such Exchangeable Share became exchangeable for 0.53 Barrick common shares, rather than for one share of Homestake Mining Company common stock.

2. In contemplation of the Merger, the Original Decision was obtained to, among other things, exempt BGI from the requirements contained in the Legislation of the Jurisdictions in which BGI is a reporting issuer (or equivalent) to issue a press release and file a report upon the occurrence of a material change, to file and deliver an annual report, where applicable, to file and deliver interim and annual financial statements and to file an information circular or analogous report, provided that the conditions of the Original Decision, including in particular the requirement that holders of Exchangeable Shares receive all disclosure material furnished to holders of Barrick common shares pursuant to the Legislation, were satisfied.

3. The Variation was obtained on May 30, 2003 in contemplation of a proposed internal borrowing by BGI from Barrick or one of its subsidiaries.

4. Barrick was formed by the amalgamation of three mining companies on July 14, 1984 under the *Business Corporations Act* (Ontario). Its head office is located at BCE Place, Canada Trust Tower, Suite 3700, 161 Bay Street, P.O. Box 212, Toronto, ON M5J 2S1.

5. The authorized capital of Barrick consists of (i) an unlimited number of common shares, (ii) an unlimited number of first preferred shares, issuable in series of which one has been designated as first preferred shares, series C special voting share, and (iii) an unlimited number of second preferred shares, issuable in series. As of April 30, 2003, Barrick had 541,460,118 common shares, one first preferred share series C special voting share and no second preferred shares outstanding.

6. As at March 31, 2003, Barrick had approximately U.S. $757 million in long-term debt outstanding. All rated debt of Barrick is currently rated "A" by Standard & Poor's and "A3" by Moody's Investor Services.

7. Barrick is a reporting issuer (or equivalent) in each of the provinces and territories of Canada and is not on the list of reporting issuers in default in any of those Jurisdictions.

8. The Barrick common shares are listed and posted for trading on The Toronto Stock Exchange, the New York Stock Exchange, the London Stock Exchange, the Swiss Exchange and the Paris Bourse.

9. BGI is a corporation governed by the *Business Corporations Act* (Ontario).

10. BGI is an indirect subsidiary of Barrick.

11. The authorized capital of BGI consists of (i) an unlimited number of Class A common shares, (ii) an unlimited number of Class B common shares, (iii) an unlimited number of Exchangeable Shares, (iv) an unlimited number of third preference shares, issuable in series, of which 10,000,000 have been designated as third preference shares, series 1, and (v) an unlimited number of fourth preference shares. As of April 30, 2003, 100,000 Class A common shares, 1,570,522 Exchangeable Shares (excluding shares held by Barrick and its affiliates), 103,986,397 Class B common shares, no third preference shares and 277,775,266 fourth preference shares were outstanding. All of BGI's outstanding shares, other than the Exchangeable Shares held by the public, are held by Barrick and its affiliates.

12. BGI is a reporting issuer (or equivalent) in Ontario, Québec, British Columbia, Saskatchewan, Manitoba and Nova Scotia and is not on the list of reporting issuers in default in any of those Jurisdictions.

13. The Exchangeable Shares are listed and posted for trading on The Toronto Stock Exchange.

14. Each Exchangeable Share provides the holder thereof with the economic and voting equivalent, to the extent practicable, of 0.53 Barrick common shares and the holders of Exchangeable Shares receive the same disclosure that Barrick provides to holders of Barrick common shares.

15. BGI carries on more than minimal operations that are independent of Barrick.

16. Barrick and BGI propose to file a preliminary shelf prospectus (the Preliminary Shelf Prospectus) and final shelf prospectus (the Final Shelf Prospectus) pursuant to National Instruments 44-101 and 44-102 (collectively, the Shelf Requirements) pursuant to which they may issue up to a fixed aggregate principal amount of debentures, notes and/or other similar evidences of indebtedness (Debt Securities) from time to time over the period of effectiveness of the Final Shelf Prospectus. Any Debt Securities issued by BGI (BGI Debt Securities) will be fully, unconditionally and irrevocably guaranteed by Barrick as to payment of principal, interest and all other amounts due thereunder. The BGI Debt Securities will not be convertible into equity securities of BGI, Barrick or any other entity. The Preliminary Shelf Prospectus and the Final Shelf Prospectus will be filed in Canada only in the Province of Ontario and will also be filed in the United States under the Multijurisdictional Review System.

17. In connection with any offering of Debt Securities (any such offering, an Offering):

    (a) the Final Shelf Prospectus and a prospectus supplement or supplements (collectively, the Prospectus) will be prepared pursuant to the Shelf Requirements, with the disclosure required by:

        (i) Item 4.1 of Form 44-101F3 being addressed by including the required disclosure with respect to Barrick only;

        (ii) Item 7 of Form 44-101F3 being addressed by including the required disclosure with respect to Barrick only;

        (iii) Item 12 of Form 44-101F3 being addressed by incorporating by reference Barrick's public disclosure documents, including Barrick's most recent annual report; and

        (iv) Item 13 of Form 44-101F3 being addressed by incorporating by reference the audited annual financial statements of Barrick for the year ended December 31, 2002, including the note thereto which contains a summary of selected consolidated financial information for BGI, including information as to its consolidated revenues and other income, costs and expenses, income before taxes, net income, current assets, non-current assets, current liabilities and non-current liabilities;

    (b) a separate application has been made in the Province of Ontario for a decision permitting the variation from the requirements of Form 44-101F3 described in clauses (a)(i) through (a)(iii) above in connection with the filing of the Preliminary Shelf Prospectus and the Final Shelf Prospectus;

    (c) the Prospectus will include all material disclosure required by the Shelf Requirements concerning Barrick and BGI;

    (d) the Prospectus will incorporate by reference Barrick's current and future public disclosure documents as required by Item 12 of Form 44-101F3 and will state that purchasers of BGI Debt Securities will not receive separate continuous disclosure information regarding BGI;

    (e) Barrick will fully, unconditionally and irrevocably guarantee payment of the principal and interest on any BGI Debt Securities, together with any other amounts that may be due under any provisions of the trust indenture relating to such BGI Debt Securities;

    (f) the Debt Securities will have an approved rating (as defined in National Instrument 44-101);

    (g) Barrick will sign the Prospectus as issuer and credit supporter; and

    (h) Barrick will continue to file with the securities regulatory authorities in each of the Jurisdictions all documents required to be filed by it under the Legislation.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that

provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Existing Decision is varied to replace the existing paragraph 4(f) with the following:

> "BGI does not issue any third preference shares or fourth preference shares or debt obligations, other than (i) debt obligations issued to Barrick and/or its subsidiaries, banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions or (ii) debt obligations which are fully, unconditionally and irrevocably guaranteed by Barrick; and"

and to add to the Existing Decision the following paragraph 4(g):

> "(g) from the date that BGI first issues debt obligations to the public pursuant to clause (f)(ii) above by way of prospectus or prospectus supplement and continuing for such time as such debt obligations remain outstanding and BGI continues to be a reporting issuer (or equivalent) in the Jurisdictions:
>
> (i) Barrick sends or causes to be sent to all holders of such debt obligations resident in the Jurisdictions all disclosure material that would have been required to be sent by Barrick pursuant to the Legislation had such debt obligations been direct obligations of Barrick;
>
> (ii) Barrick continues to fully, unconditionally and irrevocably guarantee payment of the principal, interest on such debt obligations, together with any other amounts that may be due under any provisions of the trust indenture or other instrument relating to such debt obligations, such that the debtors thereunder shall be entitled to receive payment from Barrick in the event of any failure by BGI to make a payment as stipulated in such trust indenture or other instrument;
>
> (iii) either: (A) the audited annual financial statements of Barrick filed in any Jurisdiction in which such prospectus or prospectus supplement is filed include as a note thereto a summary of annual comparative selected financial information for BGI; or (B) Barrick or BGI file, in electronic format, in any Jurisdiction in which such prospectus or prospectus supplement is filed annual comparative selected financial information for BGI derived from the audited annual financial statements of Barrick for its most recently completed financial year and the financial year immediately preceding such financial year, accompanied by a selected procedures report of the auditors to Barrick;
>
> (iv) either: (A) the unaudited interim financial statements of Barrick filed in any Jurisdiction in which such prospectus or prospectus supplement is filed include as a note thereto a summary of interim comparative selected financial information for BGI; or (B) Barrick or BGI file, in electronic format, in any Jurisdiction in which such prospectus or prospectus supplement is filed interim comparative selected financial information for BGI derived from the unaudited interim financial statements of Barrick for its most recently completed interim period and the corresponding interim period of the immediately preceding financial year;
>
> (v) the selected consolidated financial information for BGI referred to in items (iii) and (iv) above includes information as to the consolidated revenues and other income, costs and expenses, income before taxes, net income, current assets, non-current assets, current liabilities and non-current liabilities of BGI; and
>
> (vi) the audited annual financial statements of Barrick or annual comparative selected financial information for BGI referred to in item (iii) above and the unaudited interim financial statements of Barrick or interim comparative selected financial information for BGI referred to in item (iv) above are filed on the

System for Electronic Document Analysis and Retrieval (SEDAR) by BGI".

June 27, 2003.

"Paul M. Moore" "Harold P. Hands"

2.2 Orders

2.2.1 The Farini Companies Inc. and Darryl Harris - s. 127

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c. S-5, as amended

AND

IN THE MATTER OF
THE FARINI COMPANIES INC.
and DARRYL HARRIS

ORDER
(Section 127)

WHEREAS on April 22, 2003 the Ontario Securities Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act,* R.S.O. 1990 c.S.5, as amended (the "Act") in respect of The Farini Companies Inc. and Darryl Harris (the "Respondents");

AND WHEREAS the Respondents entered into a settlement agreement with Staff of the Commission dated June 23, 2003 (the "Settlement Agreement") in which they agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission, and upon hearing submissions from counsel for Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED THAT:

(1) the Settlement Agreement dated June 23, 2003 attached to this Order is hereby approved;

(2) pursuant to clause 7 of section 127(1) of the Act, Darryl Harris is hereby required to resign his position as Director of Farini by June 30, 2003;

(3) pursuant to clause 8 of section 127(1) of the Act, Darryl Harris is hereby prohibited from becoming or acting as a director or officer of any issuer for a period of one year from the date of this order; and

(4) pursuant to clause 6 of section 127(1) of the Act, the Respondents are hereby reprimanded by the Commission.

June 25, 2003.

"Kerry D. Adams" "H. Lorne Morphy"

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S-5, as amended

AND

IN THE MATTER OF
THE FARINI COMPANIES INC.,
and DARRYL HARRIS

SETTLEMENT AGREEMENT BETWEEN STAFF OF THE ONTARIO SECURITIES COMMISSION, THE FARINI COMPANIES INC. and DARRYL HARRIS

INTRODUCTION

1. By notice of hearing dated April 22, 2003, the Ontario Securities Commission announced that it proposed to hold a hearing to consider whether, pursuant to section 127 of the Securities Act, it is in the public interest for the Commission to make an order:

   (a) that trading in securities by the respondents cease permanently or for such period as the Commission may direct;

   (b) that the respondents be reprimanded;

   (c) that Harris resign any positions that he holds as a director or officer of any issuer;

   (d) that Harris be prohibited from becoming or acting as a director or officer of any issuer permanently or for such period as the Commission may direct;

   (e) that the respondents pay the costs of Staff's investigation in relation to this matter;

   (f) that the respondents pay the costs of or related to the hearing that are incurred by or on behalf of the Commission; and

   (g) to make such other order as the Commission may deem appropriate.

II JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding initiated in respect of the respondents by the Notice of Hearing in accordance with the terms and conditions set out below. The respondents consent to the making of an order against them in the form attached as Schedule "A" on the basis of the facts set out below.

III STATEMENT OF FACTS

Acknowledgement

3. For the purposes of this settlement agreement, the respondents agree with the facts set out in this Part III.

Factual Background

4. The Farini Companies Inc. is an Ontario corporation which manufactured and distributed pasta makers and food products.

5. Farini is a reporting issuer in Ontario whose shares traded on the Canadian Dealers Network until October, 2000.

6. Darryl Harris has been a Director of Farini since October 8, 1999.

Failure to Meet Financial Statement Filing Requirements

7. During the period between May, 1996 and May, 2002, Farini repeatedly failed to file both interim and audited annual financial statements with the Commission within the time periods prescribed by sections 77 and 78 of the *Securities Act*.

8. In particular, Farini failed on 11 occasions to file its interim financial statements within the time period prescribed by section 77 of the *Securities Act*.

9. Specifically, Farini failed to file:

   (a) its first quarter interim financial statements for the 1998, 1999, 2000, 2001 and 2002 fiscal years;

   (b) its second quarter interim financial statements for the 1998, 2000, 2001 and 2002 fiscal years; and

   (c) its third quarter interim financial statements for the 1998, 1999 and 2000 and 2002 fiscal years

   within the required time period.

