

THE MANITOBA SECURITIES COMMISSION
MSC RULE 2001-2
(Section 149.1, *The Securities Act*)

NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS

PART 1 – DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Instrument

"**absolute value**" means the positive value of any number;

"**acquisition of related businesses**" means the acquisitions of two or more businesses if

- (a) the businesses were under common control or management before the acquisitions were completed,
- (b) each acquisition was conditional upon the completion of each other acquisition, or
- (c) each acquisition is contingent on a single common event;

"**AIF**" means an annual information form

- (a) in the form of Form 44-101F1 AIF,
- (b) in the form referred to in section 3.4, or
- (c) in the form of Appendix A to NP47, if the annual information form was filed before this Instrument came into force;

"**alternative credit support**" means support, other than a guarantee, for the payments to be made by an issuer of securities, as stipulated in the terms of the securities or in an agreement governing rights of, or granting rights to, holders of the securities, that

- (a) obliges the person or company providing the support to provide the issuer with funds sufficient to enable the issuer to make the stipulated payments, or
- (b) entitles the holder of the securities to receive, from the person or company providing the support, payment if the issuer fails to make a stipulated payment;

"**approved rating**" means, for a security, a rating at or above one of the following rating categories issued by an approved rating organization for the security or a rating category that replaces a category listed below:

Approved Rating Organization	Long Term Debt	Short Term Debt	Preferred Shares
CBRS Inc.	B++	A-2	P-3
Dominion Bond Rating Service Limited	BBB	R-2	Pfd-3
Duff & Phelps Credit Rating Co.	BBB-	D-3	BBB-
Fitch IBCA, Inc.	BBB	F3	BBB
Moody's Investors Service, Inc.	Baa	Prime-3	"baa"
Standard & Poor's Corporation	BBB	A-3	BBB
Thomson BankWatch, Inc.	BBB	TBW-3	BBB

"**approved rating organization**" means each of CBRS Inc., Dominion Bond Rating Service Limited, Duff & Phelps Credit Rating Co., Fitch IBCA, Inc., Moody's Investors Service, Inc., Standard & Poor's Corporation, Thomson BankWatch, Inc., and any of their successors;

"**asset-backed security**" means a security that is primarily serviced by the cash flows of a discrete pool of mortgages, receivables or other financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period, and any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders;

"**associated party**" means, if used to indicate a relationship with a person or company,

(a) a partner, other than a limited partner, of the person or company,

(b) a trust or estate in which the person or company has a substantial beneficial interest or for which the person or company serves as trustee or in a similar capacity,

(c) an issuer in respect of which the person or company beneficially owns or controls, directly or indirectly, securities carrying more than 10 per cent of the voting rights attached to all outstanding securities of the issuer,

(d) a relative of the person who has the same home as that person,

(e) an individual who has the same home as the person and who is either married to the person or is living with the person in a conjugal relationship outside marriage, or

(f) a relative of an individual mentioned in paragraph (e) who has the same home as the person;

"auditor's report" means

(a) a Canadian auditor's report, or

(b) in the case of an issuer incorporated or organized in a foreign jurisdiction

(i) a Canadian auditor's report, or

(ii) a foreign auditor's report;

"business segment" has the meaning ascribed to that term in the Handbook;

"cash equivalent" means an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by

(a) the government of Canada or the government of a jurisdiction,

(b) the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state or a permitted supranational agency, if, in each case, the evidence of indebtedness has an approved rating, or

(c) a Canadian financial institution, or other entity that is regulated as a banking institution, loan corporation, trust company, or insurance company or credit union by the government, or an agency of the government, of the country under whose laws the entity is incorporated or organized or a political subdivision of that country, if, in either case, the Canadian financial institution or other entity has outstanding short term debt securities that have received an approved rating from any approved rating organization;

"cash settled derivative" means a specified derivative, the terms of which provide for settlement only by means of cash or cash equivalent, the amount of which is determinable by reference to the underlying interest of the specified derivative;

"connected issuer" has the meaning ascribed to that term in securities legislation;

