The Ontario Securities Commission

OSC Bulletin

November 5, 2004

Volume 27, Issue 45

(2004), 27 OSCB

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)

The Ontario Securities Commission
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Toronto, Ontario
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Published under the authority of the Commission by:
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One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
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The OSC Bulletin is published weekly by Carswell, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of $549 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	$175
Outside North America	$400

Single issues of the printed Bulletin are available at $20 per copy as long as supplies are available.

ISSN 0226-9325

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

NOVEMBER 5, 2004

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
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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- -

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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

November 15 to 19, 2004	**Robert Cassels, Murray Hoult Pollitt, Pollitt & Co. Inc.**
10:00 a.m.	s. 127
	K. Daniels in attendance for Staff
	Panel: TBA
November 24-25, 2004	Brian Peter Verbeek and **Lloyd Hutchison Ebenezer Bruce**
10:00 a.m.	s. 127
	K. Manarin in attendance for Staff
	Panel: TBA
November 26, 2004	**Andrew Currah, Colin Halanen, Joseph Damm, Nicholas Weir, Penny Currah and Warren Hawkins**
10:00 a.m.	s. 127
	J. Waechter in attendance for Staff
	Panel: TBA
December 6 – 10, 2004	**Brian Peter Verbeek** and Lloyd Hutchison Ebenezer Bruce
10:00 a.m.	s. 127
	K. Manarin in attendance for Staff
	Panel: RLS/ST
TBA.	**Cornwall *et al***
	s. 127
	K. Manarin in attendance for Staff
	Panel: TBA
January 24 to March 4, 2005, except Tuesdays and April 11 to May 13, 2005, except Tuesdays	**Philip Services Corp. *et al***
	s. 127
	K. Manarin in attendance for Staff
	Panel: PMM/RWD/ST
10:00 a.m.	

March 29-31, 2005 April 1, 4, 6-8, 11-14, 18, 20-22, 25-29, 2005 May 2, 4, 12, 13, 16, 18-20, 30, 2005 June 1-3, 2005	**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
10:00 a.m.	Panel: SWJ/HLM/MTM
May 30, June 1, 2, 3, 6, 7, 8, 9 and 10, 2005 10:00 a.m.	**Buckingham Securities Corporation, David Bromberg*, Norman Frydrych, Lloyd Bruce and Miller Bernstein & Partners LLP (formerly known as Miller Bernstein & Partners)** s. 127 J. Superina in attendance for Staff Panel: TBA * David Bromberg settled April 20, 2004

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Robert Walter Harris

Andrew Keith Lech

S. B. McLaughlin

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

1.1.2 CSA Notice 13-314, 2005 Changes to SEDAR Annual Filing Service Charges

CANADIAN SECURITIES ADMINISTRATORS

NOTICE 13-314

2005 CHANGES TO SEDAR ANNUAL FILING SERVICE CHARGES

Staff of the members of the Canadian Securities Administrators (CSA) are issuing this notice to advise SEDAR® filers of the following changes in the CDS INC. (CDS) SEDAR annual filing service charges: (i) changes in the allocation of SEDAR annual filing service charges between the SEDAR system and the System for Electronic Disclosure by Insiders (SEDI®) effective January 1, 2005 and (ii) a reduction in the SEDAR annual filing service charges for mutual fund issuers effective January 1, 2005.

Prior to SEDI's launch on May 5, 2003, SEDAR's annual filing service charges were increased for all reporting issuers (other than mutual funds) that file continuous disclosure documents through SEDAR (SEDI Issuers). The annual portion of the SEDAR annual filing service charges allocated to a SEDI Issuer are currently $250 for a single jurisdiction issuer, $750 for a multi-jurisdiction issuer and $2,500 for a short form prospectus issuer. These allocations and charges were based on assumptions as to the number of SEDI Issuers.

After more than a year of operations, it has become apparent that the assumption used to calculate the number of SEDI Issuers was incorrect. Accordingly, the portion of the SEDAR annual filing service charges allocated to SEDI needs to increase. CDS obtained our required approval to allocate a larger portion of the SEDAR annual filing service charges to SEDI. This reallocation will apply to all SEDI Issuers and will result in a reduction in the SEDAR portion of the annual filing service charges and an increase in the SEDI portion of the annual filing service charges. These changes will be effective January 1, 2005 and will not change the total annual filing service charges for SEDI Issuers.

CDS also obtained our required approval to reduce the SEDAR annual filing service charges for mutual fund issuers. This change will also be effective January 1, 2005.

CDS will issue a SEDAR Subscriber Update to SEDAR filers in connection with these changes.

The following table explains the SEDAR annual filing service charges commencing in 2005. Schedule "D" of the SEDAR Filer Manual will be updated to reflect these changes to the SEDAR annual filing service charges for continuous disclosure.

BREAKDOWN OF SEDAR ANNUAL FILING SERVICE CHARGES FOR CONTINUOUS DISCLOSURE COMMENCING IN 2005

SEDI Issuers

1 Type of Issuer	2 SEDAR Annual Charges $	3 SEDI Annual Charges $	4 Total Charges (per annum) (2 + 3)[1] $	Where/When Total Charges each year are Paid in SEDAR		
				5 AFS $	6 AIF $	7 Total (5 + 6) $
"Non POP"						
Single jurisdiction	205.00	500.00	**705.00**	705.00	-	**705.00**
Multi-jurisdiction	495.00	1,100.00	**1,595.00**	1,595.00	-	**1,595.00**
"POP"						
Single jurisdiction and short form prospectus	205.00	2,750.00	**2,955.00**	705.00	2,250.00	**2,955.00**
Multi-jurisdiction and short form prospectus	495.00	2,850.00	**3,345.00**	1595.00	1,750.00	**3,345.00**

[1] The charges listed do not include taxes. However, applicable taxes are payable on these charges and the amount will vary, depending on the jurisdiction.

Mutual Fund Issuers

A mutual fund issuer will be charged a SEDAR annual filing service charge of $495.00 for continuous disclosure at the time it files its annual financial statements. A January 10, 2005 SEDAR code update will reflect this reduced charge.

For further information please contact:

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October 29, 2004.

1.1.3 CSA Staff Notice 33-312, The CSA STP Readiness Assessment Survey Report is Now Available on the OSC Website

CSA STAFF NOTICE 33-312

THE CSA STP READINESS ASSESSMENT SURVEY REPORT IS NOW AVAILABLE ON THE OSC WEBSITE

The Canadian Securities Administrators (CSA), a council of the 13 securities regulators of Canada's provinces and territories, believe that straight-through processing (STP) is an extremely important initiative. The CSA made available a second STP Readiness Assessment Survey (Survey) to Canadian registrant and non-registrant firms (Firms) to assess the preparedness of the industry in Canada for STP.

The Survey was available online from June 14 to July 12, 2004. The CSA asked investment dealers; mutual fund dealers; investment counsels and/or portfolio managers; limited market dealers; mutual fund managers; discount brokers (Quebec registrant category); and unrestricted brokers (Quebec registrant category) to complete the Survey. We have received 529 responses. The CSA has tabulated the results and has posted the CSA STP Readiness Assessment Survey Report (Survey Report) on the OSC website.

To view the Survey Report in English or French, please visit the OSC website at **www.osc.gov.on.ca**.

We thank all Firms who have taken the time to complete the voluntary Survey.

For more information on the STP initiative, please visit the OSC website at **www.osc.gov.on.ca** and the Canadian Capital Markets Association (CCMA) website at www.ccma-acmc.ca.

For further information regarding the Survey Report, please contact:

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November 5, 2004.

1.1.4 OSC Staff Notice 81-707, Labour Sponsored Investment Funds - Summary Disclosure of Fees, Expenses and Annual Performance Information in Prospectuses of LSIFs; and the Payment of Sales and Trailing Commissions Out of Fund Assets

ONTARIO SECURITIES COMMISSION STAFF NOTICE 81-707
LABOUR SPONSORED INVESTMENT FUNDS - SUMMARY DISCLOSURE OF FEES, EXPENSES AND ANNUAL PERFORMANCE INFORMATION IN PROSPECTUSES OF LSIFS; AND THE PAYMENT OF SALES AND TRAILING COMMISSIONS OUT OF FUND ASSETS

Introduction

The purpose of this Staff Notice is to set out staff's views on: 1) the disclosure of fees and expenses in prospectuses of labour sponsored investment funds (LSIFs), 2) the disclosure of annual performance information in prospectuses of LSIFs; and 3) the payment of sales and trailing commissions out of fund assets by LSIFs.

Background

During the end of 2003 and the beginning of 2004, staff have received a number of applications for an exemption from National Instrument 81-105 – Mutual Fund Sales Practices (NI 81-105) to permit LSIFs to pay distribution costs, including sales and trailing commissions, directly out of fund assets. Staff recommended to the Commission that relief be granted under NI 81-105 and the Commission granted such relief. However, during that period of time, staff began to notice overall commission rates increasing slightly which caused staff some concern. In order to permit LSIFs to continue to operate as currently structured while allowing sufficient time for staff to learn more about the sales practices with respect to LSIFs to determine whether a policy response was needed, the Commission imposed November 30, 2004 sunset clauses on the NI 81-105 exemption orders granted at the beginning of 2004.

We then hired Compas Inc. to conduct a survey of LSIF managers and dealers on an anonymous basis regarding their sales practices. The survey was conducted during the months of March and April of this year. Eighteen managers and twenty-eight dealers were surveyed.

Questions to be addressed through the Survey

The survey was designed to address the following questions:

1) Were commission rates paid out of fund assets escalating to a point that might raise regulatory concerns?

2) Should LSIFs be permitted to continue to pay sales and trailing commissions directly out of fund assets?

3) Is the current disclosure of fees and expenses adequate and is it understandable to investors?

As a result of staff analysis of the survey responses and comparison with the investment fund industry, staff found that commission rates did not rise significantly and were comparable to rates paid by mutual funds over an eight year period. Therefore, we believe that no immediate regulatory response is necessary at this time. Further, we believe that it would not be harmful to investors to permit LSIFs that choose to pay commissions out of fund assets to continue to do so. Finally, we also found that disclosure of fees and expenses could, and should be, improved and simplified. Added support for improving disclosure was found in the survey responses where both LSIF managers and dealers responded positively to the idea of presenting fees in chart form in the fund prospectus.

Staff Recommendations

As a result of the survey,

i) we will continue to recommend relief from NI 81-105 to permit LSIFs to pay distribution costs directly out of fund assets in appropriate circumstances and we will recommend that any orders expiring this year be renewed; and

ii) we strongly encourage the presentation of fees, expenses, management expense ratio (MER) and annual returns in a simplified chart format in the prospectus summary.

Most LSIFs already include in their prospectus summary a fee chart in one form or another. However, inclusion of the MER and the annual return will help investors understand the overall fee structure of the fund. The suggested disclosure enhancements do not represent a radical change from current practice. We suggest that the simplified chart format include:

- a summary of fees and expenses including all commissions paid to dealers;
- the MER for the LSIF for each of the last five years; and
- the LSIF's annual return for each of the last five years.

A sample of the summary chart that staff recommends be included in LSIF prospectuses, beginning this year, is attached as Schedule 'A' to this Staff Notice.

Questions regarding this notice may be directed to:

Mark Mulima
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(416) 593-8276
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November 5, 2004.

SCHEDULE 'A'

SUMMARY OF FEES AND EXPENSES PAYABLE BY THE FUND AND ANNUAL PERFORMANCE DATA

Type and Amount of Fee	Description
Management Fee (Annually) 2% of net asset value	For general, administrative and investment management services.
Marketing Support Fee (Annually) 0.45% of net asset value up to $200 million, plus 1.15% of the gross proceeds arising from the sales of Class A shares (so long as such Class A Shares remain outstanding)	For marketing and dealer support and ancillary services plus any early redemption fees received by the Fund on redemption of those Class A Shares.
Administration Fee (Annually) 1% of net asset value	For providing administrative, sales and marketing, and related support services to the Fund. For providing cash reserves management services to the Fund.
Sales Commissions (Paid at the time of investment) Series I: 5.00% of the original issue price Series II: 10% of the original issue price	The Fund pays a sales commission to registered dealers on sales of Class A Shares.
Trailing Commissions (Annually) Series I: 0.50% annually of the net asset value of the Series I Shares held by the customers of the sales representatives of the registered dealers. Series II: No trailing commission is paid to registered dealers before the eighth anniversary of the date of issue of the Series II Shares. Thereafter, 0.50% annually of the net asset value of the Series I Shares held by the customers of the sales representatives of the registered dealers.	The Fund pays an annual trailing commission to registered dealers selling Class A Shares for so long as those shares are outstanding.
Management Expense Ratio **2003** 6.75% for Series I Shares, 6.55% for Series II Shares, 7.16% for Series III Shares **2002** 6.25% for Series I Shares, 6.45% for Series II Shares, 7.12% for Series III Shares **2001** 6.50% for Series I Shares, 6.25% for Series II Shares, 6.96% for Series III Shares **2000** 6.35% for Series I Shares, 6.56% for Series II Shares, 7.05% for Series III Shares **1999** 6.70% for Series I Shares, 6.47% for Series II Shares, 6.85% for Series III Shares	The management expense ratio is based on total expenses including all fees, charges and expenses paid or payable by the fund for the fiscal year. It is expressed as an annualized percentage of daily average net assets during the fiscal year.
Performance	
Annual Returns (not compounded) **2003** 2.5% for Series I Shares, 2.55% for Series II Shares, 3.16% for Series III Shares **2002** 6.75% for Series I Shares, 6.55% for Series II Shares, 7.00% for Series III Shares	This information shows the annual performance of the Fund for each of the fiscal years shown. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

2001 2.75% for Series I Shares, 3.05% for Series II Shares, 3.16% for Series III Shares **2000** 4.50% for Series I Shares, 4.55% for Series II Shares, 5.16% for Series III Shares **1999** 4.75% for Series I Shares, 4.55% for Series II Shares, 4.76% for Series III Shares	

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 Notice of the Office of the Secretary - Mark Edward Valentine

FOR IMMEDIATE RELEASE
October 29, 2004

NOTICE OF THE OFFICE OF THE SECRETARY

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

AND

IN THE MATTER OF
MARK EDWARD VALENTINE

TORONTO – The Commission issued an order today extending the temporary order dated July 27, 2004. The extended temporary order is on the same terms and conditions as the July 27, 2004 order and is effective until December 14, 2004 or the commencement of the final hearing of the matter on the merits, whichever comes first.

A copy of the Order is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

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

1.3.2 Notice of the Office of the Secretary - Robert Walter Harris

FOR IMMEDIATE RELEASE
November 2, 2004

NOTICE OF THE OFFICE OF THE SECRETARY

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, C. S.5, AS AMENDED
(THE "ACT")

AND

ROBERT WALTER HARRIS

TORONTO – A Hearing in this matter is scheduled to commence on Friday, November 26, 2004 at 2:00 p.m., at the offices of the Commission, in the Large Hearing Room, 17th Floor, 20 Queen Street West, Toronto.

A copy of the Notice of Hearing and the Statement of Allegations is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Midnight Oil & Gas Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – (i) relief from the requirement to provide three year audited financial statements for a business that constitutes a significant acquisition, (ii) relief from the requirement to include three years of audited financial statements for a business for which securities are being distributed in connection with a restructuring transaction; and (iii) relief from the requirement to provide reserves data and other oil and gas information as of the date of the most recent audited balance sheet in the information circular, provided that acceptable alternative disclosure be provided.

Rule / Instrument / Notice Cited

National Instrument 44-101, Short Form Prospectus Distributions.
National Instrument 51-102, Continuous Disclosure Obligations.
National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities.
Ontario Securities Commission Rule 41-501, General Prospectus Requirements.
CSA Staff Notice 42-303 Prospectus Requirements.

Citation: Midnight Oil and Gas, 2004 ABASC 1067

October 26, 2004

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

AND

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

AND

IN THE MATTER OF
MIDNIGHT OIL & GAS LTD.

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, British Columbia and Ontario (the Jurisdictions) has received an application from Midnight Oil & Gas Ltd. (Midnight) for a decision under the securities legislation of the Jurisdictions (the Legislation) that Midnight be exempt from the requirements contained in the Legislation which (i) require Midnight to include three years of audited financial statements in an information circular in respect of a significant acquisition; (ii) require Midnight to include three years of audited financial statements in an information circular in respect of a business for which securities are being distributed in connection with a restructuring transaction; and (iii) require Midnight to include reserves data and other oil and gas information in an information circular as at the date of the most recent audited balance sheet included in the information circular.

2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the System), the Alberta Securities Commission is the principal regulator of this application.

Interpretation

3. Unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 – *Definitions*.

Representations

4. Midnight has represented to the Decision Makers that:

   4.1 Midnight was formed by amalgamation under the laws of the Province of Alberta and Midnight's head office is located in Calgary, Alberta;

   4.2 The common shares of Midnight are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "MOG";

   4.3 Midnight is a reporting issuer in the provinces of Alberta, British Columbia and Ontario;

   4.4 To its knowledge, Midnight is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer;

4.5 Vintage Petroleum Canada Inc. (Vintage Canada) was formed by amalgamation under the laws of the Province of Alberta on June 21, 2002 and its head office is located in Calgary, Alberta. Vintage Canada is a wholly owned indirect subsidiary of Vintage Petroleum Inc. (the US Parent), a public company listed on the New York Stock Exchange;

4.6 Vintage Canada is not a reporting issuer in any jurisdiction of Canada, nor are its shares listed for trading on any stock exchange or other market;

4.7 Midnight and the securityholders of Vintage Canada entered into an agreement dated September 22, 2004 whereby Midnight agreed to purchase all of the shares of Vintage Canada for a total of $350 million (the Acquisition);

4.8 The Acquisition is not a reverse take-over;

4.9 The Acquisition will be made in connection with a concurrent reorganization of the business of Midnight as an income trust (the Trust) and the spin-off of certain assets into a separate public company (ExploreCo), conducted by way of a plan of arrangement (the Arrangement);

4.10 The mind and management of the Trust will be substantially the mind and management of Midnight, and the mind and management of ExploreCo will also be derived from Midnight. There will be no involvement in management of either the Trust or ExploreCo by the executive management or by the Board of Directors of Vintage Canada;

4.11 The acquisition of the Vintage Canada shares by Midnight (and effectively the Trust) constitutes a "significant acquisition" under the Legislation;

4.12 Midnight is preparing an information circular (the Information Circular) in connection with a meeting of its securityholders which is expected to be held in late November or early December, 2004. At the shareholders' meeting, the Midnight securityholders will be given the opportunity to vote on the Arrangement which includes the Acquisition;

4.13 Pursuant to Section 14.2 of National Instrument 51-102F5, because the Acquisition is a "significant acquisition," Midnight is required to include certain annual financial statement disclosure in the Information Circular in respect of the Arrangement, including annual financial statements for each of the three most recently completed financial years of Vintage Canada (the Vintage Annual Disclosure Requirements);

4.14 Midnight proposes to include in the Information Circular certain annual financial information in accordance with Sections 8.4 and 8.5 of National Instrument 51-102 in respect of the Acquisition, including audited annual financial statements of Vintage Canada for the years ended December 31, 2003 and 2002 including an auditor's report thereon (the Alternative Annual Vintage Financial Disclosure);

4.15 Pursuant to Section 14.2 of National Instrument 51-102F5, because the Arrangement is a restructuring transaction under which securities of ExploreCo are being distributed, Midnight is required to include audited statements of income, retained earnings and cash flows for a three year period in respect of ExploreCo. (the ExploreCo Disclosure Requirements);

4.16 Midnight proposes to include in the Information Circular certain financial information in accordance with OSC 41-501 Companion Policy Part 3.3(2), including audited operating statements relating to the properties to be acquired by ExploreCo for the two years ended December 31, 2003 and 2002 and the six months ended June 30, 2004 and 2003 (the Alternative ExploreCo Financial Disclosure);

4.17 Pursuant to Section 14.2 of National Instrument 51-102F5, because the Arrangement is a restructuring transaction under which securities of ExploreCo and the Trust are being distributed, pursuant to Section 6.5.1(b) of Form 41-501F1, Midnight is required to provide reserves data and other oil and gas information prescribed by Form 51-101 F1 as at the most recent date for which an audited balance sheet is included in the Information Circular (collectively, for each of the Trust and ExploreCo, the Oil and Gas Disclosure Requirements);

4.18 As the Trust and ExploreCo were only recently incorporated, the date of the respective audited balance sheets are

not practical dates for the preparation of the reserves data and other oil and gas information to be included in the Information Circular;

4.19 Midnight proposes to include in the Information Circular the Oil and Gas Disclosure as at June 30, 2004, being the date of a pro forma balance sheet included in the Information Circular for each of the Trust and ExploreCo (collectively, the Alternative Oil and Gas Disclosure);

5. The Alternative Annual Vintage Financial Disclosure will comply with National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

6. The Alternative ExploreCo Financial Disclosure will comply with National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

7. The Alternative Oil and Gas Disclosure will comply with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*;

8. Under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision).

9. Each of the Decision Makers is satisfied that the Decision Maker has the jurisdiction to make the Decision;

Decision

The Decision of the Decision Makers under the Legislation for the purposes of the Information Circular is that (i) the Vintage Annual Disclosure Requirements shall not apply to Midnight, provided that Midnight includes the Alternative Annual Vintage Financial Disclosure, (ii) the ExploreCo Disclosure Requirements shall not apply to Midnight, provided that Midnight includes the Alternative ExploreCo Financial Disclosure; and (iii) with respect the Trust and ExploreCo, the Oil and Gas Disclosure Requirements shall not apply to Midnight, provided that Midnight includes the Alternative Oil and Gas Disclosure in the Information Circular.

"Mavis Legg, CA"
Manager, Securities Analysis
Alberta Securities Commission

2.1.2 Barrick Gold Corporation et al. - s. 15.1 of NI 44-101

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 FINANCE COMPANY

DECISION DOCUMENT

WHEREAS the Director has received an application from Barrick Gold Corporation (Barrick), Barrick Gold Inc. (BGI) and Barrick Gold Finance Company (BGFC) (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 amended and restated 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), 12.1(2), 12.1(5) through (8), inclusive, and 12.2(1) through (4), inclusive, of Form 44-101F3 with respect to BGFC (the Prospectus Disclosure Requirements);

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

1. On June 17, 2003 and June 27, 2003, Barrick and BGI filed a preliminary base shelf prospectus (the Preliminary Base Shelf Prospectus) and a final base shelf prospectus (the Final Base Shelf Prospectus), respectively, in respect of up to $1,000,000,000 aggregate principal amount of debt securities to be offered from time to time by Barrick and/or BGI. Similar relief to the relief being sought in this application was obtained in respect of BGI.

2. 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.

3. 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 June 30, 2004, Barrick had 531,473,923 common shares, one first preferred share series C special voting share and no second preferred shares outstanding.

4. As at June 30, 2004, Barrick had approximately U.S. $696 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.

5. 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.

6. 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.

7. BGFC is an unlimited liability company governed by the *Companies Act* (Nova Scotia).

8. BGFC is an indirect subsidiary of Barrick.

9. The authorized capital of BGFC consists of 100,000,000 common shares. As of June 30, 2004, 1,299,800 common shares were outstanding. All of BGFC's outstanding shares are held by Barrick and its affiliates.

10. BGFC is not currently a reporting issuer (or equivalent) in any Province or Territory of Canada.

11. BGFC has no more than minimal operations that are independent of Barrick and is an entity that functions essentially as a special purpose division of Barrick.

12. BGFC proposes to file a preliminary base shelf prospectus, and Barrick, BGI and BGFC propose to file an amended and restated shelf prospectus (the Amended and Restated Shelf Prospectus), which will be a final base shelf prospectus of BGFC and will amend and restate the Final Base Shelf Prospectus, pursuant to National Instruments 44-101 and 44-102 (collectively, the Shelf Requirements) pursuant to which Barrick, BGI and BGFC 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 Amended and Restated Shelf Prospectus. As is the case with Debt Securities that may be issued by BGI, any BGFC Debt Securities so issued will be fully, unconditionally and irrevocably guaranteed by Barrick as to payment of principal, interest and all other amounts due thereunder.

13. The Preliminary Base Shelf Prospectus and the Final Base Shelf Prospectus were, and the Amended and Restated 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.

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

    (a) it is proposed that the Amended and Restated 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, 2003, 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, BGI and BGFC;

(c) 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 BGFC Debt Securities will not receive separate continuous disclosure information regarding BGFC;

(d) Barrick will fully, unconditionally and irrevocably guarantee payment of the principal and interest on any BGFC Debt Securities, together with any other amounts that may be due under any provisions of the trust indenture relating to such BGFC 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 Amended and Restated Shelf Prospectus or any prospectus supplement filed in respect of an Offering made pursuant thereto provided that each of Barrick, BGI and BGFC complies with paragraph 14 above.

August 19, 2004.

"Erez Blumberger"

2.1.3 PDM Royalties Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Portions of material contracts filed in connection with a prospectus to be kept confidential. Issuer did not file schedules to material contracts in connection with filing a prospectus. Issuer subsequently filed redacted versions of the material contracts and a summary of the nature of the information for which confidentiality was sought. A schedule to a material contract is part of the material contract and must be filed with the securities regulators in accordance with applicable legislation unless exempt. Issuers should request confidentiality of information contained in material contracts during the prospectus review period.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 140(2).

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

AND

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

AND

IN THE MATTER OF
PDM ROYALTIES INCOME FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Makers") in each of the provinces and territories of Canada (the "Jurisdictions") has received an application (the "Application") from PDM Royalties Income Fund (the "Issuer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that portions of material contracts filed by the Issuer in connection with a final long form prospectus dated May 28, 2004 (the "Final Prospectus") be kept confidential;

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

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

1. On June 1, 2004, the Issuer filed the Final Prospectus with each of the Jurisdictions. The OSC was designated as principal regulator for the review of the Final Prospectus.

2. Under the Legislation, the Issuer was required to file copies of all material contracts with the Final Prospectus on SEDAR and is required to make such material contracts available for inspection during the distribution of the securities offered under the Final Prospectus.

3. In connection with the filing of the Final Prospectus, the Issuer filed an acquisition agreement dated May 28, 2004 (the "Acquisition Agreement") as a material contract. Although the Acquisition Agreement included several schedules, the Issuer did not file these schedules at the time it filed the Acquisition Agreement as the Issuer believed that information in Exhibit B to Schedule 1.1 of the Acquisition Agreement relating to personal guarantors of franchise agreements and expiry dates and renewal terms of franchise agreements disclosed intimate financial and personal information and would be seriously prejudicial to the interests of the Issuer (the "Confidential Information").

4. At the time of filing the Final Prospectus, the Issuer undertook to file all additional material contracts. On June 23, 2004, the Issuer filed the following additional material contracts (the "Additional Material Contracts"):

   (a) general security agreement of Pizza Delight Corporation Ltd. ("Pizza Delight");

   (b) general security agreement of PDM Royalties Limited Partnership;

   (c) license and royalty agreement between PDM Royalties Limited Partnership and Pizza Delight;

   (d) license and royalty agreement between PDM Royalties Limited Partnership and Mikes Restaurants Inc.

5. Each of the Additional Material Contracts includes schedules which set forth all or part of the Confidential Information. As a result, the schedules to the Additional Material Contracts filed with the OSC on June 23, 2004 omitted the Confidential Information.

6. On June 23, 2004, the Issuer also re-filed a copy of the Acquisition Agreement together with all completed schedules with the exception of the Confidential Information, which was omitted from Exhibit B to Schedule 1.1 to the re-filed Acquisition Agreement.

7. The Issuer filed the Confidential Information with the Decision Makers in connection with the Application

8. The Confidential Information sets forth the identity of each individual who has personally guaranteed a franchise agreement, which is personal to the individual guarantor. Maintaining the confidentiality of such information is important with respect to franchisor/franchisee relations.

9. The Confidential Information also sets forth the expiry date and option renewal terms of each franchise agreement, which are a personal financial matter to each franchisee and is sensitive to the business operations of Pizza Delight.

10. The Issuer has filed on SEDAR a chart providing summary information about expiry dates and option renewal terms of the franchise agreements.

11. In the past 20 years, less than 5% of the franchise agreements have not been renewed upon expiry.

AND WHEREAS under the MRRS, 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 by the Decision Makers under the Legislation is that the Confidential Information will be held in confidence by the Decision Makers.

October 21, 2004.

"Iva Vranic"

2.1.4 TUSK Energy Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications. Relief from registration and prospectus requirements for a distribution reinvestment plan, subject to certain conditions. Relief from continuous disclosure requirements.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53 and 74(1).

Applicable National Instrument

National Instrument 51-102 Continuous Disclosure Obligations.

Citation: Tusk Energy Inc., et al, 2004 ABASC 1053

November 2, 2004

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

AND

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

AND

IN THE MATTER OF
TUSK ENERGY INC., TUSK ENERGY CORPORATION AND TKE ENERGY TRUST

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Nova Scotia, the Yukon Territory, the Nunavut Territory and the Northwest Territories (the "Jurisdictions") has received an application from TUSK Energy Inc. ("TUSK"), TUSK Energy Corporation ("TUSKEx") and TKE Energy Trust (the "Trust") (collectively, the "Filers") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

1.1 the requirement contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "Registration and Prospectus Requirements"), except in Alberta, British Columbia, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan where the legislation provides equivalent relief, shall not apply to certain trades made by TUSK, TUSKEx and the Trust in connection with a proposed plan of arrangement (the "Arrangement") under Section 193 of the *Business Corporations Act* (Alberta) ("ABCA") involving TUSK, TUSKEx, the Trust and the securityholders of TUSK (the "Arrangement Relief");

1.2 with respect to the successor of TUSK ("AmalgamationCo") on its amalgamation with TUSK AcquisitionCo Inc. ("AcquisitionCo") in those Jurisdictions (which do not include Nova Scotia, Prince Edward Island, Northwest Territories and Saskatchewan) in which it becomes a reporting issuer or the equivalent under the Legislation, the requirements contained in the Legislation to issue a news release and file a report with the Jurisdictions upon the occurrence of a material change, file an annual report, where applicable, file interim financial statements and audited annual financial statements with the Jurisdictions and deliver such statements to the securityholders of AmalgamationCo, file and deliver an information circular or make an annual filing with the Jurisdictions in lieu of filing an information circular, file an annual information form, file a business acquisition report if required, and provide management's discussion and analysis of financial condition and results of operations, all as more particularly set out in National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") (the "Continuous Disclosure Requirements") shall not apply to AmalgamationCo (the "Continuous Disclosure Relief");

1.3 the Registration and Prospectus Requirements shall not apply to the distribution of trust units of the Trust ("Trust Units") by way of distribution reinvestment and/or optional cash payments for additional Trust Units pursuant to the distribution reinvestment plan of the Trust (the "DRIP"), or, as applicable, the first trade of the Trust

Units issued pursuant to the DRIP (collectively, "DRIP Units") (the "DRIP Relief")

(the Arrangement Relief, Continuous Disclosure Relief and DRIP Relief are collectively referred to as the "Requested Relief").

2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the "MRRS"):

2.1 the Alberta Securities Commission is the principal regulator for this application, and

2.2 this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

3. Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

4. This decision is based on the following facts represented by the Filers:

4.1 TUSK is a corporation incorporated under the ABCA and is headquartered in Calgary, Alberta. Its business is the acquisition, exploration, development and production of petroleum and natural gas primarily in Western Canada. It is, and has been for a period of time in excess of four months, a reporting issuer or the equivalent in the provinces of British Columbia, Alberta, Manitoba, Ontario and Québec. The common shares of TUSK ("TUSK Shares") are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "TKE".

4.2 TUSK will hold a special meeting of securityholders ("TUSK Securityholders") on October 28, 2004 for the purpose of approving the Arrangement (the "Meeting"). The information circular for the Meeting (the "Information Circular") will contain (or to the extent permitted, will incorporate by reference) prospectus-level disclosure in respect of TUSK, the Trust and TUSKEx and a detailed description of the Arrangement. Holders of TUSK Shares ("TUSK Shareholders") will have the right to dissent from the Arrangement under Section 191 of the ABCA.

4.3 Pursuant to the Arrangement, TUSK will be reorganized into the Trust and TUSKEx. At the date on which the Arrangement becomes effective under the ABCA (the "Effective Date"), the Arrangement would result in TUSK Shareholders exchanging each of their TUSK Shares for, at their election where eligible, either 0.50 of one Trust Unit or 0.50 of one share of AcquisitionCo. exchangeable into a Trust Unit ("Exchangeable Share"), plus 0.50 of one common share of TUSKEx ("TUSKEx Share"). The exchange ratio effectively consolidates the Trust Units and the TUSKEx Shares on a two-for-one basis.

4.4 The Trust will be an open-ended, unincorporated investment trust governed by the laws of Alberta, pursuant to a trust indenture to be entered into between Computershare Trust Company of Canada ("Computershare"), as trustee, and TUSK (the "Trust Indenture"), and will be headquartered in Calgary, Alberta. Its mandate will be to generate stable monthly distribution to holders of Trust Units ("Unitholders"). Its authorized capital will consist of an unlimited number of Trust Units and an unlimited number of special voting units ("Special Voting Units"). As a result of the implementation of the Arrangement, the Trust will become a successor reporting issuer to TUSK or the equivalent in one or more of the Jurisdictions. The Trust will also apply to list the Trust Units on the TSX.

4.5 TUSKEx will be incorporated under the ABCA and headquartered in Calgary, Alberta. As a result of the implementation of the Arrangement, TUSKEx will acquire certain assets ("TUSKEx Assets") from TUSK in exchange for TUSKEx Shares, which will then, through operation of the Arrangement, be distributed to TUSK Shareholders. Also, TUSKEx will apply to list the TUSKEx Shares on the TSX.

4.6 As part of the Arrangement, a limited number of Exchangeable Shares, which number shall be less than the total number of Trust Units issuable, will be made available for issuance at the election of eligible TUSK Shareholders. In the event that more Exchangeable Shares are requested than those available, the Exchangeable Shares will be prorated and TUSK Shareholders will receive Trust Units in lieu of Exchangeable Shares. Holders of Exchangeable Shares will not receive cash distributions from TKE Trust or

AmalgamationCo in respect of distributions on Trust Units. In lieu of monthly cash distributions, the exchange value of the Exchangeable Shares will increase based on the amount of distributions paid to Unitholders and decrease based on the amount of dividends paid to holders of Exchangeable Shares. TUSK Shareholders which are non-resident or tax exempt will not be eligible to receive Exchangeable Shares.

4.7 As part of the Arrangement, TUSK will amalgamate with AcquisitionCo, a wholly-owned subsidiary of the Trust, to form AmalgamationCo and all of the common shares and unsecured, subordinated promissory notes ("Notes") issuable in conjunction with the operation of the Arrangement by AcquisitionCo, pursuant to a note indenture to be entered into between AcquisitionCo and Computershare, will be owned by the Trust.

4.8 A Special Voting Unit will be created and issued to a trustee (the "Voting and Exchange Agreement Trustee") under a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") and will entitle the Voting and Exchange Agreement Trustee to exercise at each meeting of Unitholders the number of votes equal to the number of Trust Units into which the Exchangeable Shares are then exchangeable multiplied by the number of votes to which the holder of one Trust Unit is then entitled. By furnishing instructions to the Voting and Exchange Agreement Trustee, holders of Exchangeable Shares will be able to exercise the same voting rights with respect to the Trust as they would if they exchanged their Exchangeable Shares for Trust Units.

4.9 The Exchangeable Shares are exchangeable by the holder thereof into Trust Units. The exchange ratio used to determine how many Trust Units a holder of Exchangeable Shares is entitled to receive upon an exchange of such shares (the "Exchange Ratio") will initially be one-to-one. The Exchange Ratio will then be cumulatively adjusted by: (i) increasing the Exchange Ratio based in part on the amounts of the distributions paid on the Trust Units; and (ii) decreasing the Exchange Ratio based in part on the amounts of the dividends paid on the Exchangeable Shares. The Exchange Ratio will also be adjusted in the event of certain other reorganizations or distributions in respect of the Trust Units as necessary on an economic equivalency basis.

4.10 Upon implementation of the DRIP, Unitholders may, at their option, reinvest their cash distributions to purchase DRIP Units by directing Computershare to apply distributions on their existing Trust Units to the purchase of DRIP Units or by making optional cash payments. Optional cash payments may be submitted monthly, quarterly or annually by the participants.

4.11 DRIP Units will be acquired based on the treasury purchase price, being the arithmetic average of the daily volume weighted average trading prices of the Trust Units on the TSX for the trading days in the period of successive trading days commencing on the second business day after the distribution record date and ending on the second business day immediately prior to the distribution payment date (provided however that if such period exceeds 10 trading days, then the 10 successive trading days preceding the second business day prior to the distribution payment date) on which at least a board lot of Trust Units is traded, appropriately adjusted for certain capital changes (including Trust Unit subdivisions, Trust Unit consolidations, certain rights offerings and certain distributions).

4.12 Subsequent to the financial year of the Trust ending December 31, 2004, the aggregate number of DRIP Units that may be issued under the cash payment option in any financial year of the Trust will be limited to 2% of the number of Trust Units issued and outstanding at the start of such financial year.

4.13 The Arrangement will be effected by way of a plan of arrangement pursuant to Section 193 of the ABCA. The Arrangement will require (i) approval by not less than two-thirds of the votes cast by the TUSK Securityholders (present in person or represented by proxy) at the Meeting, and, thereafter, (ii) approval of the Court.

4.14 The Meeting will be held on October 28, 2004 and it is anticipated that upon receipt of the required approvals at the Meeting, the Arrangement will be

submitted for final approval by the Court on October 28, 2004.

4.15 There are numerous trades, potential trades and transactions involving TUSK Shares, TUSKEx Shares, Exchangeable Shares (including the Ancillary Rights as defined below), Notes, Trust Units, and rights to acquire Trust Units which will occur pursuant to the Arrangement (collectively, such trades, potential trades and transactions are referred to herein as the "Trades").

4.16 While in most Jurisdictions a large portion if not all of the Trades fit within existing statutory registration and prospectus exemptions provided for in the Legislation, a number of Trades do not or may not because of the technical requirements of the exemptions and the precise mechanics of the various issuances and exchanges. Exemptions from the Registration and Prospectus Requirements of the Legislation in certain Jurisdictions do not provide for securities of any entity other than a company or a corporation to be issued in connection with a plan of arrangement. Notwithstanding that such latter Trades may not meet the technical requirements of an exemption, all Trades are of types that are within the spirit and intent of one or more exemptions.

4.17 Certain rights of exchange, redemption, retraction and liquidation (the "Ancillary Rights") to be granted by the Trust on the Arrangement through the mechanisms of the Voting and Exchange Trust Agreement will be included in the bundle of rights attributable to the Exchangeable Shares and will not be securities separate from the Exchangeable Shares. These rights will either be held by the Voting and Exchange Agreement Trustee under the Voting and Exchange Trust Agreement for the benefit of the holders of Exchangeable Shares and cannot be exercised by any other person, or will not be traded separately from the Exchangeable Shares and, as such, cannot be considered to be securities separate and apart from the Exchangeable Shares themselves. These rights will not only be contained in the share provisions of the Exchangeable Shares but will also be specified in the Voting and Exchange Trust Agreement in order to provide priority with the Trust.

4.18 Upon completion of the Arrangement, AmalgamationCo will become a reporting issuer under the Legislation of Alberta, British Columbia, Manitoba, Ontario and Québec, due to the fact that its existence will continue following the exchange of securities in connection with the Arrangement.

4.19 Upon becoming a reporting issuer under the Legislation, an issuer must comply with the Continuous Disclosure Requirements. However, application of the Continuous Disclosure Requirements to both the Trust and AmalgamationCo would be costly but provide no real benefit to investors, for the following reasons. The Trust and AmalgamationCo will be very closely integrated**.** The Exchangeable Shares provide a holder with a security in an issuer (i.e. AmalgamationCo) having participation and voting rights which are, as nearly as practicable, equivalent to those of Trust Units and should allow certain TUSK Shareholders to receive the shares on a tax-deferred basis. The rights attaching to the Exchangeable Shares and Trust Units are practically equivalent and the value of the Exchangeable Shares and Trust Units is entirely dependent on the assets and operations of only the Trust, on a consolidated basis. Therefore, the only Continuous Disclosure Requirements relevant to a holder of Exchangeable Shares (or Trust Units) are Continuous Disclosure Requirements relating to the Trust. Holders of Exchangeable Shares effectively have a participating interest in the Trust and do not have a participating interest in AmalgamationCo and, therefore, it is the information furnished under the Continuous Disclosure Requirements relating to the Trust that is directly relevant to the holders of both Exchangeable Shares and Trust Units. Only the Trust, as the sole holder of the outstanding common share(s) of AmalgamationCo, not the holders of Exchangeable Shares or Trust Units, will have a direct participating interest in AmalgamationCo.

4.20 A distribution of securities by any issuer to its securityholders pursuant to a dividend or distribution reinvestment and optional cash payment plan or similar arrangement is subject to the Registration and Prospectus Requirements of the Legislation unless appropriate exemptions are available. The distributions that will be paid to the Unitholders under the DRIP will include royalty income in relation to the income

that the Trust receives from AmalgamationCo on oil and gas properties.

4.21 Legislation in some of the Jurisdictions provides exemptions from the Registration and Prospectus Requirements for distribution reinvestment plans. Such exemptions are not available to the Trust in certain of the Jurisdictions because such exemptions are generally with respect to the distribution of one or more of the following: (i) dividends; (ii) interest; (iii) capital gains; or (iv) earnings or surplus.

4.22 Legislation in some of the Jurisdictions provides exemptions from the Registration and Prospectus Requirements for optional cash payments provided, however, that in any financial year of an issuer the aggregate number of securities issued pursuant to this component of the plan does not exceed 2% of the issued and outstanding securities as at the commencement of each financial year. The Trust's financial year will commence as at the Effective Date, at which time there will only be one Trust Unit issued and outstanding, and therefore the relief would not be available for the Trust's first financial year.

4.23 Legislation in some of the Jurisdictions provides exemptions from the Registration and Prospectus Requirements for reinvestment plans of mutual funds. Such exemptions are unavailable to the Trust since it is a royalty trust and does not fall within the definition of a "mutual fund" contained in the Legislation of the relevant Jurisdictions.

Decision

5. 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.