10. In addition, Farini failed on 8 occasions to file its annual comparative financial statements within the time period prescribed by section 78 of the *Securities Act*.

11. Specifically, Farini failed to file its annual comparative financial statements for the 1995, 1996, 1997, 1998, 1999, 2000, 2001, and 2002 fiscal years within the required time period.

12. As a result of Farini's failure to file its financial statements in a timely manner, the Commission imposed four cease trade orders on its shares. The Commission's orders to this effect were dated May 28, 1999, July 26, 2000, May 25, 2001 and May 24, 2002.

13. To date, Farini's latest failure to file has not been rectified, and the Commission's cease trade order dated May 24, 2002 remains in effect.

Harris' Responsibility

14. Harris was a Director of Farini at the time of the following breaches, namely:

   (a) 8 failures to file interim financial statements within the time periods prescribed by section 77 of the *Securities Act*; and

   (b) 4 failures to file annual comparative financial statements within the time periods prescribed by section 78 of the *Securities Act*.

15. Specifically, Harris was a Director at the time of Farini's failure to file:

   (a) its first quarter interim financial statements for the 2000, 2001, and 2002 fiscal years;

   (b) its second quarter interim financial statements for the 2000, 2001 and 2002 fiscal years;

   (c) its third quarter interim financial statements for the 1999, 2000 and 2002 fiscal years; and

   (d) its annual comparative financial statements for the 1999, 2000, 2001 and 2002 fiscal years

   within the required time period.

Conduct Contrary to the Public Interest

16. Farini breached sections 77 and 78 of the *Securities Act*, as set out above, and thereby acted in a manner contrary to the public interest.

17. Harris authorized, permitted or acquiesced in Farini's contraventions of sections 77 and 78 of the *Securities Act* and thereby acted in a manner contrary to the public interest.

18. The respondents agree that it is in the public interest for the Commission to make an order in the form attached as Schedule "A".

IV TERMS OF SETTLEMENT

19. The respondents agree to the following terms of settlement:

(a) The Commission will make an order under clause 7 of section 127(1) of the Act requiring Harris to resign his position as a Director of Farini by June 30, 2003;

(b) The Commission will make an order under clause 8 of section 127(1) of the Act prohibiting Harris from becoming or acting as a director or officer of any issuer for a period of one year following the date of the order; and

(c) The Commission will make an order under clause 6 of section 127(1) of the Act reprimanding Farini and Harris.

STAFF COMMITMENT

20. If this settlement agreement is approved by the Commission, Staff will not initiate any proceeding under Ontario securities law in respect of any conduct or alleged conduct of the respondents in relation to the facts set out in Part III of this settlement agreement, subject to the provisions of paragraph 24 below.

PROCEDURE FOR APPROVAL OF SETTLEMENT

21. Approval of this settlement agreement shall be sought at the public hearing of the Commission scheduled for Wednesday June 25, 2003, or such other date as may be agreed to by Staff and the respondents in accordance with the procedures described in this settlement agreement.

22. Staff and the respondents agree that if this settlement agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting the respondents in this matter, and respondents agree to waive their rights to a full hearing, judicial review or appeal of the matter under the *Securities Act*.

23. Staff and the respondents agree that if this settlement agreement is approved by the Commission, neither Staff nor the respondents will make any public statement inconsistent with this settlement agreement.

24. If the respondents fail to honour the agreement contained in paragraph 23 of this settlement agreement, Staff reserve the right to bring proceedings under Ontario securities law against the respondents based on the facts set out in Part III of this settlement agreement, as well as the breach of the settlement agreement.

25. If, for any reason whatsoever, this settlement agreement is not approved by the Commission or an order in the form attached as Schedule "A" is not made by the Commission, each of Staff and the respondents will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations, unaffected by this settlement agreement or the settlement negotiations.

26. Whether or not this settlement agreement is approved by the Commission, the respondents agree that they will not, in any proceeding, refer to or rely upon this settlement agreement or the negotiation or process of approval of this settlement agreement as the basis for any attack on the Commission=s jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

DISCLOSURE OF AGREEMENT

27. The terms of this settlement agreement will be treated as confidential by all parties hereto until approved by the Commission, and forever if, for any reason whatsoever, this settlement agreement is not approved by the Commission, except with the written consent of both the respondents and Staff or as may be required by law.

28. Any obligations of confidentiality shall terminate upon approval of this settlement agreement by the Commission.

EXECUTION OF AGREEMENT

29. This settlement agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

30. A facsimile copy of any signature shall be effective as an original signature.

June 23, 2003.

"Darryl Harris"
Darryl Harris

June 23, 2003.

"Darryl Harris"
The Farini Companies Inc.
Per: Darryl Harris

June 23, 2003.

"Michael Watson"
Staff of the Ontario Securities Commission
Per: Michael Watson

2.2.2 The Toronto-Dominion Bank and TD Mortgage Investment Corporation - s. 6.1 of OSC Rule 13-502

Headnote

Issuer exempt from requirement to pay participation fee, subject to conditions.

Ontario Statutes Cited

Ontario Securities Commission Rule 13-502 Fees.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 13-502 FEES

AND

IN THE MATTER OF
THE TORONTO-DOMINION BANK AND
TD MORTGAGE INVESTMENT CORPORATION

ORDER

WHEREAS the Ontario Securities Commission (the **OSC**) has received an application from The Toronto-Dominion Bank (**TD Bank**) and TD Mortgage Investment Corporation (**TDMIC**) for an order, pursuant to section 6.1 of OSC Rule 13-502 Fees (the **Fees Rule**), that the requirement to pay a participation fee under section 2.2 of the Fees Rule shall not apply to TDMIC, subject to certain terms and conditions.

AND WHEREAS TD Bank and TDMIC have represented to the OSC that:

1. TDMIC is a corporation governed by the *Trust and Loan Companies Act* (Canada). It is a subsidiary of TD Bank and TD Bank acts as advisor to TDMIC pursuant to an Advisory Agreement dated December 4, 1997. TDMIC has a fiscal year end of October 31. It is a reporting issuer in Ontario and is not, to its knowledge, in default of any requirement under the securities legislation of Ontario.

2. The outstanding securities of TDMIC consist of (i) 87,600 common shares, and (ii) 350,000 Higher Yielding Bank Related Income Derivative Securities, each consisting of one non-cumulative Preferred Share Series A of TDMIC (the **HYBRIDS**). All of the common shares of TDMIC are held by TD Bank. TDMIC distributed the HYBRIDS in a public offering pursuant to a prospectus dated November 27, 1997. The HYBRIDS are listed on the Toronto Stock Exchange. They may be redeemed at par beginning on October 31, 2007.

3. TDMIC is a special purpose issuer, established to issue the HYBRIDS, which provide TD Bank with a cost-effective means of raising capital for Canadian financial institution regulatory purposes. Incidental to the issuance of the HYBRIDS, TDMIC acquires and holds residential first mortgages insured by Canada Mortgage and Housing Corporation. Such mortgages have been acquired solely from TD Bank or its affiliates. TDMIC does not and will not carry on any operating activity other than in connection with the issuance of the HYBRIDS.

4. Pursuant to a Mutual Reliance Review System for Exemptive Relief Decision Document dated March 11, 2002 (the **First Decision Document**) granted to TDMIC by the OSC and the other Decision Makers set out therein, such Decision Makers determined that the requirement contained in the securities legislation of the Province of Ontario and the securities legislation of the other applicable jurisdictions:

   (a) to file interim financial statements and audited annual financial statements with the Decision Makers and deliver such statements to the holders of HYBRIDS;

   (b) to make an annual filing, where applicable, with the Decision Makers in lieu of filing an information circular; and

   (c) to file an annual report and an information circular with the Decision Maker in Québec and deliver such report or information circular to holders of HYBRIDS resident in Québec;

shall not apply to TDMIC for so long as the following conditions are satisfied:

   (i) TD Bank remains a reporting issuer under the securities legislation of the Province of Ontario and the securities legislation of the other applicable jurisdictions;

   (ii) TD Bank sends its annual financial statements, interim financial statements, annual and interim management discussion and analysis to holders of HYBRIDS and its annual report to holders of HYBRIDS resident in the Province of Québec at

the same time and in the same manner as if the holders of HYBRIDS were holders of TD Bank common shares;

(iii) all outstanding securities of TDMIC are either preferred shares or common shares;

(iv) the rights and obligations of holders of additional preferred shares in the capital of TDMIC are the same in all material respects as the rights and obligations of the holders of HYBRIDS at the date of such First Decision Document;

(v) TD Bank or its affiliates are the beneficial owners of all outstanding common shares of TDMIC; and

(vi) provided that, if a material change occurs in the affairs of TDMIC, such Decision shall expire 30 days after the date of such change.

5. Pursuant to a Mutual Reliance Review System for Exemptive Relief Decision Document dated March 19, 2002 (the **Second Decision Document**) granted to TDMIC by the OSC and the other Decision Makers set out therein, such Decision Makers determined that the requirement contained in the securities legislation of the Province of Ontario and the securities legislation of the other applicable jurisdictions to prepare and file an annual information form, and where applicable, annual and interim management's discussion and analysis of the financial condition and results of operations (**MD&A**) and send such MD&A to security holders of TDMIC, as applicable, shall not apply to TDMIC for so long as the following conditions are satisfied:

(i) TD Bank remains a reporting issuer under the securities legislation of the Province of Ontario and the securities legislation of the other applicable jurisdictions;

(ii) TD Bank sends interim and audited annual financial statements, and MD&A to holders of HYBRIDS and its annual report to holders of HYBRIDS resident in the Province of Québec at the same time and in the same manner as if the holders of HYBRIDS were holders of TD Bank common shares;

(iii) all outstanding securities of TDMIC are either preferred shares or common shares;

(iv) the rights and obligations of holders of additional preferred shares in the capital of TDMIC are the same in all material respects as the rights and obligations of the holders of HYBRIDS at the date of such Second Decision Document;

(v) TD Bank or its affiliates are the beneficial owners of all outstanding common shares of TDMIC; and

(vi) provided that, if a material change occurs in the affairs of TDMIC, such Decision shall expire 30 days after the date of such change.

6. TDMIC was established by TD Bank to comply with regulatory requirements of the Office of the Superintendent of Financial Institutions (**OSFI**) respecting the issuance of innovative Tier 1

capital. Innovative instruments, such as the HYBRIDS, must satisfy the detailed requirements of OSFI Interim Appendix to Guideline A-2 Principles Governing Inclusion of Innovative Instruments in Tier 1 Capital (the **OSFI Guideline**), to be included in Tier 1 capital. The OSFI Guideline requires that innovative instruments be issued by a separate special purpose issuer.

7. Issuing innovative instruments, such as the HYBRIDS, is a cost effective means of raising Tier 1 capital for TD Bank. However, the HYBRIDS could not have been issued directly under the OSFI Guideline. If TD Bank could have issued the HYBRIDS directly, this capital would have been included in the calculation of the participation fee payable by TD Bank. Since TD Bank's capitalization currently exceeds the highest level for purposes of the participation fee calculation, a direct issuance by TD Bank of the HYBRIDS would not have increased the participation fee payable by TD Bank.

8. TDMIC would not be required (but for the Fees Rule) to pay any fees related to continuous disclosure.

9. TD Bank will not issue additional securities out of TDMIC to the public.

10. TDMIC is a 'Class 2 reporting issuer' under the Fees Rule. Its capitalization as at October 31, 2002 was approximately $432.9 million. Accordingly, under the Fees Rule TDMIC would be required to pay a participation fee of $14,583 for 2003 (7/12ths of $25,000) and a participation fee of $25,000 for each subsequent fiscal year. Assuming the HYBRIDS are redeemed on October 31, 2007, TDMIC would be required to pay an aggregate participation fee of $114,583 over its remaining operational lifetime.

THE ORDER of the OSC under the Fees Rule is that the requirement to pay a participation fee under section 2.2 of the Fees Rule shall not apply to TDMIC, for so long as:

(i) TD Bank and TDMIC continue to satisfy all of the conditions contained in the First Decision Document and the Second Decision Document;

(ii) TD Bank does not issue further securities out of TDMIC, other than common shares issued to TD Bank or to direct or indirect wholly-owned subsidiaries of TD Bank; and

(iii) the capitalization of TDMIC represented by the HYBRIDS is included in the participation fee calculation applicable to TD Bank.

June 27, 2003.

"John Hughes"

2.2.3 The Toronto-Dominion Bank and TD Capital Trust - s. 6.1 of OSC Rule 13-502

Headnote

Issuer exempt from requirement to pay participation fees, subject to conditions.