"convertible" means, if used to describe securities, that the rights and attributes attached to the securities include the right or option to purchase, convert into or exchange for or otherwise acquire equity securities of an issuer, or any other security that itself includes the right or option to purchase, convert into or exchange for or otherwise acquire equity securities of an issuer;

"credit supporter" means a person or company that provides a guarantee or alternative credit support for any of the payments to be made by an issuer of securities as stipulated in the terms of the securities or in an agreement governing rights of, or granting rights to, holders of the securities;

"current AIF" means

(a) for an issuer other than an issuer subsisting under the laws of a foreign jurisdiction that has filed an AIF in the form of a current annual report on Form 10-K or on Form 20-F under the 1934 Act

(i) during the period of 140 days following the issuer's most recently completed financial year,

(A) if the issuer has filed an initial AIF for its most recently completed financial year that has been accepted for filing under this Instrument, the initial AIF,

(B) if the issuer has filed a renewal AIF under this Instrument for its most recently completed financial year, the renewal AIF,

(C) if the issuer has not filed an AIF for its most recently completed financial year and has filed an initial AIF for the financial year preceding its most recently completed financial year that has been accepted for filing under this Instrument, the initial AIF, or

(D) if the issuer has not filed an AIF for its most recently completed financial year and has filed a renewal AIF under this Instrument for the financial year preceding its most recently completed financial year, the renewal AIF,

(ii) at any time after 140 days following the issuer's most recently completed financial year,

(A) if the issuer has filed an initial AIF for its most recently completed financial year that has been accepted for filing under this Instrument, the initial AIF, or

(B) if the issuer has filed a renewal AIF under this Instrument for its most recently completed financial year, the renewal AIF, or

(iii) an AIF of the issuer filed before this Instrument came into force that would constitute a "Current AIF" for the purposes of NP47 if that instrument was applicable, or

(b) for an issuer subsisting under the laws of a foreign jurisdiction that has filed an AIF in the form of a current annual report on Form 10-K or on Form 20-F under the 1934 Act

(i) during the period of 180 days following the issuer's most recently completed financial year

(A) if the issuer has filed an initial AIF for its most recently completed financial year that has been accepted for filing under this Instrument, the initial AIF,

(B) if the issuer has filed a renewal AIF under this Instrument for its most recently completed financial year, the renewal AIF,

(C) if the issuer has not filed an AIF for its most recently completed financial year and has filed an initial AIF for the financial year preceding its most recently completed financial year that has been accepted for filing under this Instrument, the initial AIF, or

(D) if the issuer has not filed an AIF for its most recently completed financial year and has filed a renewal AIF under this Instrument for the financial year preceding its most recently completed financial year, the renewal AIF,

(ii) at any time after 180 days following the issuer's most recently completed financial year,

(A) if the issuer has filed an initial AIF for its most recently completed financial year that has been accepted for filing under this Instrument, the initial AIF, or

(B) if the issuer has filed a renewal AIF under this Instrument for its most recently completed financial year, the renewal AIF, or

(iii) an AIF of the issuer filed before this Instrument came into force that would constitute a "Current AIF" for the purposes of NP47 if that instrument was applicable;

"equity securities" means securities of an issuer that carry a residual right to participate in the earnings of the issuer and, upon the liquidation or winding up of the issuer, in its assets;

"executive officer" means an individual who is or at any time during the most recently completed financial year was

- (a) a chair of the issuer, if that individual performed the functions of the office on a full time basis,
- (b) a vice-chair of the issuer, if that individual performed the functions of the office on a full time basis,
- (c) the president of the issuer,
- (d) a vice-president of the issuer in charge of a principal business unit, division, or function such as sales, finance, or production,
- (e) an officer of the issuer or any of its subsidiaries who performed a policy-making function in respect of the issuer, or
- (f) any other person who performed a policy-making function in respect of the issuer;

"foreign auditor's report" means a report of an auditor that is prepared in accordance with foreign GAAS;

"foreign GAAP" means a body of generally accepted accounting principles, other than Canadian GAAP, that are as comprehensive as Canadian GAAP;