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted in that:

6.1 except in Alberta, British Columbia, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan, the Registration and Prospectus Requirements contained in the Legislation shall not apply to the Trades provided that the first trade in securities distributed under this Decision (other than first trades which are themselves Trades) shall be deemed to be a distribution or primary distribution to the public;

6.2 the Prospectus Requirement shall not apply to the first trade in Trust Units, Exchangeable Shares or TUSKEx Shares acquired by TUSK Securityholders under the Arrangement and the first trade of the Trust Units acquired on the exercise of all rights, automatic or otherwise, under such Exchangeable Shares, provided that, in Manitoba and Yukon, the conditions in subsection (3) of section 2.6 of MI 45-102 are satisfied and, for the purposes of determining the period of time that TUSKEx or the Trust has been a reporting issuer under section 2.6 of MI 45-102, the period of time that TUSK was a reporting issuer in at least one of the jurisdictions listed in Appendix B of MI 45-102 immediately before the Arrangement will be included;

6.3 in Québec, the Registration and Prospectus Requirements contained in the Legislation shall not apply to the first trade in Trust Units, Exchangeable Shares or TUSKEx Shares acquired by TUSK Securityholders under the Arrangement and the first trade of the Trust Units acquired on the exercise of all rights, automatic or otherwise, under such Exchangeable Shares, provided that:

6.3.1 the Trust or TUSKEx, as applicable, is and has been a reporting issuer in Québec for the 4 months immediately preceding the trade and, for the purposes of determining the period of time that the Trust or TUSKEx has been a reporting issuer in Québec, the period of time that TUSK was a reporting issuer in Québec immediately before the Arrangement will be included;

6.3.2 no extraordinary commission or consideration is paid to a person or company in respect of the trade;

6.3.3 no unusual effort is made to prepare the market or create a demand for the securities that are the subject of the trade; and

6.3.4 if the selling security holder is an insider of the Trust or TUSKEx, as applicable, the selling security holder has no reasonable grounds to believe that the Trust or TUSKEx, as applicable, is in default of securities legislation;

6.4 except in Nova Scotia, Prince Edward Island, Northwest Territories and Saskatchewan, the Continuous Disclosure Requirements shall not apply to AmalgamationCo for so long as:

6.4.1 the Trust is a reporting issuer in at least one of the jurisdictions listed in Appendix B of MI 45-102 and is an electronic filer under National Instrument 13-101 SEDAR;

6.4.2 the Trust concurrently sends to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure material furnished to the Unitholders under the Continuous Disclosure Requirements;

6.4.3 the Trust complies with the requirements of the Legislation and of the TSX, and of any other market or exchange on which the Trust Units are or come to be quoted or listed, in respect of making public disclosure of material information on a timely basis;

6.4.4 the Trust files with each Decision Maker copies of all documents required to be filed by it pursuant to NI 51-102;

6.4.5 AmalgamationCo is in compliance with the requirements of the Legislation to issue a news release and file a report under the Legislation upon the occurrence of a material change in respect of the affairs of AmalgamationCo that is not also a material change in the affairs of the Trust;

6.4.6 the Trust includes in all future mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to the Trust and not to AmalgamationCo, such statement to include a reference to the similarities between the Exchangeable Shares and Trust Units and the right to direct voting at meetings of the Unitholders;

6.4.7 the Trust remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of AmalgamationCo; and

6.4.8 AmalgamationCo has not issued any securities, other than the Exchangeable Shares, securities issued to the Trust or its affiliates, or debt securities issued to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions;

6.5 the Registration and Prospectus Requirements contained in the Legislation shall not apply to distributions by the Trust of DRIP Units under the DRIP, including pursuant to optional cash payments, provided that:

6.5.1 except in Alberta and Saskatchewan, no sales charge is payable by DRIP participants in respect of the distributions;

6.5.2 except in Alberta and Saskatchewan, the Trust has caused to be sent to the person or company to whom the DRIP Units are traded, not more than 12 months before the trade, a statement describing:

(A) their right to elect to participate in the DRIP on a monthly basis to receive DRIP Units instead of cash on the making of a distribution by the Trust and how to terminate such participation; and

(B) instructions on how to make the election referred to in (A);

6.5.3 for the 2004 financial year of the Trust ending December 31, 2004, the aggregate number of DRIP Units issuable under the optional cash payment portion of the DRIP does not exceed 2% of the Trust Units issued and outstanding immediately after the Effective Date, and, thereafter, the aggregate number of DRIP Units issuable under the optional cash payment portion of the DRIP does not exceed 2% of the issued and outstanding Trust Units as at the commencement of the particular financial year of the Trust; and

6.5.4 except in Alberta and Saskatchewan, at the time of the trade, the Trust is a reporting issuer or the equivalent in at least one of the Jurisdictions and is not in default of any requirements of the Legislation;

6.6 except in Québec, the first trade or resale of DRIP Units acquired pursuant to the DRIP in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation, unless the conditions set out in paragraphs 2 through 5 of subsection 2.6(3) of Multilateral Instrument 45-102 are satisfied; and

6.7 in Québec, the first trade (alienation) of DRIP Units acquired pursuant to the DRIP shall be deemed to be a distribution or primary distribution to the public unless:

6.7.1 at the time of the first trade, the Trust is and has been a reporting issuer in Québec for the 4 months immediately preceding the trade, and, for the purposes of determining the period of time that the Trust has been a reporting issuer in Québec, the period of time that TUSK was a reporting issuer in Québec immediately before the Arrangement will be included, and is not in default of any of the requirements of securities legislation in Québec;

6.7.2 no unusual effort is made to prepare the market or to create a demand for the DRIP Units;

6.7.3 no extraordinary commission or other consideration is paid to a person or company other than the vendor of the DRIP Units in respect of the first trade; and

6.7.4 the vendor of the DRIP Units, if in a special relationship with the Trust, has no reasonable grounds to believe that the Trust is in default of any requirement of the securities legislation in Québec.

"Glenda A. Campbell, Q.C."
Vice-Chair
Alberta Securities Commission

"Stephen R. Murison"
Vice-Chair
Alberta Securities Commission

2.2 Orders

2.2.1 Newlook Industries Corp. - ss. 83.1(1)

Headnote

Subsection 83.1(1) — issuer deemed to be a reporting issuer in Ontario — issuer a reporting issuer in Alberta and British Columbia – issuer's securities listed for trading on the TSX Venture Exchange — continuous disclosure requirements in Alberta and British Columbia substantially the same as those in Ontario — issuer has a significant connection to Ontario

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83.1(1).

IN THE MATTER OF
THE SECURITIES ACT R.S.O. 1990,
CHAPTER S.5, AS AMENDED (THE "ACT")

AND

IN THE MATTER OF
NEWLOOK INDUSTRIES CORP.

ORDER
(Subsection 83.1(1))

UPON the application of Newlook Industries Corp. ("Company") for an order pursuant to subsection 83.1(1) of the Act deeming the Company to be a reporting issuer for the purposes of Ontario securities legislation;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the "Commission");

AND UPON the Company representing to the Commission as follows:

1. The Company was incorporated under the *British Columbia Company Act* under the name "Newlook Capital Corp." on October 26, 1999 and changed its corporate name from Newlook Capital Corp. to Newlook Industries Corp. on May 15, 2002.

2. The Company's head office and its primary place of business is located in Toronto, Ontario.

3. The authorized share capital of the Company consists of 100,000,000 common shares without par value, 100,000,000 Class "A" Preference shares with a par value of $1.00 and 100,000,000 Class "B" Preference shares with a par value of $5.00 of which 27,040,000 common shares (the "Common Shares") are presently issued and outstanding.

4. The Company has been a reporting issuer under the *Securities Act* (British Columbia) (the "BC Act") since February 18, 2000 and a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") since March 17, 2000. The Company is not a reporting issuer or the equivalent under the securities legislation of any other jurisdiction in Canada;

5. The Company is not in default of any requirements under the BC Act or the Alberta Act.

6. The Company's Common Shares are listed on the TSX Venture Exchange under the symbol TSXV:NLI. The Company is not in default of any of the requirements of the TSX Venture Exchange.

7. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.

8. The continuous disclosure materials filed by Company under the BC Act and the Alberta Act since March 17, 2000 are available on the System for Electronic Document Analysis and Retrieval (SEDAR). The Company's continuous disclosure record is up to date.

9. Neither the Company nor any of its officers, directors, nor to the knowledge of the Company, its officers and directors, any of its controlling shareholders, has:

   (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;

   (ii) entered into a settlement agreement with a Canadian securities regulatory authority; or

   (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision;

10. Neither the Company nor any of its officers, directors, nor to the knowledge of the Company, its officers and directors, any of its controlling shareholders, is or has been subject to:

    (i) any known ongoing or concluded investigations by a Canadian securities regulatory authority, or a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or

    (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with

creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years;

11. None of the officers or directors of the Company, nor to the knowledge of the Company, its officers and directors, any of its controlling shareholders, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:

(i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or

(ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years;

12. The Company has a significant connection to Ontario as:

a) its principal and head office is located in Ontario;

b) all of the Company's officers and a majority of its directors are resident in Ontario; and

c) approximately 90% of the outstanding Common Shares are registered to residents of Ontario;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that Company be deemed to be a reporting issuer for the purposes of Ontario securities legislation.

September 21, 2004.

"Erez Blumberger"

2.2.2 Mark Edward Valentine - s. 127

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

AND

IN THE MATTER OF
MARK EDWARD VALENTINE

ORDER
(Section 127)

WHEREAS on June 17, 2002 the Ontario Securities Commission (the "Commission") made a Temporary Order (the "Temporary Order") pursuant to section 127(1) of the Securities Act, R.S.O. 1990, c.S.5 as amended (the "Act");

AND WHEREAS the Temporary Order was extended on July 8, 2002, and further extended on January 31, 2003, February 14, 2003, July 28, 2003, February 2, 2004 and July 27, 2004;

AND WHEREAS on January 29, 2004 Staff of the Commission issued an Amended Amended Statement of Allegations in this matter;

AND WHEREAS the Commission has been advised that all parties consent to the extension of the Temporary Order to December 14, 2004;

AND AS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that the Temporary Order is continued on the following terms:

1. the registration of Valentine is suspended and the exemptions contained in Ontario securities law do not apply to Valentine for a period commencing from this date and ending December 14, 2004 or the commencement of the final hearing in this matter, whichever comes first;

provided that, during this period, Valentine may trade in certain securities for his own account or for the account of his registered retirement savings plan or registered retirement income fund (as defined in the Income Tax Act (Canada)) if:

a) the securities are securities referred to in clause 1 of subsection 35(2) of the Act; or

b) in the case of securities other than those referred to in the foregoing paragraph (a):

(i) the securities are listed and posted for trading on The Toronto Stock Exchange or the

New York Stock Exchange (or their successor exchanges); and

(ii) Valentine does not own directly, or indirectly through another person or company or through any person or company acting on his behalf, more than one (1) percent of the outstanding securities of the class or series of the class in question;

c) Valentine must submit standing instructions to each registrant with whom he has an account, or through or with whom he trades any securities, directing that copies of monthly account statements be forwarded to the Commission;

d) for all personal trading Valentine must carry out permitted trading through accounts opened in his name only and must close any accounts in which he has any beneficial ownership or interest that were not opened in his name only;

2. if a hearing arising out of the Notice of Hearing dated January 26, 2004 in connection with the matters set out in the Amended Amended Statement of Allegations is not commenced for whatever reason on or before December 14, 2004, Staff of the Commission may apply to the Commission for an order extending this order for such further period as the Commission considers appropriate.

3. in this order, "Ontario securities law" has the meaning ascribed to that term in the Act.

4. Valentine must file with the Secretary to the Commission's office particulars of his compliance with paragraphs 1(c) and 1(d) of the order dated February 14, 2003.

October 29, 2004.

"Robert L. Shirriff" "Suresh Thakrar"

2.2.3 Virgin Metals Inc. - s. 144

Headnote

Section 144 – application for revocation of cease trade order – issuer subject to cease trade order as a result of its failure to file with the Commission and send to its shareholders annual financial statements – issuer has brought filings up to date – full revocation granted.

Applicable Ontario Statutory Provision

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, CHAPTER S.5, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
VIRGIN METALS INC.

ORDER
(Section 144)

WHEREAS the securities of Virgin Metals Inc. (the "Issuer") are subject to a temporary order dated June 2, 2000 made by Ontario Securities Commission (the "Commission") pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, which was extended by an order of the Commission dated June 16, 2000 made pursuant to subsection 127(8) of the Act (collectively, the "Cease Trade Order"), directing that trading in securities of the Issuer cease until the Cease Trade Order is revoked by a further order of revocation;

AND WHEREAS the Issuer has made an application to the Commission pursuant to section 144 of the Act for an order revoking the Cease Trade Order;

AND WHEREAS the Issuer has represented to the Commission that:

1. The Issuer is a corporation incorporated by letters patent on January 13, 1934 under the laws of the Province of Ontario.

2. The Issuer is a reporting issuer under the Act and has been a reporting issuer in Ontario since February 27, 1934. The Issuer is not a reporting issuer or the equivalent in any other jurisdiction in Canada.

3. The authorized capital of the Issuer consists of an unlimited number of common shares ("Common Shares") of which 27,225,085 Common Shares are issued and outstanding.

4. Other than the Common Shares, the Issuer has no securities (including debt securities) outstanding.

5. The Common Shares are not listed or quoted on any exchange or market. The Common Shares were previously quoted on the CDN System under the symbol "VERG".

6. The Issuer has not carried on business since May 25, 2000. It owns no material assets or liabilities other than indebtedness owed to its creditors.

7. The Cease Trade Order was issued due to the failure of the Issuer to file and deliver annual audited financial statements for the year ended December 31, 1999 (the "December 1999 Statements"). Subsequently, the Issuer failed to file audited financial statements for the years ended December 31, 1999, 2000, 2001, 2002 and 2003 (together with the December 1999 Statements, the "Financial Statements") and interim unaudited financial statements for the first, second and third quarters for each of fiscal year 2000, 2001, 2002 and 2003 (the "Interim Statements").

8. Except for the Cease Trade Order, the Issuer is not, to its knowledge, in default of any of the requirements of the Act or the rules and regulations made thereunder, other than the following:

   (a) the Issuer failed to file the Financial Statements when due;

   (b) the Issuer failed to file the Interim Statements; and

   (c) the Issuer failed to file press releases and material change reports in respect of certain material changes of the Issuer (the "Material Changes").

9. Notwithstanding the foregoing, it is hereby acknowledged that the Issuer recently took the following steps which may have contravened the terms of the Cease Trade Order:

   (i) the Issuer entered into preliminary discussions with potential investors about a proposed financing; and

   (ii) certain officers of the Issuer entered into discussions with the Cavanagh Estate with regard to acquiring all the Common Shares held by the Cavanagh Estate as well as Common Shares held by Doris Cavanagh.

10. The Financial Statements and the Interim Statements were not filed in a timely manner with the Commission or sent to the shareholders of the Issuer because the Issuer was inactive and did not have the funds necessary to prepare and mail such statements.

11. The Financial Statements and the unaudited financial statements of the Issuer for the three month period ending March 31, 2004 were filed with the Commission on SEDAR on June 15, 2004 and June 22, 2004 and were mailed to shareholders on July 2, 2004. The Issuer has also filed on SEDAR its unaudited financial statements for the three month period ending June 30, 2004.

12. The Issuer has not filed the Interim Statements because the Issuer believes that the Interim Statements would not provide additional useful information concerning the present or future operations or financial circumstances of the Issuer because during the period covered by the Interim Statements the Issuer was inactive.

13. The Issuer has undertaken to the Commission to issue a press release and material change report which will provide information on the Material Changes. The Issuer will concurrently file the press release and material change report on SEDAR.

14. The Issuer was previously known as El-Bonanza Mining Corporation, Limited (El Bonanza). During the period the Issuer was known as El-Bonanza, the Issuer was subject to a temporary order of the Commission dated November 10, 1980 which was extended by an order of the Commission dated November 21, 1980 (collectively, the "El-Bonanza Cease Trade Order"). The El-Bonanza Cease Trade Order was made as a result of the cancellation of the Issuer's charter for failure to file material required under the *Corporations Tax Act, 1972* (Ontario). The El-Bonanza Cease Trade Order was partially revoked by the Commission on December 12, 1997 to permit the issuance of common shares in connection with a reverse take-over (the "RTO") involving Alamos Resources Limited. The El-Bonanza Cease Trade Order was revoked on January 13, 1998 following the completion of the RTO and the Issuer becoming current with the financial and continuous disclosure requirements of the Act.

15. The Issuer is not considering and is not involved in any discussion relating to a reverse take-over transaction or similar transaction.

AND UPON considering the application and the recommendations of 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 hereby revoked.

October 27, 2004.

"John Hughes"

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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
Consolidated Care Point Medical Centres Ltd.	18 Oct 04	29 Oct 04	29 Oct 04	
Healthtrac, Inc.	18 Oct 04	29 Oct 04	29 Oct 04	
RTICA Corporation	21 Oct 04	02 Nov 04	02 Nov 04	
Snow Leopard Resources Inc.	19 Oct 04	29 Oct 04	29 Oct 04	
Slater Steel Inc.	29 Oct 04	10 Nov 04		

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
Aavdex Corporation	21 Oct 04	3 Nov 04			
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Hollinger Canadian Newspapers, Limited Partnership	18 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Hollinger International Inc.	18 May 04	01 Jun 04	01 Jun 04		
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		

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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

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Total Purchase Price ($)	Number of Securities
12-Oct-2004	The Toronto Dominion Bank	10981 Newfoundland Limited - Notes	120,683,732.00	120,683,732.00
15-Oct-2004	Blackboard Ventures;Inc	Accel IX, L.P. - Limited Partnership Interest	9,253,750.31	9,253,750.00
14-Oct-2004	A.M. Stewart Investments	Acuity Pooled Canadian Equity Fund - Trust Units	70,000.00	3,144.00
14-Oct-2004	Catherine Armstrong	Acuity Pooled Growth and Income Fund - Trust Units	285,000.00	26,785.00
12-Oct-2004 to 18-Oct-2004	30 Purchasers	Acuity Pooled High Income Fund - Trust Units	5,378,985.99	290,756.00
14-Oct-2004 to 15-Oct-2004	3 Purchasers	Acuity Pooled Income Trust Fund - Trust Units	335,000.00	20,142.00
30-Jun-2004	9 Purchasers	Adsero Corp. - Common Shares	346,410.00	1,732,050.00
05-Apr-2004	6 Purchasers	Adsero Corp. - Common Shares	882,765.00	9,808,500.00
13-Oct-2004	Linda J. Rice	Adsero Corp. - Warrants	37,620.00	30,000.00
21-Oct-2004	3 Purchasers	ADB Systems International Ltd. - Notes	250,000.00	250,000.00
07-Oct-2004	CI Mutual Funds Inc. Credit Risk Advisors LP	AirGate PCS, Inc. - Notes	1,579,500.00	1,250.00
14-Oct-2004	31 Purchasers	AirIQ Inc. - Subscription Receipts	22,952,190.00	9,488,720.00
14-Oct-2004	NCE Flow-Through (2004) L.P.	Arctic Star Diamond Corp. - Flow-Through Shares	1,000,000.00	1,250,000.00
28-Sep-2004	YMG Private Wealth Opportunities Fund	Arctic Star Diamond Corp. - Flow-Through Shares	200,000.00	500,000.00
12-Oct-2004	28 Purchasers	Associated Proteins Limited Partnership - Limited Partnership Units	5,450,000.00	5,450,000.00
19-Oct-2004	3 Purchasers	Atwood Oceanics, Inc. - Stock Option	2,541,400.00	52,400.00
22-Oct-2004	7 Purchasers	Bema Gold Corporation - Flow-Through Shares	1,285,000.00	321,250.00

18-Oct-2004	CMP 2004 Resource L.P. Canada Dominion Resource 2004 L.P.	Canarc Resource Corp. - Flow-Through Shares	487,500.00	750,000.00
22-Oct-2004	Vineet Narang	Canex Energy Inc. - Common Shares	15,000.00	10,000.00
05-Oct-2004	8 Purchasers	CareVest Blended Mortgage Investment Corporation - Preferred Shares	570,616.00	570,616.00
05-Oct-2004	3 Purchasers	CareVest Second Mortgage Investment Corporation - Preferred Shares	40,000.00	40,000.00
14-Oct-2004	Dio Innamorato Pasquale DiCapo	Ceduna Capital Corp. - Notes	30,000.00	600,000.00
19-Oct-2004	34 Purchasers	Chamaelo Energy Inc. - Common Shares	1,700,611.00	1,700,611.00
13-Oct-2004	Salida	CMS Energy Corporation - Common Shares	114,987.60	10,000.00
15-Oct-2004	3 Purchasers	Conundrum Residential Property Income Fund - Notes	7,600,000.00	3.00
15-Oct-2004	3 Purchasers	Conundrum Residential Property Income Fund - Units	1,900,001.00	32,000.00
12-Oct-2004	The Toronto Dominion Bank	Dean MacDonald - Notes	7,047,759.00	7,047,759.00
01-Nov-2004	Wireless With You Corp.	Digital Youth Network Corp. - Common Shares	16,422.80	41,057.00
06-Oct-2004	3 Purchasers	Edgestone Capital Venture Fund II- GP, L.P. - Units	100.00	100.00
06-Oct-2004	3 Purchasers	Edgestone Capital Venture Fund II- US GP, L.P. - Units	10,000.00	100.00
21-Oct-2004	25 Purchasers	Expatriate Resources Ltd. - Flow-Through Shares	7,323,080.00	22,884,625.00
21-Oct-2004	27 Purchasers	Expatriate Resources Ltd. - Units	1,806,000.00	5,643,750.00
12-Oct-2004	137 Purchasers	Four Winds Income Fund - Units	1,536,600.00	236,400.00
13-Oct-2004	MineralFields 2004-VI Limited Partnership	Gallery Resources Limited - Units	100,000.00	1,428,571.00
04-Oct-2004	Dr. Edward Beltran David H. Hill	GangaGen Life Sciences Inc. - Preferred Shares	43,000.00	143,333.00
15-Oct-2004	5 Purchasers	Genstar Capital Partners IV, L.P. - Limited Partnership Interest	37,619,595.00	37,619,595.00
19-Oct-2004	36 Purchasers	GLR Resources Inc. - Units	675,059.80	5,231,066.00
21-Oct-2004	5 Purchasers	Gowest Amalgamated Resources Ltd. - Flow-Through Shares	93,000.00	310,000.00

21-Oct-2004	3 Purchasers	Gowest Amalgamated Resources Ltd. - Units	36,000.00	120,000.00
28-Sep-2004	Don Ross James Steel	Gryphon Gold Corporation - Stock Option	69,250.00	10,500.00
21-Oct-2004	5 Purchasers	Harte Gold Corp. - Units	425,000.00	1,062,500.00
29-Sep-2004	Fidelity Canadian Disciplined Equity Fund	High River Gold Mines Ltd. - Common Shares	800,000.00	500,000.00
30-Oct-2004	15 Purchasers	Highpine Oil & Gas Limited - Warrants	9,666,000.00	1,074,000.00
20-Oct-2004	Peter Winnell Jan Moir	iseemedia, Inc. - Common Shares	16,575.00	19,500.00
21-Oct-2004	4 Purchasers	Imperial Metals Corporation - Common Shares	2,306,250.00	307,500.00
21-Oct-2004	4 Purchasers	Imperial Metals Corporation - Flow-Through Shares	1,440,000.00	160,000.00
18-Oct-2004	12 Purchasers	Innergex Power Income Fund - Trust Units	14,999,160.00	1,239,600.00
01-Oct-2004	Paul Beeston Mavrix Resource Fund 2004 LP	International Samuel Exploration Corp - Units	120,000.00	600,000.00
18-Oct-2004	Peter Juelsberg	Internet Identity Presence Co. - Common Shares	7,000.00	700,000.00
29-Sep-2004	1 Purchaser	Kent Exploration Inc. - Warrants	20,000.00	400,000.00
15-Oct-2004	Al Mair;RSP Virginia Mair;RSP	Kingwest Avenue Portfolio - Units	6,126.48	283.00
30-Sep-2004	Lancaster Balanced Fund II	Lancaster Global Fund - Trust Units	836,592.50	92,050.00
30-Sep-2004	Lyle Shantz Hallman Charitable Fdn	Lancaster Short Bond Fund - Trust Units	52.52	5.10
08-Oct-2004	41 Purchasers	Mainstreet Equity Corp - Debentures	0.00	21,325,000.00
15-Oct-2004	3 Purchasers	Mercury Receivables Trust - Notes	7,318,713.94	3.00
25-Oct-2004	4 Purchasers	Midlands Minerals Corporation - Units	119,124.65	277,035.00
14-Oct-2004	6 Purchasers	Minco Mining and Metals Corporation - Common Shares	1,799,700.00	1,285,000.00
08-Oct-2004	3 Purchasers	Mint Technology Corp. - Common Shares	56,350.00	115,000.00
14-Oct-2004	CBC Pension Board of Trustees	Morguard Industrial Properties (I) Inc. - Common Shares	1,527,120.00	1,527,120.00

18-Oct-2004	Steven & Corina Starbuck Glenn Verge	New Solutions Financial (II) Corporation - Debentures	650,000.00	650,000.00
25-Oct-2004	Credit Risk Advisors	Northwestern Corporation - Notes	305,300.00	1.00
22-Oct-2004	3 Purchasers	O'Donnell Emerging Companies Fund - Units	67,580.00	10,178.00
15-Oct-2004	Lower East Capital Partners Inc.	Ozz Corporation - Common Shares	882,000.00	980,000.00
15-Oct-2004	Lower East Capital Partners Inc.	Ozz Corporation - Common Shares	80,460.00	89,400.00
19-Oct-2004	3 Purchasers	Pacific Rodera Ventures Inc. - Common Shares	4,830,000.00	4,200,000.00
15-Oct-2004	11 Purchasers	Paramount Resources Ltd. - Flow-Through Shares	24,588,250.00	833,500.00
13-Aug-2004	11 Purchasers	Pareto Corporation - Warrants	0.00	750,000.00
12-Oct-2004	Sprott Securities Inc.	Prairie Schooner Energy Inc. - Common Shares	100,800.00	72,000.00
20-Oct-2004	6 Purchasers	Precision Assessment Technology Corporation - Units	613,983.15	4,293,221.00
20-Oct-2004	6 Purchasers	Precision Assessment Technology Corporation - Warrants	613,983.15	1,746,610.00
19-Oct-2004	30 Purchasers	Professional Networks L.P. #1 - Limited Partnership Units	960,000.00	96.00
21-Oct-2004	4 Purchasers	Quadra Resources Inc. - Units	88,800.00	740,000.00
22-Sep-2004	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	2,632.79	398.00
18-Oct-2004	3 Purchasers	Recognia Inc. - Notes	17,000.00	3.00
21-Oct-2004	3 Purchasers	Resolve Ventures Inc. - Flow-Through Shares	180,000.00	1,000,000.00
15-Sep-2003	51 Purchasers	RHEO Therapeutics Inc. - Common Shares	3,297,000.00	1,648,500.00
14-Oct-2004	K. Andrew White	Route1 Inc. - Common Shares	500,005.00	1,562,516.00
14-Oct-2004	First Associates Investments Wellington West Capital	Route1 Inc. - Common Shares	0.00	997,630.00
14-Oct-2004	54 Purchasers	Route1 Inc. - Units	4,291,784.70	12,262,242.00
21-Oct-2004	Northwest Specialty High Yield Bond Fund	Solstice ABS CBO III, Ltd. - Preferred Shares	1,760,000.00	1,877.00
21-Oct-2004	23 Purchasers	South American Gold and Copper Company Limited - Units	2,067,710.00	29,538,714.00

19-Oct-2004	Hare & Co.	Superior Energy Services, Inc. - Common Shares	306,250.00	25,000.00
29-Sep-2004	Constellation Certificate Trust (TMT 19HE) Series 2004- 1	Terwin Mortgage Trust 2004-19HE - Certificate	68,750,000.00	1.00
01-Oct-2004	15 Purchasers	Tower Hedge Fund L.P. - Units	237,261.57	21,668.00
06-Oct-2004	CCFL Subordinated Debt Fund (III) Limited Partnership	Tri-Tec Industries Ltd. - Notes	14,300,000.00	1.00
14-Oct-2004 to 20-Oct-2004	Cesar Cesarratto James R. McGee	Triacta Power Technologies Inc. - Common Shares	25,000.00	50,000.00
18-Oct-2004	5 Purchasers	Triton Energy Corp. - Common Shares	114,000.00	285,000.00
15-Oct-2004	9 Purchasers	University of Ontario Institute of Technology - Debentures	220,000,000.00	220,000,000.00
08-Oct-2004	3 Purchasers	Ventas Realty, Limited Partnership - Notes	1,389,960.00	1,100.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
20-20 Technologies Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated October 27, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
C$ * - * Common Shares
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
CIBC World Markets Inc.
Westwind Partners Inc.
Promoter(s):
-
Project #700932

Issuer Name:
Agnico-Eagle Mines Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated October 27, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
Debt Securities - Common Shares Warrants
US$500,000,000
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #701386

Issuer Name:
Barrick Gold Finance Company, formerly Homestake Canada Holdings Company
Type and Date:
Preliminary Short Form Shelf Prospectus dated October 27, 2004
Receipted on October 28, 2004
Offering Price and Description:
US $1,000,000,000 - Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #701173

Issuer Name:
Bema Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
Cdn$100,010,000.00 - 27,400,000 Shares
Underwriter(s) or Distributor(s):
GMP Seucrities Ltd.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
CIBC World Markets Inc.
Haywood Securities Inc.
Orion Securities Inc.
Promoter(s):
-
Project #701503

Issuer Name:
Bolcar Énergie Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated November 1, 2004
Mutual Reliance Review System Receipt dated November 2, 2004
Offering Price and Description:
Minimum Offering: $1,701,000
Maximum Offering: $5,001,000
Underwriter(s) or Distributor(s):
Investpro Securities Inc.
Promoter(s):
-
Project #702740

Issuer Name:
Burgundy Focus Equity RSP Fund
Burgundy Focus Japan Fund
Type and Date:
Preliminary Simplified Prospectuses dated October 28, 2004
Receipted on November 2, 2004
Offering Price and Description:
Mutual Fund Units
Underwriter(s) or Distributor(s):
Burgundy Asset Management Ltd.
Burgundy Asset Management Ltd.
Promoter(s):
Burgundy Asset Management Ltd.
Project #702665

Issuer Name:
Central Gold-Trust
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated November 1, 2004
Mutual Reliance Review System Receipt dated November 2, 2004
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc,
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Sprott Securities Inc.
Promoter(s):
J. C. Stefan Spicer
Alexander J. Grieve
Project #694033

Issuer Name:
Connor, Clark & Lunn Conservative Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated November 1, 2004
Mutual Reliance Review System Receipt dated November 2, 2004
Offering Price and Description:
$ * (Maximum) - * Units $10.00 per Unit - Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
First Associates Investments Inc.
Raymond James Ltd.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #702683

Issuer Name:
CRF 2004 Limited Partnership
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated November 1, 2004
Offering Price and Description:
A Maximum of 1,500,000 and a Minimum of 500,000 Limited Partnership Units
Minimum Subscription: 250 Units Subscription Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
First Associates Investments Inc.
Dundee Securities Corporation
McFarlane Gordon Inc.
Pacific International Securities Inc.
Research Capital Corporation
Union Securities Ltd.
Promoter(s):
CRF 2004 Management Limited
Project #702709

Issuer Name:
Dimethaid Research Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated October 27, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
$ * - * Units -Each Unit consisting of one $1,000 principal amount 5.0% Convertible Unsecured Debenture due 2009 and * Common Share Purchase Warrants
Underwriter(s) or Distributor(s):
Research Capital Corporation
McFarlane Gordon Inc.
Promoter(s):
-
Project #700232

Issuer Name:
DOFASCO INC.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$300,000,000 - Medium Term Notes
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #701759

Issuer Name:
Duvernay Oil Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$42,500,000 - 2,500,000 Common Shares Price: $17.00 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Scotia Capital Inc.
Firstenergy Capital Corp.
Sprott Securities Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Promoter(s):
-
Project #701798

Issuer Name:
Eldorado Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
Cdn$3.75 per Common Share - 18,000,000 Common Shares Cdn$67,500,000
Underwriter(s) or Distributor(s):
Orion Securities Inc.
National Bank Financial Inc.
Sprott Securities Inc.
UBS Securities Canada Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Raymond James Ltd.
TD Securities Inc.
Promoter(s):
-
Project #701484

Issuer Name:
FortisBC Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$ * - * % Senior Unsecured Debentures due Price: * % per Debenture
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #701791

Issuer Name:
Frontera Copper Corporation
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated October 27, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
$ * - * Common Shares
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Haywood Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #698792

Issuer Name:
Garrison International Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 25, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
$6,000,000.00 - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Dominick & Dominick Securities Inc.
Promoter(s):
-
Project #700435

Issuer Name:
Hubble Capital Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated October 26, 2004
Mutual Reliance Review System Receipt dated October 27, 2004
Offering Price and Description:
Minimum Offering: $800,000/2,000,000 common shares;
Maximum Offering: $1,400,000/3,500,000 common shares
Price: $0.40 per common share
Underwriter(s) or Distributor(s):
CTI Capital Inc.
Promoter(s):
-
Project #700764

Issuer Name:
ING Canada Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$ * - * Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
CIBC World Markets Inc.
Promoter(s):
-
Project #701712

Issuer Name:
Lawrence Payout Ratio Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 27, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
Maximum $ * Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Promoter(s):
Lawrence Asset Management Inc.
Project #701439

Issuer Name:
Limerick Mines Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 26, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$<*> Regular Units and <*> FT Units
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
John P. Steele
Project #701552

Issuer Name:
Montrusco Bolton Income & Growth Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$ * (Maximum) * Units Price: $10.00 per Unit; Minimum Purchase: * Units
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Promoter(s):
Montrusco Bolton Investments Inc.
Project #701698

Issuer Name:
MSP Maxxum Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
Maximum: $ * (* Units) Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
First Associates Investments Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #701883

Issuer Name:
OccuLogix, Inc.
Principal Regulator - Ontario
Type and Date:
Second Amended and Restated Preliminary PREP Prospectus dated November 1, 2004
Mutual Reliance Review System Receipt dated November 2, 2004
Offering Price and Description:
U.S.$ * - * Units
Underwriter(s) or Distributor(s):
Citigroup Global Markets Canada Inc.
Clarus Securities Inc.
Orion Securities Inc.
Octagon Capital Corporation
Promoter(s):
-
Project #685325

Issuer Name:
Onyx Trust II
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated November 1, 2004
Offering Price and Description:
Maximum: $ < * > (< * > Redeemable Units)
Minimum: $ < * > (< * > Redeemable Units)
Price: $25 per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Promoter(s):
OpenSky Capital
Project #702050

Issuer Name:
OpenSky Capital Managed Protection Income Trust Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated November 1, 2004
Mutual Reliance Review System Receipt dated November 2, 2004
Offering Price and Description:
$ * (aximum) - * Units Price: $10.00 per Unit; Minimum Purchase: 200 Units
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Promoter(s):
OpenSky Capital
Project #702778

Issuer Name:
Sceptre Income & High Growth Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated October 27, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
Maximum: $ * (* Units) Price: $10.00 per Unit - Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Promoter(s):
Sceptre Fund Management Inc.
Project #701354

Issuer Name:
Summit Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$115,000,000.00 - 5.70% Series A Debentures due November 10, 2011 (Senior Unsecured)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #701971

Issuer Name:
ACCUMULUS TALISMAN FUND
ACCUMULUS DIVERSIFIED MONTHLY INCOME FUND
ACCUMULUS SHORT-TERM INCOME FUND
ACCUMULUS BALANCED FUND
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated October 26, 2004 to Final Simplified Prospectuses and Annual Information Forms dated February 17, 2004
Mutual Reliance Review System Receipt dated November 1, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
McFarlane Gordon Inc.
McFarlane Gordon Inc.
Promoter(s):
Accumulus Management Ltd.
Project #582997

Issuer Name:
ACTIVEnergy Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 27, 2004
Mutual Reliance Review System Receipt dated October 27, 2004
Offering Price and Description:
Maximum: 50,000,000 Trust Units @ $$10.00 per Unit = $500,000,000
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
First Associates Investments Inc.
Wellington West Capital Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Acadian Securities Incorporated
Middlefield Capital Corporation
Research Capital Corporation
Promoter(s):
Middlefield Group Limited
Middlefield ACTIVEnergy Management Limited
Project #692049

Issuer Name:
AirSource Power Fund I L.P.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
Minimum: $45,000,000 (4,500,000 Limited Partnership Units); Maximum: $65,000,000 (6,500,000 Limited Partnership Units) PRICE: $10.00 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Inc.
Desjardins Securities Inc.
First Associates Investments Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Bieber Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Algonquin Power (St. Leon) Inc.
GreenWing Energy Inc.
Project #694872

Issuer Name:
ALAMOS GOLD INC
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated October 26, 2004
Mutual Reliance Review System Receipt dated October 27, 2004
Offering Price and Description:
Cdn$ 24,000,000.00 - 8,000,000 Shares Price: Cdn$3.00 per Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
GMP Securities Ltd.
BMO Nesbitt Burns Inc.
Haywood Securities Inc.
McFarlane Gordon Inc.
Promoter(s):
-
Project #698034

Issuer Name:
Barclays Top 100 Equal Weighted Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
Maximum: 35,000,000 Units @ $10 per Unit = $350,000,000
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Dundee Securities Corporation
Canaccord Capital Corporation
Desjardins Securities Inc.
First Associates Investments Inc.
Raymond James Ltd.
Promoter(s):
Barclays Global Investors Canada Limited
Project #693115

Issuer Name:
Barrick Gold Finance Company
Type and Date:
Final Short Form Base Shelf Prospectus dated October 28, 2004
Receipted on November 1, 2004
Offering Price and Description:
US $1,000,000,000.00 - Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #701173

Issuer Name:
Barrick Gold Inc.
Barrick Gold Corporation
Type and Date:
Amended and Restated Short Form Base Shelf Prospectus dated October 28, 2004
Receipted on November 1, 2004
Offering Price and Description:
US $1,000,000,000.00 - Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #551556, 551569

Issuer Name:
BMO Nesbitt Burns Canadian Stock Selection Fund
BMO Nesbitt Burns U.S. Stock Selection Fund
BMO Nesbitt Burns Bond Fund
BMO Nesbitt Burns RRSP Stock Selection Fund
BMO Nesbitt Burns Balanced Fund
BMO Nesbitt Burns Balanced Portfolio Fund
BMO Nesbitt Burns Growth Portfolio Fund
BMO Nesbitt Burns All Equity Portfolio Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 1, 2004
Mutual Reliance Review System Receipt dated November 2, 2004
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
BMO Nesbitt Burns Inc.
Project #693642

Issuer Name:
Capital Alliance Ventures Inc.
Type and Date:
Final Prospectus dated October 27, 2004
Receipted on October 29, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #692398

Issuer Name:
Scotia T-Bill Fund
Scotia Premium T-Bill Fund
Scotia Money Market Fund
Scotia CanAm® U.S.$ Money Market Fund

Scotia Canadian Bond Index Fund
Scotia Mortgage Income Fund
Scotia Canadian Income Fund
Scotia CanAm U.S.$ Income Fund
Scotia CanGlobal Income Fund

Scotia Canadian Balanced Fund
Scotia Total Return Fund

Scotia Selected Income & Modest Growth Fund
Scotia Selected Balanced Income & Growth Fund
Scotia Selected Conservative Growth Fund
Scotia Selected Conservative Growth RSP Fund
Scotia Selected Aggressive Growth Fund
Scotia Selected Aggressive Growth RSP Fund

Scotia Partners™ Income & Modest Growth Portfolio
Scotia Partners Balanced Income & Growth Portfolio
Scotia Partners Conservative Growth Portfolio
Scotia Partners Aggressive Growth Portfolio

Scotia Canadian Stock Index Fund
Scotia Canadian Dividend Fund
Scotia Canadian Blue Chip Fund
Scotia Canadian Growth Fund
Scotia Canadian Small Cap Fund
Scotia Resource Fund

Scotia American Stock Index Fund
Scotia American Growth Fund
Scotia CanAm Stock Index Fund
Scotia Nasdaq Index Fund
Scotia Young Investors™ Fund
Scotia International Stock Index Fund
Scotia Global Growth Fund
Scotia European Growth Fund
Scotia Pacific Rim Growth Fund
Scotia Latin American Growth Fund

Capital U.S. Large Companies Fund
Capital U.S. Large Companies RSP Fund
Capital U.S. Small Companies Fund
Capital U.S. Small Companies RSP Fund
Capital International Large Companies Fund
Capital International Large Companies RSP Fund
Capital Global Discovery Fund
Capital Global Discovery RSP Fund
Capital Global Small Companies Fund
Capital Global Small Companies RSP Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Scotia Securities Inc.
Scotia Securites Inc.
Promoter(s):
The Bank of Nova Scotia
Project #694231

Issuer Name:
Central Fund of Canada Limited
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
U.S.$84,900,000.00 - 15,000,000 non-voting, fully-participating Class A Shares Price: U.S.$5.66 per non-voting, fully-participating Class A Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
-
Project #699250

Issuer Name:
Charterhouse Preferred Share Index Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
Maximum: 4,000,000 PSI Preferred Shares @ $25 per Share = $100,000,000
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Wellington West Capital Inc.
McFarlane Gordon Inc.
Promoter(s):
Charterhouse PSI Management Corporation
Project #694940

Issuer Name:
Charterhouse PSI Investment Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Wellington West Capital Inc.
McFarlane Gordon Inc.
Promoter(s):
Charterhouse PSI Management Corporation
Project #694942

Issuer Name:
Clarington Diversified Income + Growth Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
$125,000,000 (max) - 12,500,000 units @ $10.00
$1,000 (min) - 100 units @ $10.00
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Dundee Securities Corporation
Desjardins Securities Inc.
First Associates Investments Inc.
Raymond James Ltd.
Promoter(s):
Clarington Investments Inc.
Project #694042

Issuer Name:
Croft Enhanced Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated November 1, 2004
Mutual Reliance Review System Receipt dated November 2, 2004
Offering Price and Description:
Mutual Fund Units at Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
R N Croft Financial Group Inc.
Project #691073

Issuer Name:
Croft Enhanced Income Fund
Croft Select Securities Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 1, 2004
Mutual Reliance Review System Receipt dated November 2, 2004
Offering Price and Description:
Mutual Fund Units at Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
R N Croft Financial Group Inc.
Project #691080

Issuer Name:
First Asset Equal Weight REIT Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
Units @ Net Asset Value
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Promoter(s):
First Asset Funds Inc.
Project #695242