Ontario Rules Cited

Ontario Securities Commission Rule 13-502 Fees.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 13-502 FEES

AND

IN THE MATTER OF
THE TORONTO-DOMINION BANK AND
TD CAPITAL TRUST

ORDER

WHEREAS the Ontario Securities Commission (the **OSC**) has received an application from The Toronto-Dominion Bank (**TD Bank**) and TD Capital Trust (the **Trust**) for an order, pursuant to section 6.1 of OSC Rule 13-502 Fees (the **Fees Rule**), that the requirement to pay a participation fee under section 2.2 of the Fees Rule shall not apply to the Trust, subject to certain terms and conditions.

AND WHEREAS TD Bank and the Trust have represented to the OSC that:

1. The Trust is a closed-ended trust established under the laws of the Province of Ontario by The Canada Trust Company (formerly, TD Trust Company) as trustee (the **Trustee**), pursuant to a declaration of trust made as of February 14, 2000, as amended and restated. It has a financial year end of December 31. The Trustee is an indirect, wholly-owned subsidiary of TD Bank. The Trust is a reporting issuer in Ontario and is not, to its knowledge, in default of any requirement under the securities legislation of Ontario. TD Bank acts as administrative agent for the Trust pursuant to an Administration and Advisory Agreement dated March 21, 2000.

2. The outstanding securities of the Trust consist of (i) Special Trust Securities (the **Special Trust Securities**), which are voting securities of the Trust, and (ii) Capital Trust Securities – Series 2009 (the **TD CaTS**). The Special Trust Securities and the TD CaTS are collectively referred to herein as the **Trust Securities**. All outstanding Special Trust Securities are held by TD Bank. The Trust distributed 900,000 TD CaTS in a public offering pursuant to a prospectus dated March 14, 2000 (the **Offering**). The TD CaTS are listed on the Toronto Stock Exchange. They may be redeemed at par beginning on December 31, 2009.

3. The Trust is a special purpose issuer, established solely for the purpose of effecting the Offering in order to provide TD Bank with a cost effective means of raising capital for Canadian financial institution regulatory purposes. The Trust acquires and holds sufficient assets to generate income for distribution to holders of the Trust Securities. The Trust does not and will not carry on any operating activity other than in connection with the Offering.

4. Pursuant to a Mutual Reliance Review System for Exemptive Relief Decision Document dated May 16, 2001 (the **Decision Document**) granted to the Trust by the OSC and the other Decision Makers set out therein, such Decision Makers determined that the requirement contained in the securities legislation of the Province of Ontario and the securities legislation of the other applicable jurisdictions:

   (a) to file interim financial statements and audited annual financial statements with the Decision Makers and deliver such statements to the holders of Trust Securities;

   (b) to make an annual filing, where applicable, with the Decision Makers in lieu of filing an information circular;

   (c) to file an annual report and an information circular with the Decision Maker in Québec and deliver such report or information circular to holders of Trust Securities resident in Québec; and

   (d) to prepare and file an annual information form, including management's discussion and analysis (**MD&A**), with the Decision Makers and send such MD&A to holders of Trust Securities;

   shall not apply to the Trust for so long as the following conditions are satisfied:

   (i) TD Bank remains a reporting issuer under the securities legislation of the Province of Ontario and the securities legislation of the other applicable jurisdictions;

   (ii) TD Bank sends its annual financial statements, interim financial statements, annual management discussion and analysis and interim

management discussion and analysis to holders of Trust Securities and its annual report to holders of Trust Securities resident in the Province of Québec at the same time and in the same manner as if the holders of Trust Securities were holders of TD Bank common shares;

(iii) all outstanding securities of the Trust are either Capital Trust Securities or Special Trust Securities;

(iv) the rights and obligations of holders of additional series of Capital Trust Securities are the same in all material respects as the rights and obligations of the holders of the TD CaTS at the date of such Decision Document;

(v) TD Bank is the beneficial owner of all Special Trust Securities; and

(vi) provided that, if a material change occurs in the affairs of the Trust, such Decision shall expire 30 days after the date of such change.

5. The Trust was established by TD Bank to comply with regulatory requirements of the Office of the Superintendent of Financial Institutions (**OSFI**) respecting the issuance of innovative Tier 1 capital. Innovative instruments, such as the TD CaTS, must satisfy the detailed requirements of OSFI Interim Appendix to Guideline A-2 Principles Governing Inclusion of Innovative Instruments in Tier 1 Capital (the **OSFI Guideline**), to be included in Tier 1 capital. The OSFI Guideline requires that innovative instruments be issued by a separate special purpose issuer.

6. Issuing innovative instruments, such as the TD CaTS, is a cost effective means of raising Tier 1 capital for TD Bank. However, the TD CaTS could not have been issued directly under the OSFI Guideline. If TD Bank could have issued the TD CaTS directly, this capital would have been included in the calculation of the participation fee payable by TD Bank. Since TD Bank's capitalization currently exceeds the highest level for purposes of the participation fee calculation, a direct issuance by TD Bank of the TD CaTS would not have increased the participation fee payable by TD Bank.

7. No continuous disclosure documents concerning only the Trust will be filed with the OSC.

8. The Trust would not be required (but for the Fees Rule) to pay any fees related to continuous disclosure.

9. TD Bank will not issue additional securities out of the Trust to the public.

10. The Trust is a 'Class 2 reporting issuer' under the Fees Rule. Its capitalization as at December 31, 2002 was approximately $1.26 billion. Accordingly, under the Fees Rule the Trust would be required to pay a participation fee of $37,500 for 2003 (9/12ths of $50,000) and a participation fee of $50,000 for each subsequent financial year. Assuming the TD CaTS were redeemed on December 31, 2009, the Trust would be required to pay aggregate participation fees of $337,500 over its remaining operational lifetime.

THE ORDER of the OSC under the Fees Rule is that the requirement to pay a participation fee under section 2.2 of the Fees Rule shall not apply to the Trust, for so long as:

(i) TD Bank and the Trust continue to satisfy all of the conditions contained in the Decision Document;

(ii) TD Bank does not issue further securities out of the Trust, other than Special Trust Securities issued to TD Bank or to direct or indirect wholly-owned subsidiaries of TD Bank; and

(iii) the capitalization of the Trust represented by the TD CaTS is included in the participation fee calculation applicable to TD Bank.

June 27, 2003.

"John Hughes"

2.2.4 Grand Oakes Resources Corp. - s. 144

Headnote

Section 144 - partial revocation of a cease trade order solely to permit shareholders to vote on proposed reverse takeover transaction and amalgamation.

Ontario Statutes Cited

Securities Act, R.S.O., c. S.5, as am., ss. 127 and 144.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O 1990, C. S.5, AS AMENDED (the Act)

AND

IN THE MATTER OF
GRAND OAKES RESOURCES CORP. (the Corporation)

ORDER
(SECTION 144)

WHEREAS the securities of the Corporation are subject to a temporary order of the Manager, Corporate Finance (the **Manager**) of the Ontario Securities Commission (the **Commission**) dated July 23, 2002 and extended by an the order of the Manager dated August 2, 2002 made under section 127 of the Act (collectively referred to as the **Cease Trade Order**) directing that trading in the securities of the Corporation cease until it is revoked by a further order of revocation.

AND WHEREAS the Corporation has applied to the Commission pursuant to section 144 of the Act (the **Application**) for a partial revocation of the Cease Trade Order.

AND UPON the Corporation having represented to the Commission as follows:

1. The Corporation was incorporated under the *Business Corporations Act* (Ontario) on February 23, 1988 and is a reporting issuer under the Act. The Corporation is not a reporting issuer or the equivalent in any other jurisdiction.

2. The authorized capital of the Corporation consists of an unlimited number of common shares of which 2,575,005 are issued and outstanding.

3. The Cease Trade Order was issued as a result of the Corporation's failure to file its audited financial statements for the fiscal year ended February 28, 2002. Subsequently, the Corporation failed to file its audited financial statements for the fiscal year ended February 28, 2003, and its interim financial statements for the three-month period ended May 31, 2002, the six-month period ended August 31, 2002, and the nine-month period ended November 30, 2002.

4. On January 23, 2003, the Corporation filed on SEDAR its audited financial statements for the fiscal year ended February 28, 2002, and its interim financial statements for the three-month period ended May 31, 2002, the six-month period ended August 31, 2002, and the nine-month period ended November 30, 2002. On June 26, 2003 the Corporation filed on SEDAR its audited financial statements for the fiscal year ended February 28, 2003. On June 3, 2003, the Corporation sent its audited financial statements for the fiscal year ended February 28, 2003 to its shareholders. On June 27, 2003, the Corporation filed on SEDAR its amended audited financial statements for the fiscal year ended February 28, 2002 and the fiscal year ended February 28, 2003 (the **Amended Annual Statements**). On June 27, 2003, the Corporation filed on SEDAR its amended interim financial statements for the three-month period ended May 31, 2002, the six-month period ended August 31, 2002, and the nine month period ended November 30, 2002 (together with the Amended Annual Statements, the **Amended Statements**).

5. The Corporation is contemplating a reverse take-over transaction (the **RTO**) with Midlands Minerals Corporation (**Midlands**), a private Ontario corporation that has been exploring its mineral resource properties in Tanzania and Ghana.

6. The RTO is to be accomplished by an amalgamation (the **Amalgamation**) between the Corporation and Midlands under which the shareholders of each of the amalgamating corporations are to exchange their shares for shares of the amalgamated corporation. The shareholders of the Corporation are to receive one share of the amalgamated corporation for each 4.5 shares of the Corporation; the shareholders of Midlands are to receive one share of the amalgamated corporation for each share of Midlands; this will result in the shareholders of Midlands holding about 92% of the issued shares of the amalgamated corporation.

7. The amalgamated corporation would become a reporting issuer in Ontario under the Act by virtue of the Amalgamation. Following the RTO and the Amalgamation, unless the Commission grants a full revocation of the Cease Trade Order, the securities of the amalgamated corporation would be subject to the Cease Trade Order.

8. The RTO and the Amalgamation will be subject to the approval of the shareholders of the Corporation. The approval of the shareholders will be sought at a special meeting of the shareholders to be held at 10:00 am on Monday, June 30, 2003 at Equity Transfer Services Inc., Suite 420, 120 Adelaide Street West, Toronto, Ontario. The Corporation sent an information circular (the **Circular**) to its shareholders on June

3, 2003. The Corporation filed the Circular (including the related brochure) on SEDAR on June 25, 2003. The Circular does not contain prospectus-level disclosure about the RTO, the Amalgamation, the Corporation and Midlands.

9. The Amended Statements were completed after the Corporation sent the Circular to its shareholders and were not included in the Circular.

10. The common shares of the Corporation are not listed or quoted on any exchange or market in Canada or elsewhere.

11. Other than its common shares, the Corporation has no securities, including debt securities, outstanding.

12. The Corporation does not intend to seek financing until after the completion of the RTO and the Amalgamation, subject to the Commission granting a full revocation of the Cease Trade Order.

13. The Corporation has applied for a partial revocation of the Cease Trade Order solely to permit the shareholders of the Corporation to consider the RTO and the Amalgamation on substantially the terms described in this order, and if thought fit approve the RTO and the Amalgamation, subject to the following conditions:

    (a) the Corporation shall send the following documents to its shareholders:

        (i) the Amended Statements,

        (ii) a document (the **Amended Circular**) containing prospectus-level disclosure about the RTO, the Amalgamation, the Corporation and Midlands, and

        (ii) a new proxy form allowing its shareholders to change their vote within 21 days of receipt of the Amended Statements and the Amended Circular, and,

    (b) the Commission granting a full revocation of the Cease Trade Order.

14. Following such approval by its shareholders, the Corporation intends to make a further application for a full revocation of the Cease Trade Order to permit the trading of its securities generally. As soon as practicable and before making a further application for a full revocation of the Cease Trade Order, the Corporation will send the Amended Statements and the Amended Circular to its shareholders.

15. Other than:

    (a) the Cease Trade Order,

    (b) the Corporation's failure to send its audited financial statements for the fiscal year ended February 28, 2002, and its interim financial statements for the three-month period ended May 31, 2002, the six-month period ended August 31, 2002, and the nine-month period ended November 30, 2002, to its shareholders,

    (c) the Corporation's failure to send the Amended Statements to its shareholders,

    (d) the Corporation's failure to file the Circular with the Commission when it sent the Circular to its shareholders, and

    (e) the failure of the Circular to provide prospectus-level disclosure about the RTO, the Amalgamation, the Corporation and Midlands,

    the Corporation is not in default of any requirements of the Act or the rules or regulations thereunder.

AND UPON considering the application and the recommendation of the staff of the Commission.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest.

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order is partially revoked solely to permit the shareholders of the Corporation to vote on the RTO and the Amalgamation as set out in this Order.

June 27, 2003.