"foreign GAAS" means a body of generally accepted auditing standards, other than Canadian GAAS, that are substantially equivalent to Canadian GAAS;

"44-101 regulator" means, for an issuer filing an AIF, preliminary short form prospectus, short form prospectus or amendment to a short form prospectus,

- (a) the regulator in the local jurisdiction, if the issuer has not elected to use the MRRS, or
- (b) the person referred to in Appendix D of National Instrument 14-101 Definitions opposite the name of the jurisdiction that acts as principal regulator for the review of the document under National Policy 43-201 Mutual Reliance Review System for Prospectuses and Annual Information Forms, together with the regulator in each jurisdiction, if any, that has opted out of, without having opted back into, the MRRS, if the issuer has elected to use the MRRS;

"income from continuing operations" means income or loss, excluding discontinued operations and extraordinary items, before income taxes and after amortization and write-offs of goodwill;

"initial AIF" means an AIF, as may be revised from time to time, filed by an issuer in the local jurisdiction, if at the time of filing the issuer either

(a) has not previously had a current AIF in the local jurisdiction, or

(b) previously had a current AIF in the local jurisdiction and no longer has one;

"interim period" means a completed three, six or nine month period in the financial year that commenced immediately following the end of the most recently completed financial year for which audited annual financial statements are included in a short form prospectus;

"investee" means an entity that the Handbook recommends that an issuer account for by the equity method or the proportionate consolidation method;

"MD&A" means the management's discussion and analysis of financial condition and results of operations of an issuer required to be disclosed in an AIF;

"mineral project" means any exploration, development or production activity in respect of natural, solid, inorganic or fossilized organic material including base and precious metals, coal and industrial minerals;

"MRRS" has the meaning ascribed to that term in National Policy 43-201;

"non-convertible" means, if used to describe a security, a security that is not convertible;

"NP47" means National Policy Statement No. 47 Prompt Offering Qualification System;

"participant" means an issuer that is a party to a reorganization;

"permitted supranational agency" means the International Bank for Reconstruction and Development, the International Finance Corporation, the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank, the European Bank for Reconstruction and Development, the African Development Bank and any person or company prescribed under paragraph (g) of the definition of "foreign property" in subsection 206(1) of the ITA;

"pre-acquisition period" means the period from the first day of the current financial year to the date of the acquisition of a business or to a day not more than 30 days before the date of the acquisition;

"principal obligor" means, for an asset-backed security, a person or company that is obligated to make payments, has guaranteed payments, or has provided alternative credit support for payments, on financial assets that represent a third or more of the aggregate amount owing on all of the financial assets underlying the asset-backed security;

"probable acquisition of a business" means a proposed acquisition of a business that has progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high;

"probable acquisition of related businesses" means

(a) a proposed acquisition of related businesses if each proposed acquisition has progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high, or

(b) a completed acquisition of a business and a proposed acquisition of a business if

(i) the proposed acquisition has progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high, and

(ii) if

(A) the businesses were under common control or management prior to the date of the acquisition,

(B) the proposed acquisition was conditional upon the completed acquisition; or

(C) each acquisition is contingent on a single common event;

"related credit supporter" of an issuer means a credit supporter of the issuer that is an affiliate of the issuer;

"renewal AIF" means an AIF filed by an issuer in the local jurisdiction, as may be revised from time to time, if at the time of filing the issuer had a current AIF;

"reorganization" means

(a) a statutory amalgamation,

(b) a statutory merger, or

(c) a statutory arrangement;

"**SEDAR**" has the meaning ascribed to that term in National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR);

"**significance tests**" means the tests set out in subsection 1.2(2) and, if applicable, subsection 1.2(3), used to determine if an acquisition of a business, an acquisition of related businesses, a probable acquisition of a business or a probable acquisition of related businesses is a significant acquisition for purposes of this Instrument;

"**specified derivative**" means an instrument, agreement or security, the market price, value or payment obligation of which is derived from, referenced to, or based on an underlying interest;