Issuer Name:
Global DiSCS Trust 2004-1
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Promoter(s):
RBC Dominion Securities Inc.
Project #694486

Issuer Name:
Gold Reserve Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$20,020,000.00 - 3,575,000 Units Price: $5.60 per Unit
Underwriter(s) or Distributor(s):
Orion Securities Inc.
Sprott Securities Inc.
GMP Securities Ltd.
Promoter(s):
-
Project #698870

Issuer Name:
Income & Growth Split Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
-
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.
Dundee Securities Corporation
First Associates Investments Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Faircourt Asset Management Inc.
Project #693976

Issuer Name:
Keystone AGF American Fund
Keystone AGF Bond Fund
Keystone Conservative Portfolio Fund
Keystone Balanced Portfolio Fund
Keystone Balanced Growth Portfolio Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated October 27, 2004 to Final Simplified Prospectuses and Annual Information Forms dated May 21, 2004
Mutual Reliance Review System Receipt dated November 1, 2004
Offering Price and Description:
Series A, D, F, I, O and T
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #633928

Issuer Name:
Mavrix Balanced Income and Growth Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 26, 2004
Mutual Reliance Review System Receipt dated October 27, 2004
Offering Price and Description:
Maximum: 10,000,0000 @ $10 per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
First Associates Investments Inc.
Raymond James Ltd.
Trilon Securities Corporation
Bershire Securities Inc.
GMP Securities Ltd.
McFarlane Gordon Inc.
Union Securities Ltd.
Wellington West Capital Inc.
Promoter(s):
Mavrix Fund Management Inc.
Project #691753

Issuer Name:
MBS Adjustable Rate Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
First Associates Investments Inc.
Berkshire Securities Inc.
Desjardins Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Sentry Select Capital Corp.
Project #692277

Issuer Name:
Nuveen Senior Floating Rate Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$150,000,000 (maximum) - 15,000,000 units @ $10/unit
$2,000 (minimum) - 200 units @ $10/unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
First Associates Investments Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Wellington West Capital Inc.
Berkshire Securities Inc.
Promoter(s):
Fairway Advisors Inc.
Fairway Capital Management Corp.
Project #694828

Issuer Name:
Scotia Money Market Fund

Scotia Canadian Income Fund
Scotia Canadian Corporate Bond Fund

Scotia Canadian Balanced Fund

Scotia Canadian Dividend Fund
Scotia Canadian Blue Chip Fund
Scotia Canadian Small Cap Fund

Scotia American Growth Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Scotia Securities Inc.
Promoter(s):
The Bank of Nova Scotia
Project #694284

Issuer Name:
SRAI Capital Corp.
Sunstone Opportunity Fund (2004) Limited Partnership
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated October 25, 2004
Mutual Reliance Review System Receipt dated October 28, 2004
Offering Price and Description:
Minimum: $5,000,000 (400 Units); Maximum: $25,000,000 (2,000 Units) - $12,500 per Unit
Underwriter(s) or Distributor(s):
DUNDAS SECURITIES CORPORATION
SORA GROUP WEALTH ADVISORS INC.
BIEBER SECURITIES INC.
FIRST ASSOCIATES INVESTMENTS INC.
Promoter(s):
Suntone Realty Advisors Inc.
Project #682215;682235

Issuer Name:
Tahera Diamond Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated October 29, 2004
Mutual Reliance Review System Receipt dated October 29, 2004
Offering Price and Description:
$45,050,000.00 - 132,500,000 Common Shares PRICE: $0.34 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities Ltd.
TD Securities Inc.
National Bank Financial Inc.
Dundee Securities Corporation
Westwind Partners Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #697088

Issuer Name:
TIR Systems Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated October 27, 2004
Mutual Reliance Review System Receipt dated October 27, 2004
Offering Price and Description:
$10,005,750.00 - 2,223,500 Common Shares Price: $4.50 per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
Dloughy Merchant Group Inc.
Sprott Securities Inc.
Promoter(s):
-
Project #697854

Issuer Name:
Venturelink Brighter Future (Equity) Fund Inc.
Venturelink Financial Services Innovation Fund Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated October 28, 2004
Mutual Reliance Review System Receipt dated November 1, 2004
Offering Price and Description:
Class A Shares, Series III and Class A Shares, Series IV
Underwriter(s) or Distributor(s):
-
Promoter(s):
CFPA Sponsor Inc.
Skylon Advisors Inc.
Project #695127

Issuer Name:
VentureLink Diversified Income Fund Inc.
Type and Date:
Final Prospectus dated October 28, 2004
Receipted on November 1, 2004
Offering Price and Description:
Class A Shares, Series III and Class A Shares, Series IV
Underwriter(s) or Distributor(s):
Skylon Funds Management Ltd.
Promoter(s):
CFPA Sponsor Inc.
Skylon Advisors Inc.
Project #695114

Issuer Name:
Yamana Gold Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated November 2, 2004
Mutual Reliance Review System Receipt dated November 2, 2004
Offering Price and Description:
Cdn.$75,037,500.00 - 21,750,000 Common Shares Price: Cdn.$3.45 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Sprott Securities Inc.
National Bank Financial Inc.
Harris Partners Limited
Westwind Partners Inc.
First Associates Inc.
Promoter(s):
Santa Elina Mines Corporation
Project #699899

Issuer Name:
Torstar Corporation
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated October 31st, 2003
Closed on November 1st, 2004
Offering Price and Description:
$500,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
CIBC World Markets Inc.
Promoter(s):
-
Project #584748

Issuer Name:
Khan Resources Inc.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated June 30, 2004
Withdrawn on October 5, 2004
Offering Price and Description:
$* - * Units
UNDERWRITER(S):
Dominick & Dominick Securities Inc.
Loewen, Ondaatje, McCutcheon Limited
PROMOTER(S):
Wallace M. Mays

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Category	Fruchet Asset Management Inc.	From: Limited Market Dealer & Investment Counsel & Portfolio Manager & Commodity Trading Manager To: Extra Provincial Limited Market Dealer & Investment Counsel & Portfolio Manager & Commodity Trading Manager	October 25, 2004
New Registration	Pacific Spirit Investment Management Inc.	Extra-Provincial Investment Counsel and Portfolio Manager	October 29, 2004
Suspension of Registration	Glenmount, LLC	Non-Canadian Adviser (Investment Counsel & Portfolio Manager)	October 28, 2004
New Registration	Eagle Asset Management, Inc.	International Adviser (Investment Counsel and Portfolio Manager)	November 1, 2004
New Registration	Hancock Natural Resource Group, Inc.	International Adviser (Investment Counsel & Portfolio Manager)	November 1, 2004
Change of Name	From: The Investment Shop Inc. To: Monarch Wealth and Investment Group Inc.	Mutual Fund Dealer and Limited Market Dealer	October 8, 2004
New Registration	KCS Fund Strategies Inc.	Limited Market Dealer, Investment Counsel & Portfolio Manager (Extra Provincial Adviser)	November 2, 2004
New Registration	TD Waterhouse Private Investment Counsel Inc.	Limited Market Dealer & Investment Counsel & Portfolio Manager	October 27, 2004
Change of Name	Calamos Advisors LLC	International Adviser (Investment Counsel & Portfolio Manager)	October 15, 2004

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 TSX Notice - Approval of Amendments to Parts V, VI and VII of the Toronto Stock Exchange Company Manual in respect of Non-Exempt Issuers, Changes in Structure of Issuers' Capital and Delisting Procedures

TORONTO STOCK EXCHANGE
NOTICE

APPROVAL OF AMENDMENTS TO PARTS V, VI AND VII OF THE TORONTO STOCK EXCHANGE COMPANY MANUAL IN RESPECT OF NON-EXEMPT ISSUERS, CHANGES IN STRUCTURE OF ISSUERS' CAPITAL AND DELISTING PROCEDURES

Introduction

In accordance with the "Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals" between the Ontario Securities Commission (the "OSC") and Toronto Stock Exchange ("TSX"), TSX has adopted and the OSC has approved the amendments (the "Amendments") to Parts V, VI and VII of the TSX Company Manual (the "Manual"). The Amendments will become effective on January 1, 2005.

Substance and Purpose

The Amendments establish TSX's standards and practices in respect to non-exempt issuers (Part V), changes in structure of issuers' capital (Part VI) and delisting procedures (Part VII).

The purpose of the Amendments is to provide listed issuers with a complete and transparent set of standards and practices allowing issuers and investors and their respective advisors, to have certainty when planning and completing transactions. TSX believes that this will result in more efficient, cost effective access to Canadian capital markets, while maintaining a quality marketplace for all capital market participants.

Background

Over the years, TSX has developed a body of standards and staff practices which has not always been published. Recognizing the importance of transparency, this review was undertaken with the goal of publishing a complete set of standards and practices for issuers, investors and their respective advisors.

In conducting its review, TSX compiled all written and unwritten standards and practices. We also completed a comparative analysis of standards and practices of other exchanges (TSX Venture Exchange, New York Stock Exchange, Nasdaq, London Stock Exchange and Australian Stock Exchange). A number of key stakeholders across Canada were consulted, including issuers, lawyers, institutional investors and shareholder rights groups.

Following its review and consultation with key stakeholders, TSX published for comment the original amendments (the "2002 Amendments") on August 2, 2002. In response to the 2002 Amendments, nine written comment letters were received by TSX. Following receipt of the comment letters, substantive and technical changes were made to the 2002 Amendments and the subsequent amendments (the "2004 Amendments") were published for comment on January 2, 2004. In response to the 2004 Amendments, an additional nine comment letters were received by TSX. Attached as Appendix C is a summary of the comments and TSX's responses to the comments.

Summary of the Amendments

A description of the principal amendments follows. Certain amendments have been made to the 2004 Amendments. These amendments are identified in the summary description below.

Please note that attached as Appendix A is a Comparative Analysis in table form of the existing TSX standards and practices as compared with the principal amendments. Readers are encouraged to review this section together with the table and the full text of the Amendments in order to gain a complete understanding of the Amendments.

1. Discretion

Currently, TSX has the ability to exercise discretion in granting relief from certain provisions of the Manual or in imposing additional conditions on proposed transactions. While such discretion has been exercised consistently, TSX has not historically published the circumstances in which the exercise of such discretion occurs. Accordingly, section 603 establishes that in exercising its discretion, TSX will consider the effect that the transaction may have on the quality of the TSX marketplace, based on factors which include the following:

(i) the involvement of insiders or other related parties of the listed issuer in the transaction or the negotiation of the transaction;

(ii) the material effect on control of the listed issuer;

(iii) the listed issuer's corporate governance practices;

(iv) the listed issuer's disclosure practices;

(v) the size of the transaction relative to the liquidity of the issuer; and

(vi) an order of a court or similar administrative regulatory body that has considered the security holders' interests.

Other than minor technical amendments, section 604 has not been amended from the 2004 Amendments.

2. Definitions

A number of terms are used in the Manual which do not currently have specified definitions. In order to ensure consistency in interpretation and application, TSX has defined certain key terms.

a. **Market price** means the VWAP on TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the relevant date. In certain exceptional circumstances, the five day VWAP may not accurately reflect the securities' current market price, and TSX may adjust the VWAP based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period. Market price is as at the date: (a) provided for in the binding agreement obligating the issuer to issue the securities (either the date of the binding agreement or some future date); or (b) the date the Section 602 notice is received by TSX, requesting price protection. TSX will accept a signed term sheet, engagement letter, letter of intent, agency agreement, underwriting agreement or other similar agreement as the binding agreement. If the listed securities are suspended from trading or have not traded on TSX or another stock exchange for an extended period of time, the market price will be the fair market value of the listed securities as determined by the listed issuer's board of directors.

This definition allows issuers to have greater flexibility in structuring their transactions while at the same time reducing the possibility that the market price can be artificially manipulated. While the current procedure is for market price to be determined based on the closing price on the trading day prior to TSX's receipt of notice of the proposed transaction (current section 619(b)), TSX currently allows such five day VWAP calculations on an as requested basis.

The definition of "market price" as contained in the 2004 Amendments was subsequently amended to permit price protection. While the Manual did not have a written procedure for obtaining price protection, staff practice has been to grant price protection within the prescribed time periods as specified in the Manual. Historically, TSX has permitted listed issuers to secure a price for the purposes of negotiating a financing. The concept of price protection was intentionally omitted from the original definition of market price because TSX believed that the concept was no longer relevant with a comprehensive definition of market price, however, following receipt of comments and subsequent discussions, TSX amended the definition to include the concept.

b. **Materially affect control** means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result,

in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances outlined above.

While this term is used throughout the Manual, there is no published direction as to how TSX applies this phrase. The definition is meant to clarify current TSX practice and create efficiencies in structuring transactions.

TSX currently does not require security holder approval for transactions which materially affect control of an issuer unless the dilution of the transaction exceeds 25% of the capital of the issuer or involves participation of insiders of the issuer. Pursuant to the Amendments, TSX will require that any transaction which materially affects control, independent of other factors, will require security holder approval.

Other than a minor technical amendment, this definition has not been amended from the 2004 Amendments.

3. Non-exempt Issuers

Under Part V of the Manual, non-exempt issuers must pre-clear all material transactions with TSX. Historically, it is in those instances where a material transaction of a non-exempt issuer involves insiders, may materially affect control or is a transaction described in Part VI of the Manual that TSX imposes conditions on a proposed transaction.

Accordingly, Part V has been amended so that non-exempt issuers would continue to notify TSX of all material changes (section 501). TSX would only review those transactions involving insiders, materially affecting control or described in Part VI of the Manual.

In addition, section 501(c) includes certain requirements for non-arm's length transactions based on the consideration to be received by the non-arm's length party as measured by a percentage threshold of market capitalization of the listed issuer. If the value of the consideration to be received by such party exceeds 2% of the market capitalization, the transaction must be approved by the board and the value of the consideration must be established by independent evidence. Independent evidence establishing the value of the consideration will not be required for executive compensation unless it appears to be commercially unreasonable. In addition, if the value of the consideration to be received by the non-arm's length party exceeds 10% of the market capitalization, a disinterested security holder approval will be required.

The section 501(c) of the 2004 Amendments was amended to exclude the requirement of an independent report establishing the value of the consideration of services provided to a non-exempt issuer by an executive or director of the issuer, unless the consideration appears to be commercially unreasonable.

Other than as noted above and minor technical amendments, Part V has not been amended from the 2004 Amendments.

4. Private Placements, Acquisitions and Warrants

Over time, TSX has developed a number of standards and practices in respect of the issuance of share capital by issuers by way of private placement. TSX has had to respond to a variety of transactions, resulting in TSX adopting a number of standards and practices which historically have not been published. The Amendments address the principal changes to such standards and practices.

a. Dilutive transactions.

Currently, security holder approval is required for any transaction which may result in more than 25% of an issuer's capital being issued or issuable in a six month period, calculated on a non-diluted basis (current section 620).

Subject to TSX's discretion to impose restrictions on transactions involving insiders or materially affecting control, pursuant to the Amendments, transactions involving the issuance of securities priced at or above market price will not be reviewed by TSX (section 607(c)). These transactions are economically neutral to all security holders and do not require TSX review. Reducing the scope of review in these instances will allow for more efficient access to capital markets.

In addition, the 25% threshold for transactions priced below market shall be calculated on a per transaction basis rather than over a six month period (section 607(g)). Current market conditions require that issuers act

quickly when presented with favourable financing opportunities. Accordingly, the Amendments will allow for more efficient marketplace access.

Other than minor technical amendments, section 607 has not been amended from the 2004 Amendments.

b. Pricing and Discounts.

TSX is not amending the allowable discounts to market price for private placements (current section 619(b)).

Currently, TSX does not permit private placements to be priced below the allowable discount in any circumstances. The Amendments provide that security holders may approve a price per security which is below the stated discount (section 607(e)).

Following the publication of the 2002 Amendments, an additional provision was added to Section 607(e) to factor into the subscription price any fees or other amounts payable by the issuer to the subscriber, where such fees are not commercially reasonable. This provision is consistent with the current unwritten practice of TSX. TSX recognizes that certain fees, which are commercially reasonable should not be factored into the subscription price.

Other than as noted above and minor technical amendments, section 607 has not been amended from the 2004 Amendments.

c. Acquisitions.

The Amendments clarify the standards and practices in place for the use of listed securities in payment of the purchase price for assets (current sections 623 and 624; section 611). Section 611 reflects current practices and clarifies that additional documentation will be required if the assets are purchased from an insider. In addition, the Amendments provide that security holder approval may be required if the total number of securities issued or issuable exceed 25% of the issuer's capital.

Section 611 also specifically includes options issued in connection with an acquisition or assumed by the issuer as part of the acquisition. Any securities made issuable will be assessed under the above noted 25% test with respect to the requirement for security holder approval. Accordingly, the relief previously provided for under the security based compensation arrangement provisions have been eliminated. In addition, the previous distinction proposed for public versus private target acquisitions has been eliminated.

TSX is concerned about avoidance of the 25% dilution test where part of the acquisition consideration is cash, funded by privately placed securities. As a result, TSX has developed a practice of aggregating securities issued or made issuable pursuant to a private placement with any securities issued or made issuable pursuant to an acquisition where the two transactions are contingent or otherwise linked. For example if the consideration for an acquisition consists of shares and cash and the cash must be raised by way of private placement, TSX will review the issuance of the securities in the aggregate for the purposes of determining whether or not security holder approval will be required. This requirement is not currently codified in the Manual and was not contained in the Original Amendments. It has now been codified in the Amendments (section 611(g)). A similar provision has been added to the requirements for backdoor listings for the purposes of determining whether a transaction constitutes a backdoor listing (section 626(a)).

Other than as noted above and minor technical amendments, section 611 has not been amended from the 2004 Amendments.

d. Warrants.

Currently, TSX has a prescribed set of requirements for warrants issued in a private placement (current section 622). Over time, as a result of requests from issuers, TSX has developed standards and practices in respect of warrants that historically have remained unpublished.

TSX will permit warrants to be exercisable at a price below market price, provided that security holder approval is obtained. All other conditions, such as number and term of warrants, are to be determined by the issuer (section 608(a)). In addition, warrants may be amended provided that disclosure of such amendments is made by way of press release 10 business days prior to the effective date of the change. Approval by security holders, other than those holding warrants proposed to be amended, will be required in respect of amendments to the terms of warrants held by insiders of the listed issuer. In addition, security holder approval

will be required for any issuer proposing to amend a warrant exercise price to a price less than the then current market price.

Currently, TSX permits the cashless exercise of warrants based on the difference between current market price and the exercise price of the warrants. Subsection 608(c) provides for a cashless exercise of warrants which is based on current staff practice.

Other than minor technical amendments, sections 608 and 609 have not been amended from the 2004 Amendments.

e. Participation of insiders.

The Manual states that TSX may impose additional conditions on non-arm's length transactions (current section 609) and over time certain practices have developed as a result of the application of that provision. Practices limiting insider participation in private placements were implemented to ensure investor confidence and promote a quality marketplace.

TSX recognizes that insiders need not always be treated differently from other investors. Investor confidence and market quality can be realized by limiting insider participation rather than restricting the terms upon which insiders can participate in transactions.

Accordingly, TSX is formally limiting insider participation without security holder approval in transactions over the course of a six month period to the ability to receive, or be entitled to receive, 10% of the issuer's capital, calculated on a non-diluted basis (sections 607(g) and 611(b)). The Amendments contemplates a disinterested security holder approval if the 10% limitation is to be exceeded.

Other than minor technical amendments, these sections have not been amended since the 2004 Amendments.

5. Security Based Compensation Arrangements

Current TSX standards and practice require security holder approval for security based compensation arrangements when certain factors, such as total securities issuable under all arrangements exceeding 10% of the issuer's capital, exist (current section 629). The existence of additional factors, such as insider participation above 10% of the issuer's capital, triggers the requirement for disinterested security holder approval (current section 630).

Under the Amendments, essentially all security based compensation arrangements will be submitted to security holders for their approval. Limited exceptions to the security holder approval for such arrangements include inducements to employment (section 613(c)) and assumption of arrangements in the context of an acquisition (section 611(e)). In addition, disinterested security holder approval will be required if the participation of eligible insiders in all arrangements could exceed 10% of the issued and outstanding securities.

In the 2004 Amendments, TSX had proposed that all arrangements would be subject to disinterested security holder approval, unless: (i) the participation of eligible insiders in all compensation arrangements could not exceed 10% of the issued and outstanding securities; (ii) the unrelated board members recommended the adoption of the arrangement; and (iii) the listed issuer was included in the S&P/TSX Composite Index. TSX subsequently amended the 2004 Amendments to eliminate the latter two requirements as a result of public comments. Comments generally indicated that the requirement for index inclusion was arbitrary and unfair for smaller issuers. TSX agrees and has removed the index inclusion requirement.

The Amendments permit "rolling maximum" or "evergreen" plans which fix a maximum number of shares issuable under an arrangement as a percentage of the issued and outstanding securities of an issuer. All unallocated options under such arrangements are subject to a renewal security holder approval every three years after institution. These types of arrangements are sufficiently material and important to security holders so as to require their approval. The requirement for a fixed maximum number of securities has been amended from the 2004 Amendments to specify that these arrangements must have a maximum number of securities issuable, either as a fixed number or as a fixed percentage of the listed issuer's outstanding securities.

In the 2004 Amendments, TSX had proposed that all arrangements (including those with a fixed maximum number of issuable securities) would be subject to a renewal security holder approval every three years following institution of the arrangement. Following receipt of public comments on the renewal security holder approval, TSX amended the 2004 Amendments to limit the renewal security holder approval to those arrangements which are "rolling maximum" or

"evergreen" plans. Arrangements which have a fixed maximum number of securities issuable thereunder are not subject to the renewal security holder approval.

Security based compensation has become increasingly complex and important, varying from industry to industry. Based on this and on discussions with stakeholders, issuers, and ultimately their security holders, security holders rather than TSX (current section 633), are more appropriately positioned to determine the content of security based compensation arrangements. The disclosure to be provided to security holders when issuers seek security holder approval for such arrangements is prescribed in the Amendments (section 613(d)) and must be pre-cleared by TSX. Meaningful disclosure of the content of such arrangements is necessary for informed security holder approval.

The current rules require that any material amendments to a plan or options held by an insider require the specific approval of disinterested security holders at a meeting (current section 632). Under the Amendments, specific disinterested security holder approval will be required for any amendment which would have the effect of reducing the exercise price or purchase price, or extending the original term of a security based compensation arrangement which benefits an insider (section 613(h)). Otherwise, provided that an issuer has received the appropriate security holder approval for an arrangement which provides for amendments to the arrangement itself or securities granted or issued thereunder, amendments may be made in accordance with the provisions of the arrangement. Should an arrangement not provide for a procedure for amending the arrangement, security holder approval will be required for such amendments, excluding the insiders benefiting from the amendments.

In addition, listed issuers will be required to annually provide disclosure updating its security holders with respect to its security based compensation arrangements. This will entail providing details regarding any amendments made to any such arrangements, any discretionary powers exercised by the board of directors and all other material terms of its security based compensation arrangements.

Other than as noted above, section 613 has not been materially amended from the 2004 Amendments.

6. Charitable Options

TSX currently sets standards for the granting of options to registered charities (current sections 637.1 through 637.10). TSX recognizes that allowing issuers to set up such programs, within specified limits, does not affect the quality of the marketplace. Accordingly, under the Amendments, issuers may issue securities to registered charities provided that security holder approval will be required if the number of securities issued or issuable: (i) to one registered charity exceeds 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the issuance; or (ii) in a 12 month period in the aggregate exceeds 5% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis (section 612).

Other than minor technical amendments, section 612 has not been amended from the 2004 Amendments.

7. Security Holder Approval

Under current section 606, TSX developed certain practices in respect of security holder approval to protect investors and ensure a quality marketplace. Section 604 of the Amendments formalizes these practices, including the circumstances under which security holder approval will be required, the form of such approval and the requirement to pre-clear security holder materials with TSX. In addition, the section outlines when security holder approval by written consent will not be permitted.

Section 604(c) states that the resolution to be approved by security holders must relate to a specific transaction and not to an unspecified future transaction. By requiring specific approval, TSX ensures that transactions requiring security holder approval are executed in the form approved by such security holders, contributing to transparency in the marketplace. Consequently, blanket advanced approval for private placements in excess of 25% of the issuer's capital will no longer be accepted by TSX.

In addition, and similar to an exemption available to reporting issuers under certain policies of the OSC, issuers may apply for an exemption from the requirement for security holder approval if: (i) the listed issuer is in serious financial difficulty; (ii) the application is made upon the recommendation of a committee of unrelated board members; (iii) the transaction is designed to improve the listed issuer's financial situation; and (iv) the transaction is reasonable for the listed issuer in the circumstances. This exemption will not be available in respect of the security holder approval required for security based compensation arrangements or for the issuance of securities to registered charities.

From time to time, TSX has received applications by listed issuers with a single significant security holder which holds or controls in excess of a majority of the votes of all security holders. Certain transactions which would normally require security holder approval, excluding the significant security holder may not necessarily be fair to that security

holder. Instances where a very small minority of the voting securities of a listed issuer may govern or control the direction of that issuer without consideration of the position of the significant security holder may not necessarily be equitable to that security holder. Accordingly, section 604(f) provides a security holder approval exemption for issuers with a security holder which, together with its associates and affiliates, holds at least ninety percent of an issuer's equity and outstanding voting securities.

Other than minor technical amendments, section 604 has not been amended from the 2004 Amendments.

8. Other Principal Market - Interlisted Issuer Exemption

Currently, listed issuers (other than those qualifying in the foreign category at the time of their original listing) are required to comply with Parts IV, V (if non-exempt), VI and VII of the Manual. Frequently, TSX listed issuers who are also listed on another exchange frequently face conflicts in the requirements imposed by all of the exchanges such issuer is listed upon. TSX recognizes that some of the requirements in Part VI of the Manual may not be necessary where the listed issuer's principal market is elsewhere, although that issuer may not be in a position to qualify for TSX's foreign category. Accordingly, TSX has codified an interlisted issuer exemption (section 602(g)) from the requirements related to security holder approval, private placements, unlisted warrants and security based compensation arrangements. Qualifying issuers are required to make specific application at the relevant time in relation to the proposed transaction and at such time must have at least 75% of the trading value and volume of its listed securities traded on another exchange for the preceding six months in order to qualify for the exemption. TSX understands that certain other markets (including Nasdaq and the New York Stock Exchange) provide certain exemptions to listed issuers based on the jurisdiction of incorporation, regardless of whether or not such market is the principal market for the issuer.

Section 602(g) (previously section 602(h) in the 2004 Amendments) has not been amended from the 2004 Amendments.

9. Removal of the Exchange Take-over and Issuer Bids

Over time, TSX has had a significant decline in the applications received for Exchange Take-over and Issuer Bids through the facilities of TSX. Over the past two years, TSX has not received any applications for bids through the facilities of the exchange. As a result in the declining use of such bids, TSX has removed the provisions for Exchange Bids, other than the provisions related to normal course issuer bids and normal course purchases.

In the 2004 Amendments, the provisions related to normal course purchases were removed. The 2004 Amendments were subsequently amended to re-incorporate such provisions within section 627 by reference to the *Securities Act* (Ontario).

10. Normal Course Issuer Bids

Please note that, as a result of further substantive changes not part of the 2002 Amendments or the 2004 Amendments, the amendments to TSX's normal course issuer bid policy are contained in a separate and revised request for comments.

11. Suspension and Delisting

Currently, Part VII of the Manual provides that an issuer will be delisted from TSX within 12 months from the date of its suspension from trading.

The 12 month suspension period was originally established to facilitate reinstatement of suspended issuers able to meet original listing requirements during that time. Historically, reinstatement following suspension has been a rare occurrence. In most cases, a suspended issuer lists on TSX Venture, becoming subject to oversight by both exchanges. The Amendments would eliminate: (i) the additional expense to issuers having to comply with two sets of standards and (ii) the potential of conflicting decisions resulting from differing standards.

Under current remedial review, prior to being suspended, issuers are generally provided with the opportunity to remedy their deficiencies within 120 days. Security holders also have adequate time to liquidate their positions prior to any suspension decision.

The revisions to Part VII provide that issuers, after being afforded an opportunity to be heard, will be delisted from TSX 30 days after the expiry of the 120 day remedial period. Issuers subject to an expedited review process will be suspended immediately upon completion of the expedited review and delisted 30 days after the suspension date.

Other than minor technical amendments, Part VII has not been amended from the 2004 Amendments.

12. Change in Management

Currently, only non-exempt issuers are required to submit Personal Information Forms for new officers and directors (current section 516). A quality marketplace is fostered by having quality participants. Ensuring the suitability of those persons in a position to influence management of a listed issuer is part of TSX's current mandate (current section 716).

Accordingly, under the Amendments, TSX will review the suitability of new officers, directors and insiders for all listed issuers. The filing of a Personal Information Form will be required only if requested by TSX (section 716).

Section 716 has not been amended from the 2004 Amendments.

Text of Amendments

Attached as Appendix B is final version of the Amendments. A blacklined version of the Amendments showing the changes from the 2004 Amendments is available on our website at: www.tsx.com. The Amendments are extensive and as a result the changes have not been marked from the current version of the Manual. In particular, we refer readers as follows:

1. Sections 501 to 613 addressing non-exempt issuers, private placements, warrants and share based compensation;

2. Section 628 through 629.1 addressing normal course issuer bids; the other provisions related to exchange take-over and issuer bids have been removed;

3. Section 642 addressing the effect of the Amendments on current transactions;

4. Part VII addressing the proposed delisting procedure; and

5. The second paragraph of section 716 providing that TSX will review changes in management for all listed issuers.

Readers are advised that the policies currently appearing as appendixes to the Manual have now been incorporated into the Manual as follows:

1. Policy on small security holder selling and purchase arrangements (formerly Appendix D) – Sections 638 through 639;

2. Policy on sales from a control block through the facilities of the Exchange (formerly Appendix D) – Section 630-633;

3. Policy on restricted shares (formerly Appendix E) – Section 624;

4. Policy on normal course issuer bids (formerly Appendix F) – Sections 628 through 629.1 (subject to a separate and revised request for comments); and

5. Policy on security holder rights plans (formerly Appendix G) – Sections 634 through 637.

Timing and Transition

The Amendments will become effective for all notices filed with TSX on and after January 1, 2005 (the "effective date").

The following will be unaffected by the Amendments:

1. Any transaction (including a security based compensation arrangement) of which TSX has been notified of in writing prior to the effective date. Any transaction which has been conditionally approved by TSX prior to the effective date, but which has not closed on or prior to the effective date may be reviewed under the Amendments upon application by the listed issuer;

2. Any transactions or resolutions for which, prior to the effective date, either the listed issuer has mailed final materials to security holders or for which security holder approval has been received;

3. With respect to the initial security holder approval required by Subsection 613(a), any security based compensation arrangement approved by TSX prior to the effective date. Such security based compensation arrangements will be subject to Section 613(a) with respect to the three year approval requirements from the later of the effective date and the date of the initial security holder approval;

4. Any listed issuer under suspension or delisting review on the effective date; and

5. Any listed issuer under suspension from trading on the effective date.

BY ORDER OF THE BOARD OF DIRECTORS

SHARON C. PEL
VICE PRESIDENT, CORPORATE DEVELOPMENT
GENERAL COUNSEL AND CORPORATE SECRETARY

APPENDIX A

Comparative Analysis

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
1. Not all TSX practices are written and/or published.	All TSX standards and practices will be in writing and published for issuers and their advisors.	Transparency of TSX policies will create greater certainty for issuers and their advisors. This will reduce the expense and time required for issuers to complete transactions.
2. Non-exempt TSX listed issuers must pre-clear all material changes with TSX. [ss.502 through 519]	TSX will require notice of all material changes and will review only those transactions which involve insiders or materially affect control. [s. 501]	Limiting the types of transactions requiring TSX review will reduce the expense and time required for issuers to complete transactions. TSX will continue to monitor transactions of non-exempt issuers as they require additional supervision.
3. TSX currently has undefined discretion with respect to imposing conditions on non-arm's length transaction, including the requirement for independent valuations. [s. 513]	TSX will require independent evidence of the value of consideration and security holder approval for non-arm's length transaction where the value of the consideration exceed 2% and 10%, respectively, of the market capitalization of the issuer. This requirement will apply whether or not such transactions involve the issuance of listed securities. [s. 501(c)]	Specific provisions with defined parameters create transparency and increase efficiency in planning transactions.
4. TSX does not specify the time period for responding to a filing. [none]	Issuers will receive notice of acceptance or non-acceptance within 7 business days. For transactions not involving insiders or a material effect on control, the response time will be 3 business days. [ss. 501(d), 602(c), 607(c)]	Specifying service response times provides issuers with certainty and guarantees quality customer service.
5. Not all terms and phrases used in the Manual are defined. [none]	All terms and phrases have been defined. [s. 601]	Definitions create transparency and consistency of interpretation.
6. Market price is defined as the closing price on the day before TSX receives notice of the transaction. [s. 619(b)]	Market price is based on a 5-day volume weighted average trading price. [definition of market price in s. 601]	Weighted average trading prices are less susceptible to market manipulation.
7. TSX currently has unspecified discretion to impose conditions on transactions that may affect the quality of the marketplace. [none]	TSX continues to have discretion to impose conditions or grant exemptions in situations where marketplace quality may be compromised. In order to assist issuers in understanding TSX principal basis for exercising its discretion, TSX has listed the key factors in exercising its discretion. [s. 603]	TSX currently acts to ensure a quality marketplace. Specific mention of this discretion and the basis for exercising this discretion creates greater transparency.

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
8. TSX currently does not permit private placements to be completed at prices below the maximum allowable discount levels. [s. 619(b)]	Private placements below the applicable discount levels will be permitted provided that such placements are specifically approved by disinterested security holders [s. 607(e)].	If security holders approve a highly dilutive private placement, TSX should not otherwise restrict such transactions. The board of directors in exercising its fiduciary duties must act in the best interest of the security holders and in certain circumstances, such a private placement may be necessary. Other exchanges do not regulate the price of securities privately placed.
9. Any transaction resulting in an issuance of more than 25% of an issuer's share capital in a six month period requires security holder approval. [s.620]	Subject to [s.603] above, transactions done at or above market price will not be reviewed. [s.607(c)] In addition, the 25% limit on share capital issuances will be on a per transaction basis rather than the previous 6 months. [s. 607(g)]	While unrestricted below market transactions affect the quality of the marketplace, transactions done at or above market are economically neutral to all security holders. This practice is similar to that of other exchanges.
10. Currently, TSX aggregates securities issued pursuant to private placements with securities issued pursuant to acquisitions where the use proceeds of the private placement are used towards or connected to the acquisition, for the purposes of the 25% security holder approval requirements. [none]	This practice has been codified in the proposed amendments. [s. 611(g)]	Transparency of TSX policies will create greater certainty for issuers and their advisors.
11. TSX sets the standards for warrants issued to private placees. [s. 622] TSX has unwritten standards and requirements for changes to existing warrants. [none] Currently, TSX permits the cashless exercise of warrants. [none]	TSX will allow issuers to set the terms of warrants. The exercise price may be less than market price, provided that disinterested security holders approve the transaction. [s. 608(a)] Issuers may amend warrants provided that details of the changes are press released 10 days prior to the effective date. If insiders hold warrants to be amended, these must be approved by disinterested security holders. [s. 608(b)] A new subsection has been added to permit the cashless exercise of warrants. [s. 608(c)]	Transparency creates certainty and results in more efficient access to capital markets. Subject to restrictions on exercise price and the making of amendments, TSX believes that issuers are in the best position to determine the commercial terms of warrants. The provisions for the cashless exercise of warrants will assist issuers by increasing transparency.
12. TSX has unpublished standards for insider participation in private placements. Currently, insider participants may not benefit from more than one "sweetener" (i.e., an insider could not receive a warrant and purchase shares at a discount even if all other placees are able to do so).	All TSX standards in respect of private placements are published. Insider participation above 10% of the issuer's share capital, calculated on a six month basis will require disinterested security holder approval. [s. 607(g)]	Transparency creates certainty and results in more efficient access to capital markets. The potential for undue influence by insiders is limited by the dilution requirement for security holder approval.

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
TSX exercises its discretion in requiring security holder approval for private placements to insiders and does not have a published rule with respect to such requirements. [none]	Subject to the dilution limits noted above, insider participants may participate on the same terms as other private placement participants.	
13. Private placees are required to undertake not to trade their securities for the longer of 4 months or the hold period under applicable securities legislation. [s. 619(c)]	TSX will not require an undertaking from private placees not to trade securities. [none]	Securities legislation provides for a complete regime in respect of the resale of securities purchase pursuant to an exemption from prospectus requirements.
14. Only certain share compensation arrangements are subject to security holder approval. [ss. 629, 630]	Generally, all security based compensation arrangements will require security holder approval when instituted and arrangements which do not have a fixed number of securities issuable must also be approved every three years thereafter. [s.613(a)] Insiders of the listed issuer entitled to receive a benefit under the arrangement are not entitled to vote their securities in respect of such approval required by subsection 613(a) unless the securities issued and issuable to insiders of the listed issuer under the arrangement, or when combined with all of the listed issuer's other security based compensation arrangements, could not exceed 10% of the listed issuer's total issued and outstanding securities. [s. 613(a)]	Share based compensation is significant enough to security holders to always require their approval. With the removal of the requirement of a fixed maximum number issuable under any arrangement, a new requirement for approval every three years has been added for such arrangements. We note that U.S. exchanges have proposed changes to their standards requiring shareholder approval for all share based compensation arrangements. Security holder approval without the exclusion of insiders is sufficient for issuers proposing compensation arrangements which have limited dilution
15. Currently, only in circumstances where disinterested shareholder approval is required for a share compensation arrangement, TSX requires all security holders, including holders of Restricted Shares, be provided with a voting entitlement based on their residual equity interest, whether or not such a shares normally carry a vote. This requirement is triggered where more than 10% of the issued and outstanding securities are made available under share compensation arrangements. [s. 630]	All security based compensation arrangements, when instituted, will be subject to a security holder approval, including holders of Restricted Securities voting together with other equity securities on the basis of their residual interest. [s. 613(a)]	Holders of Restricted Shares are currently entitled to vote together with other holders of equity securities for the approval of share compensation arrangements where disinterested security holder approval is required. With the changes to disinterested security holder approval for all security based compensation arrangements, TSX proposes to carry forward this entitlement for all security based compensation arrangements in all instances where a disinterested security holder approval is required for compensation arrangements.

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
16. All share compensation arrangements must have a fixed maximum number of securities issuable. Rolling maximums based on a percentage of an issuer's outstanding securities are not permitted. [s. 631]	The requirement for a fixed maximum number of securities has been amended. Listed issuers must have either (i) a fixed maximum number or (ii) a rolling maximum number based on a fixed percentage of its outstanding securities. [s. 613(h)(ii)] These arrangements will be subject to an initial and renewal security holder approval every three years. [s. 613(a)]	Issuers' security based compensation arrangements have grown increasingly complex and varied from industry to industry. Security holders are in the best position to determine what is appropriate for the issuer's security based compensation arrangements. Combined with the proposed renewal by disinterested security holders every three years, market quality will not be adversely affected. We note that the US exchanges permit "evergreen" or rolling plans and that the failure to permit such plans may place Canadian issuers at a competitive disadvantage in providing incentive to its key employees.
17. TSX mandates certain terms for all share compensation arrangements. [ss. 633, 634]	TSX will only mandate the disclosure required by issuers in respect of security based compensation arrangements and [s.613(d)] a minimum exercise price of stock options [s. 613(h)]. Disclosure will be required on an annual basis, whether or not an arrangement is subject to security holder approval. This will include, among other things, details with respect to any amendments to outstanding options which have occurred during the past year. [s. 613(g)]	The importance of security based compensation arrangements varies based on the size and industry of the issuer. While security holders need to know and approve the content of these arrangements, it is not appropriate for TSX to determine the terms of such arrangements.
18. TSX requires that material amendments to options held by insiders be approved by disinterested security holders.	TSX will require specific disinterested security holder approval for amendments to options held by an insider which entail a reduction in the exercise price or an extension to the term of the option. [s.613(h)(iii)] Other material amendments to options held by insiders may be dealt with by the directors, without security holder approval, provided that the arrangement specifically contemplates such discretion and provided that proper disclosure and approval is obtained for the plan. [s. 613(d)(iii)]	Amendments to the price and term of an option held by an insider are significant enough to warrant specific security holder approval. If a security based compensation arrangement, which is approved by security holders, provides the directors with the discretion to make other material amendments to options held by insiders, amendments (other than those related to exercise price and term) are not significant enough to warrant a meeting of the security holders. Details of any such amendments would have to be disclosed on an annual basis.
19. TSX currently has an unwritten rule which permits the adoption of a share compensation arrangement in connection with an arm's length acquisition of another business. [none]	Issuers will be permitted to grant options outside of its security based compensation arrangement in connection with an arm's length acquisition of another business.	Transparency creates certainty and results in more efficient access to capital markets. The grant of the options in connection

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
	Securities issued in connection to or assumed pursuant to security based compensation arrangement(s) of a target company will be aggregated into the acquisition cost for the purposes of the security holder approval requirements. [ss. 611(e) and (f)]	to an arm's length acquisition, constitutes part of the acquisition cost. Frequently, the businesses to be acquired have outstanding options, which could not be rolled over into the existing arrangements of the issuer because of a limited availability of options.
20. Charitable options may be granted with security holder approval and must meet TSX requirements. [ss. 637.4 through 637.11]	Terms of charitable options are set by the issuer, other than exercise price which must be at least market price. Options for more than 2% of an issuer's capital to one registered charity or an aggregate of 5% on annual basis require security holder approval. [s. 612]	While security holders need to know and approve the content of these options, it is not appropriate for TSX to determine the terms of such arrangements.
21. Private placements in excess of 25% of an issuer's share capital in any six month period may be approved by security holder in advance, subject to certain restrictions. [none]	Specific security holder approval, rather than advanced unspecified approval, will be necessary for all transactions where such approval is required. [s. 604(c)]	With the proposed amendments to the requirements for security holder approval (see paragraph 9), the need for advanced security holder approval will be reduced. By requiring specific approval, transactions requiring security holder approval are executed in the form approved by such security holders, contributing to transparency in the marketplace.
22. Issuers cannot apply for an exemption from security holder approval requirements. [none]	Issuers will be able to apply for an exemption from security holder approval requirements (other than share compensation arrangements). This exemption will be automatically granted to issuers meeting quantitative continued listing requirements if the issuer (1) is in serious financial difficulty, (2) the application is made upon the recommendation of a committee of board member(s), free from any interest in the transaction and unrelated to the parties involved in the transaction; (3) the transaction is designed to improve the issuer's financial situation and (4) based on the determination of the committee, the transaction is reasonable in the circumstances. The issuer's board, upon the recommendation of a committee of unrelated directors, must determine that these three requirements are met. Issuers applying for this exemption will be required to disclose in a press	It is in the best interest of security holders and the marketplace for issuers to enter into transactions in a timely manner when faced with financial difficulty. It is appropriate for TSX to defer to the decision of an issuer's unrelated directors in this regard. The Ontario Securities Commission makes a similar exemption available in respect of related party and other special transactions.