"John Hughes"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons for Decision

3.1.1 Jack Banks a.k.a. Jacques Benquesus

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c. S. 5, AS AMENDED

AND

IN THE MATTER OF
THE DECISION OF THE COMMISSION DATED APRIL 23, 2003
IN THE MATTER OF
JACK BANKS a.k.a. JACQUES BENQUESUS

Hearing: June 12, 2003

Panel:	Paul M. Moore, Q.C.	- Vice-Chair (Chair of the Panel)
	M. Theresa McLeod	- Commissioner
	H. Lorne Morphy, Q.C.	- Commissioner
Counsel:	Karen Manarin	- For Staff of the Ontario Securities Commission
	David Stratas Vanessa Christie	- For Jack Banks

DECISION

We dismiss the application.

REASONS

By Commissioners Morphy and McLeod

On April 23, 2003, the Commission released a decision in which it was determined that Mr. Banks had acted contrary to the public interest in that it was in the public interest to direct certain sanctions under section 127 of the Securities Act (the "Act").

At the time the decision was released, the Commission understood that counsel for staff and Mr. Banks had completed all of their submissions. The basis for that understanding was that it is not the usual the practice of the Commission in a section 127 hearing to divide the argument into two parts (i.e., whether it is in the public interest to make a section 127 order and if so, what the order should be). There are occasions when counsel has requested that it be in two parts but no such request was made in this instance. As a result, when counsel, near the conclusion of the hearing on February 12, 2003 advised that they would complete their submissions that day, the Commission understood that all submissions had been heard.

It now appears that there was a misunderstanding. Following the release of the decision on April 23, counsel for Mr. Banks advised staff counsel that the understood that he would have an opportunity to make submissions on sanctions if the Commission decided to make a section 127 order.

This apparently led to the Executive Director of the Commission making an application under section 144 of the Act which gives to the Commission the power to revoke or vary a decision. Following the filing of the application, counsel for staff in correspondence with counsel for Mr. Banks, advised that staff did not intend to make any submission that the order should be varied. On the return of the application, staff counsel submitted that the Commission should proceed with the application but was not asking that the order be revoked or varied. The position of Mr. Banks on this application was that he had the option of proceeding by way of appeal or section 144 and that he had chosen the former.

It is a fundamental principle of justice that any party who appears before the Commission should be given full opportunity to be heard. Any party who feels deprived of that opportunity has the right to make an application either under section 144 of the Act or Rule 9 of the Rules of Practice.

However, as it now appears, notwithstanding the filing of the application under section 144 of the Act, that neither staff nor Mr. Banks is asking for any relief under section 144, the application will be dismissed.

June 23, 2003.

"H. L. Morphy" "M. T. McLeod"

By Vice-Chair Moore

I. The Proceeding

[1] This proceeding is a hearing as to whether the Commission should proceed with the application (application) made by the Executive Director under section 144 of the Securities Act (the Act) for an order revoking or varying the decision of the Commission made on April 23, 2003 in the matter of Jack Banks a.k.a. Jacques Benquesus (the original decision).

[2] The original hearing in the matter took place on January 8 and 9, 2003. A number of documents were filed

with the Commission, with the consent of Banks, in lieu of calling witnesses. Paul Stein was the only witness called by staff of the Commission.

[3] Between January 9, 2003 and February 12, 2003, staff and counsel for Banks filed detailed written submissions with the Commission. As well, staff filed a reply.

[4] On February 14, 2003, staff and counsel for Banks made oral closing submissions.

[5] In its original decision, the Commission determined that Banks had acted contrary to the public interest and that it was in the public interest to make certain orders under section 127 of the Act. The original decision was accompanied by an order of the Commission of the same date (the original order).

[6] After the original decision of the Commission was released, counsel for Banks advised counsel for staff that he had understood that there would have been an opportunity for him to make submissions on sanctions prior to the decision of the Commission.

[7] On April 25, 2003 staff of the Commission advised counsel for Banks that the Executive Director would be making application to the Commission pursuant to section 144 to consider whether the Commission should make an order revoking or varying the original decision and that staff would be requesting that staff and counsel for Banks be provided with the opportunity to make submissions with respect to sanctions. The application was filed with the Commission on April 25, 2003.

[8] On May 9, 2003 counsel for staff told counsel for Banks that the Executive Director was considering withdrawing the application because, according to counsel for Banks, Banks intended to appeal the original order, or according to counsel for staff, because counsel for Banks had requested the withdrawal.

[9] On May 13, 2003 counsel for Banks filed with the Divisional Court a notice of appeal of the original order.

[10] On May 15, 2003 counsel for staff indicated to counsel for Banks that the Executive Director would be proceeding with the application.

II. Submissions of Counsel for Staff

[11] Staff makes, in essence, two submissions.

[12] First, staff submits that further submissions on sanctions by counsel for Banks and by staff would be new material information not available to the Commission at the time it made the original decision. Accordingly, it should act on the application by accepting further submissions from counsel and revoking or varying the original decision after considering the further submissions, if appropriate.

[13] Second, staff submits that the Commission has jurisdiction to deal with the application because the criteria of section 144 will be met. These criteria are:

(1) There must be a decision of the Commission. The original decision is a decision of the Commission.

(2) The application must be made by the Executive Director or an affected person. The application has been made by the Executive Director.

(3) The application must be to revoke or vary a decision of the Commission. That is the substance of the application.

(4) The Commission must conclude that it would not be prejudicial to the public interest to revoke or vary the decision. The Commission should be able to reach this conclusion because submissions on sanctions may constitute new information which is considered germane to a decision by the Commission to grant the application.

[14] Counsel for staff referred us to: *In the Matter of Ultramar PLC and LASMO PLC* (1991), 14 OSCB 5221; *In the Matter of CW Shareholding Inc., Shaw Communications Inc., Shaw Requisitions Inc. and WIC Western International Communication Ltd.* (1998), 21 OSCB 2910; and *In the matter of Universal Settlements International Inc* (2003), 26 OSCB 2345.

III. Submissions of Counsel for Banks

[15] Counsel for Banks makes, in essence, six submissions.

[16] First, the Commission cannot deal with the application because it is functus.

[17] Second, the Commission has no jurisdiction to proceed with the application because the application is not an application for revocation or variation of the original decision. No specific revocation or change is requested and staff has acknowledged that it is not seeking and does not want any revocation or variation of the original decision. Therefore, the application is a "nothing".

[18] Third, the Executive Director is not acting for himself but on behalf of Banks. Accordingly, the application is not really made by the Executive Director or a person affected by the decision.

[19] Fourth, it was Banks choice to appeal or to proceed under section 144. He chose to appeal. The grounds of appeal are far broader than the one issue of failure to provide Banks with an opportunity to make submissions on sanctions. Banks does not want the Commission to deal with this one issue. The original order is before the Divisional Court. Accordingly, even if the Commission had jurisdiction under section 144, it is not appropriate to exercise that jurisdiction.

[20] Fifth, staff's conduct in advising counsel that the application would be withdrawn and, subsequently, that the application would proceed amounts to an abuse of process. Accordingly, the Commission should not proceed with the application even if it had jurisdiction.

[21] Sixth, since the sole purpose of the application is, according to staff, to permit Banks to make further submissions, and since Banks does not want to proceed with the application, the proper course of action even if the Commission had jurisdiction, is to refuse to proceed with the application.

IV. Analysis

The Law

[22] Section 144 of the Securities Act states as follows:

> **144. (1) Revocation or variation of decision** – The Commission may make an order revoking or varying a decision of the Commission, on the application of the Executive Director or a person or company affected by the decision, if in the Commission's opinion the order would not be prejudicial to the public interest.
>
> **(2) Terms and conditions** – The order may be made on such terms and conditions as the Commission may impose.

Submissions of Counsel for Staff

[23] With regard to the first submission of counsel for staff, information within the knowledge or control of counsel at the time of the hearing that could have formed part of counsel's submissions is not material new information of the nature referred to in the cases cited by counsel for staff.

[24] Counsel for Banks had the opportunity to make full answer and defence to the allegations and the request for orders to be made under section 127 as outlined in the notice of hearing.

[25] Counsel for Banks never requested an opportunity to make further submissions. As the end of the original hearing was approaching on February 14 all parties were attempting to finish by 4:30. The chair of the hearing stated:

> "Mr. Greenspan, I want you to know, in spite of the fact that we are trying to accommodate your finishing by 4:30, you should not feel rushed. In fact, staff may well want to reply as well, so you judge what you need. If you can accommodate us....But we would like to break today. But certainly we would not be adverse at all in making sure that you don't feel rushed. We've been questioning you and stopping you from proceeding maybe as fast you would otherwise. I will leave it in your hands."

Mr. Greenspan replied:

> "Is there any suggestion as to, if we were to come back – and I was literally eliminating things in order to try to accommodate my finishing by 4:30, forgetting that my friend may have something to submit after the fact."

The chair of the hearing responded:

> "I don't want to pressure anybody. It's just, if we could wrap it up today that would be wonderful. If not, we should really come back, and I don't think anybody should feel rushed."

Mr. Greenspan replied:

> "Alright. I will do my best to finish today."

At the end of the hearing the chair of the hearing stated:

> "We will retire to consider this matter and come up with a decision in due course."

[26] The Commission's jurisdiction under section 127 is not to determine liability and then to punish for violations of law, but to make one or more of the orders provided for in the public interest to prevent or protect against likely future harm determined with reference to the respondent's past conduct. At the original hearing no violation of securities law was alleged and the sole focus throughout the hearing was on determining the public interest.

[27] Our usual procedure in a section 127 hearing is not to divide the hearing into two parts to deal separately with the merits of the allegations and sanctions, without an agreement or understanding on the part of the Commission and counsel. No such agreement or understanding existed or was even contemplated in the original hearing or in the written submissions.

[28] Nevertheless, it now appears that counsel for Banks understood that there would follow a subsequent session to deal with submissions on sanctions. I was prepared to accept this fact as an extenuating factor, to accept further submissions, and to revoke or vary the original decision under section 144, if appropriate after considering any further submissions.

[29] I agree with staff's second submission. The paramount consideration for any order under section 144 is that it would not be prejudicial to the public interest to make the order.

[30] If in fact counsel for Banks believed that he would have an opportunity to make further submissions, and if making further submissions would not in any way harm or prejudice Banks or any one else, then proceeding with the application would be the proper course of action.

[31] The Commission is an administrative tribunal charged with acting in the public interest. Section 127 (and Rule 9 of the Commission's Rules of Practice) are remedial tools that enable the Commission to act in the public interest. There is no reason to restrict the broad wording in

section 144 to limit our jurisdiction.

Submissions of Counsel for Banks

[32] With respect to the first submission of counsel for Banks, Section 144, when used, makes inapplicable the legal doctrine of functus with respect to a final decision of the Commission.

[33] With respect to the second submission of counsel for Banks, applications are initiated under section 144 by notice of application filed with the Commission. They are perfected when the Commission convenes to deal with the notice of application. It is evident that the motivating factor for the application is to allow counsel for Banks to make further submissions and to allow the Commission to revoke or vary the original decision after considering such submissions. If further submissions were made, it might become clear what variation of the original decision is appropriate or whether it should be revoked.

[34] The fact that staff opposes any variation or revocation of the original decision does not change the nature of the application: for the Commission to order a revocation or variation after hearing further submissions, if the Commission (not staff) considers it would not be contrary to the public interest for it to do so. The application is not a "nothing".

[35] With respect to the third submission, the Executive Director is an officer of the Commission and should always act in the public interest. When the notice of application was first filed with the Commission, staff was of the view that the application would allow both staff and Banks the opportunity of making further submissions. Even if the Executive Director acted to benefit Banks, it does not follow that the application is not being made by the Executive Director or that the action of the Executive Director is not motivated by the public interest.

[36] I agree with the fourth submission.

[37] With respect to the fifth submission, even if the actions of counsel for staff in advising counsel for Banks that the Executive Director was considering withdrawing the application and, subsequently, that the application would proceed, amounted to an abuse of process, it is not clear that such conduct was prejudicial to Banks in respect of this application.

I agree with the sixth submission.

[38]

V. Conclusion

[39] Section 144 permits the Commission to make an order revoking or varying a decision of the Commission if in the Commission's opinion the order would not be prejudicial to the public interest. There is nothing in the provision limiting its application in terms of time or applicability.

[40] Section 144 of the Act provides an expeditious means, consistent with administrative law principles, to allow the Commission to rectify any decision of the Commission. In using section 144 the Commission may permit the parties to make further submissions as to sanction, in order to determine whether to revoke or vary the original decision.

[41] In the final analysis, however, it is not appropriate to proceed under section 144 for the sole purported benefit of Banks in the face of Banks'objection. The original order is before the Divisional Court.

June 23, 2003.