"**successor issuer**" means an issuer existing as a result of a reorganization, other than, in the case where the reorganization involved a divestiture of a portion of a participant's business, an issuer that succeeded to or otherwise acquired the portion of the business divested;

"**transition year**" means the financial year of an issuer or business in which a change in the ending date of its financial year occurs;

"**underlying interest**" means, for a specified derivative, the security, commodity, financial instrument, currency, interest rate, foreign exchange rate, economic indicator, index, basket, agreement, benchmark or any other reference, interest or variable, and, if applicable, the relationship between any of the foregoing, from, to or on which the market price, value or any payment obligation of the specified derivative is derived, referenced or based; and

"**U.S. GAAS**" means the body of generally accepted auditing standards in the United States of America.

Significant acquisitions

1.2(1) Significant Acquisitions - Unless the context otherwise requires, the term "significant acquisition" refers to an acquisition of a business, an acquisition of related businesses, a probable acquisition of a business or a probable acquisition of related businesses that satisfies any of the significance tests.

1.2(2) Required Significance Tests at Date of Acquisition - For the purposes of this Instrument, an acquisition of a business, an acquisition of related businesses, a probable acquisition of a business or a probable acquisition of related businesses is a significant acquisition, if it satisfies any of the following three tests:

1. **The Asset Test.** The issuer's proportionate share of the consolidated assets of the business or related businesses exceeds 20 per cent of the consolidated assets of the issuer calculated using the audited financial statements of each of the issuer and the business or the related businesses for the most recently completed financial year of the issuer ended before the date of the acquisition.

2. **The Investment Test.** The issuer's consolidated investments in and advances to the business or the related businesses exceeds 20 per cent of the consolidated assets of the issuer as at the last day of the most recently completed financial year of the issuer ended before the date of the acquisition for which audited financial statements are included in the short form prospectus, excluding any investments in or advances to the business or the related businesses as at that date.

3. **The Income Test.** The issuer's proportionate share of the consolidated income from continuing operations of the business or related businesses exceeds 20 per cent of the consolidated income from continuing operations of the issuer calculated using the audited financial statements of each of the issuer and the business or related businesses for the most recently completed financial year of each ended before the date of the acquisition.

1.2(3) Optional Significance Tests Subsequent to the Date of Acquisition - If an acquisition of a business, an acquisition of related businesses, a probable acquisition of a business or a probable acquisition of related businesses is significant based on the significance tests in subsection (2), the issuer may re-calculate the significance at a more recent date as follows:

1. **The Asset Test.** The issuer's proportionate share of the total consolidated assets of the business or the related businesses, as at the date of the issuer's most recent balance sheet included in the short form prospectus, exceeds 20 per cent of the consolidated assets of the issuer, as at the date of the issuer's most recent balance sheet included in the short form prospectus, without giving effect to the acquisition.

2. **The Investment Test.** The issuer's consolidated investments in and advances to the business or the related businesses as at the date of the acquisition or the proposed date of the acquisition exceeds 20 per cent of the consolidated assets of the issuer as at the date of the issuer's most recent balance sheet included in the short form prospectus for a period that ends before the date of the acquisition, excluding any investments in or advances to the business or related business as at that date.

3. **The Income Test.** The income from continuing operations calculated pursuant to the following clause (a) exceeds 20 per cent of the income from continuing operations calculated pursuant to the following clause (b):

(a) The issuer's proportionate share of the consolidated income from continuing operations of the business or the related businesses for the later of

(i) the most recently completed financial year of the business or the related businesses that ended more than 90 days before the date of the short form prospectus, or

- (ii) the 12 months ended on the last day of the most recently completed interim period of the business or related businesses that ended more than 60 days before the date of the short form prospectus.
- (b) The issuer's consolidated income from continuing operations for the later of
- (i) the most recently completed financial year, without giving effect to the acquisition, or
 - (ii) the 12 months ended on the last day of the most recently completed interim period of the issuer for which financial statements are included in the short form prospectus, without giving effect to the acquisition.

1.2(4) If an issuer re-calculates the significance of an acquisition of a business, an acquisition of related businesses, a probable acquisition of a business or a probable acquisition of related businesses pursuant to subsection (3) and none of the significance tests in that subsection is met, the acquisition is not a significant acquisition for purposes of this Instrument.