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
	release the transaction and the fact that the exemption has been applied for prior to the completion of the transaction. [s.604(e)]	
23. Currently, take-over and issuer bids may be completed through the facilities of the exchange. [Appendix F – Part VI of the TSX Trading Rules and Policies]	Other than with respect to the rules and policies regarding Normal Course Issuer Bids and normal course purchases, the take-over and issuer bid provisions will be withdrawn. The policy on Normal Course Issuer Bids has been removed and will be subject to a separate and revised request for comments.	TSX has had a significant decline in the applications received for exchange take-over and issuer bids through the facilities of the TSX. Over the most recent two years, TSX has not received any applications for bids through the facilities of the exchange.
26. TSX parameters for renewal of small shareholder selling and purchase arrangements are not published.	Two automatic renewals of 30 days each will be permitted provided that TSX is pre-notified and a press release is issued. [s. 639(h)]	Transparency creates certainty and results in more efficient access to our capital market.
27. Issuers on a post-consolidation basis must meet certain financial tests. [s. 691]	Issuers on a post-consolidation basis must meet continued listing requirements. [s. 621(b)]	As security holders must approve the consolidation, TSX should concentrate solely on continued listing requirements.
28. Following a period during which they can remedy their non-compliance, issuers are suspended from the TSX but remain listed for a 12 month period. During this period, the issuer remains subject to TSX requirements and must meet TSX's original listing requirements to be reinstated for trading. [Part VII]	Issuers will be delisted from the TSX 30 days after the expiry of the 120 day remedy period and the right to be heard. Where an issuer is subject to an expedited review, the issuer will be suspended immediately and delisted 30 days following the suspension date. Issuers will be required to meet TSX's original listing requirements in order to be reinstated. [Part VII]	Issuers are currently provided with the opportunity to remedy their deficiencies and security holders also have adequate time to liquidate their positions prior to any suspension decision. The 12 month suspension period is of limited value to issuers. Historically, reinstatement following suspension has been a rare occurrence. Under the Universal Market Integrity Rules issuers listed but not trading on the TSX could trade on another trading system. This would compromise the quality of the marketplace. This amendment also avoids duplication of regulatory oversight for suspended issuers who transfer to TSX Venture Exchange.
29. Only non-exempt issuers are required to submit a Personal Information Form for new officers and directors. [s. 516]	New officers, directors and other insiders of all listed issuers will be reviewed by TSX. Personal Information Forms will only be required if requested by TSX. [s. 716]	A quality marketplace is fostered by having quality participants. Ensuring the suitability of those persons in a position to influence management of a listed issuer is part of TSX's current mandate under s. 716 of the Manual.
30. All listed issuers must comply with the requirements for security holder	An issuer with a single security holder, together with its associates and	Instances where a very small minority of the voting securities of a listed

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
approval, without regard to whether or not the issuer has a large controlling significant security holder. [none]	affiliates, holding at least 90% of the votes and equity of the issuer will be exempted from all TSX security holder requirements. [s. 604(f)].	issuer may govern or control the direction of that issuer without consideration of the position of the significant security holder may not necessarily be equitable to that security holder.
31. Listed issuers with principal markets other than TSX, cannot apply for an exemption from the requirements of security holder approvals, private placements, unlisted warrants and share compensation arrangements. [none]	An issuer which has at least 75% of its volume and value of its listed securities traded on another exchange, will be granted an exemption from the requirements related to security holder approvals, private placements, unlisted warrants and security based compensation arrangements. [s. 602(g)]	Interlisted issuers frequently face conflicts in the requirements imposed by all of the exchanges such issuer is listed upon. Some of the requirements in Part VI of the Manual are not necessary where the listed issuer's principal market is elsewhere.

APPENDIX B

REVISED PARTS V, VI AND VII OF THE TSX COMPANY MANUAL

PART V - SPECIAL REQUIREMENTS FOR NON-EXEMPT ISSUERS

501. (a) This Part is applicable only to ''non-exempt issuers''. The decision as to whether an issuer is non-exempt is made by TSX at the time the issuer is originally approved for listing. Reference should be made to Section 309.1 (Industrial companies), 314.1 (Mining companies) or 319.1 (Oil and Gas companies) of this Manual, which outline the requirements for eligibility for exemption from this Section 501. If these requirements are not met at the time of original listing, the exemption may be granted at such later time as they are met either (i) on application in writing accompanied by the applicable fee by the non-exempt issuer (see Part VIII), or (ii) upon review by TSX. If an applicant is granted an exemption, the fee will be refunded. If an applicant is not granted an exemption, the fee is non-refundable. TSX may revoke a previously granted exemption in appropriate circumstances. Non-exempt issuers are designated in stock quotations in the financial press as ''subject to special reporting rules''.

(b) In addition to complying with all other parts of this Manual, every non-exempt issuer shall give prompt notice to TSX of any proposed material change in the business or affairs of the issuer. See Section 410 for a list of developments likely to require such notice. Material changes other than those described in Subsection 501(c) do not require TSX acceptance under this Part V and TSX will not issue a letter of confirmation or acceptance for such transactions.

(c) Transactions involving insiders or other related parties of the non-exempt issuer (both as defined in Section 601) and which do not involve an issuance or potential issuance of listed securities, or that are initiated or undertaken by the non-exempt issuer and materially affect control (as defined in Section 601) require TSX acceptance under this Part V before the non-exempt issuer may proceed with the proposed transaction. Failure to comply with this provision may result in the suspension and delisting of the non-exempt issuer's listed securities (see Part VII of this Manual).

If the value of the consideration to be received by the insider or other related party exceeds 2% of the market capitalization of the issuer, TSX will require that:

(i) the proposed transaction be approved by the board on the recommendation of the unrelated directors; and

(ii) the value of the consideration be established in an independent report, other than for executive or director compensation for services rendered unless the consideration appears to be commercially unreasonable, as determined by TSX.

In addition, if the value of the consideration to be received by the insider or other related party exceeds 10% of the market capitalization of the issuer, TSX will require that the transaction be approved by the issuer's security holders, other than the insider.

(d) TSX will advise the non-exempt issuer in writing generally within seven (7) business days of receipt by TSX of the subsection 501(c) notice, of TSX's decision to accept or not accept the notice indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.

(e) Where a non-exempt issuer proposes to enter into a Subsection 501(c) transaction, any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.

(f) Providing notice under Section 501(b) is in addition to the timely disclosure obligations of listed issuers set out in Sections 406 to 423.4 of this Manual, the provisions of Section 602 and all the other requirements set out in Part VI of this Manual.

(g) The notice required by this Section 501 should initially take the form of a letter addressed to TSX. For those transactions described in Subsection 501(c), the letter notice must also identify the application of Subsection 501(c) and must contain a request for acceptance. For those transactions described in Subsection 501(c), notices must also be accompanied by the applicable filing fee (see Part VIII). If applicable, the notice should include the appropriate Company Reporting Form (Appendix H: Company Reporting Forms). A press release or information circular filed with TSX does not constitute notice under this Section 501. The letter should contain the essential particulars of the transaction, and state whether: (i) any insider has a beneficial interest, directly or indirectly, in the transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the non-exempt issuer. Copies of all applicable executed agreements must be filed as part of the Section 501 notice as soon as they are available.

(h) If the proposed change entails an issuance, or potential issuance, of securities, the Section 501 and 602 notices should be combined in a single letter (see Part VI of this Manual).

(i) TSX must be provided with prompt notice of any changes to the material terms of the transaction described in the notice filed under Subsection 501(c). This applies even if the transaction previously accepted by TSX specifically contemplated future amendments, unless the amendment is solely due to standard anti-dilution provisions in the original agreement. Further information or documentation may be requested before TSX decides to accept or not accept notice of the proposed amendment.

The listed issuer may not proceed with the proposed amendment unless it is accepted by TSX.

PART VI – CHANGES IN CAPITAL STRUCTURE OF LISTED ISSUERS

GENERAL

601. Definitions.

In Parts V and VI of this Manual, the following words and phrases have these definitions:

"affiliates" has the same meaning as "affiliated companies" as found in the OSA and also includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;

"associate" has the same meaning as found in the OSA;

"company" has the same meaning as found in the OSA;

"convertible security" means a security that, by its terms, is convertible into or exchangeable for listed securities, but does not include warrants or other securities that are exercisable for, or carry a right to purchase or cause the purchase of, listed securities for additional consideration;

"CSA" means the Canadian Securities Administrators;

"insider" has the same meaning as found in the OSA and also includes associates and affiliates of the insider; and 'issuances to insiders' includes direct and indirect issuances to insiders;

"issuer" means a corporation, company, partnership, limited partnership, trust, income trust or investment trust or any other organized entity issuing securities;

"listed issuer" means any issuer having securities listed on TSX;

"listed security" or **"listed securities"** means a security or securities listed on TSX;

"market price" means the VWAP on TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the relevant date. In certain exceptional circumstances, the five day VWAP may not accurately reflect the securities' current market price, and TSX may adjust the VWAP based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period. Market price is as at the date: (a) provided for in the binding agreement obligating the issuer to issue the securities (either the date of the binding agreement or some future date); or (b) the date the Section 602 notice is received by TSX, requesting price protection. TSX will accept a signed term sheet, engagement letter, letter of intent, agency agreement, underwriting agreement or other similar agreement as the binding agreement. If the listed securities are suspended from trading or have not traded on TSX or another stock exchange for an extended period of time, the market price will be the fair market value of the listed securities as determined by the listed issuer's board of directors;

"materially affect control" means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances outlined above;

"OSA" means the *Securities Act* of the Province of Ontario as amended from time to time, the regulations and policies thereunder and any replacement legislation;

"OSC" means the Ontario Securities Commission;

"participating organization" means any person granted access to TSX's trading system in accordance with Part 2 of TSX's trading rules provided such access has not been terminated or suspended;

"person" has the same meaning as found in the OSA;

"related party" has the same meaning as found in the OSA;

"security" or **"securities"** has the same meaning as found in the OSA;

"TSX" means the Toronto Stock Exchange;

"unrelated director" has the same meaning as found in Section 474(2) or any replacement section; and

"VWAP" means the volume weighted average trading price of the listed securities, calculated by dividing the total value by the total volume of securities traded for the relevant period. Where appropriate, TSX may exclude internal crosses and certain other special terms trades from the calculation.

602. General.

(a) Every listed issuer shall immediately notify TSX in writing of any transaction involving the issuance or potential issuance of any of its securities other than unlisted, non-voting, non-participating securities.

(b) A listed issuer may not proceed with a Subsection 602(a) transaction unless accepted by TSX. Failure to comply with this provision may result in the suspension and delisting of the listed issuer's listed securities (see Part VII of this Manual).

(c) Subject to Subsection 607(c), TSX will advise the listed issuer in writing generally within seven (7) business days of receipt by TSX of the Subsection 602(a) notice, of TSX's decision to accept or not to accept the notice, indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.

(d) Where a listed issuer proposes to enter into a Subsection 602(a) transaction, any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.

(e) The notice required by Subsection 602(a) should initially take the form of a letter addressed to TSX, requesting acceptance of the notice for filing, unless the applicable section of Part VI requires otherwise. A press release or information circular filed with TSX does not constitute notice under Section 602. The letter should contain the essential particulars of the transaction, and should state whether: (i) any insider has an interest, directly or indirectly, in the transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the listed issuer. A copy of any written agreement in respect of the transaction must be provided with the notice. TSX must be provided with prompt notice of any changes to the material terms of the transaction described in the notice, regardless of whether the amendment could entail a further issuance of securities. This applies even if the transaction as previously accepted by TSX specifically contemplated future amendments, unless the amendment is solely due to standard anti-dilution provisions in the original agreement. The listed issuer may not proceed with the proposed amendment unless it is accepted by TSX.

(f) The requirements of Section 602 are in addition to the timely disclosure obligations of listed issuers, as set out in Sections 406 to 423.4 of this Manual and to all applicable corporate and securities legislation.

(g) TSX will not apply its standards with respect to security holder approval (Section 604), private placements (Section 607), unlisted warrants (Section 608) and security based compensation arrangements (Section 614) to issuers listed on another exchange where at least 75% of the trading value and volume over the six months immediately preceding notification occurs on that other exchange. These issuers must still comply with Section 602, at which time TSX will notify the issuer of their eligibility under this Subsection 602(g) and the documents and fees required for TSX acceptance of the notified transaction. The exemptions contained in this Subsection 602(g) are available to listed issuers not otherwise qualified for the exemptions provided to listed issuers qualifying as foreign companies under Section 324.

603. Discretion.

TSX has the discretion: (i) to accept notice of a transaction; (ii) to impose conditions on a transaction; and (iii) to allow exemptions from any of the requirements contained in Parts V or VI of this Manual.

In exercising this discretion, TSX will consider the effect that the transaction may have on the quality of the marketplace provided by TSX, based on factors including the following:

(i) the involvement of insiders or other related parties of the listed issuer in the transaction;

(ii) the material effect on control of the listed issuer;

(iii) the listed issuer's corporate governance practices;

(iv) the listed issuer's disclosure practices;

(v) the size of the transaction relative to the liquidity of the issuer; and

(vi) the existence of an order issued by a court or administrative regulatory body that has considered the security holders' interests.

604. Security Holder Approval.

(a) In addition to any specific requirement for security holder approval, TSX will generally require security holder approval as a condition of acceptance of a notice under Section 602 if, in the opinion of TSX, the transaction:

(i) materially affects control of the listed issuer; or

(ii) provides consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer and has not been negotiated at arm's length.

If any insider of the listed issuer has a beneficial interest, direct or indirect, in the proposed transaction which differs from other security holders of the same class TSX will regard such a transaction as not having been negotiated at arm's length.

(b) For other transactions, TSX's decision as to whether to require security holder approval will depend on the particular fact situation having specific regard to those items listed in Subsection 604(a). For the purposes of Subsection 604(a)(ii), the insiders participating in the transaction are not eligible to vote their securities in respect of such approval.

(c) If TSX requires security holder approval of a transaction, the resolution to be voted upon must relate specifically to the transaction in question, rather than an unspecified transaction that may take place in the future.

(d) Security holder approval is to be obtained from a majority of holders of voting securities at a duly called meeting of security holders. In certain circumstances in which TSX requires security holder approval of a transaction, the listed issuer may be in a position to provide TSX with written evidence that holders of more than 50% of the voting securities of the listed issuer (other than those securities excluded as required by TSX) are familiar with the terms of the proposed transaction and are in favour of it. In such circumstances, TSX will give consideration to permitting the listed issuer to proceed with the transaction without holding a meeting of security holders to formally approve it. Listed issuers using this exemption will be required to issue a press release at least ten (10) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with TSX.

This procedure will not be available for security based compensation arrangements described in Section 613, backdoor listings described in Section 626 and security holder rights plans described in Section 634.

The disclosure provided to security holders in seeking security holder approval must be pre-cleared with TSX.

(e) Upon written application, and other than in respect of Sections 612 and 613, a listed issuer meeting continued listing requirements as set out in Part VII of this Manual will be exempted from security holder approval requirements if the application is accompanied by a resolution of the listed issuer's board of directors stating that:

(i) the listed issuer is in serious financial difficulty;

(ii) the application is made upon the recommendation of a committee of board member(s), free from any interest in the transaction and unrelated to the parties involved in the transaction;

(iii) the transaction is designed to improve the listed issuer's financial situation; and

(iv) based on the determination of the committee referred to in (ii) above, that the transaction is reasonable for the listed issuer in the circumstances.

Listed issuers using this exemption will be required to issue a press release at least ten (10) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with TSX.

(f) Security holder approval will not be required where at least ninety percent (90%) of a listed issuer's equity and outstanding voting securities are held by one person or company, together with its associates and affiliates. Listed issuers using this exemption will be required to issue a press release at least ten (10) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with TSX.

605. Changes in Issued Securities.

TSX must be notified immediately of any increase or decrease in the number of issued securities of a listed issuer. The notice must be on Form 1 "Change in Outstanding and Reserved Securities" found in Appendix H. Changes resulting from the issuance of securities over a prolonged period of time may be reported on a monthly basis. See Section 424 of this Manual. Please note that "nil" reports must be filed on a quarterly basis.

DISTRIBUTIONS OF SECURITIES OF A LISTED CLASS

606. Prospectus Offerings.

(a) Listed issuers proposing to issue securities of a listed class pursuant to a prospectus must file one copy of the preliminary prospectus with TSX concurrently with the filing thereof with the applicable securities commissions. The notice requirement contained in Subsection 602(a) will be satisfied by the filing of the preliminary prospectus, together with a letter which must state: (i) whether any insider has an interest, directly or indirectly, in the transaction and the nature of such interest; (ii) whether and how the transaction could materially affect control of the listed issuer; (iii) the anticipated number of purchasers under the offering; and (iv) whether an "if, as and when issued" market may be requested.

(b) TSX will generally accept notice of distributions by way of prospectus. TSX may, however, apply the provisions of Section 607 to a prospectus distribution. In making such a decision TSX will consider factors such as:

(i) the method of the distribution;

(ii) the participation of insiders;

(iii) the number of placees;

(iv) the offering price; and

(v) the economic dilution.

(c) Prior to the filing of the final prospectus, TSX will notify the listed issuer of any required additional documentation.

(d) The additional securities will normally be listed as soon as the prospectus offering has closed. Upon request, the listing may take place prior to the closing of the offering. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an ''if, as and when issued'' basis.

607. Private Placements.

(a) TSX defines the term ''private placement'' as an issuance of treasury securities for cash consideration or in payment of an outstanding debt of the listed issuer without prospectus disclosure, in reliance on an exemption from the prospectus requirements under applicable securities laws.

Securities issued for no cash consideration to registered charities as defined under the *Income Tax Act* (Canada) as

described in Section 612, securities issued pursuant to acquisitions described in Section 611, security based compensation arrangements described in Section 613, rights offerings described in Section 614 and backdoor listings described in Section 626 are not considered by TSX as being Section 607 private placements.

(b) This Section 607 is not applicable to private placements of securities which are neither of a class listed on TSX nor convertible into, nor exchangeable for securities of a class listed on TSX.

(c) Private placements not subject to Sections 604 and 717 and that are:

(i) offered at a price per security at or above market price, regardless of the number of listed securities issuable, or

(ii) for an aggregate number of listed securities issuable equal to or less than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction where the price per security is less than the market price but within the applicable discounts set out in Subsection 607(e),

will be accepted by TSX generally within three (3) business days of TSX receiving notice thereof. Notice to TSX of this type of private placement is effected by submitting Form 11 "Private Placement – Expedited Filing" found in Appendix H.

For greater certainty, where the proceeds of a proposed private placement, in whole or in part, are used towards a transaction which results in a change in the nature of a listed issuer's business as described in Section 717, such private placements will not be accepted under this Subsection 607(c). See Section 717 for additional details regarding the requirements for a change in the nature of a listed issuer's business.

(d) Unless otherwise as provided in Subsection 607(c), TSX will advise the listed issuer in writing generally within seven (7) business days of receipt by TSX of the notice, of TSX's decision to accept or not accept the notice, indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual. Notice to TSX of this type of private placement is effected by submitting Form 12 "Private Placement – Regular Filing" found in Appendix H.

(e) The price per listed security for any private placement must not be lower than the market price less the applicable discount as follows:

Market price	Maximum discount
$0.50 or less	25%
$0.51 to $2.00	20%
Above $2.00	15%

TSX will allow the price per listed security for a particular transaction to be less than as provided for in this Subsection 607(e) provided that the listed issuer has received security holder approval (other than by security holders participating directly or indirectly in the transaction and such security holders' associates and affiliates).

Anti-dilution provisions providing adjustments for events for which not all security holders are compensated and which may result in securities being issued at a price lower than market price less the applicable discount will be permitted, provided they have been approved by security holders (excluding the votes attached to the securities held by insiders benefiting from these anti-dilution provisions).

TSX will discount the price per security by the amount of any fees or other amounts payable by the listed issuer to the subscriber, or its associates and affiliates, if the listed issuer cannot demonstrate that such amounts are commercially reasonable in the circumstances.

(f) For all private placements:

(i) subject to paragraph (ii), the transaction must not close and the securities must not be issued prior to acceptance thereof by TSX and not later than 45 days (or, in circumstances where security holder approval is required pursuant to Subsection 607(g), 135 days) from the date upon which the market price of the securities being issued is established;

(ii) an extension of the time period prescribed in paragraph (i) may be granted in justifiable circumstances, provided that a written request for an extension is filed with TSX in advance of the expiry of the 45 day or 135

day period, as applicable;

(iii) in the case of a private placement of convertible securities, the underlying listed securities will be considered as being issued at a price per security less than the market price, unless the conversion price of such convertible security is defined as at least market price at the time of conversion, and will be regarded as being part of the number of securities being issued pursuant to the transaction;

(iv) listed securities issuable upon the exercise of warrants will be considered as being issued at a price per security less than the market price and will be regarded as being part of the number of securities being issued pursuant to the transaction;

(v) successive private placements will be aggregated for the purposes of Subsections 607(c)(ii) and 607(g)(i) if they are proximate in time, have common placees and/or a common use of proceeds; and

(vi) the listed issuer must give TSX immediate notice in writing of the closing of the transaction.

(g) TSX will require that security holder approval be obtained for private placements:

(i) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price; or

(ii) that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during the six month period.

For the purposes of Subsections 607(c) and 607(g)(i), any private placements providing flow-through tax credits to the subscribers will be considered as having a price per security less than the market price.

For the purposes of Subsection 607(g)(ii), the insiders participating in the private placement are not eligible to vote their securities in respect of such approval.

Subsection 607(g)(ii) shall also apply to circumstances in which insiders participate in a private placement pursuant to the exercise of a preemptive right.

607.1. Lettered Stock

Subject to Section 607.1(c), where a listed issuer proposes to issue a certificate representing securities of a class listed on TSX, and the certificate requires a notation that the securities represented by the certificate are not freely transferable (commonly called “lettered stock”), the following rules will apply (assuming the restriction does not apply to all outstanding securities of the class):

(a) The certificate must clearly show the following notation on its face:

“The securities represented by this certificate are listed on the Toronto Stock Exchange (“TSX”); however, the said securities cannot be traded through the facilities of TSX since they are not freely transferable, and consequently any certificate representing such securities is not “good delivery” in settlement of transactions on TSX.”

(b) The notation required by TSX can be removed from the face of the certificate when all other notations that the securities are not freely transferable can be legally removed from the certificate.

(c) If the securities that have the transfer restriction are widely held to the extent of meeting TSX’s public distribution requirements for original listing, TSX may permit the listing of the securities on TSX in a “special terms market”, which is a market separate from that of the rest of the securities of the same class. In that case, the requirements set out in this Section may be modified accordingly. TSX should be contacted in connection with a proposed listing of this type.

608. Unlisted Warrants.

(a) Unless otherwise approved by the listed issuer’s security holders (other than security holders receiving warrants directly or indirectly and such security holders’ associates and affiliates), warrants to purchase listed securities may only be issued to a placee if the warrant exercise price is not less than the market price of the underlying security at either the date of the binding agreement obligating the listed issuer to issue the warrants or some future date provided

for in the binding agreement. This Subsection 608(a) does not apply to warrants issued pursuant to prospectus offerings described in Section 606 and rights offerings described in Section 614.

(b) A listed issuer may apply to TSX to amend the warrant exercise price and the term of the warrant provided that:

(i) disclosure of such amendments is made by way of press release ten (10) business days prior to the effective date of the change; and

(ii) the application is accompanied by a filing fee (see Part VIII).

Security holder approval will be required for:

(i) amendments to warrants held, directly or indirectly, by insiders; or

(ii) amendments to warrants resulting in an exercise price which is less than the market price of the securities determined on the date of the amending agreement.

Security holder approval must exclude the votes attached to the securities held by insiders whose warrants are proposed to be amended.

A copy of the press release, and evidence of security holder approval if applicable, must be provided to TSX prior to the press release being issued.

(c) A listed issuer may apply to TSX to amend the warrant to provide for the exercise of the warrant without cash consideration by issuing the number of listed securities equal to:

(number of warrants exercised X market price at time of exercise) less (number of warrants exercised X exercise price) / market price at time of exercise

609. Listed Warrants.

(a) The listing of warrants on TSX is considered on a case-by-case basis.

(b) Warrants will not be listed unless the underlying securities are listed, or conditionally approved for listing, on TSX. In order for warrants to be eligible for listing on TSX, there must be at least 100 public holders of 100 warrants or more and at least 100,000 publicly held warrants. See Section 346 for the requirements respecting notations in prospectuses or other offering documents referring to a TSX listing.

(c) The warrant trust indenture, or other document prescribing the rights of warrant holders, must be pre-cleared by TSX and contain appropriate anti-dilution provisions to ensure that the rights of the holders are protected in the event of an amalgamation, merger, stock dividend, subdivision, consolidation or other form of capital reorganization, or in the case of a major asset distribution to security holders.

(d) Any proposed amendment to the terms of outstanding listed warrants must be accepted by TSX prior to the amendment becoming effective. Once warrants have been listed, TSX will not permit amendments to any of the essential terms of the warrants, such as the exercise price (except for anti-dilution purposes) or the expiry date. TSX will not list warrants in respect of which the warrant trust indenture (or equivalent document) entitles the directors of the listed issuer to change the exercise price (except for anti-dilution purposes) or which provides for the possibility of an amendment to the expiry date.

(e) Prior to the listing of warrants on TSX, the listed issuer will normally be required to take the necessary steps to ensure that the warrants are freely tradable by residents across Canada.

(f) To apply to have warrants listed on TSX, the listed issuer must file a letter application and draft warrant indenture with TSX.

(g) Notice of a listed issuer's intention to pay a subscription fee to one or more participating organizations for assisting in obtaining exercises of warrants must be given to TSX as soon as such an arrangement is entered into by the listed issuer.

TSX will not permit any arrangement to solicit clients to purchase or exercise warrants if the arrangement could have the effect of artificially changing the exercise price of the warrants or could subsidize certain market participants to exercise warrants at an exercise price that is not available to others. TSX will also not permit any arrangement between

a listed issuer and a securities dealer that would have a similar effect, such as an over-the-counter derivatives transaction, or a direct subsidy, advisory fee or other form of payment, the impact of which would be to create an incentive to buy warrants at a higher price than would otherwise be the case.

TSX will not permit soliciting dealer arrangements unless the following are provided for: (1) a maximum solicitation fee to be paid in respect of any one beneficial holder of warrants, similar to the maximum amount normally payable to soliciting dealers in a rights offering; (2) a prohibition on a solicitation fee being passed through to a client by a dealer, either directly or through indirect subsidies; and (3) full public disclosure of the essential terms of the soliciting dealer arrangement.

610. Convertible Securities.

(a) The conversion price of a convertible security privately placed is subject to Subsection 607(e) and may be:

(i) based on either of, but not the lower of, market price less the applicable discount, at the time of issuance of the convertible security or at the time of conversion of such security; or

(ii) based on the lower of market price, without any applicable discount, at the time of the issuance of convertible security or at the time of conversion of such security.

In all other instances providing a basis for determining the conversion price that could result in a conversion price lower than that determined in accordance with paragraphs (i) and (ii), security holder approval will be required.

(b) Where two or more classes of securities are interconvertible and one is listed, the other must also be listed.

(c) A decrease in the conversion price of a previously issued convertible security must be submitted to TSX for approval and will be reviewed as a new private placement.

611. Acquisitions.

(a) Where a listed issuer proposes to issue securities as full or partial consideration for property (which may include securities or assets) purchased from an insider of the listed issuer, TSX may require that documentation such as an independent valuation or engineer's report be provided.

(b) Security holder approval will be required in those instances where the number of securities issued or issuable to insiders as a group in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction. Insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval.

(c) Subject to Subsection 611(d), security holder approval will be required in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis.

(d) Subject to Sections 603 and 604 and to Subsection 611(b), TSX will not require security holder approval where the assets are acquired from a reporting issuer (or equivalent status) having 50 or more beneficial security holders, excluding insiders and employees.

(e) Where an acquisition by a listed issuer includes the assumption of security based compensation arrangements of a target issuer, securities issuable under such arrangements will be included in the securities issued or issuable for the purposes of the security holder approval requirement in Subsection 611(c). For the purpose of this Section 611, the assumption of security based compensation arrangements includes a direct assumption of a security based compensation arrangement as well as the cancellation of security based compensation arrangements in the target issuer and their replacement with arrangements in the listed issuer.

(f) Where an acquisition by a listed issuer includes the assumption of security based compensation arrangements of a target issuer, securities issuable under such arrangements are not subject to Subsection 613(a) if the number of assumed securities (and their exercise or subscription price, if applicable) is adjusted in accordance with the price per acquired security payable by the listed issuer.

(g) In calculating the number of securities issued or issuable in payment of the purchase price for an acquisition, any securities issued or issuable upon a concurrent private placement upon which the acquisition is contingent or otherwise linked will be included.

612. Securities Issued to Registered Charities.

(a) Subject to Subsection 612(b), listed issuers may issue securities for no cash consideration to registered charities as defined under the *Income Tax Act* (Canada).

(b) Security holder approval will be required in those instances where the number of listed securities issued or issuable:

(i) to one registered charity exceeds 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the issuance; or

(ii) in a 12 month period in the aggregate exceeds 5% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis at the beginning of that 12 month period.

(c) Options, rights, warrants or other convertible securities granted or issued to registered charities may not be exercisable at a price lower than the market price of the underlying security at the time of the grant or issue.

SECURITY BASED COMPENSATION ARRANGEMENTS

613. (a) When instituted all security based compensation arrangements must be approved by:

(i) a majority of the listed issuer's directors;

(ii) a majority of the listed issuer's unrelated directors; and

(iii) subject to Subsections 613(b), (c), (g) and (i), by the listed issuer's security holders.

Every three years after institution, all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed maximum number of securities issuable, must be approved by:

(i) a majority of the listed issuer's directors;

(ii) a majority of the listed issuer's unrelated directors; and

(iii) subject to Subsections 613(b), (c), (g) and (i), the listed issuer's security holders.

Insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approvals required by this Subsection 613(a) unless the securities issued and issuable to insiders of the listed issuer under the arrangement, or when combined with all of the listed issuer's other security based compensation arrangements, could not exceed 10% of the listed issuer's total issued and outstanding securities.

If any security holder approval for a security based compensation arrangement, when combined with all of the listed issuer's other security based compensation arrangements could exceed 10% of the listed issuer's total issued and outstanding securities, holders of Restricted Securities, as defined in Section 624, must be entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the listed issuer.

Security holder approval required for a security based compensation arrangement must be by way of a duly called meeting. The exemption from security holder approval contained in Subsection 604(e) is not available in respect of security based compensation arrangements.

(b) For the purposes of this Section 613, security based compensation arrangements include:

(i) stock option plans for the benefit of employees, insiders, service providers or any one of such groups;

(ii) individual stock options granted to employees, service providers or insiders if not granted pursuant to a plan previously approved by the listed issuer's security holders;

(iii) stock purchase plans where the listed issuer provides financial assistance or where the listed issuer matches the whole or a portion of the securities being purchased;

(iv) stock appreciation rights involving issuances of securities from treasury;

(v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the listed issuer; and

(vi) security purchases from treasury by an employee, insider or service provider which is financially assisted by the listed issuer by any means whatsoever.

For greater certainty, arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the listed issuer are not security based compensation arrangements for the purposes of this Section 613.

For the purposes of Section 613, a "service provider" is a person or company engaged by the listed issuer to provide services for an initial, renewable or extended period of twelve months or more.

(c) Security holder approval is not required for security based compensation arrangements used as an inducement to a person or company not previously employed by and not previously an insider of the listed issuer, to enter into a contract of full time employment as an officer of the listed issuer, provided that the securities issuable to such person or company do not exceed 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the arrangement.

(d) Materials provided to security holders in respect of a meeting at which the approval of security based compensation arrangements will be requested must be pre-cleared with TSX. Such materials must provide disclosure in respect of:

(i) the eligible participants under the arrangement;

(ii) each of the following, as applicable:

i the total number of securities issued and issuable under each arrangement and the percentage of the listed issuer's currently outstanding capital represented by such securities,

ii the total number of securities issued and issuable under each arrangement, as a percentage of the listed issuer's currently outstanding capital, and

iii the total number of securities issuable under actual grants or awards made and the percentage of the listed issuer's currently outstanding capital represented by such securities;

(iii) the maximum percentage, if any, of securities under each arrangement available to insiders of the listed issuer;

(iv) the maximum number of securities, if any, any one person or company is entitled to receive under each arrangement and the percentage of the listed issuer's currently outstanding capital represented by these securities;

(v) subject to Section 613(h)(i), the method of determining the exercise price for securities under each arrangement;

(vi) the method of determining the purchase price for securities under security purchase arrangements, with specific disclosure as to whether the purchase price could be below the market price of the securities;

(vii) the formula for calculating market appreciation of stock appreciation rights;

(viii) the ability for the listed issuer to transform a stock option into a stock appreciation right involving an issuance of securities from treasury;

(ix) the vesting of stock options;

(x) the term of stock options;

(xi) the causes of cessation of entitlement under each arrangement, including the effect of an employee's termination for or without cause;

(xii) the assignability of security based compensation arrangements benefits and the conditions for such assignability;

(xiii) the procedure for amending each arrangement, including specific disclosure as to whether security holder approval is required for amendments;

(xiv) any financial assistance provided by the listed issuer to participants under each arrangement to facilitate the purchase of securities under the arrangement, including the terms of such assistance;

(xv) entitlements under each arrangement previously granted but subject to ratification by security holders; and

(xvi) such other material information as may be reasonably required by a security holder to approve the arrangements.

Should a security based compensation arrangement not provide for the procedure for amending the arrangement, security holder approval will be required for such amendments, as provided for in Subsection 613(a). In addition, the votes attaching to any securities held by insiders who hold securities subject to the amendment will be excluded.

(e) A listed issuer may grant options or rights under a security based compensation arrangement that has not been approved by security holders provided that no exercise of such option or right may occur until security holder approval is obtained.

(f) All security based compensation plans, and any amendments thereto, must be filed with TSX, along with evidence of security holder approval where required. Listed securities issuable under the arrangements will not be listed on TSX until such documentation is received.

(g) Listed issuers must disclose on an annual basis, in their information circulars, or other annual disclosure document distributed to all security holders, the terms of their security based compensation arrangements and any amendments that were adopted in the last fiscal year. The information circular must provide disclosure in respect of each of the items in Section 613(d) as well as the nature of the amendments adopted in the last fiscal year, including whether or not (and if not, why not) security holder approval was obtained for the amendment.

(h) Notwithstanding that a security based compensation arrangement has been approved by the listed issuer's security holders:

(i) the exercise price for any stock options granted under a security based compensation arrangement or otherwise must not be lower than the market price of the securities at the time the option is granted;

(ii) the arrangement must have a maximum number of securities issuable, either as a fixed number or a fixed percentage of the listed issuer's outstanding capital represented by such securities; and

(iii) security holder approval (excluding the votes of securities held directly or indirectly by insiders benefiting from the amendment) is required for (x) a reduction in the exercise price or purchase price or (y) an extension of the term, under a security based compensation arrangement benefiting an insider of the issuer.

(i) The granting of stock options under a plan and the issuance of securities under a stock option plan or other plan do not require the prior consent of TSX if the plan has been pre-cleared with TSX and the securities that are subject to issuance have been listed. However, stock options granted, exercised or cancelled under a plan must be reported to TSX on a monthly basis in the form of a duly completed From 1 – Change in Outstanding and Reserved Securities (Appendix H: Company Reporting Forms). If no listed securities are issued, no options have expired or been cancelled in any particular month, a nil report is required to be filed on a monthly basis.

(j) TSX's policy on timely disclosure requires immediate disclosure by its listed issuers of all "material information" as defined in the policy. The policy also recognizes that there are restricted circumstances where confidentiality may be justified on a temporary basis. Listed issuers may not set option exercise prices, or prices at which securities may otherwise be issued, on the basis of market prices which do not reflect material information of which management is aware but which has not been disclosed to the public. Exceptions are: (i) where employees, at a previous time when such employees did not have knowledge of the undisclosed event, committed themselves to acquire the securities on specified terms through participation in a security purchase plan, or (ii) where, in relation to an undisclosed event (such as the acquisition by a listed issuer of another issuer), a person or company who is neither an employee nor an insider of the listed issuer, is granted, or given the right to be granted at a set price, a stock option in the listed issuer, while the event is still undisclosed.

RIGHTS OFFERINGS

614. (a) A preliminary discussion with TSX is recommended to a listed issuer proposing to offer rights to its security holders.

(b) A rights offering by a listed issuer must be accepted for filing by TSX before the offering proceeds. The offering must also be cleared with the securities commissions having jurisdiction (see section 2.1 of National Instrument 45-101).

The rights offering must receive final acceptance from TSX and the securities commissions at least seven trading days in advance of the record date for the rights offering, the record date being the date of the closing of the transfer books for the preparation of the final list of security holders who are entitled to receive rights. Exceptions to this requirement will be permitted by TSX only in cases where applicable legislation renders the requirement impracticable.

A listed issuer may not announce a firm record date for a rights offering before all necessary approvals have been received.

(c) A draft copy of the rights offering circular (''circular'' includes a prospectus, if applicable) must be filed with TSX concurrently with the filing thereof with the securities commissions. TSX will subsequently advise the listed issuer of any deficiencies in the draft circular and of the further documentation that will be required.

(d) If the rights offering is acceptable to TSX (subject only to the correction of minor deficiencies, if any, and the filing of the required documents), TSX will so advise the securities commissions.

(e) At least seven trading days in advance of the record date:

(i) all deficiencies raised by TSX must be resolved;

(ii) clearances for the rights offering must be obtained from all securities commissions having jurisdiction, and the listed issuer must so advise TSX;

(iii) all the terms of the rights offering must be finalized; and

(iv) TSX must receive all requested documents and applicable fees (see Part VIII).

(f) There is no fee for the listing of rights on TSX, although there is a fee for listing securities issuable upon exercise of the rights. If such securities are of a class already listed, the listed issuer must list the maximum number of securities issuable under the rights offering. However, upon receipt of notification of the actual number of underlying listed securities issued pursuant to the rights offering, TSX will refund the overpayment of fees in connection with the listing of the maximum number of securities issuable, if any.

(g) The information that must be contained in a rights offering circular is prescribed in the rules and policies of the securities commissions. See National Instrument 45-101 and Form 45-101F. TSX may have additional requirements, depending on the circumstances.

(h) The standard notation on final prospectuses or other offering documents referring to conditional approval of a listing is not appropriate for a rights offering circular with respect to the rights themselves, nor is such notation appropriate with respect to the securities issuable upon exercise of the rights if such securities are of a class already listed. The rights will normally be listed on TSX, as will the underlying securities (if of a class already listed), before the rights offering circular is mailed to the security holders.

(i) Rights which receive all required approvals will be automatically listed on TSX if the rights entitle the holders to purchase securities of a listed class. Rights which do not fall into this category will also normally be listed on TSX at the request of the listed issuer. If rights issued to security holders of a listed issuer entitle the holders to purchase securities of another issuer which is not listed, the rights will not be listed on TSX unless such securities have been conditionally approved for listing on TSX.

(j) Rights are listed on TSX on the second trading day preceding the record date. At the same time, the underlying listed securities of the listed issuer commence trading on an ex-rights basis, which means that purchasers of the listed securities at that time are not entitled to receive the rights.

(k) When the rights offering circular and rights certificates are mailed to the security holders, the listed issuer must concurrently file with TSX two commercial copies of the rights offering circular and a definitive specimen of the rights certificate.

(l) Trading in rights on TSX ceases at 12:00 noon on the expiry date.

(m) TSX requires that rights be transferable. Any proposed restriction on the transfer of unlisted rights must receive the prior consent of TSX.

(n) The following requirements apply to rights which are listed on TSX, although TSX may, in appropriate circumstances, apply these requirements to rights not so listed:

(i) once the rights have been listed on TSX, TSX will not permit the essential terms of the rights offering, such as the exercise price or the expiry date, to be amended. However, under extremely exceptional circumstances, such as an unexpected postal disruption, TSX may grant an exemption from the requirement that the expiry date not be extended;

(ii) the rights offering must be open for a period of at least 21 calendar days following the date on which the rights offering circular is sent to security holders or such longer period as is necessary to ensure that security holders, including security holders residing in foreign countries, will have sufficient time to exercise or sell their rights on an informed basis;

(iii) security holders must receive exactly one right for each security held. An exemption from this requirement will be considered if the rights offering entitles security holders to purchase more than one security for each security held (prior to giving effect to any additional subscription privilege);

(iv) if the listed issuer proposes to provide a rounding mechanism, whereby security holders not holding a number of securities equally divisible by a specified number would have their entitlements adjusted upward, adequate arrangements must be made to ensure that beneficial owners of securities registered in the names of CDS, banks, trust companies, investment dealers or similar institutions will be treated, for purposes of such additional entitlements, as though they were registered security holders; and

(v) the rights offering must be unconditional.

(o) As soon as possible after the expiry of the rights offering, the listed issuer must advise TSX in writing of the number of securities issued as a result of the rights offering, including securities issued pursuant to any underwriting or similar arrangement.

ADDITIONAL LISTINGS

615. General.

(a) In addition to the requirements of Section 601, every listed issuer proposing to issue additional securities of a listed class, or to authorize such additional securities to be issued for a specific purpose, must apply to have the additional securities listed on TSX. Application must be made to list the maximum number of securities issuable pursuant to the proposed transaction.

With regard to the additional listing of securities sold by prospectus, see Section 606.

(b) In determining the number of additional securities to be listed, securities listed in connection with earlier transactions must not be taken into account. Credits for fee purposes or refunds will not be given for securities which have previously been listed but are no longer issued or authorized for issuance for a specific purpose.

616. Documentation.

(a) There is no prescribed form for an additional listing application. A letter notice pursuant to Section 601 will be regarded by TSX as including an application to list the applicable additional securities.