"Paul M. Moore"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Revoke
** Brazilian Resources Inc.	12 Jun 03	24 Jun 03	26 Jun 03	
Cardinal Factor Corporation	27 Jun 03	09 Jul 03		
Eletel Inc.	19 Jun 03	30 Jun 03	30 Jun 03	
Goran Capital Inc.	17 Jun 03	27 Jun 03		01 Jul 03
ISEE3D Inc.	19 Jun 03	30 Jun 03		03 July 03
Namibian Minerals Corporation	27 Jun 03	09 Jul 03		
Neotel Inc.	23 Jun 03	04 July 03		
Pangeo Pharma Inc.	24 Jun 03	04 Jul 03		
Perial Ltd.	30 Jun 03	11 Jul 03		
Qnetix Inc.	26 Jun 03	08 Jul 03		
Telepanel Systems	25 Jun 03	07 Jul 03		
TSI TelSys Corporation	17 Jun 03	27 Jun 03		01 July 03
Windy Mountain Explorations Ltd.	26 Jun 03	08 Jul 03		

**** Correction on date.**

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Afton Food Group Ltd.	21 May 03	03 Jun 03	03 Jun 03		
Aspen Group Resources Corporation	21 May 03	03 Jun 03	03 Jun 03		
Devine Entertainment Corporation	22 May 03	04 Jun 03	04 Jun 03		
Finline Technologies Ltd.	21 May 03	03 Jun 03	03 Jun 03		
Hydromet Environmental Recovery Ltd.	21 May 03	03 Jun 03	03 Jun 03		
Ivernia West Inc.	22 May 03	04 Jun 03	04 Jun 03		
Polyphalt Inc.	21 May 03	03 Jun 03	03 Jun 03		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

Exempt Financings

The Ontario Securities Commission reminds issuers and other parties relying on exemptions that they are responsible for the completeness, accuracy, and timely filing of Forms 45-501F1 and 45-501F2, and any other relevant form, pursuant to section 27 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Total Purchase Price ($)	Number of Securities
06-Jun-2003	Valleyfield Advisors Inc.	Acuity Pooled Canadian Small Cap Fund - Trust Units	19,555.00	1,482.00
11-Jun-2003 18-Jun-2003	Adolf Plonis;Charles Childs	Acuity Pooled Fixed Income Fund - Trust Units	383,472.18	27,694.00
28-May-2003	Christine Felstead	Acuity Pooled High Income Fund - Trust Units	160,105.23	10,493.00
02-Jun-2003	Hanbury Woods	Acuity Pooled High Income Fund - Trust Units	50,000.00	3,215.00
13-Jun-2003	OTPPB DLJ No. 1 Inc.	Ares Corporate Opportunities Fund, L.P. - Limited Partnership Interest	6,235,982.68	4,667,302.00
18-Jun-2003	Eddie Law	Biogan International, Inc. - Special Warrants	3,600.00	120,000.00
23-Jun-2003	J. L. Albright III Venture Fund	Bioscrypt Inc. - Debentures	5,000,000.00	1.00
18-Jun-2003	4 Purchasers	East West Resource Corporation - Common Shares	21,000.00	150,000.00
11-Jun-2003	Muir's Cartage Limited	F. R. Insurance Ltd. - Common Shares	55,000.00	1.00
02-Jun-2003	Canada Life Assurance Company	Garrison Road, Inc. - Mortgage	925,000.00	1.00
18-Jun-2003	Newcov Trust and Constellation Certificate Trust	GMAC Commercial Mortgage Asset Corp. - Mortgage	119,484,281.00	2.00
01-Mar-2003	Perimeter Institute for Theoretical Physics	Goldman Sachs Global Tactical Trading Plc - Shares	1,000,000.00	1,000,000.00
01-Mar-2003	Perimeter Institute for Theoretical Physics	Goldman Sachs Strategic Europe Partners, Ltd. - Shares	1,000,000.00	10,139.00
16-Jun-2003	Sun Life Assurance Company and The National Life	Great Lakes Power Limited - Bonds	122,000,000.00	2.00

	Assurance Company of Canada			
15-Jun-2003	5 Purchasers	Kingwest Avenue Portfolio - Units	629,000.00	33,603.00
15-Jun-2003	980235 Ontario Limited	Kingwest U.S. Equity Portfolio - Units	111,840.00	11,313.00
01-Jun-2003	CPP Investment Board Real Estate Holdings Inc.	LaSalle Canada Realty Ltd. - Common Shares	12,027,631.58	120,276.00
02-Jun-2003	I.C.I. Construction Ltd.	MCAN Performance Strategies - Limited Partnership Units	51,410.10	351.00
17-Jun-2003	5 Purchasers	Merrill Lynch Financial Assets Inc. - Certificate	14,497,808.00	283,592,965.00
20-Jun-2003	Michael Rasenberg	Microsource Online, Inc. - Common Shares	1,200.00	200.00
20-Jun-2003	Wes Durie	Microsource Online, Inc. - Common Shares	24,000.00	4,000.00
01-May-2003	Gowlings Canada Inc.	Mitel Networks Corporation - Common Shares	5,918.00	2,152.00
19-Jun-2003	Mr. Ranses Girgis	N-able Technologies Inc. - Shares	50,005.00	500,050.00
18-Jun-2003	8 Purchasers	Nextair Inc. - Units	323,720.00	4,624,571.00
18-Jun-2003	GATX/MM Venture Finance Partnership	NSI Global Inc. - Warrants	0.00	1.00
09-Jun-2003	Alex MacIntyre & Associates Limited	Opawica Explorations Inc. - Units	150,000.00	1,500,000.00
17-Jun-2003	NCE Flow-Through (2003) Limited Partnership	OPTI Canada Inc. - Common Shares	1,120,000.00	70,000.00
16-Jun-2003	Zapfe Holdings Inc.	Ozz Corporation - Common Shares	698,000.00	698,000.00
12-Jun-2003	George Vautour	Paragon Pharmacies Ltd. - Common Shares	100,000.00	100,000.00
16-Jun-2003	4 Purchasers	PHS Network - Common Shares	30,638.27	122,553.00
03-Mar-2003	8 Purchasers	Promittere Asset Backed Securities Fund - Trust Units	222,658.94	2,215,039.00
11-Jun-2003	Westwind Partners Inc.	Queenstake Resources Ltd. - Common Shares	0.00	1,000,000.00
20-Jun-2003	5 Purchasers	Red Media Corp. - Special Warrants	30,000.00	150,000.00
15-Jun-2003	Innovium Capital Corp.	Rx-Rite.Com Inc. - Units	8,000.00	4,000.00
15-Jun-2003	Innovium Capital Corp.	Rx-Rite.Com Inc. - Units	9,914.00	4,957.00
15-Jun-2003	Innovium Capital Corp.	Rx-Rite.Com Inc. - Warrants	0.00	250,000.00

20-Jun-2003	11 Purchasers	Seabridge Gold Inc. - Units	2,306,250.00	1,025,000.00
17-Jun-2003	Aber Diamond Corp.	Silver Standard Resources Inc. - Common Shares	274,452.10	40,066.00
16-Jun-2003	Credit Union Central of Ontario Limited	SMART Trust - Units	1,562,440.59	1,562,441.00
30-Apr-2003	6 Purchasers	The McElvaine Investment Trust - Trust Units	686,672.81	43,717.00
11-Jun-2003	G.Scott Paterson;Eleanor Barker	Thistletown Capital Inc. - Common Shares	37,000.00	231,250.00
16-Jun-2003	Canada Dominion Resources LP;CMP 2003 Resource Limited Partnership	Ursa Major International Inc. - Flow-Through Shares	600,000.00	1,200,000.00
19-Jun-2003	C. Negel Lees;Penguin Petroleum Products Ltd.	Ursa Major Minerals Incorporated - Units	75,000.00	150,000.00
26-Jun-2003	The Canada Trust Company	West Edmonton Mall Property Inc. - Bonds	360,994,520.08	335,000,000.00
26-Jun-2003	Column Canada Issuer Corporation	West Edmonton Mall Property Inc. - Bonds	360,994,520.08	335,000,000.00

RESALE OF SECURITIES - (FORM 45-501F2)

Transaction Date	Seller	Security	Total Selling Price	Number of Securities
13-Jun-2003	LH Enterprises Company Inc.	ChondroGene Limited - Common Shares		50,000.00
11-Jun-2003	Raventures Inc.	Liberty Mineral Exploration Inc. - Common Shares		500,000.00
17-Jun-2003	Investors Group Trust Co., Ltd.	Stratos Global Corporation - Common Shares		1,400.00

NOTICE OF INTENTION TO DISTRIBUTE SECURITIES AND ACCOMPANYING DECLARATION UNDER SECTION 2.8 OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES - FORM 45-102F3

Seller	Security	Number of Securities
C.G.M. Ventrues Inc.	Bevo Agro Inc. - Common Shares	1,000,000.00
Ralph Sickinger	Carma Financial Services Corporation - Common Shares	800,000.00
Cheng Feng Zhou	China Ventures Inc. - Shares	7,411,000.00
Hector Davila Santos	First Silver Reserve Inc. - Shares	135,000.00
F.D.L. & Associes Ltee	Groupe Cossette Communication Inc. - Shares	50,000.00
Nizar J. Somji	Matrikon Inc. - Common Shares	100,000.00
Jaffer Holdings Inc.	Matrikon Inc. - Common Shares	50,000.00
Cambrelco Inc.	Polyair Inter Pack Inc. - Common Shares	100,000.00

REPORTS MADE UNDER SUBSECTION 2.7(1) OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES WITH RESPECT TO AN ISSUER THAT HAS CEASED TO BE A PRIVATE COMPANY OR PRIVATE ISSUER - FORM 45-102F1

Issuer	Date the Company Ceased to be a Private Company or Private Issuer
Oleum West Capital L.P.	6/24/03
Taranis Resources Inc.	6/13/03

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Acclaim Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 25, 2003
Mutual Reliance Review System Receipt dated June 25, 2003
Offering Price and Description:
$65,043,000
5,940,000 Trust Units
Price: $10.95 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
FirstEnergy Capital Corp.
Promoter(s):
-
Project #553561

Issuer Name:
BCX Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
$ *
$ * * Capital Shares
$ * Preferred Shares
Prices: $ * per Capital Share and $ * per Preferred Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Promoter(s):
Scotia Capital Inc.
Project #553988

Issuer Name:
Big 8 Split Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 27, 2003
Mutual Reliance Review System Receipt dated June 30, 2003
Offering Price and Description:
$ * $ *
* Preferred Shares * Capital Shares
Price: $25.00 per Preferred Share and $* per Capital Shares
Underwriter(s) or Distributor(s):
TD Securities Inc.
Scoita Capital Inc.
Promoter(s):
TD Securities Inc.
Project #554359

Issuer Name:
CHUM LIMITED
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 27, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
$88,849,700
1,759,400 Non-Voting Class B Shares
Price: $50.50 per Non-Voting Class B Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #554193

Issuer Name:
Clarington Canadian Bond Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 23, 2003
Mutual Reliance Review System Receipt dated June 25, 2003
Offering Price and Description:
Series A Units
Underwriter(s) or Distributor(s):
ClaringtonFunds Inc.
Promoter(s):
-
Project #553091

Issuer Name:
Canadian Public Venture Capital I Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated June 20, 2003
Mutual Reliance Review System Receipt dated June 23rd, 2003
Offering Price and Description:
$ *
* common shares
Price: $0.25 per common share
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Octagon Capital Corporation
Promoter(s):
Alain Lambert
Peter M. Kozicz
William L. Hess
Project #552992

Issuer Name:
DDJ U.S.High Yield Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 24, 2003
Mutual Reliance Review System Receipt dated June 25, 2003
Offering Price and Description:
$* (MAXIMUM)
* UNITS
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
CI Mutual Funds Inc.
Project #553225

Issuer Name:
DDJ U.S.High Yield Fund
Principal Regulator - Ontario
Type and Date:
Amended Preliminary Prospectus dated June 27, 2003
Mutual Reliance Review System Receipt dated June 30, 2003
Offering Price and Description:
$* (MAXIMUM)
* UNITS
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
CI Mutual Funds Inc.
Project #553225

Issuer Name:
Enerplus Resources Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 27, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
$126,280,000
4,100,000 TRUST UNITS
PRICE: $30.80 PER TRUST UNIT
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
Raymond James Ltd.
Desjardins Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Peters & Co. Limited
Promoter(s):
-
Project #554331

Issuer Name:
Exceed Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
Minimum: 8,000 Units ($8,000,000)
Maximum: 10,000 Units ($10,000,000)
Price: $1,000 per Unit
Minimum Subscription: 5 Units ($5,000)
Underwriter(s) or Distributor(s):
Octagon Capital Corporation
Research Capital Corporation
Canaccord Capital Corporation
Promoter(s):
Rick Orman
Project #554055