1.2(5) Despite subsection (3), the significance of an acquisition of a business, an acquisition of related businesses, a probable acquisition of a business or a probable acquisition of related businesses may be re-calculated only if, subsequent to the acquisition date, the business or related businesses remained substantially intact, were not significantly reorganized, and no significant assets and liabilities were transferred to other entities.

1.2(6) Despite subsection (2), the significance of an acquisition of a business, an acquisition of related businesses, a probable acquisition of a business or a probable acquisition of related businesses may be calculated using unaudited financial statements of the business or related business prepared in accordance with GAAP if the financial statements of the business or related businesses for the most recently completed financial year prior to the date of the acquisition have not been audited.

1.2(7) In determining whether an acquisition of related businesses or a probable acquisition of related businesses is a significant acquisition, the related businesses shall be considered on a combined basis.

1.2(8) If an issuer has accounted for an acquisition as a reverse take-over in accordance with Item 12.7 of Form 44-101F3 for the purposes of subsections (2) and (3), the legal parent, as that term is used in the Handbook, shall be considered the business.

1.2(9) For the purposes of the significance tests in subsections (2) and (3), financial statements of the business or the related businesses which are prepared in accordance with foreign GAAP or denominated in a foreign currency shall be reconciled to Canadian GAAP or translated into Canadian dollars, respectively.

Application of the income test

1.3(1) For the purposes of paragraph 3 of each of subsections 1.2(2) and 1.2(3), if any of the issuer, the business or the related businesses has incurred a loss, the test shall be applied using the absolute value of the loss.

1.3(2) For the purpose of calculating the significance of individually insignificant unrelated multiple acquisitions, entities reporting losses from continuing operations shall not be aggregated with entities reporting income from continuing operations.

1.3(3) Lower than Average Income of the Issuer-Required Significance Tests - For the purposes of paragraph 3 of subsection 1.2(2), if the issuer's consolidated income from continuing operations for the most recently completed financial year referred to in subsection 1.2(2) was

1. positive, and
2. lower by 20 per cent or more than the average consolidated income from continuing operations of the issuer for the three most recently completed financial years,

then, the average consolidated income for the three most recently completed financial years may, subject to subsection (6), be substituted in determining whether the significance test set out in subsection 1.2(2) is satisfied.

1.3(4) Lower than Average Income of the Issuer - Optional Significance Tests Using Most Recently Completed Financial Year - For the purposes of paragraph 3 of subsection 1.2(3), if the issuer's consolidated income from continuing operations for the most recently completed financial year referred to in subclause 3(b)(i) of subsection 1.2(3) was

1. positive, and
2. lower by 20 per cent or more than the average consolidated income from continuing operations of the issuer for the three most recently completed financial years,

then, the average consolidated income for the three most recently completed financial years may, subject to subsection (6), be substituted in determining whether the significance test set out in paragraph 3 of subsection 1.2(3) is satisfied.

1.3(5) Lower than Average Income of the Issuer - Optional Significance Tests Using Most Recently Completed Twelve Months - For the purposes of paragraph 3 of subsection 1.2(3), if the issuer's consolidated income from continuing operations for the most recently completed 12 month period referred to in subclause 3(b)(ii) of subsection 1.2(3) was

1. positive, and

2. lower by 20 per cent or more than the average consolidated income from continuing operations of the issuer for the three previous 12 month periods,

then, the average consolidated income for the three previous 12 month periods may, subject to subsection (6), be substituted in determining whether the significance test set out in paragraph 3 of subsection 1.2(3) is satisfied.

1.3(6) Loss - If the issuer's consolidated income from continuing operations for either of the two earlier financial years referred to in subsection (3) and (4), or either of the two earlier 12 month periods referred to in subsection (5), is a loss, the issuer's income from continuing operations for that period is considered to be zero for the purposes of calculating the average consolidated income for the three previous periods.

Probable acquisitions

1.4(1) The term "probable acquisition" refers to a probable acquisition of a business and a probable acquisition of related businesses.