(b) The documentation required in connection with an additional listing application will depend on the nature of the application. In all cases, however, the following documentation will be required:

(i) copies of all relevant executed agreements;

(ii) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities have been (or will be, when issued in accordance with the terms of the transaction) validly issued as fully paid and non-assessable; and

(iii) the additional listing fee (see Part VIII).

617. Stock Dividends.

Listed issuers which issue stock dividends on a regular basis, whether pursuant to a formal stock dividend plan or otherwise,

can either apply to list securities each time a dividend is declared or, alternatively, apply to list as a block the number of securities the listed issuer estimates will be issued as stock dividends over the next two years. The latter procedure could result in an ultimate saving in listing fees. See Part VIII.

SUBSTITUTIONAL LISTINGS

618. General.

(a) Where a listed issuer proposes to change its name, split or consolidate its stock, or undergo a security reclassification, the listed issuer must make a substitutional listing application to TSX.

(b) Where a listed issuer proposes to undergo a change which would give rise to a substitutional listing, the listed issuer must pre-clear with TSX the materials for the requisite security holders' meeting.

619. Name or Symbol Changes.

(a) A listed issuer proposing to change its name must notify TSX as soon as possible after the decision to change the name has been made. The new name must be acceptable to TSX.

(b) If the proposed change is substantial, it may be appropriate for TSX to assign a new stock symbol to the listed issuer's securities. The listed issuer's choices, if any, in this regard should be communicated to TSX, in order of preference, in advance of the effective date of the name change. The symbol may consist of up to three letters (excluding the letters that differentiate between different classes of securities).

(c) The following documents must be filed with TSX in connection with a name change:

(i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(ii) a definitive specimen of the new or over-printed security certificate;

(iii) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number(s) assigned to the issuer's listed securities after giving effect to the name change (see Section 350); and

(iv) the substitutional listing fee (see Part VIII).

(d) The listed issuer's securities will normally commence trading on TSX under the new name at the opening of business two or three trading days after all the documents set out in Subsection 619(c) are received by TSX.

(e) A listed issuer may request a change to the symbol assigned to its listed securities upon payment of the applicable fee (see Part VIII).

620. Stock Split.

(a) There are two methods of effecting a stock split: the ''push-out'' method and the ''call-in'' method. If the stock split is accompanied by a security reclassification, either the push-out method or the call-in method may be used; otherwise the push-out method is preferable.

(b) Under the push-out method, the security holders keep the security certificates they currently hold, and security holders of record as of the close of business on a specified date (the ''record date'') are provided with additional or replacement security certificates by the listed issuer.

(c) Where the push-out method is used, the Certificate of Amendment, or equivalent document, giving effect to the split must be issued at least seven, and preferably not less than ten, trading days prior to the record date. Accordingly, if the stock split must be approved by security holders, the meeting of security holders must take place at least seven trading days in advance of the record date. If the push-out method is used, the following documents must be received by TSX at least seven trading days in advance of the record date:

(i) written confirmation of the record date including the time of day (''close of business'' will be sufficient for this purpose);

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

(iv) a written statement as to the date on which it is intended that the additional security certificates will be mailed to the security holders;

(v) the substitutional listing fee (see Part VIII); and

(vi) if the stock split is accompanied by a security reclassification,

(1) definitive specimens of the new security certificates; and

(2) a letter from The Canadian Depository for Securities Limited disclosing the CUSIP numbers assigned to each new class of securities (see Section 350).

(d) Where the push-out method is used, the securities will commence trading on TSX on a split basis at the opening of business on the second trading day preceding the record date.

(e) Under the call-in method, the listed issuer implements the stock split by replacing the security certificates currently in the hands of the security holders with new certificates. Letters of Transmittal are sent to the security holders requesting them to exchange their security certificates at the offices of the listed issuer's transfer agent.

(f) Where the call-in method is used, the following documents must be received by TSX on or before the day on which the Letters of Transmittal are mailed to the security holders:

(i) two copies of the Letters of Transmittal;

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

(iv) definitive specimens of the new security certificates;

(v) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP numbers assigned to each new class of securities (see Section 350);

(vi) a written statement as to the intended mailing date of the Letters of Transmittal; and

(vii) the substitutional listing fee (see Section 805).

(g) Where the call-in method is used, the securities will normally commence trading on TSX on a split basis at the opening of business two or three trading days after later of the date all required documents are received by TSX and the date the Letters of Transmittal are mailed to the security holders.

(h) Where a listed issuer proposing to split its stock has warrants posted for trading on TSX, the form of warrant certificate must not be changed by virtue of the split, but any new warrant certificate issued by the listed issuer after the stock split becomes effective must contain a notation disclosing the effect of the stock split on the rights of the warrant holders and a statement that the number of warrants represented by the warrant certificate for trading purposes is equal to the number imprinted in the top right-hand corner (or other location, if appropriate) of the certificate.

621. Stock Consolidation.

(a) A stock consolidation by a listed issuer requires the prior consent of TSX.

(b) A listed issuer undergoing a stock consolidation must meet, post-consolidation, the continued listing requirements contained in Part VII of this Manual (see Section 712).

(c) A stock consolidation must be accompanied by a concurrent change in the colour of the security certificates, or if a generic security certificate is used, a copy of such generic certificate, and a new CUSIP number.

(d) The following documents must be filed with TSX on or prior to the day on which the Letters of Transmittal are sent to the security holders:

(i) one copy of the Letters of Transmittal;

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(iii) opinion of counsel that all the necessary steps have been taken to validly effect the consolidation in accordance with applicable law;

(iv) a definitive specimen of the new security certificates;

(v) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the new CUSIP number assigned to the securities (see Section 350);

(vi) a written statement as to the intended mailing date of the Letters of Transmittal; and

(vii) the substitutional listing fee (see Part VIII).

In addition, the listed issuer may be required to file with TSX a completed form (Appendix D) showing the distribution of the securities on a post-consolidation basis.

(e) The securities will normally commence trading on TSX on a consolidated basis at the opening of business two or three trading days after the later of the date upon which all required documents are received by TSX and the date the Letters of Transmittal are mailed to the security holders.

622. Security Reclassification (with no stock split).

(a) The following documentation must be filed with TSX in connection with a security reclassification (with no stock split):

(i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(ii) an opinion of counsel that all the necessary steps have been taken to validly effect the security reclassification in accordance with applicable law;

(iii) a definitive specimen of the new or over-printed security certificate;

(iv) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number(s) assigned to the securities (see Section 350);

(v) the substitutional listing fee (see Part VIII);

(vi) one copy of the Letters of Transmittal, if applicable; and

(vii) a written statement as to the intended mailing date of the Letters of Transmittal, if applicable.

(b) The reclassification will normally become effective for trading purposes at the opening of business two or three trading days after the later of the date upon which all required documents are received by TSX and the date the Letters of Transmittal are mailed to the security holders.

SUPPLEMENTAL LISTINGS

623. (a) A listed issuer proposing to list securities of a class not already listed should apply for the listing by letter addressed to TSX. The letter must be accompanied by one copy of the preliminary prospectus or, if applicable, the draft circular describing the provisions attaching to the securities.

(b) If TSX conditionally approves the listing of the securities, this fact may be disclosed in the final prospectus, or in other documents, in accordance with Section 346.

(c) The minimum public distribution requirements for a supplemental listing are the same as the minimum requirements for original listing as set out in Section 310. However, TSX will give consideration to listing non-participating preferred securities that do not meet these requirements if the market value of such securities outstanding is at least $2,000,000 and:

(i) if the securities are convertible into participating securities, such participating securities are listed on TSX and meet the minimum public distribution requirements for original listing; or

(ii) if the securities are not convertible into participating securities, the listed issuer is exempt from Section 501.

(d) The following documents must be filed with TSX within 90 days of TSX's conditional acceptance of the supplemental listing (or within such later time as TSX may stipulate):

(i) a notarial or certified copy of the resolution of the board of directors of the listed issuer authorizing the application to list the securities;

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document, giving effect to the creation of the securities;

(iii) one commercial copy of the final prospectus, or other offering document, if applicable;

(iv) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities are validly issued as fully paid and non-assessable;

(v) a definitive specimen of the security certificate;

(vi) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number assigned to the securities (see Section 341);

(vii) one completed copy of the Statement Showing Number of Shareholders form (Appendix D) or, in the case of a prospectus underwriting, a certificate from the underwriter confirming that the securities have been distributed to at least 300 public board lot holders (unless TSX waives this requirement); and

(viii) the supplemental listing fee (see Part VIII).

(e) In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an ''if, as and when issued'' basis.

RESTRICTED SECURITIES

624. (a) Except as otherwise provided in this Section 624, TSX's requirements respecting the listing of Restricted Securities (as defined in Subsection 624(b)) are applicable to all listed issuers having Restricted Securities listed on TSX, regardless of when the securities were listed. This Section needs to be read as a whole and in conjunction with OSC Rule 56-501. One of the principal objectives of this Section 624 is to alert investors of the fact that there are differences in the voting powers attached to the different securities of an issuer. This Section applies to non-incorporated entities to the extent applicable to ensure that the objective of this Section is met.

(b) For the purposes of this Section 624:

(i) **"Common Securities"** means Residual Equity Securities that are fully franchised, in that the holder of each such security has a right to vote each security in all circumstances calling for a vote under the applicable corporate or governing legislation, irrespective of the number of securities owned, that is not less, on a per security basis, than the right to vote attaching to any other security of an outstanding class of securities of the listed issuer;

(ii) **"Non-Voting Securities"** means Restricted Securities which do not carry the right to vote at security holders' meetings except for a right to vote in certain limited circumstances (e.g., to elect a limited number of directors or to vote in circumstances where the applicable corporate legislation provides the right to vote for securities which are otherwise non-voting);

(iii) **"Preference Securities"** means securities to which there is attached a genuine and non-specious preference or right over any class of Residual Equity Securities of the listed issuer;

(iv) **"Residual Equity Securities"** means securities which have a residual right to share in the earnings of the listed issuer and in its assets upon liquidation or winding up;

(v) **"Restricted Securities"** means Residual Equity Securities which are not Common Securities;

(vi) **"Restricted Voting Securities"** means Restricted Securities which carry a right to vote which is subject to some limit or restriction on the number or percentage of securities which may be voted by a person or

company or group of persons or companies (except where the restriction or limit is applicable only to persons or companies who are not Canadians or residents of Canada); and

(vii) **"Subordinate Voting Securities"** means Restricted Securities, which carry a right to vote at security holders' meetings but another class of securities of the same listed securities carries a greater right to vote, on a per security basis.

(c) The legal designation of a class of securities, which shall be set out in the constating documents of the listed issuer and which shall appear on all security certificates representing such securities, shall, except where the securities are Preference Securities and are legally designated as such, include the words:

(i) "subordinate voting" if the securities are Subordinate Voting Securities;

(ii) "non-voting" if the securities are Non-Voting Securities;

(iii) "restricted voting" if the securities are Restricted Voting Securities;

or such other appropriate term as TSX may approve from time to time.

(d) TSX will abbreviate the above designations for Restricted Securities in certain publications of TSX and will identify Restricted Securities in the quotations prepared for the financial press with a code. Brief explanations of the abbreviation or code, as determined by TSX from time to time, will appear as a footnote in such publications and quotations.

(e) A class of securities may not include the word "common" in its legal designation unless such securities are Common Securities.

(f) A class of securities may not be designated as "preference" or "preferred" unless, in the opinion of TSX, there is attached thereto a genuine and non-specious right or preference. Whether a class of securities has attached thereto a genuine and non-specious right or preference is a question of fact to be determined by examining all of the relevant circumstances.

(g) TSX may, subject to such terms and conditions as it may impose:

(i) exempt a listed issuer from the designation requirements of Subsections 624(c), (d), (e) and (f);

(ii) permit or require the use by a listed issuer, in respect of any class of securities, of a designation other than set forth in Subsections 624(c), (d), (e) and (f); and

(iii) deem a class of securities to be Non-Voting, Subordinate Voting, or Restricted Voting Securities and require a listed issuer to designate such securities in a manner satisfactory to TSX notwithstanding that such securities do not fall within the applicable definition set out in Subsection 624(b).

In exercising its discretion, TSX will be guided by the public interest and the principles of disclosure underlying this Section 624.

(h) Every listed issuer shall give notice of security holders' meetings to holders of Restricted Securities and permit the holders of such securities to attend, in person or by proxy, and to speak at all security holders' meetings to the extent that a holder of Voting Securities of that listed issuer would be entitled to attend and to speak at security holders' meetings. The notice shall be sent to holders of Restricted Securities at least 21 days in advance of the meeting. Issuers applying for listing, whether by way of an original listing application or notice of a capital reorganization, shall include such rights in their charter documents.

(i) Every listed issuer whose Restricted Securities are listed on TSX shall describe the voting rights, or lack thereof, of all Residual Equity Securities of the listed issuer in all documents, other than financial statements, sent to security holders and filed with TSX. Such documents include, but are not limited to, information circulars, proxy statements and directors' circulars.

(j) Unless exempted by TSX, every listed issuer shall send concurrently to all holders of Residual Equity Securities all informational documents required by applicable law or TSX requirements to be sent to holders of Voting Securities, or voluntarily sent to holders of Voting Securities in connection with a specific meeting of security holders. Such documents would include, but not be limited to, information circulars, notices of meeting, annual reports and financial statements.

(k) Where TSX requirements contemplate security holder approval, TSX may, in its discretion, require that such approval be given at a meeting at which holders of Restricted Securities are entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the listed issuer. See, for example, Sections 613 and 626.

(l) TSX will not accept for listing classes of Restricted Securities that do not have take-over protective provisions ("coattails") meeting the criteria below. The actual wording of a coattail is the responsibility of the listed issuer and must be pre-cleared with TSX.

(1) If there is a published market for the Common Securities, the coattails must provide that if there is an offer to purchase Common Securities that must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Common Securities are listed, be made to all or substantially all holders of Common Securities who are in a province of Canada to which the requirement applies, the holders of Restricted Securities will be given the opportunity to participate in the offer through a right of conversion, unless:

(i) an identical offer (in terms of price per security and percentage of outstanding securities to be taken up exclusive of securities owned immediately prior to the offer by the offeror, or associates or affiliates of the offeror, and in all other material respects) concurrently is made to purchase Restricted Securities, which identical offer has no condition attached other that the right not to take up and pay for securities tendered if no securities are purchased pursuant to the offer for Common Securities; or

(ii) less than 50% of the Common Securities outstanding immediately prior to the offer, other than Common Securities owned by the offeror, or associates or affiliates of the offeror, are deposited pursuant to the offer.

(2) If there is no published market for the Common Securities, the holders of at least 80% of the outstanding Common Securities will be required to enter into an agreement with a trustee for the benefit of the holders of Restricted Securities from time to time, which agreement will have the effect of preventing transactions that would deprive the holders of Restricted Securities of rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid if the Common Securities had been Restricted Securities.

Where there is a material difference between the equity interests of the Common Securities and Restricted Securities, or in other special circumstances, TSX may permit or require appropriate modifications to the above criteria.

The criteria are designed to ensure that the fact that Common Securities are not of the same class as Restricted Securities will not prevent the holders of Restricted Securities from participating in a take-over bid on an equal footing with the holders of Common Securities. If, in the face of these coattails, a take-over bid is structured in such a way as to defeat this objective, TSX may take disciplinary measures against any person or company or listed issuer under the jurisdiction of TSX who is involved, directly or indirectly, in the making of the bid. TSX may also seek intervention from regulators in appropriate cases.

Where a listed issuer has an outstanding class of securities that carry more than one vote per security but are not Common Securities, coattails will be considered on an individual basis. Coattails may also be required by TSX in the case of a listed issuer that has more than one outstanding class of voting securities but no securities that fall within the definition of Restricted Securities.

This Subsection 624(l) does not apply to classes of Restricted Securities that were listed on TSX prior to August 1, 1987, but if any listed issuer proposes to remove, add or change coattails attaching to such listed Restricted Securities, the proposal must be pre-cleared by TSX and must comply with this Section 624. Subsection 624(l) will apply to any new class of Restricted Securities applied for listing by a listed issuer having securities listed on TSX prior to August 1, 1987.

(m) TSX will not consent to the issuance by a listed issuer of any securities that have voting rights greater than those of the securities of any class of listed voting securities of the listed issuer, unless the issuance is by way of a distribution to all holders of the listed issuer's voting Residual Equity Securities on a pro rata basis.

For this purpose, the voting rights of different classes of securities will be compared on the basis of the relationship between the voting power and the equity for each class. For example, Class B Shares will be considered to have greater voting rights than Class A Shares if:

(i) the shares of the two classes have similar rights to participate in the earnings and assets of the company, but the Class B Shares have a greater number of votes per share; or

(ii) the two classes have the same number of votes per share, but it is proposed that Class B Shares will be issued at a price per share significantly lower than the market price per share of the Class A Shares.

This prohibition relates only to differences in voting rights attaching to securities of separate classes. It does not apply to an issuance of securities that reduces the collective voting power of the other outstanding securities of the same class without affecting the voting power of any other outstanding class, although other TSX policies may be applicable in this case. It also does not apply to a stock split of all of a listed issuer's outstanding Residual Equity Securities (or a stock dividend that has the same effect) if the stock split does not change the ratio of outstanding Restricted Securities to Common Securities.

TSX generally will exempt listed issuers from this Subsection 624(m) in the case of an issuance of multiple voting securities that would maintain (but not increase) the percentage voting position of a holder of multiple voting securities, subject to any conditions TSX may consider desirable in any particular case. One condition will be minority approval of security holders, as defined in Subsection 624(n) unless the legal right of the holder of multiple voting securities to maintain its voting percentage has been established and publicly disclosed prior to the later of November 6, 1989 and the time the listed issuer was first listed on TSX.

This Subsection 624(m) is intended to prevent transactions which would reduce the voting power of existing security holders through the use of securities carrying multiple voting rights. This result would normally be accomplished by way of an issuance of multiple voting securities. However, it is possible to arrive at the same result by means of mechanisms that are not technically "security issuances" such as amendments to security conditions, amalgamations and plans of arrangement. TSX may object to and/or impose such conditions, which it may consider desirable on any transaction that would result in voting dilution similar to that which would be brought about by the issuance of multiple voting security, even if no security issuance is involved.

A *pro rata* distribution to security holders that creates or affects Restricted Securities must be subject to minority approval of security holders as described in Subsection 624(n).

(n) TSX will not consent to a capital reorganization or *pro rata* distribution of securities to security holders of a listed issuer, which would have the effect of creating a class of Restricted Securities or changing the ratio of outstanding Restricted Securities to Common Securities, unless the proposal receives minority approval. For this purpose, minority approval means approval given by a majority of the votes cast at a security holders' meeting called to consider the proposal, other than votes attaching to securities beneficially owned by:

(i) any person or company that beneficially owns, directly or indirectly, securities carrying more than 20% of the votes attaching to all outstanding voting securities of the listed issuer;

(ii) any associate, affiliate or insider (each as defined in the OSA) of any person or company excluded by virtue of (i);

(iii) any person or company excluded by virtue of OSC Rule 56-501; and

(iv) if (i) and (iii) are both inapplicable, all directors and officers of the listed issuer and their associates (as defined in the OSA).

TSX may require that persons or companies not specified above be excluded from a particular minority security holder vote if this is considered necessary to ensure that the objectives behind this Subsection 624(n) are not defeated.

A transaction generally will only be regarded as a "capital reorganization" for the purposes of the minority approval requirement if it involves a subdivision or conversion of one or more classes of Residual Equity Securities or if it has an effect similar to a *pro rata* distribution to holders of one or more classes of Residual Equity Securities. If a proposed capital reorganization would reduce the voting power of the existing security holders though the use of securities carrying multiple voting rights, TSX may regard the proposed reorganization as equivalent, in substance, to the type of security issuance that is prohibited by Subsection 624(m). This could be the case, for example, where the reorganization would not treat all holders of Residual Equity Securities in an identical fashion. In this case, TSX may not consent to the reorganization even with minority approval.

An issuance of Restricted Securities in the form of a stock dividend paid in the ordinary course will be exempted from the minority approval requirement. For this purpose, stock dividends generally will be regarded as being paid in the

ordinary course if the aggregate of such dividends over any one-year period does not increase the number of outstanding Residual Equity Securities of the listed issuer by more than 10%.

(o) TSX may, where it determines that it is in the public interest to do so, exempt a listed issuer from compliance with this Section 624 or any requirement thereof, subject to such terms and conditions as TSX may impose. In special circumstances, TSX may also set requirements or restrictions in addition to those set out in this Section 624 having regard to the public interest and the principles underlying this Section 624.

REDEMPTIONS OF LISTED SECURITIES

625. (a) Where a listed issuer proposes to redeem, or partially redeem, listed securities, one copy of the notice of redemption must be filed with TSX concurrently with the sending of the notices to the security holders, but in any event no later than seven trading days prior to the redemption date. For a full redemption of a list class of securities, such securities will normally be delisted from TSX at the close of business on the redemption date. For a partial redemption, listed securities must be redeemed on a pro rata basis. TSX will not accept notice of a partial redemption of listed securities by lot.

(b) Where a listed issuer redeems or partially redeems securities which were convertible into listed securities, the listed issuer must advise TSX, as soon as possible after the redemption date, of the number of securities which were authorized for issuance for potential conversion of the redeemed securities but were not in fact issued. TSX will adjust its listing records accordingly.

BACKDOOR LISTINGS

626. (a) A ''backdoor listing'' occurs when an issuance of securities of a listed issuer results, directly or indirectly, in the acquisition of the listed issuer by an unlisted issuer with an accompanying change in effective control of the listed issuer. A transaction giving rise to a backdoor listing may take one of a number of forms, including an issuance of securities for assets, an amalgamation or a merger. Transactions will normally be regarded as backdoor listings if they will, or could result in the security holders of the listed issuer owning less than 50% of the securities or voting power of the resulting issuer, with an accompanying change in effective control of the listed issuer.

Any securities issued or issuable upon a concurrent private placement upon which the backdoor listing is contingent or otherwise linked will be included in determining if the backdoor listing results in the security holders of the listed issuer owning less than 50% of the securities or voting power of the resulting company, with an accompanying change in effective control of the listed issuer.

(b) Subject to Subsection 626(c), where TSX determines that a transaction is a backdoor listing, the approval procedure is similar to that of an original listing application. Generally, the listed issuer resulting from the transaction must meet the original listing requirements of TSX. TSX will also approve the transaction where the unlisted entity meets the original listing requirements of TSX (except for the public distribution requirements) and the entity resulting from the transaction:

(i) meets the public distribution requirements for original listing;

(ii) would appear to have a substantially improved financial condition as compared to the listed issuer; and

(iii) has adequate working capital to carry on the business.

(c) The transaction must be approved by the security holders of the listed issuer's participating securities at a meeting prior to completion of the transaction. For this purpose, holders of Restricted Securities, as defined in Section 624, must be entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the issuer.

TSX's approval of a backdoor listing must be obtained before the transaction is submitted to security holders for approval. If this is impracticable, the information circular sent to security holders must include a statement that the proposed transaction is subject to the acceptance of TSX. TSX will require the listed issuer to file a draft of the information circular with TSX for review before the sending of the circular to the security holders.

TAKE-OVER BIDS AND ISSUER BIDS

627. (a) Where a take-over bid or issuer bid is made for securities of a listed issuer, it is the responsibility of the target issuer to ensure that one copy of the offering circular, directors' circular and all other materials sent to the security holders in connection with the bid are filed with TSX either concurrently with the sending of materials to the security holders or as

quickly as possible thereafter.

TSX must be advised as soon as possible of any amendments to the terms of the bid, in order for TSX to have sufficient time to establish appropriate trading and settlement rules.

(b) The rules for take-over bids and issuer bids, and exemptions for same, are prescribed by securities legislation and, in some cases, corporate legislation. See, for example, Part XX of the OSA.

Any purchase through the facilities of TSX that is a take-over bid, as defined in applicable securities legislation of a Canadian jurisdiction, must be carried out in accordance with the terms of the exemption in Clause 93(i)(b) of the OSA, regardless of the location of the seller.

NORMAL COURSE ISSUER BIDS

[Note: Sections 628 to 629.1 have been removed in order to be republished for public comment.]

SALES FROM CONTROL BLOCK THROUGH THE FACILITIES OF THE EXCHANGE

630. Responsibility of Participating Organization and Seller.

It is the responsibility of both the selling security holder and participating organization acting on their behalf to ensure compliance with TSX requirements and applicable securities laws. In particular, participating organization and selling security holders should familiarize themselves with the procedures and requirements set out in Part 2 of Multilateral Instrument 45-102.

631. Sales Pursuant to an Order or Exemption.

If securities are to be sold from a control block pursuant to an order made under section 74 of the OSA or an exemption contained in subsection 72(1) of the OSA or Part 2 of OSC Rule 45-501, the securities acquired by the purchaser may be subject to a hold period in accordance with the provisions of the OSA or Multilateral Instrument 45-102. Sales of securities subject to a hold period are special terms trades and will normally be permitted to take place on TSX without interference.

632. General Rules for Control Block Sales on the Exchange.

1. ***Filing*** **-** The seller shall file "Form 45-102F1 – Notice of Intention to Distribute Securities under subsection 2.8 of MI 45-102 *Resale of Securities*" with TSX at least seven calendar days prior to the first trade made to carry out the distribution.

2. ***Notification of Appointment of Participating Organization*** **-** The seller must notify TSX of the name of the participating organization which will act on behalf of the seller. The seller shall not change the participating organization without prior notice to TSX.

3. ***Acknowledgement of Participating Organization*** **-** The participating organization acting as agent for the seller shall give notice to TSX of its intention to act on the sale from control before any sales commence.

4. ***Report of Sales*** **-** The participating organization shall report in writing to the TSX on the last day of each month the total number of securities sold by the seller during the month, and, if and when all of the securities have been sold, the participating organization shall so report forthwith in writing to TSX.

5. ***Issuance of TSX Bulletin*** **-** TSX shall issue a bulletin respecting the proposed sale from control which bulletin will contain the name of the seller, the number of securities of the listed company held by the seller, the number proposed to be sold, and any other information that TSX considers appropriate. TSX may issue further bulletins from time to time regarding the sales made by the seller.

6. ***Special Conditions*** **-** TSX may, in circumstances it considers appropriate, require that special conditions be met with respect to any sales. Possible conditions include, but are not limited to, the requirement that the seller not make a sale below the price of the last sale of a board lot of the security on TSX which is made by another person or company acting independently.

7. ***Term*** **-** The filing of Form 45-102F1 is valid for a period of 30 days from the date the form was filed.

8. ***First Sale*** **-** The first sale cannot be made until at least seven calendar days after the filing of Form 45-102F1.

633. Restrictions on Control Block Sales on the Exchange.

1. ***Private Agreements*** – A participating organization is not permitted to participate in sales from control by private agreement transactions.

2. ***Normal Course Issuer Bids*** – If the listed issuer of the securities which are the subject of the sale from control block is undertaking a normal course issuer bid in accordance with Section 629 of this Manual, the normal course issuer bid and the sale from control block will be permitted on the condition that:

   (a) the participating organization acting for the listed issuer confirms in writing to TSX that it will not bid for securities on behalf of the listed issuer at a time when securities are being offered on behalf of the control block seller;

   (b) the participating organization acting for the control block seller confirms in writing to TSX that it will not offer securities on behalf of the control block seller at a time when securities are being bid for under the normal course issuer bid; and

   (c) transactions in which the listed issuer is on one side and the control block seller on the other are not permitted.

3. ***Price Guarantees*** – The price at which the sales are to be made cannot be established or guaranteed prior to the seventh day after the filing of Form 45-102F1 with TSX.

4. ***Crosses -*** A participating organization may distribute the whole of a control block sale to its own clients by means of a cross. Established crossing rules require that, prior to execution, all orders that are entered on any Canadian exchange at better prices than the price of the proposed cross must be filled in full. If the market is to be moved before execution of a cross, the responsible registered trader should be notified in advance.

SECURITY HOLDER RIGHTS PLANS

634. General.

(a) Security holder rights plans (commonly referred to as ‘‘poison pills’’) fall under TSX’s jurisdiction by virtue of Section 601 which requires listed issuers to pre-clear with TSX any potential issuance of equity securities.

(b) TSX neither endorses nor prohibits the adoption of poison pills generally or in connection with any particular take-over bid. The securities commissions in Canada are responsible for reviewing the propriety or operation of take-over bid defensive tactics pursuant to National Policy 62-202, including the adoption of a poison pill after the announcement or commencement of a hostile take-over bid. In the latter example, TSX will defer its review of such a poison pill until after the appropriate securities commission has determined whether it will intervene pursuant to National Policy 62-202.

(c) TSX believes that security holders of the listed issuer should have the opportunity to decide whether the continued existence of a plan that has been adopted by the board of directors of the listed issuer in the normal course of affairs (i.e. absent a threatened or actual specific take-over bid) is in the security holders’ best interests.

635. Filing and Listing Procedure.

(a) A draft of the proposed security holder rights plan (the “plan”) or poison pill should be filed with TSX along with a covering letter requesting TSX accept the plan for filing. The letter must include the following:

   (i) a statement as to whether the listed issuer is aware of any specific take-over bid for the listed issuer that has been made or is contemplated, together with full details regarding any such bid;

   (ii) a description of any unusual features of the plan; and

   (iii) a statement as to whether the plan treats any existing security holder differently from other security holders. The usual example of this is where, at the time of the plan’s adoption a security holder (or group of related security holders) owns a percentage of securities that exceeds the triggering ownership threshold identified in the plan but such security holder is exempted form the operation of the plan.

(b) If a listed issuer adopts a plan without pre-clearance from TSX, the listed issuer must:

   (i) publicly announce the adoption of its plan as subject to TSX acceptance, and

(ii) as soon as possible after the adoption of the plan, file with TSX a copy of the plan along with the covering letter described in Subsection 635(a).

(c) If TSX consents to the adoption of a plan, the rights issued to security holders will be automatically listed on TSX when those securities are issued. The rights will not appear as a separate entry on TSX trading list. There is a filing fee described in Section 811 that is payable to TSX for its review of the plan.

636. TSX Approach.

(a) If a plan is adopted at a time when the listed issuer is not aware of any specific take-over bid for the listed issuer that has been made or is contemplated, TSX will not generally refuse the plan for filing, provided that it is ratified by the security holders of the listed issuer at a meeting held within six months following the adoption of the poison pill. Pending such security holder ratification, the plan is allowed to be in effect so that its intent is not circumvented prior to the security holders meeting. If security holders do not ratify the plan by the required time, the plan must be immediately cancelled and any rights issued thereunder must be immediately redeemed or cancelled.

(b) In cases where a particular security holder may be exempted from the operation of a plan even though the security holder's percentage holding exceeds the plan's triggering ownership threshold, TSX will normally require that the plan be ratified by a vote of security holders that excludes the votes of the exempted security holder and its insiders as well as by a vote that does not exclude such security holder.

(c) If a plan can be reasonably perceived to have been proposed or adopted as a response to a specific take-over bid for a listed issuer that has been made or is contemplated, TSX will normally defer its decision on whether to consent to the plan until the OSC has had the opportunity to consider whether it will initiate proceedings by virtue of National Policy 62-202 regarding defensive tactics. If the OSC chooses not to intervene, TSX will generally not object to the adoption of a poison pill, subject to security holder ratification as described in Subsections 636(a) and (b) and subject to Sections 634, 635 and 637.

637. Plan Amendment.

No amendment of a plan that has been adopted by a listed issuer may be made without the prior written consent of TSX. In order to seek such consent, the listed issuer must file with TSX (i) a black-lined draft of the amended plan, (ii) a letter that summarizes the proposed changes to the plan, and (iii) the requisite filing fee payable to TSX (see Section 811).

ODD LOT SELLING AND PURCHASE ARRANGEMENTS

638. General.

(a) An odd lot of securities is less than a board lot. Listed issuers may reduce the number of holders of odd lots by using the procedure in Section 639.

(b) The procedure described in Section 639 is intended to facilitate odd lot sales at a reasonable cost to listed issuers. It is consistent with the objective of TSX to enhance the marketability of small holdings.

(c) The procedure described in Section 639 must be followed where a listed issuer seeks the assistance of a participating organization to solicit odd lots for resale on TSX, or to offer to defray the commissions payable by odd lot holders in acquiring additional securities on TSX to make up a board lot.

639. Procedures Applicable to Odd Lot Selling and Purchase Arrangements.

(a) Under an odd lot selling arrangement (a "Selling Arrangement") a listed issuer agrees to pay a fee per odd lot account to participating organizations to sell listed securities on behalf of odd lot holders. Under an odd lot purchase arrangement (a "Purchase Arrangement", together with a Selling Arrangement referred to herein as an "Arrangement") a listed issuer agrees to pay a fee per odd lot account to participating organizations to purchase a sufficient number of listed securities on behalf of odd lot holders to constitute a board lot.

(b) The listed issuer shall request odd lot holders wishing to take advantage of an Arrangement to either:

(1) place orders under the Arrangement with any participating organization; or

(2) transmit orders under the Arrangement directly to the listed issuer or an agent (such as a broker or transfer agent) designated by it.

If option (1) is selected, a participating organization shall be appointed as manager of the Arrangement (the "Manager") and shall be responsible for maintaining records of transactions and remitting the fees payable to other participating organizations. Special procedures applicable to options (1) and (2) are set out in Subsections 639(d) and (e).

(c) **Trading Odd Lots.** A Selling Arrangement may be carried out in one of two ways:

(1) the listed securities tendered by odd lot holders must be aggregated into board lots and sold promptly by a participating organization on TSX; or

(2) the listed securities must be sold promptly in the form of odd lots through the minimum guarantee fill system ("MGF"). In the event that odd lots are sold through the MGF the responsible Registered Trader will aggregate odd lots for resale in the normal course of his activities.

Similarly, under a Purchase Arrangement a participating organization must promptly acquire a sufficient number of listed securities to increase an odd lot holder's holding to a full board lot either (1) by purchases by the participating organization on TSX; or (2) through the MGF.

(d) **Rules Applicable to Arrangements through Participating Organizations.** The following applies to Arrangements where odd lot holders are to place orders with any participating organization (option (1) under Subsection 639(b)):

(i) It is anticipated that many odd lot holders will not currently have an account with a participating organization. In order to simplify the administration of an Arrangement being effected through participating organizations new account forms are not required to be completed for odd lot holders and transactions made pursuant to an Arrangement may be effected through an omnibus account. The participating organization must maintain proper records of orders as required by TSX Rule 2-404 "Records of Orders".

(ii) If required by the listed issuer, participating organizations selling odd lots on behalf of clients under a Selling Arrangement, or purchasing listed securities under a Purchase Arrangement, shall prepare a signed statement that to the best of the knowledge of the representative of the participating organization the listed securities of each named beneficial owner sold under a Selling Arrangement constitute all of the listed securities owned by such beneficial owner and that the number of listed securities purchased under a Purchase Arrangement for each named beneficial owner is the number of listed securities required to increase each beneficial owner's holding to the level of one board lot, as the case may be, and shall keep each such statement in its files for inspection by TSX. Participating organizations are not required to disclose the names of their clients to the Manager of an Arrangement or the listed issuer.

(iii) In the event that odd lots are held in the name of a participating organization on behalf of a customer who wishes to sell his listed securities pursuant to a Selling Arrangement the participating organization shall either (A) sell such listed securities on behalf of the customer pursuant to the Arrangement, (B) provide the customer with deliverable listed securities in order to permit the customer to tender such securities to another participating organization along with a certificate stating that, to the best of the participating organization's knowledge, the customer held a stated number of listed securities as of the record date of the Arrangement, or (C) tender such listed securities to another participating organization who is willing to sell the listed securities pursuant to the Arrangement on behalf of the customer.

(iv) The Manager shall maintain records of the transactions effected by participating organizations pursuant to the Arrangement. Participating organizations shall report such transactions to the Manager on a weekly basis. The Manager shall remit the amount offered by the listed issuer per odd lot account promptly after the receipt of each weekly report. The amount receivable by each participating organization is required to be used, in its entirety, to replace or reduce the normal brokerage commissions otherwise payable by odd lot holders.

(v) The price received or to be paid for an odd lot shall be the quoted price at which the trade is executed by the participating organization. If the listed securities of an odd lot holder are sold or purchased as part of more than one board lot and different prices are received or paid, the amount remitted to the customer, or paid by the customer, shall be the average price and the confirmation must disclose that an average price has been used and must list the prices at which the trades were made.

TSX anticipates that the Manager will advise the listed issuer concerning a reasonable fee payable per odd lot account.

(e) **Rules Applicable to Arrangements through the Listed Issuer.** The following applies to Arrangements where odd lot holders are to place orders through the listed issuer or an agent designated by it (option (2) under Subsection 639(b)):

(i) The listed issuer or its agent shall send orders received pursuant to the Arrangement to one or more participating organizations for execution forthwith after clearance of such orders for trading. Orders received and cleared for execution shall be placed with the participating organization no later than 12:00 p.m. on the next business day for execution on TSX. Orders may be aggregated, but not netted, by the listed issuer or its agent.

(ii) The participating organization shall execute aggregated buy or sell orders as soon as possible, subject to its discretion in fulfilling its obligation to obtain the best available price for the customer and to avoid any undue impact on such price.

(iii) The price received or to be paid for an odd lot shall be the average price received on all orders placed with the participating organization for execution on a given day, regardless of when any of such orders are executed.

(iv) In addition to the information required by Subsection 639(i), the disclosure document shall contain a statement that the price received or to be paid for an odd lot will be the average price received on all orders placed with the participating organization for execution on a given day, regardless of when any of such orders are executed. An estimate of the period of time required for mailing and clearing an order must be disclosed, and that the quoted price of the stock may change during such period.

(f) **Obligations to Odd Lot Holders.** A participating organization must obtain the best price available for its customer (the odd lot holder) in executing trades pursuant to an Arrangement. Notwithstanding any financial arrangement with the listed issuer, participating organizations must satisfy their fiduciary duty to odd lot holders in accordance with this Policy and applicable law. The listed issuer shall not, directly or indirectly, influence the time, price, amount or manner of sales or purchases of odd lots.

Subject to any agreement to the contrary, participating organizations may acquire or sell odd lots in principal transactions in accordance with TSX Policy 4-502 “Exposure of Client Orders” and TSX Rule 4-502 “Client Principal Trading”. Participating organizations may not be a prominent influence in the market for the listed securities at a time when a principal transaction is proposed to be executed.

(g) **Security Holders Eligible to Participate.** Only persons or companies who are holders of less than one board lot as defined in Part I of this Manual are eligible to participate in either type of Arrangement. The determination as to whether a person or company is the holder of an odd lot shall be made as of a record date established by the listed issuer. The record date must be prior to the public announcement of the Arrangement in accordance with Subsection 639(h) in order to ensure that board lots will not be broken up in order to participate in the Arrangement.

An Arrangement is required to be extended to both registered holders of odd lots and beneficial owners of odd lots registered in nominee form. TSX will approve an Arrangement directed to the holders of a specific number of listed securities or less that does not include all odd lot holders where it is satisfied that holders of more than the specified number of listed securities are not disadvantaged as a result of minimum commission rates.

TSX recognizes an exception from the requirement that either type of Arrangement be extended to all odd lot holders in the case of participants in stock ownership plans established by a listed issuer for its employees and in the case of participants in dividend reinvestment plans. Since plans of this kind are intended to promote security ownership as an incentive to employees and security holders and provide a special advantage to its participants listed issuers may wish to exclude plan participants from an Arrangement. Accordingly, a listed issuer will be permitted to exclude from an Arrangement any participant in a bonus, profit-sharing, pension, retirement, incentive, stock purchase, stock ownership, stock option or similar plan instituted for employees of the listed issuer or its subsidiaries or any participant in a dividend reinvestment plan instituted by the listed issuer.

(h) **Duration of an Arrangement.** An Arrangement is required to remain open for at least thirty calendar days from acceptance by TSX in order to ensure adequate dissemination of information. An Arrangement may continue for a maximum period of ninety calendar days and may thereafter be renewed with the prior written consent of TSX for two additional thirty day periods following the expiry of the initial period. In order for TSX to consider the renewal of an Arrangement, a written request must be provided to TSX of the proposed renewal at least seven business days prior to the expiry of the previous period. (see Subsection 639(i)(iv)).

(i) **Dissemination of Information.**

(i) The listed issuer shall file with TSX a copy of a draft press release announcing an Arrangement and a draft disclosure document which includes the information required under clause (iii) below at least seven business days before the record date. The press release shall not be issued and the disclosure document shall not be distributed to securityholders until written approval has been given by TSX.

(ii) A press release shall be issued on the first business day following the record date after written approval has been given by TSX.

(iii) Following issuance of the press release a disclosure document shall be sent by the listed issuer to each securityholder of record on the record date that holds an odd lot. Where a securityholder of record holds listed securities on behalf of other persons or companies, the listed issuer shall provide, upon the request of such holder, a sufficient number of copies for each beneficial owner of an odd lot. The disclosure document, the original of which must be signed by a duly authorized officer of the listed issuer and filed with TSX, shall include the following items of information:

i. Name of listed issuer and the nature of the Arrangement being made available to odd lot holders.

ii. A description of the class or classes of listed securities subject to the Arrangement and the holders eligible to participate.

iii. A statement that: (a) the listed issuer will pay one or more participating organizations a fee to sell or purchase odd lots, as the case may be, in the open market on behalf of odd lot holders; (b) for the purpose of the Arrangement, the odd lot holder is the customer of the participating organization agreeing to sell or purchase listed securities, as the case may be, pursuant to the Arrangement, and; (c) the participating organization is required to obtain the best available price for the odd lot holder.

iv. If applicable, state that the participating organization may purchase or sell odd lots under the Arrangement as principal in accordance with TSX requirements.

v. The duration of the Arrangement.

vi. The purpose of the Arrangement.

vii. A description of the procedure that must be followed by both registered odd lot holders and beneficial owners of odd lots held in nominee form to participate in an Arrangement.

viii. The name, address and telephone number of the department or person at the listed issuer from whom additional information may be obtained and that the odd lot holder should consider contacting his or her broker concerning the advisability of participating in the Arrangement.

(iv) See Subsection 639(e)(iv) for additional information required in the disclosure document in connection with Arrangements through the listed issuer. A request for a renewal of an Arrangement shall be accompanied by a statement of the number of listed securities previously sold or purchased, as the case may be, under the Arrangement. Upon acceptance by TSX the listed issuer shall issue a press release announcing the renewal of the Arrangement.