Issuer Name:
Faircourt Split Five Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 20, 2003
Mutual Reliance Review System Receipt dated June 23, 2003
Offering Price and Description:
Maximum $ * - * Units
* Preferred Security
Price: $ 15.00 Per Unit
$10.00 per Preferred Security
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
First Associates Investments Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Dundee Securities Corporation
Promoter(s):
Faircourt Asset Management Inc.
Project #552893

Issuer Name:
First Asset Yield Opportunity Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
$ * (Maximum)
* Units
Price: $25.00 per Unit
Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
Promoter(s):
First Asset Funds Inc.
Project #554095

Issuer Name:
Great Lakes Carbon Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
$ *
* Units
Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
Great Lakes Acquisition Corp.
Project #554092

Issuer Name:
INDEXPLUS INCOME FUND
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 25, 2003
Mutual Reliance Review System Receipt dated June 25, 2003
Offering Price and Description:
Maximum: $ * (* Units)
Price: $10.00 per Unit
Minimum Purchase: 200 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investment Inc.
Middlefield Securities Limited
Raymond James Ltd.
Wellington West Capital Inc.
Acadian Securities Incorporated
Research Capital Corporation
Promoter(s):
Middlefield Group Limited
Middelefield Indexplus Management Limited
Project #553466

Issuer Name:
Inex Pharmaceuticals Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 30, 2003
Mutual Reliance Review System Receipt dated June 30, 2003
Offering Price and Description:
$25,070,000
4,600,000 Common Shares
Price: $5.45 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Orion Securities Inc.
Promoter(s):
-
Project #554613

Issuer Name:
Labopharm Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 30, 2003
Mutual Reliance Review System Receipt dated June 30, 2003
Offering Price and Description:
$22,050,000
4,500,000 Common Shares
Price: $4.90 per Common Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
RBC Dominion Securities Inc.
Research Capital Corporation
CIBC World Markets Inc.
Orion Securities Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #554628

Issuer Name:
Noranda Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 27, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
$118,051,265
11,984,900 Class A Priority Units
Price: $9.85 per Class A Priority Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Trilon Securities Corporation
HSBC Securities (Canada) Inc.
Promoter(s):
Noranda Inc.
Project #554213

Issuer Name:
RBC Capital Trust II
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated June 24, 2003
Mutual Reliance Review System Receipt dated June 25, 2003
Offering Price and Description:
$ *
* Trust Capital Securities - Series 2013 (RBC TruCS - Series 2013 TM)
Price: $1,000 per RBC TruCS - Series 2013
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Promoter(s):
-
Project #553285

Issuer Name:
Rogers Sugar Income Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 27, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
$111,698,022
27,243,420 Trust Units
Price: $4.10 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
Griffiths McBurney & Partners
Promoter(s):
-
Project #554332

Issuer Name:
Select 50 S-1 Income Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 27, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
Maximum: $ * (* Units)
$10.00 per Unit
Minimum Purchase:100 Units
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Promoter(s):
Sentry Select Capital Corp.
Project #554194

Issuer Name:
Stone & Co. Health Sciences Fund
Stone & Co. Flagship Global Growth Fund
Stone & Co. Flagship Stock Fund Canada
Stone & Co. Flagship Money Market Fund Canada
Stone & Co. Flagship Growth & Income Fund Canada
Stone & Co. Flagship Growth Industries Fund
Stone & Co. CAMAF Corporate Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #553008

Issuer Name:
Yellow Pages Income Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated June 25, 2003
Mutual Reliance Review System Receipt dated June 26, 2003
Offering Price and Description:
$ * - * Units
Price: $ * per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
Promoter(s):
Yellow Pages Group Co.
Project #553748

Issuer Name:
Working Ventures Opportunity Fund Inc. (formerly Working Ventures II Technology Fund Inc.)
Working Ventures Canadian Fund Inc.
(Class A Shares)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated June 19, 2003 to Prospectuses dated January 20, 2003
Mutual Reliance Review System Receipt dated June 25, 2003
Offering Price and Description:
Class A Shares
Offering Price: Net Asset Value per Class A Share
Underwriter(s) or Distributor(s):
Working Ventures Investment Services Inc.
GrowthWorks (WVIS) Ltd.
Promoter(s):
-
Project #501388

Issuer Name:
bcMetals Corporation
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated June 27, 2003
Mutual Reliance Review System Receipt dated June 27, 003
Offering Price and Description:
4,300,000 Flow Through Shares @ $1/share = $4,300,000 and 1,600,000 Units at $1/Unit = $1,600,000 Totals $5,900,000
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Carl F. Zuber
Project #536878

Issuer Name:
Brompton Equal Weight Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 25, 2003
Mutual Reliance Review System Receipt dated June 26, 2003
Offering Price and Description:
Maximum $450,000,000 (45,000,000 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Dundee Securities Corporation
First Associates Investments Inc.
Newport Securities Inc.
Research Capital Corporation
Acadian Securities Incorporated
Promoter(s):
Brompton EWI Management Limited
Project #545376

Issuer Name:
Central Gold-Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 25, 2003
Mutual Reliance Review System Receipt dated June 26, 2003
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Pollitt & Co. Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Haywood Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Sprott Securities Inc.
Promoter(s):
J.C. Stefan Spicer
Alexander J. Grieve
Project #533220

Issuer Name:
Industrial Alliance Capital Trust
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
$150,000,000 Industrial Alliance Trust Securities - Series A (IATS - Series A)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
Project #551266

Issuer Name:
Industrial Alliance Insurance and Financial Services Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
$150,000,000 - Industrial Alliance Trust Securities - Series A (IATS - Series A)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
-
Project #551260

Issuer Name:
Skylon International Advantage Yield Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
Cnd. $150,000,000 (Maximum) US$ 100,000,000 (Maximum)
6,000,000 Series A Units 10,000,000 Series B Units
Underwriter(s) or Distributor(s):
TD Securities Inc.
Promoter(s):
Skylon Advisors Inc.
Skylon Capital Corp.
Project #547855

Issuer Name:
Advantage Energy Income Fund
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 27, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
Advantage Energy Income Fund - $30,000,000 of 9% Convertible Unsecured Subordinated Debentures
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
FirstEnergy Capital Corp.
Promoter(s):
Advantage Investment Management Ltd.
Project #552032

Issuer Name:
APF Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 26, 2003
Offering Price and Description:
9.40% Convertible Unsecured Subordinated Debentures @ $1,000/Debenture = $50,000,000
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Research Capital Corporation
Griffiths McBurney & Partners
Promoter(s):
-
Project #552253

Issuer Name:
Barrick Gold Corporation
Type and Date:
Final Short Form Shelf Prospectus dated June 27, 2003
Receipt dated June 27, 2003
Offering Price and Description:
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #551569

Issuer Name:
Barrick Gold Inc.
Type and Date:
Final Short Form Shelf Prospectus dated June 27, 2003
Receipt dated June 27, 2003
Offering Price and Description:
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #551556

Issuer Name:
Canadian Hydro Developers, Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 26, 2003
Offering Price and Description:
Canadian Hydro Developers, Inc. 16,220,000 Common Shares @ $1.85/Common Share = $30,007,000
Underwriter(s) or Distributor(s):
FirstEnergy Capital Corp.
Acumen Capital Finance Partners Limited
Canaccord Capital Corporation
Promoter(s):
-
Project #548098

Issuer Name:
Canadian Oil Sands Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 25, 2003
Mutual Reliance Review System Receipt dated June 25, 2003
Offering Price and Description:
Canadian Oil Sands Trust - 5,500,000 Trust Units @ $35.15/Trust Unit = $193,325,000
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
RBC Capital Markets
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
HSBC (Canada) Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corp.
FirstEngery Capital Corp.
Peters & Co. Limited
Raymond James Ltd.
Promoter(s):
-
Project #550966

Issuer Name:
First Quantum Minerals Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated June 25, 2003
Mutual Reliance Review System Receipt dated June 25, 2003
Offering Price and Description:
First Quantum Minerals Ltd. 5,500,000 Common Shares @ $5.35/Share = $29,425,000
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #551949

Issuer Name:
IPC US Income Commercial Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 26, 2003
Offering Price and Description:
IPC US Income Commercial Real Estate Investment Trust - 3,300,000 Units @ $7.65US (Cdn. $10.25)/Unit = US$25,245,000 (Cdn. $33,825,000)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Desjardins Securities Inc.
Raymond James Ltd.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #552242

Issuer Name:
Kingsway Financial Services Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 25, 2003
Mutual Reliance Review System Receipt dated June 25, 2003
Offering Price and Description:
6,100,000 Common Shares @ $16.70/Offered Share = $101,870,000
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Sprott Securities Inc.
Desjardins Securities Inc.
Griffiths McBurney & Partners
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #551928

Issuer Name:
Merrill Lynch Financial Assets Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form PREP Prospectus dated June 23, 2003
Mutual Reliance Review System Receipt dated June 24, 2003
Offering Price and Description:
Merrill Lynch Financial Assets Inc. Commercial Mortgage Pass-Through Certificates, Series 2003-Canada 10
($438,498,000 (Approximate)
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #551717

Issuer Name:
TELUS Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Shelf Prospectus dated June 24, 2003
Mutual Reliance Review System Receipt dated June 24, 2003
Offering Price and Description:
TELUS Corporation Debt Securities
TELUS Corporation Preferred Shares
TELUS Corporation Non-Voting Shares
TELUS Corporation Common Shares
TELUS Corporation Warrants to Purchase Equity Securities
TELUS Corporation Warrants to Purchase Debt Securities
TELUS Corporation Share Purchase Contracts
TELUS Corporation Share Purchase or Equity Units

Total Offering = $3,000,000,000
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #550854

Issuer Name:
TransAlta Power, L.P.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 26, 2003
Mutual Reliance Review System Receipt dated June 26, 2003
Offering Price and Description:
17,750,000 Subscription Receipts $9.30/Subscription Receipt = $165,075,000
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
FirstEnergy Capital Corp.
Canaccord Capital Corporation
Jennings Capital Inc.
Promoter(s):
-
Project #551000

Issuer Name:
Artisan Global Advantage Portfolio
Artisan New Economy Portfolio
Artisan RSP Growth Portfolio
Artisan Most Conservative Portfolio
Artisan RSP High Growth Portfolio
Artisan RSP Moderate Portfolio
Artisan Conservative Portfolio
Artisan Maximum Growth Portfolio
Artisan RSP Global Advantage Portfolio
Artisan Growth Portfolio
Artisan Canadian T-Bill Portfolio
Artisan RSP Maximum Growth Portfolio
Artisan High Growth Portfolio
Artisan Moderate Portfolio
Principal Regulator - Manitoba
Type and Date:
Final Simplified Prospectuses and Annual Information Forms dated June 24, 2003
Mutual Reliance Review System Receipt dated June 26, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Assante Asset Management Ltd.
Project #547429

Issuer Name:
Credential Select Conservative Portfolio
Credential Select High Growth Portfolio
Credential Select Growth Portfolio
Credential Select Balanced Portfolio
Credential Growth Portfolio
Credential Equity Portfolio
Credential Balanced Portfolio
Principal Regulator - British Columbia
Type and Date:
Final Simplified Prospectuses and Annual Information Forms dated June 27, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Promoter(s):
Ethical Funds Inc.
Project #546730

Issuer Name:
Mavrix American Growth Fund
Mavrix Canadian Income Trust Fund
Mavrix Canadian Strategic Equity Fund
Mavrix Diversified Fund
Mavrix Dividend & Income Fund
Mavrix Enterprise Fund
Mavrix Explorer Fund
Mavrix Global Fund
Mavrix Growth Fund
Mavrix Money Market Fund
Mavrix Sierra Equity Fund
Mavrix Strategic Bond Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mavrix Fund Management Inc.
Project #545467

Issuer Name:
Ontario Teachers' Group Fixed Value Fund
(formerly Ontario Teachers' Group Investment Fund - Fixed Value Section)
Ontario Teachers' Group Mortgage Fund
(formerly Ontario Teachers' Group Investment Fund - Mortgage Income Section)
Ontario Teachers' Group Diversified Fund
(formerly, Ontario Teachers' Group Investment Fund - Diversified Section)
Ontario Teachers' Group Growth Fund
(formerly Ontario Teachers' Group Investment Fund - Growth Section)
Ontario Teachers' Group Balanced Fund
(formerly Ontario Teachers' Group Investment Fund - Balanced Section)
Ontario Teachers' Group Global Value Fund
Ontario Teachers' Group Dividend Fund
Type and Date:
Final Simplified Prospectus and Annual Information Form dated June 20, 2003
Receipt dated June 26, 2003
Offering Price and Description:
Mutual fund units at net asset value
Underwriter(s) or Distributor(s):
OTG Financial Inc.
Promoter(s):
OTG Financial Inc.
Project #543309