1.4(2) The term "significant probable acquisition" refers to a probable acquisition of a business or a probable acquisition of related businesses that is a significant acquisition under section 1.2.

Acquisitions

1.5 The term "acquisition of a business" includes an acquisition of an interest in a business accounted for using the equity method or an acquisition of an interest in a joint venture accounted for using the proportionate consolidation method.

Significant dispositions

1.6(1) Dispositions - Unless the context otherwise requires, the term "disposition" refers to a completed or probable disposition of a business, a business segment, or a significant portion of a business, either by sale, abandonment or distribution to shareholders.

1.6(2) Required Significance Tests using Most Recently Completed Financial Year - For the purposes of this Instrument, a disposition of a business, a business segment or a significant portion of a business, is a significant disposition if it satisfies either of the following tests:

1. The Asset Test for Dispositions - The issuer's proportionate share of the consolidated assets of the business, business segment or significant portion of a business, exceeds 20 per cent of the consolidated assets of the issuer as at the date of the audited financial statements of the issuer for its most recently completed financial year ended before the date of the disposition for which financial statements are included in the short form prospectus, without giving effect to the disposition.

2. The Income Test for Dispositions - The issuer's proportionate share of the consolidated income from continuing operations of the business, business segment or significant portion of a business, for the most recently completed financial year of the business, business segment or significant portion of a business, before the date of the disposition exceeds 20 per cent of the total consolidated income from continuing operations of the issuer for the most recently completed financial year of the issuer before the date of the disposition for which financial statements are included in the short form prospectus, without giving effect to the disposition.

References to information included in a document

1.7 References in this Instrument to information included in a document refer to both information contained directly in the document and information incorporated by reference in the document.

References to information to be included in a document

1.8 Provisions of this Instrument that require an issuer to include information in a document require an issuer either to insert the information directly in the document or to incorporate the information in the document by reference.

Incorporation by reference

1.9 A document deemed by this Instrument to be incorporated by reference in another document is conclusively deemed for purposes of securities legislation to be incorporated by reference in the other document.

Interpretation of "Short Form Prospectus"

1.10 In this Instrument, unless otherwise stated, a reference to a short form prospectus includes a preliminary short form prospectus.

PART 2 – QUALIFICATION TO FILE A PROSPECTUS IN THE FORM OF A SHORT FORM PROSPECTUS

Short form prospectus

2.1(1) An issuer shall not file a prospectus in the form of Form 44-101F3 Short Form Prospectus, unless the issuer is qualified under section 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 or 2.8 to file a prospectus in the form of a short form prospectus.

2.1(2) An issuer that is qualified under section 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 or 2.8 to file a prospectus in the form of a short form prospectus or that has been exempted from subsection (1) under section 15.1 may file

(a) a preliminary prospectus, prepared and certified in the form of Form 44-101F3 Short Form Prospectus, pertaining to a type of securities for which the issuer is qualified under this Instrument or permitted under any exemption to file a short form prospectus; and

(b) a prospectus, prepared and certified in the form of Form 44-101F3 Short Form Prospectus, pertaining to a type of securities for which the issuer is qualified under this Instrument or permitted under any exemption to file a short form prospectus.

(3) An issuer that filed and obtained a receipt for a preliminary short form prospectus for a distribution of securities under NP47

(a) is considered to have satisfied the requirement in securities legislation to file and obtain a receipt for a preliminary prospectus for the distribution unless, in the case where securities legislation provides for lapsing of a preliminary prospectus, the issuer's preliminary short form prospectus has lapsed; and

(b) may file a prospectus, prepared and certified in the form of Form 44-101F3 Short Form Prospectus, for the distribution if in the case where securities legislation provides for lapsing of a preliminary prospectus, the issuer's preliminary short form prospectus has not lapsed.

2.1(4) If an issuer, before the coming into force of this Instrument, filed and obtained a receipt under NP47 for a short form prospectus pertaining to a distribution of securities, the prospectus requirement does not apply to the distribution only insofar as the prospectus requirement concerns the form and content of a preliminary prospectus and prospectus and only for one year from the date of the receipt issued for the short form prospectus pertaining to the distribution.