(j) A filing fee is required in connection with each Arrangement filed with TSX, and with each renewal thereof (see Part VIII).

(k) A listed issuer may also purchase odd lots offered in the marketplace pursuant to a normal course issuer bid implemented in accordance with Section 629.

(l) A listed issuer may have both a Normal Course Issuer Bid, and either a Selling Arrangement, or a Purchase Arrangement, or both, in effect at the same time.

AMENDMENTS TO SECURITY PROVISIONS

640. Any proposed amendment to the provisions attaching to any securities other than securities which are unlisted, non-voting, non-participating and non-convertible, must be pre-cleared with TSX.

EFFECT OF AMENDMENTS ON EXISTING ARRANGEMENTS

641. These amendments will be effective for all notices filed with TSX on and after January 1, 2005 (the **"effective date"**).

The following will be unaffected by these amendments:

1. Any transaction (including a security based compensation arrangement) of which TSX has been notified of in writing prior to the effective date. Any transaction which has been conditionally approved by TSX prior to the

effective date, but which has not closed on or prior to the effective date may be reviewed under the Amendments upon application by the listed issuer.

2. Any transactions or resolutions for which, prior to the effective date, either the listed issuer has mailed final materials to security holders or for which security holder approval has been received.

3. With respect to the initial security holder approval required by Subsection 613(a), any security based compensation arrangement approved by TSX prior to the effective date. Such security based compensation arrangements will be subject to Section 613(a) with respect to the three year approval requirements from the later of the effective date and the date of the initial security holder approval.

PART VII – HALTING OF TRADING, SUSPENSION AND DELISTING OF SECURITIES

A. GENERAL

Sec. 701. TSX may at any time:

(a) temporarily halt trading in any listed securities; or

(b) suspend from trading and delist a listed issuer's securities if TSX is satisfied that:

(i) the listed issuer has failed to comply with any of the provisions of its Listing Agreement with TSX or with any other TSX requirement; or

(ii) such action is necessary in the public interest.

B. HALTING OF TRADING

Sec. 702. TSX may halt trading in the securities of a listed issuer for disclosure of material information which requires immediate public disclosure under TSX's timely disclosure policy. A halt of trading is a temporary measure which will usually not last more than one hour following the dissemination of the announcement. TSX may also temporarily halt trading where such action is deemed to be in the public interest (for example, in order to maintain a fair and orderly market).

Refer to Sections 406 to 423.8 for a description of the timely disclosure policy, including more complete information regarding trading halts.

Sec. 703. During the period when trading is halted, no TSX participating organization may execute an order in the over-the-counter market.

Trading may also be halted when the market activity indicates that significant news appears to be available to some investors but not to the public at large, and the listed issuer either will not, or cannot, make a clarifying statement.

If trading is halted but an announcement is not immediately forthcoming, TSX may establish a reopening time, which shall not be later than 24 hours after the time that the halt was imposed (excluding non-business days). The listed issuer is urged to make an announcement, but if it will not, TSX will issue a notice stating the reason for the trading halt, that an announcement was not immediately forthcoming and that trading will therefore resume at a specific time.

Sec. 704. Trading may also be halted due to failure by the listed issuer to comply with requirements of TSX. In some cases, a halt may be changed to a suspension or delisting.

C. SUSPENSION AND DELISTING

Objective

Sec. 705. The objective of TSX's policies regarding continued listing privileges is to facilitate the maintenance of an orderly and effective auction market for securities of a wide variety of listed issuers that are actively engaged in an ongoing business, in which there is a substantial public interest, and that comply with the requirements of TSX. The policies are designed and administered in a manner consistent with that objective.

Application of Policy

Sec. 706. TSX has adopted certain quantitative and qualitative criteria (the "**delisting criteria**"), that are outlined in the following sections, under which it will normally consider the suspension from trading and delisting of securities. However, no set of criteria can effectively anticipate the unique circumstances which may arise in any given situation. Accordingly, each situation

is considered individually on the basis of relevant facts and circumstances. As such, whether or not any of the delisting criteria has become applicable to a listed issuer or security, TSX may, at any time, suspend from trading and delist securities if, in the opinion of TSX, such action is consistent with the objective cited above or further dealings in the securities on TSX may be prejudicial to the public interest.

Process

Sec. 707. TSX examines the affairs and the performance of listed issuers to ensure that they are of a standard that merits the continued listing of such companies. If, as a result of such examination, TSX determines that any of the delisting criteria outlined in Sections 708 to 717 has become applicable to a listed issuer or to its securities, TSX will notify the listed issuer (by telephone or telecopied letter) and the market (by trader note and bulletin) that the listed issuer is under a delisting review.

The delisting review process will be conducted through either the "Remedial Review Process" or the "Expedited Review Process", as follows:

Remedial Review Process

(a) A listed issuer that has been notified that it is under delisting review because of the applicability of any of the delisting criteria set out in Section 709, paragraphs (b) or (c) of Section 710, Section 711 or Section 712 will normally be given up to 120 days from the date of such notification (the "**delisting review period**") to correct the deficiencies that triggered the delisting review.

At any time prior to the end of the delisting review period, TSX will provide the listed issuer with an opportunity to be heard where the listed issuer may present submissions to satisfy TSX that all deficiencies identified in TSX's notice have been rectified. If the listed issuer cannot satisfy TSX at the conclusion of the hearing that the deficiencies identified have been rectified and that no other delisting criteria are then applicable to the listed issuer, TSX will determine to delist the listed issuer's securities.

Upon such determination, TSX will issue a written notice to the market to confirm the date that the delisting will be effective, which date will generally be the 30th calendar day after the issuance of such notice.

TSX may abridge the term of the delisting review period at any time upon written notice to the listed issuer, particularly after the occurrence of any of the events described in Section 708, paragraph (a) of Section 710, or Sections 713 to 717 inclusive. In any such case, the listed issuer that is under a delisting review will be provided with an opportunity to be heard on an expedited basis where the listed issuer may present submissions as to why its securities should not be delisted. If the listed issuer cannot satisfy TSX that a delisting is unwarranted, TSX will determine to suspend the listed issuer's securities from trading as soon as practicable after such hearing and the listed issuer's securities will be delisted on the 30th calendar day after the suspension date. During the period between the suspension date and delisting date, the listed issuer remains subject to all TSX requirements, including compliance with the provisions of Sections 501 and 602, regardless of whether the listed issuer had been exempted from the requirements of Section 501 prior to suspension; or

Expedited Review Process

(b) A listed issuer that has been notified that it is under delisting review:

(i) because of the applicability of any of the delisting criteria in Section 708, paragraph (a) of Section 710 or Sections 713 to 716 inclusive; or

(ii) because the listed issuer has failed to meet original listing requirements by the deadline set by TSX in connection with any of the events described in Section 717; or

(iii) because TSX believes that the expedited suspension from trading and delisting of the listed issuer's securities is warranted;

will be provided an opportunity to be heard, on an expedited basis, where the listed issuer may present submissions as to why its securities should not be suspended from trading immediately and delisted. If the listed issuer cannot satisfy TSX that an immediate suspension is unwarranted, TSX will determine to suspend the listed issuer's securities from trading as soon as practicable after such hearing and the listed issuer's securities will be delisted on the 30th calendar day after the suspension date. During the period between the suspension date and delisting date, the listed issuer remains subject to all TSX requirements, including compliance with the provisions of Sections 501 and 602, regardless of whether the listed issuer had been exempted from the requirements of Section 501 prior to suspension.

DELISTING CRITERIA

(1) Insolvency

Sec. 708. At such time as TSX is advised or becomes aware that a listed issuer (or any of its significant subsidiaries), has become insolvent or bankrupt or has made an assignment for the benefit of creditors; or a trustee, receiver, liquidator or monitor has been appointed for the listed issuer or for a substantial part of its assets; or bankruptcy, reorganization, creditor arrangement or protection, insolvency, liquidation, winding up or similar proceedings are instituted by or against the listed issuer under the laws of any jurisdiction, the securities of the listed issuer may, at the discretion of TSX, be immediately halted from trading on TSX. TSX will ordinarily halt trading, or prevent the lifting of a trading halt, of the listed issuer's securities in order to allow material information to be publicly disseminated or when inadequate information in respect of the listed issuer is available to the market, or when adequate information in respect of the listed issuer is not available to the market.

During the trading halt, or as soon as practicable after the trading halt is lifted, TSX shall notify the listed issuer that it is under delisting review and is subject to the Expedited Review Process (see Section 707).

(2) Financial Condition and/or Operating Results

Sec. 709. TSX will normally consider the delisting of securities of a listed issuer if, in the opinion of TSX, the financial condition and/or operating results of the listed issuer appear to be unsatisfactory or appear not to warrant continuation of the securities on the trading list.

Sec. 710. Specifically, securities of a listed issuer may be delisted if:

All Issuers

(a)(i) the listed issuer's financial condition is such that, in the opinion of TSX, it is questionable as to whether the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in financial statements regarding the listed issuer's ability to continue as a going concern; or

(ii) the listed issuer has ceased, or has expressed an intention to cease, to be actively engaged in any ongoing business; or

(iii) the listed issuer has discontinued or divested a substantial portion of its operations, thereby so reducing its business as to no longer merit continued listing; or

Industrial Issuers

(b) the listed issuer fails to have:

(i) total assets of at least $3,000,000; and

(ii) annual revenue from ongoing operations of at least $3,000,000 in the most recent year.

Criteria (b)(i) and (ii) above do not apply to a research and development listed issuer; however, such a company may be delisted if it has failed to spend at least $1,000,000 on research and development, acceptable to TSX, in the most recent year; or

Resource Issuers

(c)(i) in the most recent year, the listed issuer has failed to carry out at least $350,000 of exploration and/or development work that is acceptable to TSX and has failed to generate revenue of at least $3,000,000 from the sale of resource-based commodities; or

(ii) the listed issuer does not have adequate working capital and an appropriate capital structure to carry on its business.

(3) Market Value and Public Distribution

Sec. 711. TSX will normally consider the delisting of securities of a listed listed issuer if, in the opinion of TSX, it appears that the public distribution, price, or trading activity of the securities has been so reduced as to make further dealings in the securities on TSX unwarranted.

Sec. 712. Specifically, participating securities may be delisted if:

(a) the market value of the listed issuer's issued securities that are listed on TSX is less than $3,000,000 over any period of 30 consecutive trading days; or

(b) the market value of the listed issuer's freely-tradable, publicly held securities is less than $2,000,000 over any period of 30 consecutive trading days; or

(c) the number of freely-tradable, publicly held securities is less than 500,000; or

(d) the number of public security holders, each holding a board lot or more, is less than 150.

Non-participating securities will be subject to (b) above as well as Section 711.

(4) Failure To Comply With TSX Requirements & Policies

Listing Agreement
Sec. 713. TSX may delist the securities of a listed issuer that fails to comply with its Listing Agreement or other agreements with TSX, or fails to comply with TSX requirements and policies. Examples of failure to comply with the Listing Agreement include, but are not limited to, failure to obtain the prior consent of TSX to issue additional equity securities; failure to obtain the consent of TSX before undergoing a material change in the business if the listed issuer is subject to Section 501; and failure to comply with TSX's requirements for stock options and security based compensation arrangements.

Disclosure Policies
Sec. 714. TSX may delist the securities of a listed issuer that has failed to comply with TSX's Timely Disclosure policy (see Sections 406 to 423.8 and 472 to 475) or with disclosure requirements under any securities law to which the listed issuer is subject. In addition, TSX may delist the securities of a listed issuer that is engaged in the business of mineral exploration, development or production if such listed issuer has failed to comply with TSX's "Disclosure Standards for Companies Engaged in Mineral Exploration, Development & Production" (see Appendix B).

Payment of Fees or Charges
Sec. 715. TSX may suspend from trading and delist the securities of a listed issuer that fails or refuses to pay, when due, any fee or charge payable by the company pursuant to Exchange requirements.

Management
Sec. 716. TSX requires that each listed issuer must meet on an ongoing basis the management requirements relevant to its category of listing that are described in Section 311 (for Industrial Issuers), Section 316 (for Mining Issuers) and Section 321 (for Oil & Gas Issuers). TSX may delist the securities of a listed issuer that has failed to meet such management requirements.

Upon receipt of a Form 3 (see Section 424) from a listed issuer, or upon notice of a new insider of a listed issuer, TSX will conduct a review of the new director, officer, trustee or insider with a view to determining the suitability of such individual or entity as an insider of the listed issuer. Upon the request of TSX, listed issuers will submit a Personal Information Form (Form 4, Appendix H) for any person so requested. TSX may delist the securities of a listed issuer in the event TSX determines that such individual or entity is not suitable as an insider of the listed issuer.

(5) Change In Business

Sec. 717. Where a listed issuer substantially discontinues its business (for example, through the sale of all or substantially all of its assets in one or more transactions) or materially changes the nature of its business (for example, through the acquisition of an interest in another business which represents the majority of the market value of the listed issuer's assets or which becomes the principal operating enterprise of the listed issuer), TSX will normally require that the listed issuer meet original listing requirements. Failure of the listed issuer to meet these requirements may result in the delisting of its securities.

REINSTATEMENT OF LISTING

Sec. 718. A listed issuer whose securities are delisted must remedy all of the conditions which resulted in the delisting, and must meet TSX's requirements for original listing in order to qualify for reinstatement or be reconsidered for listing. The listed issuer must submit a complete listing application with the required supporting documentation and TSX will consider each application individually on the basis of all relevant facts and circumstances.

REVIEW OF DELISTING DECISIONS

Sec. 719. Decisions in respect of the application of this Part VII are made by the Listings Committee after providing the listed issuer an opportunity to be heard. If a listed issuer wishes to contest a decision made under Part VII, the listed issuer may request that the matter be heard by the committee having made the original decision, with the additional participation of the Senior Vice President, TSX, and/or his/her designate. If after being heard, the listed issuer remains dissatisfied with the decision, the listed issuer may appeal the decision to a three-person panel of TSX's Board.

A listed issuer may request that the OSC review the Board's decision provided that the provisions of section 21 of the OSA (or any replacement legislation) apply.

VOLUNTARY DELISTING

Sec. 720. A listed issuer wishing to have all its listed securities, or any class of its securities, delisted from TSX must apply formally to TSX to do so. The application should take the form of a letter addressed to TSX. The letter should outline the reasons for the request and be accompanied by a certified copy of a resolution of the listed issuer's board of directors (or other similarly situated body) authorizing the request.

EFFECT OF AMENDMENTS ON EXISTING REVIEWS AND SUSPENSIONS

721. These amendments will be effective on and after the effective date (as defined in Section 641).

The following will be unaffected by these amendments:

1. Any listed issuer under suspension or delisting review on the effective date; and

2. Any listed issuer under suspension from trading on the effective date.

APPENDIX C

Comments Received Proposed Amendments to Parts V, VI and VII of TSX's Company Manual		
From	Comments	TSX Response
A) **Simon Romano**	**A)** **1) General** I applaud the stated objective of ensuring transparency of standards, and publishing interpretations on an ongoing basis, as the TSX has for many years had a number of internal requirements that have never been made public. **2) Section 601 – Market Price** The definition of VWAP allows the TSX "where appropriate" to exclude "internal crosses and certain other special terms trades". Also, the TSX can use different periods than 5 days. Each seems to create substantial uncertainty, and should be limited to extraordinary situations. **3) General - VWAP** In addition, legal, accounting and other advisors will be hampered by not having access to the TSX's special website (www.tsxedge.com) to determine VWAP. In addition, if the public company's applicable personnel are not available, a similar difficulty could perhaps arise. Could the TSX provide publicly accessible access to VWAP information or the necessary building blocks thereof? **4) General – Market Price** Often agreements to issue securities will not firmly specify the future date of issuance, but rather provide for a closing date "as mutually agreed, but not later than x", or similar wording. It is unclear what the relevant date would be for determining the market price in such circumstances. **5) General – Private Placement Questionnaire and Undertaking** I welcome the removal of private placement undertakings, as this represented a duplicative and complicating factor.	**A)** **1) General** Thank you for your comment. **2) Section 601 – Market Price** The definition has been amended to indicate that it is in "certain exceptional circumstances". **3) General - VWAP** The information necessary to calculate VWAP is available through subscriber services such as Bloomberg, Reuters and Stockwatch, as well as directly from TSX through TSX Datalinx. **4) General – Market Price** If an agreement does not specify a future date of issuance, the relevant date will be the date of the agreement. The future date provision was included in the definition of Market Price in order to assist issuers that had not yet established a fixed price for the issuance of the security but had agreed upon a formula to be calculated as some future date. **5) General – Private Placement Questionnaire and Undertaking** Thank you for your comment.

Comments Received Proposed Amendments to Parts V, VI and VII of TSX's Company Manual		
From	Comments	TSX Response
	6) Section 602(a) Non-voting preferred shares sometimes have veto rights, and of course have voting rights where provided by law. Would such rights turn them into voting shares for purposes of section 602(a)? Not infrequently, two classes of preferred shares are inter-convertible; presumably the rule should refer to securities that are convertible into listed securities, directly or indirectly.	**6) Section 602(a)** TSX would generally not consider preferred shares with veto rights or statutory entitlements to vote on special matters as voting shares for the purposes of section 602(a). We have amended to subsection as follows: "Every listed issuer shall immediately notify TSX in writing of any transaction involving the issuance or potential issuance of any of its securities other than unlisted, non-voting, non-participating securities." "Convertible securities" is a defined term which relates only to listed securities.
	7) Section 604(a)(i) The test of "may" materially affect control in s. 604(a) seems to be even more vague than the OSA definition (in the term "distribution"), which requires an effect, not a possible effect. I suggest that at a minimum the "may" wording be removed.	**7) Section 604(a)(i)** We have amended section 604(a)(i) by deleting the word "may".
	8) Section 604(d) Written consent should in my view be available under s. 604(d) for shareholder rights plans, to facilitate certainty in difficult situations where adequate shareholder support exists, especially given the oversight of the OSC over such plans.	**8) Section 604(d)** TSX believes that approval of a shareholder rights plan is important enough to be brought to the attention of all of an issuer's shareholders. In particular, TSX believes that a shareholder rights plan should be subject to public scrutiny prior to definitive adoption, even in circumstances where an issuer is able to obtain the majority consents of its shareholders.
	9) Section 604(e)(ii) S. 604(e)(ii) should, given its plural language, clarify that the committee may consist of only a single unrelated director.	**9) Section 604(e)(ii)** We have amended section 604(e)(ii) to clarify that the committee may consist of only a single director.
	10) Section 604(f) – 90% Shareholder Exemption S. 604(f) should probably also apply to a group of holders with 90%, as does OSC Rule 61-501 s. 4.8(ii).	**10) Section 604(f) – 90% Shareholder Exemption** We agree that the 90% shareholder exemption should apply to a group of associated or affiliated persons. Section 604(f) has been amended as follows: "Security holder approval will not be required where at least ninety percent (90%) of a listed issuer's equity and outstanding voting securities are held by one person or company, together with its associates and affiliates. Listed issuers using this exemption will be required to issue a press release at least ten (10) business days in advance

Comments Received Proposed Amendments to Parts V, VI and VII of TSX's Company Manual		
From	Comments	TSX Response
		of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with TSX."
	11) Security Holder Approval Subject to restricted share issues (where applicable), ss. 604, 607(g) and 613 and similar provisions should clarify that only voting security holders are entitled to vote.	**11) Security Holder Approval** Section 604(d) has been amended as follows: "Security holder approval is to be obtained from a majority of holders of voting securities at a duly called meeting of security holders…"
	12) Change in Business The last para. of section 607(c) in referring to a "change in the nature of an issuer's business" seems much broader than the illustrative language in s. 717. The latter test seems more appropriate, especially given that every acquisition may be seen to involve a change in the nature of an issuer's business to some extent. Some massaging seems appropriate here and in s. 717.	**12) Change in Business** The reference in section 607(c) cross-references section 717 which contains a more detailed description of a change in the nature of business. In order to clarify any uncertainty we have amended section 607(c) as follows: "….For greater certainty, where the proceeds of a proposed private placement, in whole or in part, are used towards a transaction which results in a change in the nature of a listed issuer's business as described in Section 717, such private placements will not be accepted under this Subsection 607(c). See Section 717 for additional details regarding the requirements for a change in the nature of a listed issuer's business…."
	13) Section 601 It should be clarified that written approval will suffice for purposes of ss. 607(e), 610 and 613(h) for larger discounts, and that unlisted warrants can be priced under market with security holder approval (since they could be amended to achieve a similar result).	**13) Section 601** With respect to 607(e) (private placements), Section 608 (unlisted warrants) and 610 (convertible securities), TSX will generally accept written approval be security holders, as described in Section 604(d). With respect to Section 613(h) (stock options and amendments), Section 604 (d) states that written approval will not be accepted for security based compensation arrangements.
	14) Section 611(c) The basis for the exercise of discretion in s. 611(c) for relief for non-closely held assets should be elaborated. In particular, will a public company bidding via a share exchange bid for, or entering into a share exchange merger with, a widely held public company that is of the same size, leading to a 100% issuance, qualify for relief?	**14) Section 611(c)** TSX is not proposing to review take-over bids for, arrangements with or amalgamations with widely held public companies under section 611(d). Section 611(d) has been added to clarify that if the assets which are being acquired are not closely held, TSX will grant relief from Section 611(c). Please see below for the amended provision. We believe that the acquisition of publicly held issuers which are widely held are clearly excluded from this amended provision. "Subject to Sections 603 and 604 and to Subsection 611(b), TSX will not require security holder approval where the assets are acquired from a reporting issuer (or equivalent status) having 50 or more beneficial security holders, excluding insiders and employees."

Comments Received Proposed Amendments to Parts V, VI and VII of TSX's Company Manual		
From	Comments	TSX Response
	15) Section 613(a) – Three Year Renewal The obligation in s. 613 to have security-based compensation arrangements approved every three years should be clearly stated not to affect previously existing rights, such as previously granted individual stock options, but only continued granting of rights thereafter.	**15) Section 613(a) – Three Year Renewal** Section 613(a) has been amended to clarify that only unallocated options are subject to the renewal approval. In addition, Section 613(a) has been amended as follows: "When instituted all security based compensation arrangements must be approved by: (i) a majority of the listed issuer's directors; (ii) a majority of the listed issuer's unrelated directors; and (iii) subject to Subsections 613(b), (c), (g) and (i), by the listed issuer's security holders. Every three years after institution, all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed maximum number of securities issuable, must be approved by: (i) a majority of the listed issuer's directors; (ii) a majority of the listed issuer's unrelated directors; and (iii) subject to Subsections 613(b), (c), (g) and (i), the listed issuer's security holders. Insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approvals required by this Subsection 613(a) unless the securities issued and issuable to insiders of the listed issuer under the arrangement, or when combined with all of the listed issuer's other security based compensation arrangements, could not exceed 10% of the listed issuer's total issued and outstanding securities. If any security holder approval for a security based compensation arrangement, when combined with all of the listed issuer's other security based compensation arrangements could exceed 10% of the listed issuer's total issued and outstanding securities, holders of Restricted Securities, as defined in Section 624, must be entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the listed issuer.

Comments Received Proposed Amendments to Parts V, VI and VII of TSX's Company Manual		
From	Comments	TSX Response
		Security holder approval required for a security based compensation arrangement must be by way of a duly called meeting. The exemption from security holder approval contained in Subsection 604(e) is not available in respect of security based compensation arrangements.
	16) Section 613(a) – Index Exemption The composite index requirement in s. 613 seems discriminatory and unfair to, for example, income trusts and other smaller issuers generally (who may already have a harder time retaining employees than larger companies).	**16) Section 613(a) – Index Exemption** As a result of public comments on this provision, TSX has amended Section 613(a). Please see our response to your comment #15 above.
	17) Section 605 A public reminder that Form 1s are to be filed monthly might be useful.	**17) Section 605** Thank you for your comment. TSX will carry a reminder for issuers to file their Form 1s monthly in our next edition of TSXtra, a quarterly newsletter for issuers and their advisors.
	18) Section 613(j) S. 613(j) should not apply to issuances in connection with a proposed transaction (e.g. an acquisition, joint venture or financing), since the proposed transaction itself might be argued to be material information.	**18) Section 613(j)** We agree. The current section 613(j) provides an exception for options granted that are directly related to the undisclosed event, provided that the grantee (now revised to be a person or company) is not an employee or an insider of the issuer.
	19) Section 613 S. 613 should not require approval for amendments to stock options, etc. in the context of take-over bids or merger transactions, as these sorts of amendments are often required and should be able to be adopted by the board. Otherwise, such transactions (including break fees and the like) will be unduly complicated.	**19) Section 613** Amendments to stock options in the context of take-over bids or merger transactions may be dealt with by the board, provided that the security based compensation arrangements provides for such amendments.
	20) Section 614(n)(iv) Should s. 614(n)(iv) refer to CDS, which is usually the registered holder, rather than banks, etc.?	**20) Section 614(n)(iv)** Section 614(n)(iv) has been amended to include CDS.

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	21) Sections 634 – Security Holder Rights Plans Shareholder rights plans, even in the face of a bid, need to come into force right away, and in practice do so. It should be clarified in ss. 634 – 36 that the TSX's "deferral" of a review and decision will not interfere with this.	**21) Sections 634 – Security Holder Rights Plans** Section 634(b) clearly indicates that TSX will defer consideration of a poison pill until the securities commission has determined whether it will intervene. TSX's deferral of a review will generally not interfere with the implementation of a poison pill, however to the extent that the issuer may insist on a posting of either the rights or additional securities related to the triggering of a pill, TSX's deferral may interfere with the adoption of such a pill and therefore we do not believe that it is appropriate to include the suggested language.
	22) Section 641 S. 641 should apply only to listed securities, to avoid inappropriately affecting credit arrangements, etc.	**22) Section 641 (now called Section 640)** Section 641 has been amended to refer to any securities other than securities that are unlisted non-voting, non-participating and non-convertible.
	23) Section 642 Does s. 642 also mean that 3 year re-approval will not be required of current stock option and similar arrangements? Perhaps this should be clarified.	**23) Section 642 (now called Section 641)** All security based compensation arrangements will be subject to the three year renewal requirement, however, those which have been approved prior to the effective date of the amended rules, will be subject to a renewal requirement three from the effective date of the amendment. Section 642 has been amended as follows: "…The following will be unaffected by these amendments: 1. Any transaction (including a security based compensation arrangement) of which TSX has been notified of in writing prior to the effective date. Any transaction which has been conditionally approved by TSX prior to the effective date, but which has not closed on or prior to the effective date may be reviewed under the Amendments upon application by the listed issuer. 2. Any transactions or resolutions for which, prior to the effective date, either the listed issuer has mailed final materials to security holders or for which security holder approval has been received. 3. With respect to the initial security holder approval required by Subsection 613(a), any security based compensation arrangement approved by TSX prior to the effective date. Such security based compensation arrangements will be subject to Section 613(a) with respect to the three year approval requirements from the later of the effective date and the date of the initial security holder approval."

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B. **Blake, Cassel & Graydon LLP**	**B.** **1) General – Market Price** Imposing a requirement for a binding commitment to be made to a dealer in order to establish the basis for determination of the offering price may eliminate the benefits. The requirement for a binding commitment may result in pre-mature commitments, exposing issuers to non-refundable work and break fees and pre-mature triggering requirements for disclosure. It is recommended that listed issuers be permitted to proceed with a private placement at an offering price based on a five day VWAP determined by reference to the date of receipt of notice by TSX, in addition to the basis referenced to the in the proposed "market price" definition. **2) Section 611(c) - Acquisitions** To the extent that an acquisition includes either the assumption of security based compensation arrangements of a target issuer or the establishment by the acquirer of security based compensation arrangement for target employees, they should be included in the 25% threshold for security holder approval, as proposed. We recommend that unless a listed issuer wished to undertake a material amendment to such arrangements, section 611 should explicitly state that those arrangement are not subject to security holder approval and other requirements of section 613. It is recommended that the proposed rules provide that a listed issuer may settle such terms within a period of 30 to 60 days following closing provided that the number of securities issuable under the target employee security based compensation arrangements is within a maximum number specified to TSX in advance of closing and included in the total number of securities issuable under the acquisition for the purposes of determining if the 25% threshold for security holder approval has been	**B.** **1) General – Market Price** The definition of "market price" has been amended as follows: "…Market price is as at the date: (a) provided for in the binding agreement obligating the issuer to issue the securities (either the date of the binding agreement or some future date); or (b) the date the Section 602 notice is received by TSX, requesting price protection…." **2) Section 611(e) - Acquisitions** Thank you for your comment. A new Section 611(e) has been added as follows: "Where an acquisition by a listed issuer includes the assumption of security based compensation arrangements of a target issuer, securities issuable under such arrangements will be included in the securities issued or issuable for the purposes of the security holder approval requirement in Subsection 611(c). For the purpose of this Section 611, the assumption of security based compensation arrangements includes a direct assumption of a security based compensation arrangement as well as the cancellation of security based compensation arrangements in the target issuer and their replacement with arrangements in the listed issuer." Issuers assuming options as part of an acquisition will be permitted a 30 day period to provide TSX with definitive options grants within the context of Section 611(e) above.

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	exceeded. **3) Section 602(g) – Interlisted Issuer Exemption** We agree that if a listed issuer's primary market is on another exchange and TSX rules impose requirements that are in addition to or inconsistent with those of the other exchange, an exemption from TSX rules is appropriate. With regard to the trading threshold, we suggest that if the trading value and volume on another exchange is at least two-thirds of the total in a six-month period with the result that trading on TSX is no more than one-third (recognizing that certain issuers may have listed their securities on multiple exchanges), that would be a sufficient basis to provide the exemption. We suggest that in addition to the six month period set forth in section 602(h), a listed issuer be permitted to determine if the threshold for the exemption is achieved in the last six months of its fiscal year, and if so be eligible for the exemption for the following year. **4) Section 613(a) – Approval by All Unrelated Directors** The proposed requirement to have all security-based compensation arrangements approved unanimously by all unrelated directors appears to be unduly stringent and a pronounce departure from normal requirements. The unanimity requirement would give disproportionate weight to one director's view out of many, and indeed could subject the company to undue influence or improper purposes by one director. A requirement that a majority of unrelated directors approve such plans would provide more than sufficient safeguards.	**3) Section 602(g) – Interlisted Issuer Exemption** We continue to believe that 75% is the correct threshold for the interlisted exemption. Particularly in recognition that certain issuers may have listed their securities on multiple exchanges we believe that the higher threshold is more appropriate. We do not believe that it is appropriate to grant an exemption for an entire fiscal year based on trading information for the six month period at the end of an issuer's preceding fiscal year. The basis for the exemption is that TSX is not the principal market place for the issuer's security. To the extent that there has been a significant shift in trading during the course of the year, TSX wants to ensure that its rules and standards are applied if it becomes the primary market place during the course of the year. We therefore feel that it is more appropriate to review the immediately preceding trading information to determine the availability of the exemption. **4) Section 613(a) – Approval by All Unrelated Directors** Section 613(a)(i) has been amended. Please see our response to comment #A15 above for the text of the amended provisions.

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	5) Section 613(a) – Three-Year Approval It is submitted that the minimal benefits of requiring re-approval of security-based compensation arrangements every three years do not outweigh the costs. It is strongly suggested that the current rules, which require that each plan contain a fixed number of shares reserved for issuance and shareholder approval be obtained for an increase, require companies to bring plans back for approval when it is most appropriate and functional to do. If the TSX wishes to permit security based compensation arrangements under which a floating number of securities may be issue, the three year approval requirement may be appropriate, with appropriate grandfathering for option grants which have been made under the arrangement prior to the date of the meeting at which security holder approval is requested. **6) Section 613(a) – Insider Voting** It is not clear whether the requirement that unrelated board members recommend the adoption of an arrangement is different, or the same as, approval by the unrelated directors of the plan. It is unclear whether the exception for "non-controlling director or senior officer" is an exception for non-controlling directors or senior officers of a corporate insider, or of the issuer or both. It is submitted that the proposal to restrict insiders' ability to vote if they are the beneficiaries of a compensation plan is more than sufficient safeguard to protect against abuse. If a holder of the multiple voting shares cannot benefit under the arrangement, it is not at all clear why he should be disenfranchised from voting those shares on the basis of his legal entitlements, which would apply on other shareholder votes.	**5) Section 613(a) – Three-Year Approval** Section 613(a) has been amended with respect to the three-year renewal approval and clarified with respect to granted options. Please see our response to comment #A15 for the text of the section. **6) Section 613(a) – Insider Voting** Section 613(a) has been amended as with respect to the unrelated board approval. Please see our response to comment #A15 for the text of the section. In consideration of the limited additional benefits of the exception and the policy rational for granting the exception, TSX has determined to eliminate the provision. We continue to believe that all equity security holders should be able to vote on a pro rata basis in accordance with their equity holdings for certain security based compensation matters. We have concerns regarding dual and multiple class structures and the lack on entitlements regarding subordinate and non-voting securities which are subject to equity dilution resulting from compensation arrangements. We do not believe that we are "disenfranching" multiple voting securities of their legal entitlements in this regard because it is a TSX imposed shareholder approval requirement rather than a statutory entitlement. Section 613(a) has been amended to limited voting on an equity basis to those arrangements when combined with all of the listed issuer's arrangements could exceed 10% of the issuers issued and outstanding securities. Please see comment #A15 for the text of the section.

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	7) Section 613(g) – Disclosure The benefit of requiring annual detailed disclosure as to all the terms of security-based compensation arrangements is not apparent. To require the same disclosure each year, whether or not security holder approval is being obtained, appears to be redundant and not relevant. Moreover, recent securities legislation has introduced new and further requirements for equity plan disclosure. It is submitted that securities regulators are more appropriate bodies to mandate disclosure generally in this regard. There is a reference in the last paragraph of 613(d) to "Disinterested security holder approval which under the new proposal does not appear to be a defined term. Presumably, this should be defined with reference to the insiders who may or may not vote under paragraph 613(a).	**7) Section 613(g) – Disclosure** We believe that disclosure of security based compensation arrangements is important to security holders and should be disclosed annually, whether or not there are amendments. Section 613(d) has been amended as follows: "Should a security based compensation arrangement not provide for the procedure for amending the arrangement, security holder approval will be required for such amendments, as provided for in Subsection 613(a). In addition, the votes attaching to any securities held by insiders who hold securities subject to the amendment will be excluded."
C. **Osler, Hoskin & Harcourt**	**C.** **1) Section 501(d)** We note that the wording of this subsection is different than the corresponding wording in subsection 602(c). Subsection 501(d) does not require the TSX to provide reasons for any decision not to accept the notice. In fact, 501(d) does not even seem to give the TSX the discretion not to accept a notice in the way that 602(c) does. We suggest that the wording of subsection 501(d) be amended to replicate the wording of subsection 602(c). **2) Section 501(e)** We note that the wording of this subsection is different than the corresponding wording in subsection 602(d). To avoid confusion as to what is required and to provide uniformity in the way press releases are worded, we suggest that the wording of the two subsections be harmonized.	**C.** **1) Section 501(d)** Section 501(d) has been amended as follows: "TSX will advise the non-exempt issuer in writing generally within seven (7) business days of receipt by TSX of the subsection 501(c) notice, of TSX's decision to accept or not accept the notice indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual." **2) Section 501(e)** Section 501(e) has been amended as follows: "Where a non-exempt issuer proposes to enter into a Subsection 501(c) transaction, any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval. "

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	3) Section 501(g) We note that the wording of this subsection is different than the corresponding wording in subsection 602(e).	**3) Section 501(g)** To the extent possible, we have conformed the sections and have amended Section 501(g) as follows: "…The letter should contain the essential particulars of the transaction, and state whether: (i) any insider has a beneficial interest, directly or indirectly, in the transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the non-exempt issuer. Copies of all applicable executed agreements must be filed as part of the Section 501 notice as soon as they are available."
	4) Section 501(i) We note that the wording of this subsection is very different than the corresponding wording in subsection 602(d). In particular, subsection 501(i) refers to "any amendment to the terms" rather than "any changes to the material terms". We suggest that subsection 501(i) also incorporate the notion of materiality, so that immaterial amendments to the terms of the transaction do not require TSX consent. Further, to the extent appropriate, we suggest that the wording of these two provisions be the same so as to provide certainty as to how they should be interpreted.	**4) Section 501(i)** Section 501(i) has been amended as follows: "TSX must be provided with prompt notice of any changes to the material terms of the transaction described in the notice filed under Subsection 501(c). This applies even if the transaction previously accepted by TSX specifically contemplated future amendments, unless the amendment is solely due to standard anti-dilution provisions in the original agreement. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. The listed issuer may not proceed with the proposed amendment unless it is accepted by TSX."
	5) Section 501(i) – Last Clause We note that there is an additional paragraph regarding consideration of notices. We suggest that the subject matter dealt with in this paragraph is already covered in subsection (d), and that any additional matters dealt with in the additional paragraph should be incorporated into subsection (d).	**5) Section 501(i) – Last Clause** Section 501(i) has been amended to delete the last clause of this section.
	6) Section 601- "Affiliated Companies" In respect of the definition of "affiliated companies", we suggest that the words "for greater certainty" are not appropriate. Rather, the remainder of that definition adds to the OSA definition, expanding it to non-corporate entities (in the same way that the definition of "affiliated entities" does in various OSC rules, such as Rule 45-501). Accordingly,	**6) Section 601- "Affiliated Companies"** The definition of "affiliates" (formerly "affiliated companies") has been amended as follows: "**"affiliates"** has the same meaning as "affiliated companies" as found in the OSA and also includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;"

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	we suggest that the words "for greater certainty" be deleted, and perhaps be replaced by the words "also includes" as used in the definition of "Insiders". **Section 601 – "Securities" and "Listed Securities"** We note that the definition of "securities" has been amended to include only securities listed on the TSX (unless otherwise specified). We also note that there is already a definition for "listed securities". Having two defined terms that mean essentially the same thing may lead to confusion. For example, in Section 602(a), there is a reference to "equity securities", which is not defined and could mean either listed securities with equity characteristics, or both listed and unlisted securities with equity characteristics. We suggest that the term "listed security" be used wherever the intention is to limit the definition to securities listed on the TSX, and the term "security" be used where no such limitation is intended. **7) Section 602(a)** We suggest that the reference to the word "preferred" may lead to confusion. Does it suggest that subordinate securities that are unlisted, non-convertible and non-voting are not carved out from the notice requirement? We do not see the need to include a requirement that such securities have some kind of preference, and accordingly suggest that the reference to "preferred" be deleted. With respect to the reference to "unlisted" securities, it is not clear whether this refers to securities that are not listed on the TSX, or securities that are not listed on any exchange. We suggest that this be clarified.	**Section 601 – "Securities" and "Listed Securities"** We have deleted the reference to securities listed on TSX in the definition of "securities". Conforming changes have been made throughout the proposed amendments. We have not limited the use of "securities" to those not listed on TSX because of the necessary use in various definitions (including "listed securities"), however where possible when referring to securities which are in listed we have used the term "listed securities". **7) Section 602(a)** We have amended Section 602(a) as follows: "Every listed issuer shall immediately notify TSX in writing of any transaction involving the issuance or potential issuance of any of its securities other than unlisted, non-voting, non-participating securities."

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	8) Section 602(d) The third sentence states that the letter "should contain …" and "should state…" We note that the wording in subsection 501(g) has been amended to use the word "must", rather than "should". Are the two provisions meant to be different in this respect? If so, it is not clear to us what the difference is. If not, we suggest the wording be harmonized. The third sentence states that the letter should contain "the essential particulars of the transaction", whereas the corresponding wording in subsection 501(g) refers to "the particulars of the proposed transaction". Is the absence of the word "essential" mean that fewer details are required in the 602(d) letter than in the 501(g) letter? Also, should not both provisions refer to the "proposed" transaction, as neither can be completed prior to the notice being given? If no differences between the two provisions are intended, we suggest that the wording be harmonized.	**8) Section 602(d)** Please see our response to your comment #3 above.
	9) Section 602(g) There appears to be some overlap between this subsection and subsection 602(c). We suggest that the two provisions be combined.	**9) Section 602(g)** We have deleted Section 602(g) and amended Section 602(c) as follows: "Subject to Subsection 607(c), TSX will advise the listed issuer in writing generally within seven (7) business days of receipt by TSX of the Subsection 602(a) notice, of TSX's decision to accept or not to accept the notice, indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual."
	10) Section 602(h) We suggest that the reference to "Section 602" be amended to read "Subsection 602(a)" to avoid an interpretation that would require applicable issuers to comply with the entire Section 602 regardless of the exemption available in Subsection 602(h).	**10) Subsection 602(h)** We expect that issuers will comply with Section 602 in its entirety. The exemption provided in Section 602(h) [now Section 602(g)] provides relief to qualifying issuers with respect to the specified security holder approval requirements.

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	11) Section 604(a)(ii) It is not clear to us what is precisely meant by the phrase "if … the transaction … provides consideration to insiders …". We submit that the language used is too broad and we believe its use may have unintended consequences. For instance, shareholder approval (by vote) would seem to be required in many cases to conduct a rights offering (unless the insiders decline to participate). It might also apply to a prospectus offering where large shareholders participate. We submit that this provision should be deleted or, if retained, be more carefully constructed to more clearly address the types of transactions of concern and exclude those which are not of concern, to avoid these unintended consequences.	**11) Section 604(a)(ii)** Transactions which treat all security holders equally are not intended to be caught within this section. We have clarified the language with respect to the characterization of a transaction which is not negotiated at arm's length. With respect to the rights offering example, TSX would consider such a transaction (without special arrangements for or a backstop by an insider) as negotiated at arm's length. With respect to a prospectus offering in which an insider is participating, TSX may require compliance with this section if it appears that the transaction has not been negotiated at arm's length. For instance, TSX would require security holder approval, excluding participating insiders in a prospectus offering which was heavily discounted and in which the insiders were purchasing in excess of their pro rata share of the offering. Section 604(a) has been amended as follows: "In addition to any specific requirement for security holder approval, TSX will generally require security holder approval as a condition of acceptance of a notice under Section 602 if, in the opinion of TSX, the transaction: (i) materially affects control of the listed issuer; or (ii) provides consideration to insiders in aggregate of 10% or greater of the market capitalization of the issuer and has not been negotiated at arm's length. If any insider of the listed issuer has a beneficial interest, direct or indirect, in the proposed transaction which differs from other security holders of the same class. TSX will regard such a transaction as not having been negotiated at arm's length."
	12) Section 604(a), Last Paragraph The last paragraph of Section 604 renders the reference in paragraph 604(a)(ii) to transactions "negotiated at arm's length" meaningless. Paragraph (ii) only applies if insiders receive consideration in connection with a transaction. If they receive consideration, they would necessarily have a beneficial interest in the transaction. As currently worded, no transaction referred to in paragraph 604(a)(ii)	**12) Section 604(a), Last Paragraph** Please see our response to your comment #11 above.