Issuer Name:
Standard Life Global Equity Fund
Standard Life U.S. Mid Cap Fund
Standard Life European Equity Fund
Standard Life Monthly Income Fund
Standard Life S & P 500 Index RSP Fund
Standard Life Tactical Global Equity RSP Fund
Standard Life Global Science & Technology Fund
Standard Life Global Balanced RSP Fund
Standard Life Corporate High Yield Bond Fund
Standard Life Tactical U.S. Equity RSP Fund
Standard Life U.S. Equity Fund
Standard Life Natural Resource Fund
Standard Life Money Market Fund
Standard Life International Equity Fund
Standard Life International Bond Fund
Standard Life Canadian Small Cap Fund
Standard Life Canadian Equity Fund
Standard Life Canadian Dividend Growth Fund
Standard Life Canadian Bond Fund
Standard Life Balanced Fund
Principal Regulator - Quebec
Type and Date:
Final Simplified Prospectus and Annual Information Form dated June 26, 2003
Mutual Reliance Review System Receipt dated June 27, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
The Standard Life Assurance Company
Project #544076

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Sanford C. Bernstein Limited Attention: Jon Y. Tan Devonshire House 1 Mayfair Place London W1J 8SB United Kingdom	International Dealer	Jun 27/03
Change in Category (Categories)	Manitou Investment Management Ltd. Attention: Robert B. Matthews 77 King Street West, PO Box 281 Toronto-Dominion Centre Suite 2526, Royal Trust Tower Toronto ON M5K 1K2	From: Investment Counsel & Portfolio Manager To: Limited Market Dealer Investment Counsel & Portfolio Manager	Jun 25/03
Change in Category (Categories)	Mapleridge Capital Corporation Attention: Randal James Selkirk 40 Sheppard Avenue West Suite 507 Toronto ON M2N 6K9	From: Investment Counsel & Portfolio Manager Commodity Trading Manager To: Limited Market Dealer Investment Counsel & Portfolio Manager Commodity Trading Manager	Jun 27/03
Change of Name	Brandywine Asset Management, LLC 201 N. Walnut Street Suite 1200 Wilmington DE 19801 USA	From: Brandywine Asset Management, Inc. To: Brandywine Asset Management, LLC	Jun 27/03
Suspension of Registration	Murray Johnstone International Ltd.	Non-Canadian Adviser - Investment Counsel & Portfolio Manager	Jun 26/03

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Notice of Amendments and Commission Approval Amendments to TSX Rules 1-101(2) and New Rule 4-107 and New Policy 4-107 Regarding Specialty Price Crosses

THE TORONTO STOCK EXCHANGE INC. (TSX)
NOTICE OF AMENDMENTS AND
COMMISSION APPROVAL
AMENDMENTS TO TSX RULES 1-101(2) AND
NEW RULE 4-107 AND NEW POLICY 4-107
REGARDING SPECIALTY PRICE CROSSES

On May 30, 2003, the Commission approved amendments to TSX Rules 1-101(2) and the new Rule 4-107 and new Policy 4-107 regarding Specialty Price Crosses. These amendments define Specialty Price Crosses and will allow Specialty Price Crosses to be executed on the Exchange during the Regular Session and the Special Trading Session. The amendments were initially published for comment on December 6, 2002 at (2002) 25 OSCB 8233. Seven comment letters were received. A summary of comments received and the response of the TSX is attached to this notice. In order to address the comments received, certain amendments were made and Policy 4-107 was added subsequent to the publication for comment of the original proposed amendments. Attached to this notice is a black lined version of the amendments, indicating the changes from the previously published version.

LIST OF COMMENTERS

1. BMO Nesbitt Burns ("BMO")
2. Barclays Global Investors ("Barclays")
3. Canadian Securities Traders Association ("CSTA")
4. Market Regulation Services Inc. ("RS")
5. Montreal Exchange ("ME")
6. TD Asset Management ("TDAM")
7. TD Newcrest Inc. ("TD Newcrest")

SUMMARY OF COMMENT LETTERS AND RESPONSES

Capitalized terms used herein are as defined in the Specialty Price Cross Proposal that was published for comment in the Ontario Securities Commission Bulletin (2002), 25 OSCB 8233.

ISSUE AND COMMENTER	PUBLIC COMMENT	TSX RESPONSE
The Need For A Specialty Price Crossing Facility at TSX		
Barclays	Barclays believes that the Specialty Price Crosses proposal will significantly enhance the quality of the Canadian markets.	TSX believes that by proceeding with the proposal will permit the Exchange to offer trade execution alternatives that are consistent with the standards of other major international exchanges.
BMO	BMO supports the Specialty Price Crosses proposal and believes that it will facilitate the ability of participants to execute VWAP and Basis Trades.	See above response to Barclays in this section.
CSTA	The CSTA appreciates the need for the proposal, and encourages its development subject to the concerns noted below.	See above response to Barclays in this section.
ME	Fully favours the proposed amendments to the Rule and Policies of the Exchange to permit the execution of VWAP and Basis Trades. The ME believes that the implementation of the facility will provide greater market efficiency through improved execution of Canadian exchange-traded equity derivative products with their related underlying security or index. The ME is also of the view that the proposal will also align TSX with international trade execution best practices.	See above response to Barclays in this section.
TDAM	TDAM believes that permitting such Specialty Price Crosses at TSX will represent a positive step for the Canadian marketplace. Given that these types of execution alternatives are routine in other marketplaces, the commenter believes that their introduction into Canada will represent a welcome innovation.	See above response to Barclays in this section.
TD Newcrest	The commenter believes that permitting Specialty Price Crosses to occur outside the posted market represents a positive step in the Canadian marketplace. TD Newcrest notes that the proposal will allow for the development and implementation of trade execution solutions that are consistent with best execution practices, and are commonplace in other marketplaces, including basis trades, blind baskets and VWAP trades. Accordingly, the commenter fully endorses the initiative subject to certain issues identified below.	See above response to Barclays in this section.
Execution of Specialty Price Crosses		
TD Newcrest	The commenter notes that, under the current proposal, all Specialty Price Crosses will be executed in the Special Trading Session between 4:05 p.m. and 5:00 p.m. TD Newcrest believes that such trades should be permitted to be traded at any point between 9:30 a.m. and 5:00 p.m. TD Newcrest notes that it is important that these trades are printed and recorded at the time that they are executed (or at the time execution is completed). For example, VWAP trades may be guaranteed over a portion of the trading session (i.e.	Agreed. The proposal currently provides that Specialty Price Crosses may be executed during the Regular Session and the Special Trading Session at the Exchange.

ISSUE AND COMMENTER	PUBLIC COMMENT	TSX RESPONSE
	10:00 a.m. to 12:00 p.m.). TD Newcrest believes that these trades should be crossed at the time of completion, rather than waiting until the Special Trading Session at 4:05 p.m.	
CSTA	The CSTA is concerned that while these types of trades are currently executed in the United States, they are done only in the pre- and post-market sessions. The CSTA believes that allowing these crosses to happen during the regular trading hours, at prices outside the existing quote in a security causes unnecessary market price disruption. The commenter notes that it would erode investor confidence in TSX as it could be perceived as an unfair marketplace. The CSTA board believes that Specialty Price Crosses should only be permitted, as in the United States, during pre- and post-trading sessions.	The London Stock Exchange currently permits these types of trades to be conducted on its market during their regular trading day. In addition, these types of trades can be executed in the United States at any point during the trading day for certain listed and over-the-counter securities utilizing "off board" print facilities (U.S. regional exchanges) or through NASDAQ. As noted by the commenter, the New York Stock Exchange also permits these types of trades to be executed in the pre- and post-trading sessions. The Exchange and RS believe that market participants should be permitted to execute Specialty Price Crosses during the Regular Session and the Special Trading Session. The reporting of such transactions during the trading day as they occur will facilitate the transparency of market information. Further, such transactions will be continuously monitored by the Exchange and RS to ensure that such trades are appropriate in the context of the market.
Reporting of Specialty Price Crosses		
BMO	BMO seeks clarity on any additional compliance requirements for Specialty Price Crosses. The commenter notes that the proposal states that "specific definitions of the VWAP calculation vary among participants." As well, the proposal states "[Market Regulation Services Inc.] will also play a key role in monitoring the Specialty Price Crosses executed on the Exchange to ensure that such trades are fair within the context of the market. As noted above, VWAP Trades and Basis Trades will each be marked with a unique trade marker to enable such review to be performed." BMO seeks clarification as to the specific records of calculations or instructions that will be required to support regulatory review of these specialty transactions?	Participating Organizations executing VWAP Trades and Basis Trades on the Exchange shall be required to report details of the transaction to a Market Surveillance Official at the Exchange and RS in the format and at the time required by the Exchange and RS. For VWAP Trades, such information shall include details of any time period used to calculate the volume-weighted average price, a description of any types of trades excluded from the volume-weighted average price and all relevant supporting documentation. For Basis Trades, such information shall include complete details relating to the calculation of the price of the Basis Trade and all relevant supporting documentation. The details of these reporting procedures are set forth in TSX Policy 4-107(2) and (4).
Trade Markers		
Barclays, TD Newcrest	The commenters believe that TSX's Specialty Price Crossing facility would be enhanced if there were to be separate trade identifiers for each type of trade (e.g. VWAP Trades, Basis Trades, etc.) to bring greater visibility to the marketplace.	As noted in the proposal, unique trade markers will be introduced for both VWAP Trades and Basis Trades that are executed as Specialty Price Crosses.

ISSUE AND COMMENTER	PUBLIC COMMENT	TSX RESPONSE
BMO	BMO questions whether trading system vendors will be required to make system changes so that participating organizations can append the unique trade markers to the types of transactions contemplated in the proposal.	Vendors will be required to make required system modifications to facilitate the use of the VWAP and Basis Trades trade markers. TSX will provide advance notification of such changes prior to implementation.
VWAP Trades		
RS	RS notes that, as proposed, each participant would be able to adopt its own method of calculating "average" price. For example, it would appear to be acceptable to exclude "block trades", "crosses" or "odd lot trades" from the volume. It would also be acceptable under the proposed TSX rule to base the price on the volume for a specified period of a trading day. RS' over-riding concern is that the ability to provide a unique definition of "average" price not be used to avoid better-priced orders displayed on a marketplace. For this reason, RS proposes that if the calculation is not to be based on all trades during the Regular Session on a trading day that the ability to report a Volume-Weighted Average Price Trade be subject to additional conditions as follows: • The time period for calculating the average price must commence after the receipt of the order; • The types of trades to be excluded from the calculation must be agreed upon prior to the commencement of the calculation period; and • Details of the time period to be used in the calculation together with the description of any types of trades to be excluded from the calculation must be provided to both the marketplace on which the trade will be reported and the regulation services provider for that marketplace as soon as practicable following receipt of the order.	The Exchange agrees with the conditions suggested by RS to be imposed on VWAP Trades. Such conditions have been included in TSX Policy 4-107(3) and (4).
Basis Trades		
TD Newcrest	TD Newcrest notes that typically the basket of securities involved in a Basis Trade will be a pure index basket. However, situations will arise where not all of the underlying securities within the index basket will be traded, and, instead an imperfect basket may be transacted against futures or exchange traded funds. This may arise because the client or executing participating organization may be restricted from trading one or more names in the underlying index. TD Newcrest believes that it would be useful if there was an explicit definition outlining what qualifies as a basket of securities (i.e. perhaps 75% of the names in the index representing at least 75% of the market capitalization of the index).	Agreed. TSX Policy 4-107(1) has been introduced to provide that a Basis Trade shall comprise of at least 80 percent of the component share weighting of the basket of securities or index participation unit that is the subject of the Basis Trade.
TD Newcrest	TD Newcrest would like to ensure that the SPC will apply to large Basis Trades that may be executed over multiple trading sessions. The commenter believes that it should be possible to maintain execution data over the time period in question that can then be used to	Agreed. TSX confirms that Basis Trades may be executed over multiple trading sessions provided that the participating organization maintains the records prescribed in TSX Policy 4-107(2).