2.1(5) A short form prospectus shall, at the issuer's option, be prepared in accordance with securities legislation in effect at either the date of issuance of a receipt for the preliminary short form prospectus or the date of issuance of a receipt for the short form prospectus.

Basic qualification criteria

2.2 An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of any of its securities in the local jurisdiction, if all of the following criteria are satisfied:

1. Either paragraph (a) or (b) is true:

(a) the issuer is a reporting issuer in the local jurisdiction and the issuer

(i) has been a reporting issuer in the local jurisdiction for the 12 calendar months preceding the date of the filing of its most recent AIF, or

(ii) is, and has been for the 12 calendar months preceding the date of the filing of its most recent AIF, a reporting issuer under Canadian securities legislation in at least one jurisdiction, other than the local jurisdiction, and has filed in the local jurisdiction all continuous disclosure documents that it was required to file during the 12 calendar

months preceding the date of the filing of its most recent AIF under Canadian securities legislation of any jurisdiction in which it has been a reporting issuer; or

(b) all of the following are true:

1. The issuer is not a reporting issuer in the local jurisdiction.
 2. The securities regulatory authority is unable to deem the issuer to be, or designate the issuer as, a reporting issuer.
 3. The issuer is, and has been for the 12 calendar months preceding the date of the filing of its most recent AIF, a reporting issuer under Canadian securities legislation in at least one jurisdiction, other than the local jurisdiction.
 4. The issuer has filed in the local jurisdiction all continuous disclosure documents that it was required to file during the 12 calendar months preceding the date of the filing of its most recent AIF under Canadian securities legislation of any jurisdiction in which it has been a reporting issuer.
 5. The issuer has provided an undertaking to the securities regulatory authority that it will file all continuous disclosure documents that it would be required to file under securities legislation if it were a reporting issuer from the time of the filing of its most recent AIF until the issuer becomes a reporting issuer.
2. The issuer has a current AIF.
 3. The aggregate market value of the issuer's equity securities, listed and posted for trading on an exchange in Canada, is \$75,000,000 or more on a date within 60 days before the date of the filing of the issuer's preliminary short form prospectus.
 4. If the issuer is filing a preliminary short form prospectus more than 90 days after the end of its most recently completed financial year, the issuer has filed audited financial statements for that year.

Alternative qualification criteria for substantial issuers

2.3 An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of any of its securities in the local jurisdiction, if all of the following criteria are satisfied:

1. The issuer is
 - (a) a reporting issuer in the local jurisdiction; or

(b) a reporting issuer under Canadian securities legislation in at least one jurisdiction, other than the local jurisdiction, and satisfies the criterion in subparagraph 5 of paragraph 1(b) of section 2.2.

2. The issuer has a current AIF.
3. The aggregate market value of the issuer's equity securities, listed and posted for trading on an exchange in Canada, is \$300,000,000 or more on a date within 60 days before the date of the filing of the issuer's preliminary short form prospectus.
4. If the issuer is filing a preliminary short form prospectus more than 90 days after the end of its most recently completed financial year, the issuer has filed audited financial statements for that year.

Alternative qualification criteria for issuers of approved rating non-convertible securities

2.4(1) An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of non-convertible securities in the local jurisdiction, if all of the following criteria are satisfied:

1. The issuer satisfies either of the 12 month reporting issuer history criteria in paragraph 1 of section 2.2.
2. The issuer has a current AIF.
3. The securities to be distributed
 - (a) have received an approved rating on a provisional basis;
 - (b) are not the subject of an announcement by an approved rating organization of which the issuer is or ought reasonably to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; and
 - (c) have not received a provisional or final rating lower than an approved rating from any approved rating organization.
4. If the issuer is filing a preliminary short form prospectus more than 90 days after the end of its most recently completed financial year, the issuer has filed audited financial statements for that year.

2.4(2) Paragraph 3 of subsection (1) does not apply to an issuer filing a preliminary short form prospectus that is a base shelf prospectus under National Instrument 44-102 Shelf Distributions.