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	would ever be considered to be negotiated at arm's length. **13) Section 604(d)** We suggest that the 50% level should apply only to voting securities held by persons entitled to vote on the particular matter. For example, if a security holder holds 60% of the securities of the issuer, and that security holder is precluded from voting on the issue (pursuant to subsection 604(b) or otherwise), then the 50% requirement should only apply to the remaining 40% of the voting securities, not all voting securities. **14) Subsection 604(f)** We agree that the 90% exemption is appropriate. However, given that securities are often held through more than one entity, we suggest that the 90% exemption should also apply where the securities are held by a group of associated or affiliated persons. Consider "… securities are held by one person or company, together with its associates and affiliated companies." **15) Section 606(a)** It is not clear whether the filing of a preliminary prospectus with the TSX constitutes notice for purposes of subsection 602(a). We suggest that the filing of a preliminary prospectus should constitute notice.	**13) Section 604(d)** Section 604(d) has been amended as follows: "Security holder approval is to be obtained from a majority of holders of voting securities at a duly called meeting of security holders. In certain circumstances in which TSX requires security holder approval of a transaction, the listed issuer may be in a position to provide TSX with written evidence that holders of more than 50% of the voting securities of the listed issuer (other than those securities excluded as required by TSX) are familiar with the terms of the proposed transaction and are in favour of it. In such circumstances, TSX will give consideration to permitting the listed issuer to proceed with the transaction without holding a meeting of security holders to formally approve it. Listed issuers using this exemption will be required to issue a press release at least ten (10) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with TSX." **14) Subsection 604(f)** Please see our response to comment #A10 above. **15) Section 606(a)** Filing a copy of a preliminary prospectus with TSX, together with a covering letter will be sufficient to constitute Section 602 notice. We have amended Section 606(a) as follows: "Listed issuers proposing to issue securities of a listed class pursuant to a prospectus must file one copy of the preliminary prospectus with TSX concurrently with the filing thereof with the applicable securities commissions. The notice requirement contained in Subsection 602(a) will be satisfied by the filing of the preliminary prospectus, together with a letter which must state whether: (i) any insider has an interest, directly or indirectly, in the transaction and the nature of such interest; (ii) whether and how the transaction could

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		materially affect control of the listed issuer; (iii) the anticipated number of purchasers under the offering; and (ivi) an "if, as and when issued" market may be requested."
	16) Section 607(d) The wording of this section is different than that in subsections 501(d) and 602(c). To avoid inconsistencies in the interpretation of these provisions, we suggest that the wording be harmonized.	**16) Section 607(d)** Section 607(d) has been amended as follows: "Unless otherwise as provided in Subsection 607(c), TSX will advise the listed issuer in writing generally within seven (7) business days of receipt by TSX, of the notice of TSX's decision to accept or not accept the notice, indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual. Notice to TSX of this type of private placement is effected by submitting Form 12 "Private Placement – Regular Filing" found in Appendix H."
	17) Section 607(f)(ii) To provide consistency with paragraph (i), we suggest adding "or 135-day period, as applicable" to the end of this paragraph.	**17) Section 607(f)(ii)** Section 607(f)(ii) has been amended as follows: "an extension of the time period prescribed in paragraph (i) may be granted in justifiable circumstances, provided that a written request for an extension is filed with TSX in advance of the expiry of the 45 day or 135 day period, as applicable;"
	18) Section 608(a) It is not clear to us what is meant by the phrase "… the market price of the underlying security at the time provided for in the agreement obligating the issuer to issue the underlying listed security". This could suggest that the issuer is permitted to choose a prior date to establish the market price, which we do not believe is the intention. Consider "… the market price of the underlying security at the time the warrant is issued or such later date as is set out in the agreement obligating the issuer to issue the underlying listed security."	**18) Section 608(a)** Section 608(a) has been amended as follows: "Unless otherwise approved by the listed issuer's security holders (other than security holders receiving warrants directly or indirectly and such security holders' associates and affiliates), warrants to purchase listed securities may only be issued to a placee if the warrant exercise price is not less than the market price of the underlying security at either the date of the binding agreement obligating the issuer to issue the warrants or some future date provided for the binding agreement. This Subsection 608(a) does not apply to warrants issued pursuant to prospectus offerings described in Section 606 and rights offerings described in Section 614."

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	19) Section 611.1(a)[now 607.1(a)] Given that certificates representing lettered stock already include a legend, and such stock is generally issued in connection with negotiated transactions with sophisticated parties, we suggest that sending an additional letter to security holders would add unnecessary "red tape" to the process. We suggest that this requirement be deleted. If the TSX continues to consider the provision of this information to security holders necessary, we suggest that a separate letter should not be required if any subscription agreement, offering circular or similar document under which the security holder acquires the lettered stock includes a notice to the security holder to the same effect.	**19) Section 611.1(a)[now 607.1(a)]** We have deleted section 607.1(a).
	20) Section 611.1(b)[now 607.1(a)] To accommodate book-based systems, consider adding a reference to direct registration systems or other electronic book entry systems, similar to the reference in Section 2.5(3)3(a) of proposed Multilateral Instrument 45-102 – Resale of Securities.	**20) Section 611.1(b)[now 607.1(a)]** We understand from the OSC that Subsection 607.1(a) and 607.1(b) operate to address your concern.
	21) Section 612(d) Consider deleting this subsection as it does not appear to be applicable here and is replicated in subsection 613(j).	**21) Section 612(d)** We have deleted section 612(d).
	22) Subsection 613(a) Our comments are as follows: It should be clarified whether it is necessary to include the terms of text of the plans setting out the security based compensation arrangements in the proxy circular when seeking security holder approval. Unanimous approval by the unrelated directors is too high a threshold for the approval of security based compensation arrangements. It should be sufficient if the arrangement is approved by a majority (or even a supermajority) of the unrelated directors. Moreover, if	**22) Subsection 613(a)** We do not propose to require the text of the plans in proxy circular when seeking security holder approval, however we do not wish to discourage issuers from including such materials in proxy circulars and therefore have not included a statement in this regard. Please see our response to comment #B4 above. Section 613(a) has been amended with respect to voting entitlements. Please see our response to comment #A15 for the text of the section. The 10% limit is an aggregate cap and includes all securities previously issued under all security based compensation arrangements of an issuer. Section 613(a) has been amended. Please see our response to comment #A15 for the text of the

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	the arrangement has been approved by a majority of the unrelated directors it does not add any value to also require majority board approval. Not all security holders should be able to vote on the approval of the arrangement. Holders of debt instruments and non-voting securities should not be entitled to vote (unless such holder is a holder of Restricted Securities). It is not clear how the 10% limit for securities to be available under the arrangement is to be calculated. Many issuers have had plans outstanding for several years now. Since each plan has a cap on the number of securities that may be issued during its life, the cap may already exceed 10% unless it is made clear that the number of securities "available under the arrangement" means the aggregate number which may be issued pursuant to outstanding unexercised awards and future awards permitted under the plan and specifically does not include securities previously issued under the plan. Also, the provision should clarify that when referencing any other security based compensation arrangements of the issuer the intent is to reference only securities which are "available" under such arrangements. Does the reference in (ii) to recommendation by the unrelated board members means that the adoption of the arrangement requires majority approval? The level of approval required should be specified. Permitting insiders only of S&P/TSX Composite Index issuers to vote on such arrangements seems arbitrary and unfair. The language stating that an individual who is an associate, non-controlling director or senior officer of an insider may vote needs clarification. The reference to "associates" is unnecessary since	section. Section 613(a)(ii) has been amended to clarify the approval requirements. Please see our response to comment #A15 above for the text of the section. Please see our response to comment #A16 above. Please see our response to comment #B6 above.

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	associates are not insiders and including it is confusing. The term "non-controlling director" (or "non-controlling senior officer") needs to be defined. It should also be made clear that the exception is not available to an individual who is both a director or senior officer of the issuer and a non-controlling director or senior officer of an insider of the issuer. **23) Section 613(d)** Our comments are as follows: Where the provision references securities "issuable" in two places in clause (ii), it should be made clearer as to when the number of issuable securities is to be calculated to ensure that securities issued previously under the plan (including options granted but not yet exercised) are not taken into account. There is a reference in the final paragraph in this section to "disinterested security holder approval", however this term is not defined and it is unclear who is to be excluded for purposes of determining whether such approval has been obtained. **24) Section 613(g)** Given that approval of all compensation arrangements is required once every three years, it should be sufficient that the issuer includes such matters in the proxy circular required in connection with such shareholder approval rather than putting issuers to the additional expense of addressing these matters annually. In any event, non-material amendments should not require disclosure. **25) Section 613(j)** It is not appropriate to require that the grantee not be an employee of the issuer at the time of the grant. In the context of a take-over bid and the grant of options by the acquirer to compensate continuing management of the target for the loss of option previously granted by	**23) Section 613(d)** Section 613(d)(ii) has been amended as follows: "…each of the following, as applicable: i. the total number of securities issued and issuable under each arrangement and the percentage of the listed issuer's currently outstanding capital represented by such securities, ii. the total number of securities issued and issuable under each arrangement, as a percentage of the listed issuer's currently outstanding capital, and iii. the total number of securities issuable under actual grants or awards made and the percentage of the listed issuer's currently outstanding capital represented by such securities; Please see our response to comment #B7 above. **24) Section 613(g)** Please see our response to comment #B6 above. TSX has previously limited the characterization of a "material amendment" to primarily those related to exercise price and expiry dates. We believe that other amendment which we have not previously referred to as "material" such as amendments to vesting provisions and the addition of SAR features, are in fact material amendments. In part, we have included the disclosure requirement with respect to all amendments to address this problem. **25) Section 613(j)** Section 613(j) has been amended as follows: "TSX's policy on timely disclosure requires immediate disclosure by its listed issuers of all "material information" as defined in the policy. The policy also recognizes that there are restricted circumstances where confidentiality may be justified on a temporary basis. Listed issuers

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	the target, the acquirer will not make the grant until it has completed the transaction and the grantees have therefore become employees of the acquirer or of an affiliate of the acquirer. This is because the grant should not be made unless and until the transaction is consummated and because the grantees would not benefit from the favourable tax treatment afforded to employee stock options unless at the time of the grant they were employed by the grantor or an affiliate of the grantor.	may not set option exercise prices, or prices at which securities may otherwise be issued, on the basis of market prices which do not reflect material information of which management is aware but which has not been disclosed to the public. Exceptions are: (i) where employees, at a previous time when such employees did not have knowledge of the undisclosed event, committed themselves to acquire the securities on specified terms through participation in a security purchase plan, or (ii) where, in relation to an undisclosed event (such as the acquisition by a listed issuer of another issuer), a person or company who is neither an employee nor an insider of the listed issuer, is granted, or given the right to be granted at a set price, a stock option in the listed issuer, while the event is still undisclosed."
	26) Section 613(j) The language "where employees, at a previous time when they did not have knowledge of the undisclosed information, committed themselves to acquire the shares on specified terms through participation in a stock purchase plan" seems to import into the restriction in 613(j) concepts relating to insider trading by individuals. This section should deal solely with whether the security purchase price was established at a time when management was free of undisclosed material information. Accordingly, we would suggest replacing the foregoing with: "where the price is determined pursuant to a formula or mechanism which was established at a time when management was not in possession of material information which had not been disclosed to the public".	**26) Section 613(j)** We agree with your comment and have amended Section 613(j) accordingly. Please see our response to your comment #25 for the text of the amended language.
	27) Sections 628-629 We support the proposed removal of provisions dealing with exchange take-over and issuer bids.	**27) Sections 628-629** Thank you for your comment.
	28) Section 628(a) We support the removal of the 2% restriction on purchases within a thirty day period under a normal course issuer bid when the issuer meets an appropriate liquidity threshold.	**28) Section 628(a)** Thank you for your comment.

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	29) Section 629(j) We would recommend that this provision form the subject of a distinct section rather than being located as a clause in Section 629. **30) Section 629(k)** We would ask TSX to consider the value in having issuers file "nil" reports - this simply adds another administrative burden on issuers during those months when they have decided not to make purchases under their normal course issuer bid. However, if it is decided to retain this requirement, we would recommend rewording the provision to make more clear up front that the intention is that a report will be filed within 10 days of each month, regardless of whether there have been purchases. **31) Subsection 636(c)** This provision is vague regarding whether the TSX will list rights issued under a rights plan adopted in the face of a bid even though the OSC has yet to take a position on that rights plan. We recommend you consider rewording it to make clear whether TSX will or will not accept to list those rights until the OSC has made a decision with respect to the rights plan.	**29) Section 629(j)** We believe that this subsection is more appropriately placed within the normal course issuer bid requirements. **30) Section 629(k)** We have amended Section 629(k) as follows: "…Nil reports are not required." **31) Subsection 636(c)** Please see our response to comment #A21 above.
D) **Mark Connelly and Mindy Gilbert, Davies Ward Phillips & Vineberg LLP**	**D)** **1) Section 604 – Security Holder Approval** (a) The final paragraph in subsection 604(a) should be removed, as it removes the possibility of a transaction whereby an insider has a beneficial interest but the transaction has been negotiated at arm's length. (b) In subsection 604(e), the press release requirement should be three or four business days in advance of the closing of the transaction, as opposed to the proposed 10 day requirement.	**D)** **1) Section 604 – Security Holder Approval** (a) Please see our response to comment #C11 above. (b) We believe that it is appropriate to maintain the proposed 10 day period, in order to provide the market with sufficient time to react and respond to the information.

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	2) Section 607(g)(ii) – Private Placements and Insider Participation Subsection 607(g)(ii) should be revised such that the rolling 10% limit for insiders under private placements should be calculated as of "prior to the closing of the first transaction subject to the notification provisions of section 602 (other than by way of public offering pursuant to a prospectus or rights offering circular) over the preceding six month period". **3) Section 611(c) - Acquisitions** Proposed subsection 611(c) should require securityholder approval for acquisitions where the number of securities exceeded the 25% threshold *and* such securities were issued or issuable at below market price, as proposed in the TSX Request for Comments dated August 2, 2002. Subsections 604(a) and 607(c) already provide securityholders with sufficient protection in respect of dilutive transactions and transactions not negotiated at arm's length. In the past, TSX has not required securityholder approval for acquisitions negotiated at arm's length where the acquirer was an "exempt" issuer. **4) Section 611.1(c)[now 607(b)] – Lettered Stock** In subsection 611.1(c), it would be helpful if an example could be given as to circumstances in which additional requirements may be imposed by TSX with respect to lettered stock. **5) Section 613 – Security Based Compensation Arrangements** (a) In subsection 613(a), it appears that the provision in (ii) which allows insiders to vote on the arrangement where unrelated board members recommend the adoption of the arrangement, will be met in all cases, since the subsection also requires that all unrelated board members must approve all security based compensation arrangements.	**2) Section 607(g)(ii) – Private Placements and Insider Participation** Section 607(g)(ii) has been amended as follows: "that during that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during the six month period. **3) Section 611(c) - Acquisitions** The economically dilutive component of the acquisition security holder requirement was removed because of the difficulties in establishing a value for the assets being acquired. We believe that there are a number of factors which result in the issue price of a security and the valuation of assets being acquired which may or may not represent an accurate value of the securities to be issued. We also believe that the issue price of a security provided for in a resolution by the directors and carried in the financial statements of the issuer may or may not reflect a fair value for issued securities. Because of this valuation difficulty and a general understanding that typically, share consideration (versus cash consideration) is issued at a discount to the market price of the securities, TSX has removed the economically dilutive component of the acquisition security holder requirement. **4) Section 611.1(c) [now 607(b)] – Lettered Stock** We agree and have removed subsection 611.1(c). **5) Section 613 – Security Based Compensation Arrangements** (a) Section 613(a) has been amended to delete the duplicate requirement regarding unrelated directors, among other things. Please see our response to comment #A16 above for the text of the amended provision. (b) Section 613(i) has been amended as follows: "The granting of stock options under a plan and the issuance of securities under a stock option

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	(b) It appears that the word "not" has been omitted from subsection 613(i) dealing with nil reports; if not, there does not seem to be any public policy served by requiring nil reports.	plan or other plan do not require the prior consent of TSX if the plan has been pre-cleared with TSX and the securities that are subject to issuance have been listed. However, stock options granted, exercised or cancelled under a plan must be reported to TSX on a monthly basis in the form of a duly completed Form 1 – Change in Outstanding and Reserved Securities (Appendix H: Company Reporting Forms). If no listed securities are issued, no options have expired or been cancelled in any particular month, a nil report is required to be filed on a monthly basis."
E) **James Twiss, Market Regulation Services Inc.**	**E)** **1) Section 629(a) – NCIB High Volume Exemption** The exemption from the 2% 30 day rolling limit for normal course issuer bids available to "highly liquid" securities should be eliminated; it may be more appropriate to provide an alternative test, for example, purchases cannot exceed a set percentage of the trading in the previous 30 day rolling period, or a limit in a calendar month based on a set percentage of trading during the previous calendar month. The 2% cap should be replaced with a test based on percentage of volume.	**E)** **1) Section 629(a) [now Section 628(a)(v)(a)] – NCIB High Volume Exemption** We have amended Section 629(a)(i)(a) as follows: "do not, when aggregated with all other purchases by the listed issuer during the same trading day, aggregate more than the greater of: (i) 25% of the average daily trading volume of the listed securities of that class, excluding any purchased made by the issuer under its normal course issuer bid; and (ii) 1,000 securities. The average daily trading volume shall be based on the trading volume for preceding calendar month, calculated as the total volume for the month divided by the number of trading days for the relevant month; and…" Sections 628 through 629.1 will be published for a further public comment period.
F) **Heather Zordel, Fraser Milner Casgrain LLP**	**F)** **1) General – Private Placements - 25% Dilution** The 25% per transaction dilution rule for private placements should be removed. Alternatively, blanket approval for greater than 25% dilution per transaction should be reinstated with clear requirements in the rules for shareholder approval and disclosure requirements. **2) General – Security Based Compensation Arrangements - Disclosure** I support the proposal to require disclosure of share compensation arrangements on an annual basis, with details of any amendments made, as well as the requirement for renewal of shareholder approval every three years.	**F)** **1) General – Private Placements 25% Dilution** We believe that security holders expect that they will not be significantly economically diluted without they approval and therefore have maintained the 25% test on a per transaction basis. In addition, we continue to believe that the use of blanket approval was misunderstood by security holders and abused by certain issuers. **2) General – Security Based Compensation Arrangements - Disclosure** Thank you for your comment.

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	3) General – Acquisitions – 25% Dilution There should not be a dilution cap for acquisitions, either for the straight share issuances or where the proceeds for the acquisition have been raised by a private placement. I once again repeat my concern that the 25% rule is too blunt an instrument. If the transaction is at arm's length, if no insider is receiving any special benefit and if the issuer is not changing the nature of its overall business through the acquisition, there is no need for a cap on the overall size of the transaction.	**3) General – Acquisitions – 25% Dilution** Please see our response to your comment #1 above.
	4) Section 611(c) I support the proposal permitting the adoption of a share compensation arrangement into which a target company's outstanding options can be rolled in.	**4) Section 611(c)** Thank you for your comment. Please see our response to comment #B2 above.
	5) Section 629(a) – NCIB High Volume Exemption I support the highly liquid exemption for normal course issuer bids, but suggest that after the exemption has been in effect, TSX should consider lowering the exemption threshold and take into consideration factors other than liquidity, such as governance tests.	**5) Section 629(a) – NCIB High Volume Exemption** Thank you for your comment. Please see our response to comment #E1 above.
	6) Section 611.1 – Lettered Stock The rules regarding legending for lettered stock should be streamlined with regulatory legending requirements under MI 45-102 *Resale Rules*, and reference should be made to it under the private placement rules.	**6) Section 611.1– Lettered Stock** Section 611.1 for lettered stock has been moved to a new section 607.1, which immediately follows the section on private placements. Certain amendments have also been made to remove requirements formerly required of issuers. Please see our response to comment #C19 and #C20 above.
	7) General - Rights Offering Fees The provision in subsection 614(f) regarding fees should be clarified to indicate that a refund is available to the extent the rights offering is not fully subscribed.	**7) General – Rights Offering Fees** Section 614(f) has been amended as follows: "There is no fee for the listing of rights on TSX, although there is a fee for listing securities issuable upon exercise of the rights. If such securities are of a class already listed, the listed issuer must list the maximum number of securities issuable under the rights offering. However, upon receipt of notification of the actual number of underlying listed securities issued pursuant to the rights offering, TSX will refund the overpayment of

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		fees in connection with the listing of the maximum number of securities issuable, if any."
G) **Tracey Kernahan, Ogilvy Renault**	**G)** **1) Section 613(a) – Security Based Compensation Arrangements** The requirement for securityholder approval of all security based compensation arrangements every three years should be eliminated. Rather, securityholder approval should only be required at the inception of the plan and on any "material revisions" to a plan, similar to NYSE requirements. **2) General - Security Based Compensation Arrangements** Sections 642 and 613 should be modified to clarify the effect of the proposed rules on existing security based compensation arrangements. Subsection 613(a) should be revised to clarify when such periodic approval must be sought in respect of an existing plan, and from what date the three year approval is required for amended plans (ie. three years from the date of the amendments, or from the institution of the plan).	**G)** **Section 613(a) – Security Based Compensation Arrangements** Please see our response to comment #B5 above. **2) General - Security Based Compensation Arrangements** Section 642(3) has been amended as follows: "With respect to the initial security holder approval required by Subsection 613(a), any security based compensation arrangement approved by TSX prior to the effective date. Such security based compensation arrangements will be subject to Section 613(a) with respect to the three year approval requirements from the later of the effective date and the date of the initial security holder approval." Please see our response to comment #A15 for the text of Section 613(a).
H) **Warren Law, Canadian Bankers Association**	**H)** **1) Question 7- Security Based Compensation Arrangements – Disinterested Approval** We believe that it is appropriate to permit the adoption of security based compensation arrangements without excluding insiders from the security holder approval process. For a significant issuer which may have a large number of "insiders" globally, there is inherent difficulty in identifying and excluding votes, particularly for beneficial shareholdings. For years, although requiring shareholder approval of plans, the TSX rules have not required a disinterested shareholder vote, conditional upon maintaining a limit on the percentage of shares reserved for issuance to insiders under the compensation arrangement or plan. We note that NYSE rules do not require the	**H)** **1) Question 7- Security Based Compensation Arrangements – Disinterested Approval** We have amended the disinterested security holder approval and the exclusion of insiders for the purposes of the vote. Please see our response to comment #A16 for the text of the section.

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	exclusion of insiders and only recently have come to require shareholder approvals. **2) Question 8 - Security Based Compensation Arrangements – Disinterested** It is appropriate, we believe, to continue to provide conditions under which shareholder approval need not exclude insiders. The limit of not exceeding 10% of the outstanding securities continues, in our view, to be appropriate. We have no objection to a reference to the recommendation by the board in some appropriate manner, but we question whether the term "unrelated" should be used. As well, we note that it would be rare, if not unprecedented, to require a form of unanimous directors' approval, even for fundamental corporate changes. We suggest that a more appropriate requirement is the approval by a majority of the issuer's directors, including the approval of a majority of the non-management directors. No further exemption requirements should be added to the conditions set out in the revised proposal. If a plan has met the conditions to not exclude insiders from shareholder approval, then the exemption should also apply to the approval of subsequent material changes to that plan which do not cause it to exceed the 10% threshold. **3) Question 9 - Security Based Compensation – Three year renewal** (a) Shareholder approval every three years is not necessary or appropriate. Where periodic approval is required, issuers would have difficulty setting their long term compensation strategies and would have particular difficulty for that approval year, since they would not know whether it would continue to include the security based compensation arrangement in its present form. This uncertainty	**2) Question 8 - Security Based Compensation Arrangements – Disinterested** Thank you for your comment. We have maintained the requirement for approval by a majority of the unrelated directors as the TSX Guidelines for Corporate Governance continue to exist at this time. Certain amendments have been made to Section 613(a). Please see our response to comment #A15 for the text of the section. Section 613(a) has been amended to require a majority, rather than a unanimous approval. Please see our response to comment #A15 for the text of the section. Thank you for your comment. TSX would require the equivalent security holder approvals for amendments, provided that the requirements for non-exclusion of insiders still continued to exist. **3) Question 9 - Security Based Compensation – Three year renewal** (a) The three year renewal requirement has now been limited to rolling maximum or "ever green" plans. Please see our response to comment #A15 for the text of Section 613(a). (b) Please see our response to your comment #3(a) above. (c) We believe with the limitation of the three year renewal clause to rolling maximum or "ever green" plans that it is important to shareholders to have a regular periodic approval for such plans in order to monitor their usage. We believe that a ten year

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	would make it difficult for an issuer to implement a compensation strategy and potentially to attract and retain key employees. (b) Fixed Limit Plans: Even if a periodic approval requirement is attached to allowable "evergreen" or "rolling" plans, the issuer should continue to be entitled to implement new arrangements which provide for a maximum limit, fixed number of shares that are approved for issuance under the plan. (c) We believe that periodic plan approval should not be required. It seems conceptually incongruous to move to "evergreen" or "rolling" plans, but at the same time, to require the approval-renewal every three years. In any event, if periodic renewal is to be required, it should be on a basis of no less than a ten-year period, such as that contemplated by the NYSE rules. (d) Pre-existing security based compensation arrangements: The transition rules appear to require that three-year periodic approvals be obtained for pre-existing security based compensation arrangements that have already received shareholder approval. Thus, pre-existing shareholder-approved plans, that specify a maximum number of securities that may be issued and are not "evergreen" plans, appear to be subject to a requirement of shareholder approval every three years. As well, transition rules should make it clear that the three-year (or other, longer) periodic approval period begins upon the effective date of the new TSX provision and does not loom immediately for older, fixed number, pre-existing plans.	period is too long a period for an ever green plan. (d) We agree and have limited the three year renewal requirement to rolling maximum and ever green plans. Please see our response to comment #A15 for the text of the section. The transitional rules have been clarified with respect to the renewal requirements. Please see our response to comment #G2 for the text of the section.

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	4) Section 613(d) - Security Based Compensation Arrangements - Disclosure (a) References to disclosure and terms of financial assistance in section 613(d)(xiv) should provide an exemption for lending in the ordinary course, or for routine financial assistance, by financial institutions and their subsidiaries, even if the lending institution is the issuer. (b) The final paragraph of Section 613(d) uses the term "disinterested security holder". This term is not defined in the Proposed Amendments.	**4) Section 613(d) - Security Based Compensation Arrangements - Disclosure** (a) We believe that disclosure with respect to all financial assistance by the issuer is important because of the nature of the relationship between the issuer and the security holders, particularly in regard to the issuer's willingness to realize on the security interest (if any) and pursue any defaults of repayment on the financial assistance. (b) Please see our response to comment #B7 above.

13.1.2 TSX - Request for Comments - Amendments to Toronto Stock Exchange's Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids (Appendix F of the Toronto Stock Exchange Company Manual)

TORONTO STOCK EXCHANGE

REQUEST FOR COMMENTS

AMENDMENTS TO TORONTO STOCK EXCHANGE'S POLICY ON NORMAL COURSE ISSUER BIDS AND DEBT SUBSTANTIAL ISSUER BIDS (Appendix F of the Toronto Stock Exchange Company Manual)

On August 2, 2002 Toronto Stock Exchange ("TSX") originally published for comment amendments to Parts V, VI and VII of TSX Company Manual (the "Manual"), including changes to TSX's policy on normal course issuer bids ("NCIBs") and other bids through the facilities of TSX. Additional amendments were then published on January 2, 2004, including the proposed removal of the policies on bids through the facilities of TSX, other than NCIBs. As a result of the comments received by TSX from the public since that time, further amendments (the "Amendments") have been made to the NCIB policy and a portion of TSX's policy on debt substantial issuer bids has been re-inserted and the Amendments are therefore being republished for a 30 day comment period.

The Amendments will be effective upon approval by the Ontario Securities Commission (the "OSC") following public notice and comment. Comments should be in writing and delivered by December 5, 2004 to:

Robert M. Fabes
Senior Vice President
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Fax: (416) 947-4547
Email: robert.fabes@tsx.com

A copy should also be provided to the:

Manager
Market Regulation
Capital Markets
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8

Comments will be publicly available unless confidentiality is requested.

Overview

TSX is seeking comments on the Amendments. The Amendments are intended to provide listed issuers with a complete and transparent set of TSX standards and practices allowing issuers and investors, and their respective advisors, to have certainty when planning and completing transactions. TSX believes that this will result in more efficient, cost effective access to Canadian capital markets. The Amendments contain changes reflective of practice in other jurisdictions (see "Daily Purchase Restriction") as well as codifying administrative internal TSX practices (see "Use of Derivatives in Conjunction with Normal Course Issuer Bids"). The Amendments also contain a revised section on debt substantial issuer bids which had been removed from the prior amendments.

Daily Repurchase Restriction

Under the current rules and policies of TSX, all issuers making purchases under a NCIB may not purchase more than 2% of the relevant class of securities outstanding in any 30 day period. TSX had proposed to provide an exemption to the 2% purchase restriction for those issuers with high trading volumes on TSX. The exemption was proposed to be available to those issuers who had an average trading value per day on TSX of $10,000,000 or more for the previous three months.

Following the receipt of comments on the high volume exemption, TSX proposes in the Amendments replacing the 2% and high volume exemption with a daily repurchase restriction (section 628(a)(ix)(a)). On a daily basis, issuers may purchase up to 25% of the average daily trading volume of the listed securities of a class under an NCIB. The average daily trading volume will be based on the most recently completed calendar month immediately preceding TSX acceptance of the NCIB notice. Issuers will

continue to be subject to the aggregate 12 month repurchase restriction of that number of securities equal to the greater of 10% of the public float or 5% of the issued and outstanding securities.

TSX has been concerned about the 2% purchase restriction with regard to issuers with illiquid securities. One of the principles of the NCIB policies has always been that an issuer should not have a significant impact on the market price of its securities by virtue of purchases made under its NCIB. The 2% purchase restriction was determined as a brightline test for all issuers without regard to the actual impact purchases permitted under this requirement would have on the market quality. Following discussions with stakeholders and after reviewing the SEC's safe harbor rule 10b-18, TSX replaced the 2% purchase restriction with the 25% volume purchase restriction. TSX believes that the 25% volume purchase restriction provides additional flexibility for issuers to repurchase their securities under an NCIB without adversely affecting market quality.

Question 1: Should the 25% volume purchase restriction be recalculated each calendar month rather than as at the date of TSX acceptance of the NCIB notice?

Use of Derivatives in Conjunction with Normal Course Issuer Bids

Currently, certain listed issuers enter into forward purchase contracts and put options that may result in the repurchase of their listed securities. TSX had developed internal guidelines for the use of forward purchase contracts, put option agreements and call option agreements (individually or collectively, "derivatives") in conjunction with NCIBs. The guidelines are proposed to be incorporated into the Amendments (section 629.1) and provide requirements regarding the acceptable terms for derivatives, purchase restrictions and reporting and disclosure requirements.

The definitions of "forward purchase contract", "put option agreement" and "call option agreement" include reference to an OTC contract. The definitions have been limited to OTC contracts in order to ensure that TSX and the listed issuer are aware of the identity of the counterparty.

The requirements related to derivatives used in conjunction with an NCIB are limited to those derivatives which are settled by physical delivery of the underlying security. Derivatives which provide for exclusive cash settlement have been excluded from these requirements, as the listed issuer does not ultimately repurchase its own securities, but rather settles by cash payment.

TSX is concerned that the hedging activities of a counterparty would allow a listed issuer to accomplish indirectly what it could not accomplish directly. A listed issuer could, for example, through the actions of a counterparty's hedging activities, avoid the price limitations set out in section 629(m)(1). TSX believes that the hedging activity of a counterparty would be identical whether a derivative is cash settled or physically settled and that such hedging activity should be subject to the same standards and requirements. TSX has not generally regulated secondary trading of securities other than those related to repurchases through the facilities of the exchange and certain other limited transactions. Without physical settlement of a derivative and a more direct link to an NCIB, TSX does not believe it is the appropriate authority to regulate the hedging activity of the counterparty.

TSX internal guidelines for derivatives were not included in the 2002 or 2004 amendments to the Manual. Significant amendments which were made to TSX internal guidelines (proposed section 629.1) include the removal of the requirements related to hedging activities for physically settled forward purchase contracts and put options, as well as the inclusion of call option agreements in the requirements.

Question 2: Is the hedging activity associated with a derivative appropriately regulated by the Universal Market Integrity Rules and if so, do they currently provide sufficient standards with respect to the hedging activity?

Question 3: Should the hedging activity associated with a derivative (whether settled by cash or physical delivery) be subject to the requirements of proposed section 628, 629 and 629.1, including matters such as repurchase restrictions and price limitations? Readers should make reference to the definition of "derivative" and note that it is limited to derivatives which the listed issuer is a party to and the underlying security is its listed security.

Question 4: Would it be appropriate to impose the requirements of Section 629.1 on exclusively cash settled derivatives as well?

Debt Substantial Issuer Bids

On January 2, 2004, TSX had proposed to remove its policies on take-over and issuer bids through the facilities of TSX. Following internal discussions, TSX recognized that the policy on debt substantial issuer bids for debt securities is necessary in order to maintain a quality marketplace.

The definition of "issuer bid" under securities legislation specifically excludes "an offer to acquire or redeem debt securities that are not convertible into securities other than debt securities". TSX is concerned that a listed issuer may be able to repurchase some or all of its listed debt securities through the facilities of TSX without being subject to certain requirements which would

normally apply to an issuer bid. These requirements include advance notification of the terms of the bid, identical consideration for the repurchase of securities and pro-rata re-purchases. The amended policy ensures that security holders can participate equally in a debt substantial issuer bid, which TSX believes is important since such a bid may significantly impact the liquidity of the market for the listed securities. All other former TSX policies related to bids through the facilities of TSX have not been re-inserted as an offeror would not be able to make such purchases without resort to an exemption or compliance with circular bid requirements.

Question 5: Should TSX impose rules for the repurchase of listed debt securities when securities legislation does not otherwise regulate such repurchases?

Public Interest

TSX is publishing the Amendments for a 30 day comment period. Given that some of the Amendments are policies never previously published, TSX believes that it is important for its key stakeholders to have an opportunity to review the amended policies prior to their implementation.

As a result, the Amendments will only become effective following public notice, a comment period and the approval of the OSC.

Text of Amendments

Attached as Appendix A are the Amendments. In particular, we refer readers as follows:

1. Section 628(a)(ix)(a) contains the daily purchase restriction;

2. Section 629.1 contains the provisions on derivatives used in connection with NCIBs; and

3. Section 629.2 contains the provisions on debt substantial issuer bids.

BY ORDER OF THE BOARD OF DIRECTORS

SHARON C. PEL
VICE PRESIDENT, CORPORATE DEVELOPMENT
GENERAL COUNSEL AND CORPORATE SECRETARY

APPENDIX A

NORMAL COURSE ISSUER BIDS AND DEBT SUBSTANTIAL ISSUER BIDS

628. General.

(a) In Sections 628, 629, 629.1 and 629.2:

(i) **"average daily trading volume"** means the trading volume for the most recently completed calendar month preceding the date of acceptance of the notice of normal course issuer bid by TSX, calculated as the total volume for the month divided by the number of trading days for the relevant month;

(ii) "**broker**" means the participating organization designated by the listed issuer to make all purchases of listed securities for the purposes of the normal course issuer bid;

(iii) **"call option agreement"** means an OTC agreement between the listed issuer and the counterparty governing the terms of the call option and constituting the call option contract in respect of which the underlying interest is the listed security which is the subject of the normal course issuer bid and pursuant to which the listed issuer will, in consideration of the payment of a premium to the counterparty, have the option to require the counterparty to sell to the listed issuer a number of securities issued by the listed issuer at a date and a price which are specified in the call option;

(iv) **"counterparty"** means the participating organization or financial intermediary, as defined in section 204 of the Regulations to the OSA, at the opposite side of a derivative from the listed issuer;

(v) **"debt substantial issuer bid"** means an issuer bid made through the facilities of the TSX, other than a normal course issuer bid, for debt securities that are not convertible into securities other than debt securities;

(vi) **"derivative"** means a put option agreement, a call option agreement or a forward purchase contract;

(vii) "**forward purchase contract**" means an OTC agreement between the listed issuer and the counterparty under which the listed issuer agrees to purchase a number of listed securities which are subject to the normal course issuer bid at a date and a price which are specified in the agreement;

(viii) **"issuer bid**" means an offer to acquire listed securities made by or on behalf of a listed issuer for securities issued by that listed issuer, unless:

(a) the securities are purchased or otherwise acquired in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are purchased to meet sinking fund or purchase fund requirements;

(b) the purchase or other acquisition is required by the instrument creating or governing the class of securities or by the statute under which the issuer was incorporated, organized or continued; or

(c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right;

(ix) **"normal course issuer bid"** means a bid by a listed issuer to acquire its listed securities where the purchases:

(a) do not, when aggregated with all other purchases by the listed issuer during the same trading day, aggregate more than the greater of: (i) 25% of the average daily trading volume of the listed securities of that class, excluding any purchases made by the listed issuer under its normal course issuer bid; and (ii) 1,000 securities; and

(b) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of

(i) 10% of the public float on the date of acceptance of the notice of normal course issuer bid by TSX, or

(ii) 5% of such class of securities issued and outstanding on the date of acceptance of the notice of normal course issuer bid by TSX, excluding any securities held by or on behalf of the listed issuer on the date of acceptance of the notice of normal course issuer bid by TSX,

whether such purchases are made through the facilities of a stock exchange or otherwise, but excluding purchases made under a circular bid;

(x) **"OTC"** means trading over the counter and not through the facilities of an exchange;

(xi) **"principal security holder"** of a listed issuer means a person or company who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding securities of any class of voting securities or equity securities of the listed issuer; and

(xii) **"public float"** means the number of securities of the class which are issued and outstanding, less the number of securities of the class beneficially owned, or over which control or direction is exercised by:

(a) the listed issuer;

(b) every senior officer or director of the listed issuer;

(c) every principal security holder of the listed issuer; and

(d) the number of securities that are pooled, escrowed or non-transferable;

(xiii) "**put option agreement**" means an OTC agreement between the listed issuer and the counterparty governing the terms of the put option and constituting the put option contract in respect of which the underlying interest is the listed security which is the subject of the normal course issuer bid and pursuant to which the counterparty will, in consideration of the payment of a premium to the listed issuer, have the option to require the listed issuer to acquire a number of securities issued by the listed issuer at a date and a price which are specified in the put option; and

(b) For the purposes of Sections 628, 629 and 629.1, a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted.

(c) For the purposes of Sections 628, 629 and 629.1, in calculating the number of securities acquired by the listed issuer, securities purchased by a person or company acting jointly or in concert with the listed issuer, as determined in accordance with Section 90 of the OSA, during the period of an outstanding normal course issuer bid will be included.

(d) For the purposes of Section 93(3)(e) of the OSA, an issuer bid made through the facilities of TSX may only be completed as a normal course issuer bid in accordance with Sections 629 and 629.1. A debt substantial issuer bid made through the facilities of TSX may only be completed in accordance with Section 629.2.

629. Special Rules Applicable to Normal Course Issuer Bids.

(a) The provisions of this section shall apply to all normal course issuer bids.

(b) The filing of a notice is a declaration by the listed issuer that it has a present intention to acquire securities. The notice must set out the number of securities that the listed issuer's board of directors has determined may be acquired rather than simply reciting the maximum number of securities that may be purchased pursuant to Section 628(a)(ix)(b). A notice is not to be filed if the listed issuer does not have a present intention to purchase securities.

(c) TSX will not accept a notice if the listed issuer would not meet the criteria for continued listing on TSX, assuming all of the purchases contemplated by the notice were made.

(d) TSX requires that the listed issuer prepare and submit to TSX a draft of the notice containing the information prescribed by Form 12, Notice of Intention to Make a Normal Course Issuer Bid, found in Appendix H. When the notice is in a form acceptable to TSX, the listed issuer shall file the notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the notice must be filed at least two clear trading days prior to the commencement of any purchases under the bid.

(e) A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

(f) The listed issuer will issue a press release indicating its intention to make a normal course issuer bid, subject to TSX acceptance, prior to acceptance of the executed notice by TSX. The press release shall summarize the material aspects of the contents of the notice, including the number of securities sought, the method of disposition of the securities, if applicable, the reason for the bid and details of any previous purchases in the preceding 12 month period, including the number of securities purchased and the average price paid. If a press release has not already been issued, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the notice is accepted by TSX. A copy of the final press release shall be filed with TSX.

(g) The listed issuer shall include a summary of the material information contained in the notice in the next annual report, information circular, quarterly report or other document mailed to security holders. The document should indicate that security holders may obtain a copy of the notice, without charge, by contacting the listed issuer.

(h) A normal course issuer bid may commence on the date that is two trading days after the later of:

(i) the date of acceptance by TSX of the listed issuer's notice in final executed Form 12; or

(ii) the date of issuance of the press release required by Subsection (f) of this Section 629.

(i) Upon acceptance of the notice, TSX will publish a summary notification of the normal course issuer bid in its Daily Record.

(j) During a normal course issuer bid, a listed issuer may determine to amend its notice by increasing the number of securities sought while not exceeding: (i) the maximum percentages referred to in the definition of normal course issuer bid or (ii) provided that the issuer has increased its number of issued securities which are subject to the bid by at least 25% from the number of issued securities as at the date of acceptance of the notice of normal course issuer bid by TSX, the maximum percentages referred to in the definition of normal course issuer bid, as at the date of the amended notice. When the amended notice is in a form acceptable to TSX, the listed issuer shall file the amended notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the amended notice must be filed at least three clear trading days prior to the commencement of any purchases under the amended bid. In addition, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the amended notice is accepted by TSX. A copy of the final press release shall be filed with TSX. Upon acceptance of the amended notice, TSX will publish a summary notification of the normal course issuer bid in its Daily Record.