ISSUE AND COMMENTER	PUBLIC COMMENT	TSX RESPONSE
	calculate the effective price of the underlying baskets, regardless if the trade is executed over multiple days.	
RS	RS notes that, in the proposal's supporting material, it states that Basis Trades "involves sourcing liquidity from both the futures and equity markets to create (or offset) a position in an underlying security or index. To execute a Basis Trade, a trader must be able to print the trade at the average price paid for all futures and equities." The commenter notes that currently, if a dealer "accumulates" a position in a security in anticipation of an offsetting client order the dealer undertakes the accumulation as principal and must unwind the position to the client in a client-principal trade that must be undertaken in the context of the market. In the view of RS it would not be fair to allow a dealer that has accumulated a position through purchases in both the equity and derivative markets to make a cross of the effective equity position at a price which is outside the context of the prevailing market simply because the position has been accumulated in more than one type of market. On the other hand, if the dealer has made the purchases in both the equity and derivative markets as "agent" for the client, existing TSX rules provide a mechanism for dealing with offsetting trades in the equity market through provisions for exchange for physicals (in the case of futures) and contingent option trades (in the case of options). The procedure section out in Policy 4-1103 of the TSX requires that the trade in the listed security and the offsetting derivative trade be for the same account. RS recognizes that the procedures set out in TSX Policy 4-1103 may need to be updated to reflect that derivative trading on the Bourse de Montréal has migrated to an electronic platform. In the view of RS, since an exchange-traded derivative transaction is an integral part of a "Basis Trade", the Bourse de Montréal should be aware of the transaction and, ideally, the derivative trade would be capable of being marked so that it could be matched with the marked "Basis Trade" on TSX. In the absence of a co-ordinated solution with the Bourse de Montréal, RS' view is that the Participant reporting the Basis Trade should provide the details of the related derivative transactions to the TSX and to RS as soon as practicable following the entry of the Basis Trade. RS does not believe that exchange for physicals or contingent option trades should be executed outside of the context of the equity market.	To address RS' comments, the definition of Basis Trade in Rule 1-101(2) has been revised to reflect that the transaction must involve "a basket of securities or an index participation unit that is transacted at a price *calculated in the prescribed manner which represents the average accumulation (or distribution) price of the position, subject to an agreed upon basis spread*, achieved through the execution of related exchange-traded derivative instruments, which may include listed index futures, index options and index participation units in an amount that will correspond to an equivalent market exposure." RS believes that the addition of these restrictions to the definition of Basis Trade, in conjunction with the reporting obligations specified in TSX Policy 4-107(2), will ensure that Basis Trades are "fair" in the context of the marketplace. A Basis Trade executed by a Participating Organization ("PO") in the context of a client-principal trade will be required to comply with Rule 8.1 of UMIR ("Client-Principal Trading"). Rule 8.1 of UMIR generally requires for client orders of 50 standard trading units (as defined in Rule 1.1 of UMIR) or less of a security with a value of $100,000 or less, a participant trading with one of its clients as principal must provide the client with a *better* price then the client could obtain on a marketplace. For the purposes of Rule 8.1 and the 50 standard trading unit threshold, a basket of securities will be measured on a aggregate security basis. Further, the value threshold in Rule 8.1 will be also be measured on an aggregate security value basis. Accordingly, in order for a PO to engage in a client-principal Basis Trade, the trade must either exceed the client order size/trade value thresholds exceptions in Rule 8.1 of UMIR specified above (it is anticipated that certain Basis Trades may exceed these thresholds for certain institutional trades), or offer the client a better price then the client could obtain on a marketplace. Basis Trades are to be conducted on the basis that a PO is utilizing the derivative markets (listed index futures, index options and index participation units) to offer its client a better price then the client could achieve solely in the equity markets. If the PO cannot offer a better price to the client (and does not

ISSUE AND COMMENTER	PUBLIC COMMENT	TSX RESPONSE
		otherwise qualify for any other exceptions in Rule 8.1), it will not be able to conduct the client-principal Basis Trade in compliance with UMIR. The pricing details and documentation reported by POs in connection with the reporting obligations specified in proposed TSX Policy 4-107(2), will enable the Exchange and RS to monitor Basis Trades on an ongoing basis, including compliance with UMIR. TSX is considering amending or repealing TSX Policy 4-1103 to reflect the fact that derivative trading on the Bourse de Montréal has migrated to an electronic platform, and given that exchange for physicals and contingent option trades may constitute Basis Trades under the Specialty Price Crosses proposal. The Bourse de Montréal is strongly supportive of the Specialty Price Crosses proposal and its staff have been consulted during its development. Pursuant to TSX Policy 4-107(2), a PO executing a Basis Trade on the Exchange will be required to report to TSX and RS complete details relating to the calculation of the price of the Basis Trade, and all relevant supporting documentation. Accordingly, complete details of the related derivative transactions will be required to be provided to TSX and RS on a timely basis. RS has been consulted and agrees with the recommended drafting changes.
Trading Statistics		
CSTA	The CSTA is concerned that the inclusion of Specialty Price Crosses may misconstrue daily trading volumes. The commenter notes that there is currently an inordinate amount of re-crossing being performed by some brokers to increase their market share, and the CSTA feels that including these crosses in the daily volume would only exacerbate the problem. The CSTA believes that once the trades are flagged as Specialty Price Crosses they should not be considered as part of the daily trading volume.	TSX does not intend to remove Specialty Price Crosses from the daily trading volume as such trades will represent a beneficial change of ownership. Specialty Price Crosses will be subject to ongoing reporting that is subject to RS' review, including any potential re-crosses that are inconsistent with the Universal Market Integrity Rules.

SPECIALTY PRICE CROSSES

RULES	POLICIES
Rule 1-101(2) shall be amended to add the following definitions: **"Basis Trade"** means a transaction whereby a basket of securities or an index participation unit is transacted at a prices calculated in the prescribed manner which represents the average accumulation (or distribution) price of the position, subject to an agreed upon basis spread, achieved through the execution of related exchange-traded derivative instruments, which may include listed index futures, index options and index participation units in an amount that will correspond to an equivalent market exposure. **"Specialty Price Cross"** means a Basis Trade or Volume-Weighted Average Price Trade, or such other trade that is ~~prescribed~~ designated by the Exchange from time to time, resulting from the entry by a Participating Organization of both the order to purchase and the order to sell a security. **"Volume-Weighted Average Price Trade"** means a transaction for the purpose of executing trades at a volume-weighted average price calculated in the prescribed manner of the security traded for a continuous period on or during a trading day on the Exchange.	
Division 1 of Part 4 of the Rules shall be amended to add the following provision: **4-107 – "Specialty Price Crosses"** (1) **Execution** – Specialty Price Crosses may be executed in the Regular Session and the Special Trading Session. (2) **Restriction on Setting Last Sale or Closing Price** – Specialty Price Crosses shall not be used in the calculation of either a last sale price or closing price for a stock for the Regular Session or the Special Trading Session.	**4-107 – "Specialty Price Crosses"** **(1) Qualifying Basis Trades** A Basis Trade shall comprise of at least 80 percent of the component share weighting of the basket of securities or index participation unit that is the subject of the Basis Trade. **(2) Reporting of Basis Trades** Participating Organizations executing Basis Trades on the Exchange shall report details of the transaction to a Market Surveillance Official at the Exchange and RS in the format and at the time required by the Exchange and RS. Such information shall include complete details relating to the calculation of the price of the Basis Trade and all relevant supporting documentation. **(3) Qualifying Volume-Weighted Average Price Trades** A Volume-Weighted Average Price Trade that is not calculated based on all trades during the Regular Session on a Trading Day shall be determined in such a manner that the time period for calculating the volume-weighted average price must commence after the receipt of the order by the Participating Organization. In addition, the types of trades to be excluded from the calculation must be determined prior to the commencement of the calculation period.

RULES	POLICIES
	(4) Reporting of Volume-Weighted Average Price Trades Participating Organizations executing Volume-Weighted Average Price Trades on the Exchange shall report details of the transaction to a Market Surveillance Official at the Exchange and RS in the format and at the time required by the Exchange and RS. Such information shall include details of the time period used to calculate the volume-weighted average price, a description of any types of trades excluded from the volume-weighted average price calculation and all relevant supporting documentation.
Division 9 of Part 4 of the Rules of the Exchange shall be deleted and the following substituted: **Rule 4-901 – "General Provisions"** (1) All listed securities shall be eligible for trading during the Special Trading Session. (2) Except as otherwise provided, all transactions in the Special Trading Session shall be at the price of the last sale of the security on the Exchange during the Regular Session. (3) Except as otherwise provided, the normal rules of priority and allocation and all other Exchange Requirements shall apply to the Special Trading Session.	

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Chapter 25

Other Information

25.1 Exemptions

25.1.1 Morgan Stanley & Co. Incorporated - s. 10.1 of OSC Rule 35-502

Headnote

Decision pursuant to section 10.1 of Ontario Securities Commission Rule 35-502 (the Rule) exempting applicant from the requirement under section 3.7 of the Rule.

Statutes Cited

Securities Act, R.S.O. 1990, c. S. 5, as am.

Rules Cited

Ontario Securities Commission Rule 35-502 (2000) 23 O.S.C.B. 7989, ss. 3.7, 10.1.

IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990,
C. S.5, AS AMENDED (the Act)

AND

IN THE MATTER OF
MORGAN STANLEY & CO. INCORPORATED

EXEMPTION ORDER
(Rule 35-502)

UPON the application of Morgan Stanley & Co. Incorporated (**MS & Co.**) of May 30, 2003, pursuant to Section 10.1 of Ontario Securities Commission Rule 35-502 *Non-Resident Advisers* (**Rule 35-502**) for an exemption from the requirement under clause 3.7(1)(b)(ii) of Rule 35-502 that MS & Co. be subject to the agreement announced by the Bank for International Settlements on July 1, 1988 concerning international convergence of capital measurement and capital standards (**BIS Agreement**) for it to act as custodian for its Ontario clients (**Application**);

AND UPON considering the Application;

AND UPON MS & Co. having represented to the Director that:

1. MS & Co. is a corporation formed under the laws of the State of Delaware and is a wholly owned subsidiary of Morgan Stanley (**Morgan Stanley**). The head office of MS & Co. is located in New York, New York.

2. MS & Co. is registered under the *Securities Act* (Ontario) as an international dealer and an international adviser. MS & Co. is also registered as a broker-dealer and an investment adviser with the United States Securities and Exchange Commission.

3. MS & Co. provides investment, financing, and related services to individuals and institutions on a global basis. Services provided to clients include securities brokerage, trading, and underwriting; investment banking, strategic services, including mergers and acquisitions, and other corporate finance advisory activities; origination, dealer and related activities; securities clearance and settlement services and investment advisory and related record keeping services.

4. Morgan Stanley had shareholders' equity as at November 30, 2002 of US$21.885 billion. MS & Co., as at November 30, 2002 had regulatory net capital of US$4.996 billion as determined under Rule 15c3-1 under the United States Securities Exchange Act of 1934 and had shareholders' equity of US$4.665 billion.

5. MS & Co. has five principal affiliated financial institutions: Morgan Stanley Bank (shareholders' equity: U.S.$2.1 billion, as at December 31, 2002), Discover Bank (shareholders' equity: U.S.$3.188 billion as at December 31, 2002), Morgan Stanley Dean Witter Bank Limited (shareholders' equity: GBP 211 million as at December 31, 2002), Morgan Stanley Bank Zurich (shareholders' equity: US$176.436 million as at December 31, 2002) and Morgan Stanley Bank AG Germany (shareholders' equity: Eur 138,898,221.14 as at December 31, 2002). Morgan Stanley Bank, Discover Bank, Morgan Stanley Dean Witter Bank Limited, Morgan Stanley Bank Zurich and Morgan Stanley Bank AG Germany are collectively referred to as the **Morgan Stanley Banks**.

6. MS & Co. acts as custodian for its clients in the United States and throughout the world. It currently has custody of approximately U.S.$685 billion of client assets. MS & Co. proposes to act as a custodian for its clients in Ontario.

7. Section 3.7 of Rule 35-502 provides that securities and money of an Ontario client of an international adviser must be held by (a) the Ontario client; or (b) a custodian or sub-custodian that meets the requirements for acting as a custodian or sub-custodian of a mutual fund in National Instrument

81-102 – *Mutual Funds* (**NI 81-102**), and that is subject to the BIS Agreement.

8. MS & Co. meets the requirements for acting as a custodian or sub-custodian of a mutual fund in NI 81-102.

9. The BIS Agreement is a framework for measuring capital adequacy that was designed to strengthen the soundness and stability of the international banking system. The BIS Agreement provides minimum levels of capital that are intended to be applied to banks on a consolidated basis, including subsidiaries undertaking banking and financial business.

10. MS & Co. is an affiliate of the Morgan Stanley Banks, but is not a subsidiary of any of the Morgan Stanley Banks. Accordingly, because of MS & Co.'s corporate structure and because MS & Co. is not a bank, the BIS Agreement does not apply to it.

11. There are no apparent concerns as to the capital adequacy of MS&Co. given its capital resources noted above.

IT IS ORDERED, pursuant to section 10.1 of the Rule, that MS & Co. is exempt from the requirement of clause 3.7(1)(b)(ii) of the Rule that it be subject to the BIS Agreement in order for it to act as custodian for its Ontario clients, provided that there is no material adverse change in the ownership or capitalization of MS & Co.

June 27, 2003.

"David M. Gilkes"

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