

Proposed Amendments to National Instrument 44-101
Short Form Prospectus Distributions
Companion Policy 44-101CP

Part 1 Amendments to ***Company Companion*** Policy ***to National Instrument 44-101***

1.1 — ~~Amendments to Part 4 of 1.~~ Companion Policy 44-101CP to National Instrument 44-101 ~~—Part 4 of the Company Policy to National Instrument 44-101 is amended by, in section 4.3, deleting the words “be accompanied by an auditor’s report without a reservation of opinion” and substituting “must be audited”.~~ Short Form Prospectus Distributions is amended as follows.

1.2 — ~~Amendments to Part 6 of Company Policy to National Instrument 44-101 —Part 6 of the Company Policy to National Instrument 44-101 is amended by repealing sections 6.1 and 6.2, and substituting the following:~~

2. Section 4.3 is repealed and the following substituted:

4.3 Audit Report for All Financial Statements Included in the Short Form Prospectus – The National Instrument requires that all financial statements included in a short form prospectus must be audited, except financial statements specifically exempted in the National Instrument. NI 52-107 further requires that all audited financial statements be accompanied by an audit report. Issuers are reminded that the audit report requirement extends to financial statements of subsidiaries and other entities even if the financial statements are not required to be included in the short form prospectus but have been included at the discretion of the issuer.

3. Section 4.4 is amended by striking out “auditor’s report” and substituting “audit report” wherever it occurs.

4. Subsection 4.6(3) is amended by striking out “auditor’s report ” and substituting “audit report” wherever it occurs.

5. Section 5.8 is amended by
(a) striking out “foreign GAAP” and substituting “GAAP that is not the issuer’s GAAP” wherever it occurs; and
(b) striking out “Canadian GAAP” and substituting “the issuer’s GAAP”.

6. Subsections 5.20(3) and (4) are amended by striking out “auditor’s report ” and substituting “audit report” wherever it occurs.

7. Section 6.1 is repealed and the following substituted:

6.1 GAAP and GAAS – The financial statements of a person or company that are included or incorporated by reference in a short form prospectus ~~shall~~must be prepared in accordance with NI 52-~~107 with reference to the Company Policy to NI 52-~~107.

Part 2 Effective Date

2.1 Effective Date

8. Section 6.2 is repealed.

~~This Amendment comes~~ 9. These amendments come into force on ~~●, 2004.~~ January 4, 2005.

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