(k) A trustee or other purchasing agent (hereinafter referred to as a "trustee") for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or security holders of a listed issuer may participate, is deemed to be making an offer to acquire securities on behalf of the listed issuer where the trustee is deemed to be non-independent. Trustees that are deemed to be non-independent are subject only to Subsections 629(l) and (m) and to the limits on purchases of the listed issuer's securities prescribed by the definition of "normal course issuer bid". Trustees that are non-independent must notify TSX before commencing purchases. A trustee is deemed to be non-independent where:

(i) the trustee (or one of the trustees) is an employee, director associate or affiliate of the listed issuer; or

(ii) the listed issuer, directly or indirectly, has control over the time, price, amount and manner of purchases or the choice of the broker through which the purchases are to be made. The listed issuer is not considered to have control where the purchase is made on the specific instructions of the employee or security holder who will be the beneficial owner of the securities.

TSX should be contacted where there is uncertainty as to the independence of the trustee.

(l) Within 10 days of the end of each month in which any purchases are made, whether the securities were purchased through the facilities of TSX or otherwise, the listed issuer shall report its purchases to TSX stating the number of securities purchased during its purchases that month, giving the average price paid and stating whether the securities have been cancelled, reserved for issuance or otherwise dealt with. Nil reports are not required. The listed issuer may delegate the reporting requirement to the broker appointed to make its purchases; however, the listed issuer bears the responsibility of ensuring timely reports are made. TSX periodically publishes a list of securities purchased pursuant to normal course issuer bids.

This paragraph also applies to purchases by non-independent trustees and to purchases by any party acting jointly or in concert with the listed issuer. Purchases by non-independent trustees and other parties acting jointly or in concert with the listed issuer are excluded from TSX's periodic publication of securities purchased pursuant to normal course issuer bids.

(m) TSX has set the following rules for listed issuers and brokers acting on their own behalf:

1. ***Price Limitations*** - It is inappropriate for a listed issuer making a normal course issuer bid to abnormally influence the market price of its securities. Therefore, purchases made by listed issuers pursuant to a normal course issuer bid shall be made at a price which is not higher than the last independent trade of a board lot of the class of securities which is the subject of the normal course issuer bid. In particular, the following are not "independent trades":

   (a) trades directly or indirectly for the account of (or an account under the direction of) an insider of the listed issuer, or any associate or affiliate of the listed issuer;

   (b) trades for the account of (or an account under the direction of) the broker making purchases for the bid; and

   (c) trades solicited by the broker making purchases for the bid.

2. ***Prearranged Trades*** - It is important to investor confidence that all holders of identical securities be treated in a fair and even-handed manner by the listed issuer. Therefore, a cross or pre-arranged trade is not generally permitted.

3. ***Private Agreements*** - It is in the interest of security holders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the OSA, which provides very limited exemptions for private agreement purchases. TSX, therefore, will not normally accept a notice which indicates that purchases will be made other than by means of open market transactions.

4. ***Sales from Control*** - Purchases pursuant to a normal course issuer bid shall not be made from a person or company effecting a sale from control block pursuant to Part 2 of Multilateral Instrument 45-102 and Section 630 of this Manual. It is the responsibility of the broker acting as agent for the listed issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a broker is offering the same class of securities of the listed issuer under a sale from control.

5. ***Purchases During a Take-Over Bid*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a take-over bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof. This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

   In addition, if the listed issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid pursuant to OSC Policy 62-601.

6. ***Undisclosed Material Information*** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid while the listed issuer possesses any material information which has not been disseminated. Reference is made to the TSX Timely Disclosure policy in this regard.

(n) The listed issuer shall appoint only one broker at any one time as its broker to make purchases. The listed issuer shall inform TSX in writing of the name of the responsible broker and registered representative. The broker shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions of Sections 628, 629 and 629.1 and the terms of such notice. To assist TSX in its surveillance function, the listed issuer is required to receive prior written consent of TSX where it intends to change its broker.

(o) Failure to comply with any requirement herein may result in the suspension of the bid.

629.1 Use of Derivatives in Conjunction with Normal Course Issuer Bids

Application

(a) Unless otherwise specifically modified by the terms of this Section 629.1, all provisions of Section 628 or 629 shall apply to derivatives entered into by the listed issuer.

(b) A listed issuer shall not enter into a derivative unless:

   1. the listed issuer has filed a notice which has been accepted by TSX; and

   2. such derivative provides that:

(i) the counterparty will be bound by the provisions of this Section;

(ii) the interest of the counterparty under the derivative may only be assigned with the prior written consent of TSX; and

(iii) the interest of the counterparty under the derivative may only be assigned to another counterparty.

(c) Counterparties must ensure that all hedging activities associated with derivatives (and other similar securities, whether or not such securities contemplate physical or cash delivery for settlement) comply with Policy 2.1 - Just and Equitable Principles and Policy 2.2 - Manipulative and Deceptive Method of Trading under the Universal Market Integrity Rules for Canadian Marketplaces.

Terms of Derivatives

(d) Each derivative used in conjunction with a normal course issuer bid shall be an OTC agreement with a counterparty.

(e) The exercise price of a put or call option will be as negotiated by the listed issuer and the counterparty provided that the exercise price shall not exceed the aggregate of:

1. the price of the last independent trade of a board lot on TSX of the underlying interest at the time the exercise price has been agreed upon; and

2. the premium per unit of the underlying security which will be received by the issuer or the counterparty on the writing of the put or call option, respectively.

(f) The purchase price of securities under a forward purchase contract will be as negotiated by the listed issuer and the counterparty provided that the purchase price shall not exceed the price of the last independent trade of a board lot on TSX at the time the purchase price has been agreed upon.

(g) Each derivative must expire on or before the last day on which purchases of securities may be made by the listed issuer under the normal course issuer bid.

(h) Each derivative shall provide for settlement by the physical delivery of the underlying interest.

(i) Notwithstanding subsection (h), a derivative may provide for a cash settlement where:

1. the purchase of listed securities of the listed issuer by the listed issuer would not be permitted pursuant to the applicable securities legislation; or

2. a take-over bid has been publicly announced for the securities which are the subject of the normal course issuer bid.

Restrictions on the Number of Listed Securities Subject to Derivatives

(j) At any time during the period of the normal course issuer bid, the aggregate of the number of listed securities which are subject to outstanding derivatives and the number of securities acquired by the listed issuer prior to that time under the normal course issuer bid (including any listed securities acquired by the listed issuer on the exercise of any derivative) shall not exceed the greater of:

1. 5% of the number of issued and outstanding securities (excluding any listed securities held by or on behalf of the listed issuer) at the date of the notice; and

2. 10% of the public float of the listed securities at the date of the notice.

(k) At any time during the period of the normal course issuer bid, a listed issuer may not: (i) enter into or exercise a derivative, or (ii) make a purchase in the open market pursuant to the normal course issuer bid, if the aggregate of:

1. any listed securities purchased on a particular day by the listed issuer on the exercise of a derivative; and

2. any listed securities purchased by the listed issuer in the open market pursuant to the normal course issuer bid on a particular day

exceeds the greater of: (i) 25% of the average daily trading volume of the listed securities of that class as at the date the derivative is entered into, excluding any purchases made by the listed issuer under its normal course issuer bid and (ii) 1,000 securities.

Derivative Reporting and Disclosure Requirements

(l) The intention of the listed issuer to enter into a derivative as part of a normal course issuer bid must be disclosed in the notice and in the press release required by Subsection 629(f).

(m) A copy of each derivative agreement, and any amendment thereto, shall be filed with TSX within 10 days of execution and each derivative and amendment shall be subject to the approval of TSX.

(n) Each derivative shall be treated as a confidential document and will not be placed in the public record by TSX.

(o) The listed issuer shall be responsible for:

1. ensuring compliance with restrictions on the number of listed securities as imposed by Sections 628, 629 and 629.1; and

2. reporting to TSX details of all open market purchases and acquisitions on the exercise of derivatives during a calendar month within 10 days following the month end.

(p) The listed issuer may not delegate to the counterparty the responsibility for compliance and reporting as set forth in Subsection 629.1(o).

Counterparties to Derivatives

(q) Notwithstanding any other provision of Sections 628, 629 and 629.1, the listed issuer shall be entitled to use one participating organization as broker for open market purchases under the normal course issuer bid and another participating organization as a counterparty to the derivative or as an agent for the counterparty if such counterparty is not a participating organization.

(r) The listed issuer may change the counterparty for the purposes of this Section 629.1 if:

1. the counterparty has ceased hedging activities related to any outstanding derivative; or

2. all derivatives with the counterparty have expired or otherwise been settled.

Corporate and Securities Law Compliance

(s) The listed issuer has the obligation to ensure any derivative entered into is in accordance with the corporate law under which the listed issuer is organized and the articles, by-laws or other charter documents of the listed issuer.

(t) The listed issuer has the obligation to ensure that the writing of any over-the-counter option, as a distribution of securities, is undertaken pursuant to the granting of an exemption order from applicable securities legislation.

(u) TSX may require, prior to the approval of any normal course issuer bid which will permit the listed issuer to enter into derivatives, the submission of a legal opinion or other evidence satisfactory to TSX that the listed issuer is permitted to enter into such derivative (including compliance with any applicable corporate law). The listed issuer has the obligation to ensure that its entering into of a derivative is pursuant to an order exempting the issuer from applicable securities legislation regarding issuer bids.

"Cash Settled" Arrangements

(v) A derivative that provides for exclusive "cash settlement" is not considered by TSX to constitute a transaction which is subject to this Section 629.1.

629.2 Debt Substantial Issuer Bids

(a) The provisions of this section shall apply to a debt substantial issuer bid provided that:

(i) there is no legal or regulatory requirement to provide a valuation of the securities that are the subject of the bid to security holders; or

(ii) exemptions from all applicable requirements have been obtained.

(b) A listed issuer making a debt substantial issuer bid shall file with TSX a notice in the form of Form 13 found in Appendix H, together with a filing fee prescribed by Part VIII and shall not proceed with the bid until the notice has been accepted by TSX.

(c) Immediately after TSX has accepted notice of the debt substantial issuer bid, the listed issuer shall:

(i) disseminate details of the bid to the media in the form of a press release in a form approved by TSX; and

(ii) communicate the terms of the bid by advertising in the manner prescribed by TSX, or by such other means as may be approved by TSX.

(d) A book for receipt of tenders to the debt substantial issuer bid shall be opened on TSX not sooner than the thirty-fifth calendar day after the date on which notice of the bid is accepted by TSX and at such time, and for such length of time, as may be determined by TSX.

(e) Where in a debt substantial issuer bid, more securities are tendered than the number of securities sought, the listed issuer shall take up a proportion of all securities tendered equal to the number of securities sought divided by the number of securities tendered, and participating organizations shall make allocations in respect of securities tendered in accordance with the instructions of TSX.

(f) In respect of a bid:

(i) no participating organization shall knowingly assist or participate in the tendering of more securities than are owned by the tendering party; and

(ii) tendering, trading and settlement by participating organizations shall be in accordance with such rules as TSX shall specify to govern each bid.

(g) If a listed issuer makes or intends to make a debt substantial issuer bid, neither the listed issuer nor any person acting jointly or in concert with the listed issuer shall enter into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the listed issuer subject to the bid that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

(h) A notice of amendment shall be filed with the TSX for any proposed amendment to the terms of the bid. The proposed amendment will only be effective upon the acceptance of the TSX.

(i) Where the listed issuer becomes aware of a material change in any of the information contained in the notice in respect of a debt substantial issuer bid, the listed issuer shall file with the TSX forthwith a notice of amendment. The proposed amendment will only be effective upon the acceptance of the TSX.

(j) Immediately upon acceptance of the notice of amendment by the TSX, the listed issuer shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book.

13.1.3 IDA By-Law 40, Amendments to Individual Approvals, Notifications and Related Fees and National Registration Database

INVESTMENT DEALERS ASSOCIATION OF CANADA –
AMENDMENTS TO BY-LAW 40: INDIVIDUAL APPROVALS, NOTIFICATIONS AND RELATED FEES AND NATIONAL REGISTRATION DATABASE

I OVERVIEW

A -- Current Rules

By-law 40 was implemented September 2, 2004 to formally mandate the use by Members of the National Registration Database ("NRD") to file applications for Approval of individuals, changes of approval category, amendments to registration information, notices of branch and sub-branch openings and closings, terminations of employment or principal/agent relationships with Approved Persons and some applications for exemption from proficiency requirements. It also mandated fee to be paid for approvals and user fees to be paid for the NRD Administrator.

When By-law 40 was implemented all of the Provincial securities administrators in Canada were participants in NRD except the Autorité des marches financiers (AMF) in Quebec. By-law 40 therefore contained provisions for the filing of applications for Approval by persons in Quebec in paper format.

B -- The Issue

The AMF is joining NRD on January 1, 2005.

C -- Objective

The objective of the proposed changes is to extend its requirements to file through NRD to Quebec Members, applicants and approved persons and provide for the transition from paper to electronic filing.

D -- Effect of Proposed Rules

The proposed rules will require Members to use the NRD for all filings of application for Association approval of individuals and notifications regarding Approved Persons in the Province of Quebec. The proposed rules will require filing of such applications and notifications on NRD forms and within time periods established in the multilateral instruments passed by the securities regulatory authorities and to be adopted by the AMF.

The proposed rules will require Members to enter into NRD information that has already been filed with the AMF or its predecessor, the Commission des valeurs mobilières du Québec (CVMQ), on paper in order to get current approved persons into NRD along with the information being entered for all those in the NRD database.

The proposed rules will also require filings for persons who are already in NRD but are also registered in Quebec to add to NRD the information about their Quebec Registration.

The proposed rules will require Members to pay the same user fees to the operator of the NRD with regard to approved persons in Quebec and applications for approval in Quebec as are paid for approved persons and applications in other jurisdictions.

II DETAILED ANALYSIS

A -- Present Rules, Relevant History and Proposed Policy

By-law 40 refers to and draws definition from Multilateral Instruments 31-102 and 33-109 passed by all Canadian securities regulatory authorities except Quebec and now to be adopted by the AMF. It requires filing on forms and within time frames mandated under those multilateral instruments. Applications to securities regulatory authorities for registration and the Association for approval are made simultaneously on the same forms.

By-law 40.1 contains definitions including those of NRD and Multilateral Instruments 31-102 and 33-109 all of which note that Quebec does not participate. The proposed amendments remove the references to Quebec's non-participation in subsections 40.1(8), (13) and (14).

The proposed amendments add to section 40.1 the definition of a "Quebec transition Member" as a Member registered in Quebec as of January 1, 2005. The transitional requirements to have those registered in Quebec as of January 1, 2005 entered in NRD or have information on their Quebec registrations added to NRD will apply to Quebec transition Members.

By-law 40.2 requires Members to take the preliminary steps required for using the NRD. The proposed amendments remove an exception for and therefore extend its requirements to Members registered solely in Quebec.

By-law 40.3 requires that all applications for Approval of individuals and notifications of the appointment of certain senior compliance personnel be made through the NRD on NRD forms. It also requires the payment of related fees as determined by the Board of Directors, including NRD User fees. The proposed amendments remove exceptions for applications for Approval in Quebec or notifications with regard to Members having their head offices in Quebec.

By-law 40.4 requires that applications for changes in Approval categories be made through the NRD, permits the Board to establish fees for such transactions including NRD User fees and provides that any such fees must be paid through the NRD. It includes exceptions for applications in Quebec, which the proposed amendments remove.

By-law 40.5 requires the filing of material change reports regarding information on Approved Persons, required under Section I.B.1(a) of Policy 8, to be filed through the NRD. The proposed amendments remove an exception for filings regarding persons approved in Quebec.

By-law 40.7 requires that Members notify the Association of the termination of employment or a principal/agency relationship with any Approved Person within the time frames and on the form mandated under Multilateral Instruments 31-102 and 33-109, and requires that they be made through the NRD. The proposed amendments remove exceptions requiring such termination notifications for Approved Persons in the Province of Quebec to be made on paper.

By-law 40.8 requires Members to use NRD to notify the Association of the opening or closing or any material changes regarding branch and sub-branch offices, which notifications are required under By-laws 4.6 and 4.7 respectively. The proposed amendments remove exceptions for branch and sub-branch offices in Quebec.

As of January 1, 2005 no Approved Persons registered solely in Quebec will be included in NRD. There will be no transfer of data on such persons from any existing systems.

New section 40.13 is being added to By-law 40 to deal with the addition of such persons to NRD. This will be effected by filing complete applications as though such persons were applying for Approval for the first time. The AMF will establish a schedule for such filings such that all such persons will be in NRD by December 1, 2005. Proposed By-law 40.13(1) sets the December 1 deadline without prescribing more specific time frames. As all such persons will be included in NRD pursuant to that sub-section and their NRD applications will include their branch office location, they have been excluded from the general requirement to tie Approved Persons to their branch locations under By-law 40.10(2).

Proposed By-law 40.13(2) excepts from the requirement to submit a completed application those whose employment with a Member is terminated before the filing. Such persons will, if transferring to another Member, have to complete a full application with their new Member sponsor under proposed By-law 40.13(5).

Proposed By-law 40.13(3) provides for changes of registration information for an Approved Person registered solely in Quebec and not yet in NRD. Such persons will file the change in paper form within 5 business days and will then have a further 15 business days to file a complete application form.

Proposed By-law 40.13(4) provides for changes in approval category, including addition of a new category or surrender of an existing one, for persons approved only in the Province of Quebec who have not yet submitted a full application. Such persons will be required to submit a full application showing their current categories first, followed by a submission seeking approval of the change.

Proposed By-law 40.13(5) provides that an application to transfer an Approved Person registered solely in Quebec for whom a completed application has not been submitted in NRD pursuant to proposed By-law 40.13(1) must be done through submission of a full application through the NRD.

Proposed By-laws 40.13(6) through (9) deal with persons registered in the Province of Quebec and in another province. As a result of their registration in another province, such persons will already have an NRD record but without a record of their registration in Quebec.

Proposed By-law 40.13(6) requires the submission by December 1, 2005 of applications to add the Quebec registration categories of all such persons to the existing records in NRD. While this is done on the full application Form 33-109F4, if full information on the person is already contained in the NRD it involves only a change to the registration and approval category section to add Quebec information, not re-entry of all the previously entered data.

Proposed By-law 40.13(7) requires that when a Member terminates the employment of or an agency relationship with an Approved Person registered in Quebec and other provinces and has not already filed a submission to add the person's

registration categories in Quebec, it file a termination notice through the NRD with regard to the individual's registration/approval in other provinces and a paper termination notice with regard to his or her registration/approval in Quebec.

Proposed By-laws 40.13(8) and (9) deal respectively with changes of registration information and changes of registration category for Approved Persons registered in Quebec and other provinces if an application to add the individual's registration categories in Quebec has not yet been submitted. They require that a submission adding the Quebec registration categories be made first, following by a submission regarding the change.

Proposed By-law 40.13(10) deals with transfers[1] of Approved Persons previously registered in Quebec and another province for whom an application adding Quebec registration and approval information has not been submitted. It requires that the transfer in the other province or provinces be submitted through the NRD, a paper transfer application be submitted regarding the Quebec registration and approval and that within 15 days of approval of the transfer an application be submitted to the NRD adding the Quebec registration and approval categories.

By-law 40.10 contains requirements regarding the transition to the NRD from existing systems. It includes requirements that, by February 28, 2005, Members add any missing information on branches or sub-branches (section 40.10(1)) and identify the branch or sub-branch location of all Approved Persons in NRD (section 40.10(2)). Proposed section 40.13(11) provides an exception to those sections of By-law 40.10 with regard to branches and sub-branches in the Province of Quebec. The information on those branches and sub-branches will be added to the NRD in the process, to be completed by December 1, 2005, of adding Quebec-only registrants.

B -- Issues and Alternatives Considered

No other alternatives were considered.

C -- Comparison with Similar Provisions

Multilateral Instruments 31-102 and 33-109 passed by all Canadian securities regulatory authorities except Quebec contain similar provisions regarding the filing of registration applications and notifications through the NRD system. The AMF will be adopting those multilateral instruments, making them national instruments, and will also establish transitional requirements for Quebec-only registrants and to make those registered in Quebec who are also registered in other Provinces, and are therefore in NRD, add their Quebec registration information to their NRD information.

D -- Systems Impact of Rule

Quebec-only Members will be required to have Internet access and Web browsers as specified by the NRD Administrator. These are widely accessible and inexpensive and are already in place at all Members who use NRD.

E -- Best Interests of the Capital Markets

The Board has determined that this amendment is not detrimental to the best interests of the capital markets.

F -- Public Interest Objective

The proposal is designed to include Quebec in the NRD system, which will then be the central, authoritative database on approved and registered persons in all jurisdictions. It will eliminate the duplication involved in filing applications and notifications in paper form in Quebec while filing in electronic form for any other jurisdictions.

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

III COMMENTARY

A -- Filing in Other Jurisdictions

This proposed amendment will be filed for approval in Alberta, British Columbia, Manitoba, Ontario and Quebec will be filed for information in Nova Scotia and Saskatchewan.

[1] A transfer can be effected up to 90 days after the termination from a previous firm. Thereafter a "reactivation" submission is required, which is treated like an initial application, including payment of all related fees.

B -- Effectiveness

The proposed rule is simple and effective. Filing through NRD will eliminate the paper form filings currently required for Quebec Approved Persons and the duplicative filings on paper in Quebec and electronically through NRD for those approved in Quebec and other provinces.

IV SOURCES

- IDA Bylaw 40

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The Association has determined that the enactment of the proposed Policy would be in the public interest. Comments are sought on the proposed Policy. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Deborah Wise, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:
Azza Abdallah
Registration Counsel
Investment Dealers Association of Canada
(416) 943-5839
aabdallah@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA

AMENDMENTS TO BY-LAW 40 REGARDING INDIVIDUAL APPROVALS, NOTIFICATIONS AND FEES AND THE NATIONAL REGISTRATION DATABASE

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby amends the By-laws, Regulations, Forms and Policies of the Association by amending By-law No. 40 as follows:

"40.1 Definitions

For the purposes of this By-law 40,

(1) **"**authorized firm representative" or "AFR" means, for a Member, an individual with his or her own NRD user ID and who is authorized by the Member to submit information in NRD format for that Member and individual applicants with respect to whom the Member is the sponsoring Member.

(2) "chief AFR" means, for a Member filer, an individual who is an AFR and has accepted an appointment as a chief AFR by the Member.

(3) Form 33-109F1 means the form for the submission through NRD of a Notice of Termination of an individual mandated by NRD Multilateral Instrument 33-109.

(4) Form 33-109F2 means the form for the submission through NRD of an application for change or surrender of categories of registration mandated by NRD Multilateral Instrument 33-109.

(5) Form 33-109F3 means the form for the submission through NRD of information regarding business locations of registered dealers mandated by NRD Multilateral Instrument 33-109.

(6) Form 33-109F4 means the form for submission through NRD of applications for individual registration and information on non-registered individuals mandated by NRD Multilateral Instrument 33-109.

(7) Form 33-109F5 means the paper form of a notification of a change in information regarding an individual registrant or Member mandated by NRD Multilateral Instrument 33-109.

(8) "National Registration Database" or "NRD" means the online electronic database of registration and approval information regarding Members, their registered or approved partners, officers, directors, employees or agents and other firms and individuals registered under securities legislation in Canada ~~other than the Province of Quebec~~, and includes the computer system providing for the transmission, receipt, review and dissemination of that registration information by electronic means.

(9) "NRD account" means an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit.

(10) "NRD access date" means the date a Member receives notice that it has access to NRD to make NRD submissions.

(11) "NRD Administrator" means CDS INC. or a successor appointed by the Canadian securities regulatory authorities and the Association to operate NRD.

(12) "NRD format" means the electronic format for submitting information through the NRD website.

(13) "NRD Multilateral Instrument 31-102" means Multilateral Instrument 31-102 National Registration Database adopted by the Canadian securities regulatory authorities ~~except the Autorité des Marchés Financiers~~.

(14) "NRD Multilateral Instrument 33-109" means Multilateral Instrument 33-109 Registration Information adopted by the Canadian securities regulatory authorities ~~except the Autorité des Marchés Financiers~~.

(15) "NRD submission" means information that is submitted under this By-law 40 in NRD format, or the act of submitting information under this By-law 40 in NRD format, as the context requires.

(16) "NRD website" means the website operated by the NRD Administrator for the NRD submissions.

(17) "transition Member" means a Member that

(a) was a Member on February 3, 2003, or

(b) was not a Member on February 3, 2003 and applied for Membership before March 31, 2003.

(18) "Quebec transition Member" means a Member registered in the Province of Quebec as of January 1, 2005.

40.2 Obligations of Members regarding the National Registration Database

(1) Each Member shall

(a) enrol in NRD and pay to the NRD Administrator an enrolment fee calculated as prescribed by the Board of Directors;

(b) have one and no more than one chief AFR enrolled with the NRD Administrator;

(c) maintain one and no more than one NRD account;

(d) notify the NRD Administrator of the appointment of a chief AFR within 5 business days of the appointment;

(e) notify the NRD Administrator of any change in the name of the firm's chief AFR within 5 business days of the change; and

(f) submit any change in the name of an AFR, other than the firm's chief AFR, in NRD format within 5 business days of the change.

~~(2) Subsection 1 does not apply to a Member registered solely under the securities legislation of the Province of Quebec and having no Approved Persons registered under any Canadian securities legislation other than that of the Province of Quebec.~~

40.3 Approvals and Notifications

(1) Each Member making an application for approval of an individual in any capacity required under any By-law, Regulation or Policy of the Association shall make such application to the Association through the NRD on Form 33-109F4.

~~(2) Subsection (1) does not apply to an application for Approval in the Province of Quebec.~~

~~(3) Each Member making an application for approval in the Province of Quebec of any individual in any capacity required under any By-law, Regulation or Policy of the Association shall make such application to the Association in paper form on Association Form 1-U-2000 or Form 33-109F4.~~

(~~4~~2) Each Member shall notify the Association of the appointment of an Ultimate Designated Person pursuant to By-law 38.1, a Chief Compliance Officer pursuant to By-law 38.3 or a Chief Financial Officer pursuant to By-law 7.5(a) through the NRD on Form 33-109F4.

~~(5) Subsection (4) does not apply to a notification by a Member having its head office in the Province of Quebec, which shall be made to the Association in paper form on Association Form 1-U-2000 or Form 33-109F4.~~

(~~6~~3) Each Member making an application under subsection (1) ~~or (3)~~ shall be liable for and pay such fees as are prescribed from time to time by the Board of Directors, including but not limited to application fees payable to the NRD Administrator for use of the NRD for the making of such an application.

(~~7~~4) Any fees payable to the Association or to the NRD Administrator pursuant to subsection (~~6~~3) above shall be submitted by electronic pre-authorized debit through NRD.

~~(8) Subsection (7) does not apply to fee payable for an application for Approval in the Province of Quebec.~~

40.4 Application for Change of Approval Category

(1) Each Member making an application for approval of any Approved Person in a different or additional capacity requiring approval under any By-law, Regulation or Policy of the Association or to surrender an existing approval shall make such application to the Association through the NRD on Form 33-109F2.

(2) Each Member making an application under subsection (1) shall be liable for and pay such change of status fees as are prescribed from time to time by the Board of Directors, including but not limited to application fees payable to the NRD Administrator for use of the NRD for the making of such an application.

(3) Any fees payable to the Association or the NRD Administrator pursuant to subsection (2) above shall be submitted by electronic pre-authorized debit through NRD.

~~(4) Subsection 40.4(1) does not apply to an application for an Approved Person for a change of approval category in the Province of Quebec, which shall be made in paper form on the Association Application for Transfer or Change of Status Form or on Form 33-109F2.~~

~~(5) Each Member making an application under subsection (4) shall be liable for and pay such change of status fees as are prescribed from time to time by the Board of Directors.~~

40.5 Report of Changes pursuant to Policy 8

(1) Each Member making a report of a change regarding an Approved Person required pursuant to section I.B.1(a) of Policy 8 of the Association shall make the report through the NRD on Form 33-109F4 in the time required pursuant to NRD Multilateral Instrument 33-109.

~~(2) Subsection (1) does not apply to a report regarding an individual approved in the of the Province of Quebec, which shall be made in paper form to the Association on form 33-109F4 in the time required pursuant to NRD Multilateral Instrument 33-109.~~

40.6 Exemption request

(1) Each Member making an application for an exemption of an Approved Person or applicant for approval from a proficiency requirement pursuant to the Association's Policy 6 that is submitted with an application for approval made through the NRD shall make such application to the Association through the NRD.

(2) Each Member making an application under subsection (1) above shall be liable for and pay to the Association an exemption request fee as prescribed from time to time by the Board of Directors.

(3) Any fees payable to the Association and to the NRD Administrator pursuant to subsection (2) above shall be submitted by electronic pre-authorized debit through NRD.

40.7 Termination of Approved Persons

(1) Each Member shall notify the Association of the termination of the Member's employment of or principal/agent relationship with any individual approved in any capacity under any By-law, Regulation or Policy of the Association through the NRD on Form 33-109F1 within the time period prescribed in NRD Multilateral Instrument 33-109 for a registered firm, as defined in NRD Multilateral Instrument 33-109, to notify the regulator of the same type of event.

(2) Each Member shall be liable for and pay to the Association fees in the amounts prescribed from time to time by the Board of Directors for the failure of the Member to file a notification required under subsection (1) above within the time period referred to in subsection (1).

(3) Any fees payable to the Association pursuant to subsection (2) above shall be submitted by electronic pre-authorized debit through NRD.

~~(4) Subsections (1) and (3) do not apply to a notification of termination of employment or a principal/agent relationship to an individual approved in the Province of Quebec, which shall be made in paper form on the Association's Uniform Termination Notice Form or Form 33-109F1 within the time period referred to in subsection (1).~~

~~(5) Each Member shall be liable for and pay to the Association fees in the amounts prescribed from time to time by the Board of Directors for the failure of the Member to file a notification required under subsection (4) above within the time period referred to in subsection (4).~~

40.8 Notification of Opening or Closing of Branch or Sub-branch Office

(1) Each Member required to notify the Association of the opening or closing of a branch pursuant to By-law 4.6 or sub-branch office pursuant to By-law 4.7 shall do so through the NRD on Form 33-109F3 within the time period prescribed in NRD Multilateral Instrument 33-109 for a registered firm, as defined in NRD Multilateral Instrument 33-109, to notify the regulator of the opening or closing, as applicable, of a business location.

(2) Each Member shall notify the Association through the NRD of any change in the address, type of location or supervision of any branch or sub-branch office within the time period prescribed in NRD Multilateral Instrument 33-109 for a registered firm, as defined in Multilateral Instrument 33-109, to notify the regulator of a change in a business location.

~~(3) Subsections (1) and (2) do not apply to a branch or sub-branch office in the Province of Quebec.~~

~~(4) Each Member required to notify the Association of the opening or closing of a branch or sub-branch office in the Province of Quebec shall do so in paper form within the time period referred to in subsection (1) and shall also notify the Association in paper form of the Approved Persons to be located in such branch or sub-branch within the time period prescribed in NRD Multilateral Instrument 33-109 for a registered firm, as defined in NRD Multilateral Instrument 33-109, to notify the regulator of a similar type of event.~~

~~(5) Each Member shall notify the Association in paper form of any change in the address, type of location or supervision of any branch or sub-branch office located in the Province of Quebec within the time period referred to in subsection (2).~~

40.9 Annual NRD User Fee

(1) Each Member shall be liable for and pay to the NRD Administrator an annual user fee as prescribed from time to time by the Board of Directors for each person approved in any capacity under any By-law, Regulation or Policy of the Association and recorded as such on the NRD as of the date of calculation of such annual fee as prescribed by the Board of Directors.

(2) Any fees payable to the NRD Administrator pursuant to subsection (1) above shall be submitted by electronic pre-authorized debit through NRD.

40.10 Transition

(1) Accuracy of Branch or Sub-branch Information - If the information recorded on NRD for a branch or sub-branch office of a transition Member is missing or inaccurate on the NRD access date, the transition Member must submit a completed Form 33-109F3 in NRD format in respect of that branch or sub-branch by February 28, 2005.

(2) Identification of Branch or Sub-branch of Approved Persons - Each Member must make submissions through the NRD identifying the branch or sub-branch location of all Approved Persons of the Member by February 28, 2005.

(3) Approved Persons Included in the Data Transfer

(a) Except as provided in subsection (b), in respect of Approved Persons who were recorded on NRD as Approved Persons of a transition Member on the NRD access date, the transition Member must submit completed Forms 33-109F4 in NRD format for

(i) 5 percent of those Approved Persons by the end of April 2004,

(ii) 10 percent of those Approved Persons by the end of May 2004,

(iii) 15 percent of those Approved Persons by the end of June 2004,

(iv) 20 percent of those Approved Persons by the end of July 2004,

(v) 25 percent of those Approved Persons by the end of August 2004,

(vi) 30 percent of those Approved Persons by the end of September 2004,

(vii) 35 percent of those Approved Persons by the end of October 2004,

(viii) 40 percent of those Approved Persons by the end of November 2004,

(ix) 45 percent of those Approved Persons by the end of December 2004,

(x) 50 percent of those Approved Persons by the end of March 2005,

(xi) 55 percent of those Approved Persons by the end of April 2005,

(xii) 60 percent of those Approved Persons by the end of May 2005,

(xiii) 65 percent of those Approved Persons by the end of June 2005,

(xiv) 70 percent of those Approved Persons by the end of July 2005,

(xv) 75 percent of those Approved Persons by the end of August 2005,

(xvi) 80 percent of those Approved Persons by the end of September 2005,

(xvii) 85 percent of those Approved Persons by the end of October 2005,

(xviii) 90 percent of those Approved Persons by the end of November 2005,

(xix) 95 percent of those Approved Persons by the end of December 2005, and

(xx) all of those Approved Persons by the end of March 2006.

(b) Despite subsection (a), a transition Member is not required to submit a completed Form 33-109F4 in respect of an Approved Person if another Member or a non-Member firm registered under securities legislation has submitted a completed Form 33-109F4 in respect of the Approved Person.

(4) Reporting Changes to Information regarding Approved Persons

A transition Member making a report of a change regarding an Approved Person required pursuant to section I.B.1(a) of Policy 8 after the NRD access date for an Approved Person for whom a completed Form 33-109F4 in NRD format has not been submitted pursuant to subsection 40.10(3)(a) shall:

(a) submit within 5 business days of the change a completed Form 33-109F5 in paper form showing the change, and

(b) if the notification concerns any change with regard to:

Item 1 of Form 33-109F4 – Name

Item 2 of Form 33-109F4 – Residential Address where the change is a move out of province

Item 14 of Form 33-109F4 – Criminal Disclosure

Item 15 of Form 33-109F4 – Civil Disclosure, or

Item 16 of Form 33-109F4 – Financial Disclosure

submit within 15 days of the submission of the completed Form 33-109F5 a completed Form 33-109F4 in NRD format regarding the Approved Person.

(5) Currency of Form 33-109F4 - For greater certainty, a completed Form 33-109F4 that is submitted under this section must be current on the date that it is submitted despite any prior submission in paper format.

(6) Termination of Relationship - Despite a requirement under this section to submit a completed Form 33-109F4, a transition Member is not required to submit a Form 33-109F4 in respect of an Approved Person if the Member has submitted a completed Uniform Termination Notice or Form 33-109F1 in respect of the Approved

Person in paper form before the Member's NRD access date or through the filing of a Form 33-109F1 through the NRD after the Member's NRD access date.

40.11 Temporary Hardship Exemption

(1) If unanticipated technical difficulties prevent a Member from making a submission in NRD format within the time required under this By-law 40, the Member is exempt from the requirement to make the submission within the required time period, if the Member makes the submission in paper format or NRD format no later than 5 business days after the day on which the information was required to be submitted.

(2) Form 33-109F5 is the paper format for submitting a notice of a change to Form 33-109F4 information.

(3) If unanticipated technical difficulties prevent a Member from submitting an application in NRD format, the Member may submit the application in paper format.

(4) If a Member makes a paper format submission under this section, the Member must include the following legend in capital letters at the top of the first page of the submission:

IN ACCORDANCE WITH IDA BY-LAW 40.11 AND SECTION 5.1 OF MULTILATERAL INSTRUMENT 31-102 NATIONAL REGISTRATION DATABASE (NRD), THIS [SPECIFY DOCUMENT] IS BEING SUBMITTED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION.

(5) If a Member makes a paper format submission under this section, the Member must resubmit the information in NRD format as soon as practicable and in any event within 10 business days after the unanticipated technical difficulties have been resolved.

40.12 Due Diligence and Record Keeping

(1) Each Member must make reasonable efforts to ensure that information submitted in any submission through the NRD is true and complete.

(2) Each Member must retain all documents used by the Member to satisfy its obligation under subsection (1) for a period of 7 years after the individual ceases to be an Approved Person of the Member.

(3) A Member that retains a document under subsection (2) in respect of an NRD submission must record the NRD submission number on the document.

40.13 Transition of Quebec Transition Members

(1) Each Quebec transition Member having Approved Persons registered solely in the Province of Quebec as of January 1, 2005 shall submit to the Association a completed Form 33-109F4 for each such Approved Person by December 1, 2005.

(2) Despite subsection (1), a Quebec transition Member is not required to submit a Form 33-109F4 for an Approved Person registered solely in the Province of Quebec if the Member terminates its employment of or principal/agent relationship with the person prior to having submitted a Form 33-109F4 pursuant to subsection (1) and files with the Association a completed Uniform Termination Notice or Form 33-109F1 in paper form.

(3) A Quebec transition Member making a report of a change regarding an Approved Person required pursuant to section I.B.1(a) of Policy 8 after January 1, 2005 for an Approved Person registered solely in the Province of Quebec for whom a completed Form 33-109F4 in NRD format has not been submitted pursuant to subsection (1) shall:

(a) submit within 5 business days of the change a completed Form 33-109F5 in paper form showing the change, and

(b) submit within 15 business days of the filing in subsection (a) above through the NRD a completed Form 33-109F4 regarding the Approved Person showing the correct information as of the date of filing.

(4) A Quebec transition Member applying to make a change of registration or Approval category or add or surrender an Approval category of an Approved Person approved solely in the Province of Quebec as of January 1, 2005 for whom a completed Form 33-109F4 has not been submitted shall:

(a) submit a Form 33-109F4 through the NRD showing the Approved Persons current registration and Approval categories, and

(b) submit a Form 33-109F2 through the NRD showing the change, addition or surrender of registration or Approval category for which application is being made.

(5) A Member applying for transfer of the Approval of a person formerly registered solely in the Province of Quebec for whom a completed Form 33-109F4 has not been submitted through NRD shall make such application by filing a completed Form 33-109F4 through NRD.

(6) Each Quebec transition Member having Approved Persons registered in the Province of Quebec and in other provinces as of January 1, 2005 shall submit to the Association a completed Form 33-109F4 for each such Approved Person adding the categories of their registration in the Province of Quebec by December 1, 2005.

(7) A Quebec transition Member that terminates its employment of or principal/agent with an Approved Person registered in the Province of Quebec and one or more other provinces prior to the filing of a completed From 33-109F4 pursuant to subsection (6) above shall file a Form 33-109F1 through the NRD with respect to the Approved Person's registration in the other provinces and a Uniform Termination Notice or Form 33-109F1 in paper form with respect to the Approved Persons registration in the Province of Quebec.

8) A Quebec transition Member required to make a report of a change regarding an Approved Person required pursuant to section I.B.1(a) of Policy 8 after January 1, 2005 for an Approved Person registered in the Province of Quebec and other provinces for whom a completed Form 33-109F4 in NRD format has not been submitted pursuant to subsection (6) above shall submit through the NRD the Form 33-109F4 pursuant to subsection (6) and then a completed Form 33-109F5 regarding the change within 5 business days of the change.

(9) A Quebec transition Member applying to make a change of registration or Approval category or add or surrender an Approval category of an Approved Person registered in the Province of Quebec and other provinces as of January 1, 2005 for whom a completed Form 33-109F4 pursuant to subsection (6) above has not been submitted shall submit through the NRD the Form 33-109F4 pursuant to subsection (6) showing only the addition of the current registration categories in Quebec and then a Form 33-109F2 with respect to the change, addition or surrender or registration or Approval category.

(10) A Quebec transition member applying for the transfer of an Approved Person registered and Approved at his or her previous Member firm in Quebec and another province for whom a completed Form 33-109F4 pursuant to subsection (6) above has not been submitted shall:

(a) Submit an application for transfer in any other provinces through the NRD system;

(b) Submit an application for transfer in Quebec in paper form;

(c) Within 15 days of the approval of the transfer in (b) above, submit a Form 33-109F4 pursuant to subsection (6) above adding the registration and Approval categories in Quebec.

(11) Subsections 40.10(1) and (2) do not apply to the branch and sub-branch offices located in the Province of Quebec of a Quebec transition Member.

PASSED AND ENACTED by the Board of Directors, this 20th day of October 2004, to be effective on a date to be determined by Association staff.

13.1.4 IDA Disciplinary Hearing - Brian Gruson

NEWS RELEASE
For immediate release

NOTICE TO PUBLIC: DISCIPLINARY HEARING

IN THE MATTER OF BRIAN GRUSON

October 28, 2004 (Toronto, Ontario) – The Investment Dealers Association of Canada announced today that a hearing will be held on December 2nd, 2004, in respect of matters for which Brian Gruson may be disciplined by the Association.

The hearing relates to an allegation that Mr. Gruson has refused or failed to comply with a request from the Association to attend and give information in relation to an investigation into his conduct while employed as a Registered Representative in Toronto with Yorkton Securities Inc. and First Associates Investments Inc., contrary to Association By-law 19.5.

The above hearing date was set by the Ontario District Council on September 27th 2004. The hearing will take place on Thursday December 2nd, 2004 at 10:00 am at the offices of Atchison and Denman, located at 155 University Avenue, Suite 302, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters. Copies of the decision of the District Council will be made available.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's mission is to protect investors and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Alex Popovic
Vice-President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Sentry Select Capital Corp. - cl. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager for approval to act as trustee of a mutual fund trust that it manages.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., clause 213(3)(b).

October 26, 2004

Borden Ladner Gervais LLP
40 King Street West
Toronto, ON M5H 3Y4

Attention: Andrew Peel

Dear Sirs/Mesdames:

Re: Sentry Select Capital Corp. (the "Applicant") - Application for Exemptive Relief pursuant to c. 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) - App. #897/04

Further to an application (the "Application") dated October 18, 2004 filed on behalf of the Applicant and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the Loan and Trust Corporations Act, 1987 (Ontario), the Commission approves the proposal that the Applicant act as the trustee of MBS Investment Trust.

"Paul Bates" "Wendell S. Wigle"

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