Alternative qualification criteria for issuers of guaranteed non-convertible debt securities, preferred shares and cash settled derivatives

2.5(1) An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of non-convertible debt securities, non-convertible preferred shares or non-convertible cash settled derivatives in the local jurisdiction, if all of the following criteria are satisfied:

1. A person or company

(a) fully and unconditionally guarantees the payments to be made by the issuer of securities as stipulated in the terms of the securities or in an agreement governing the rights of holders of the securities such that the holder of the securities is entitled to receive payment from the guarantor within 15 days of any failure by the issuer to make a payment as stipulated; or

(b) provides alternative credit support for the payments to be made by the issuer of securities as stipulated in the terms of the securities or in an agreement governing the rights of holders of the securities, that

(i) in the case

(A) where the securities are rated, results in the securities receiving the same credit rating as, or a higher credit rating than, the credit rating they would have received if payment had been fully and unconditionally guaranteed by the person or company providing the support, or

(B) where the securities are not rated, would result, if the securities were rated, in the securities receiving the same credit rating as, or a higher credit rating than, the credit rating they would have received if payment had been fully and unconditionally guaranteed by the credit supporter, and

(ii) entitles the holder of the securities to receive payment from the credit supporter, or enables the holder to receive payment from the issuer, within 15 days of any failure by the issuer to make a payment as stipulated.

2. The credit supporter

(a) satisfies

(i) either of the 12 month reporting issuer history criteria in paragraph 1 of section 2.2, or

(ii) both

(A) the reporting issuer criterion in paragraph 1 of section 2.3, and

(B) the criterion that the credit supporter have equity securities, listed and posted for trading on an exchange in Canada, the aggregate market value of which is \$300,000,000 or more on a date within 60 days before the date of the filing of the issuer's preliminary short form prospectus; and

(b) has a current AIF.

3. Unless the aggregate market value of the credit supporter's equity securities listed and posted for trading on an exchange in Canada is \$75,000,000 or more on a date within 60 days before the date of the filing of the issuer's preliminary short form prospectus, then at the time the preliminary short form prospectus was filed

(a) the credit supporter has outstanding non-convertible securities that

(i) have received an approved rating,

(ii) have not been the subject of an announcement by an approved rating organization of which the issuer is or ought reasonably to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating, and

(iii) have not received a rating lower than an approved rating from any approved rating organization; and

(b) the securities to be issued by the issuer

(i) have received an approved rating on a provisional basis,

(ii) have not been the subject of an announcement by an approved rating organization of which the issuer is or ought reasonably to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating, and

(iii) have not received a provisional or final rating lower than an approved rating from any approved rating organization.

4. If the issuer is filing a preliminary short form prospectus more than 90 days after the end of the most recently completed financial year of the credit supporter, the credit supporter has filed audited financial statements for that year.

2.5(2) For the purpose of paragraph 1 of subsection (1), payments to be made by an issuer of securities as stipulated in the terms of the securities include any amounts to be paid as

dividends in accordance with, and on the dividend payment dates stipulated in, the provisions of the securities, whether or not the dividends have been declared.

2.5(3) Subparagraph 3(b) of subsection 2.5(1) does not apply to an issuer filing a preliminary short form prospectus that is a base shelf prospectus under National Instrument 44-102 Shelf Distributions.

Alternative qualification criteria for issuers of guaranteed convertible debt securities or preferred shares

2.6(1) An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of convertible debt securities or convertible preferred shares in the local jurisdiction, if all of the following criteria are satisfied:

1. The debt securities or the preferred shares are convertible into securities of a credit supporter that

(a) fully and unconditionally guarantees the payments to be made by the issuer of the securities as stipulated in the terms of the securities or in an agreement governing the rights of holders of the securities such that the holder of the securities is entitled to receive payment from the guarantor within 15 days of any failure by the issuer to make a payment as stipulated; or

(b) provides alternative credit support for the payments to be made by the issuer of the securities as stipulated in the terms of the securities or in an agreement governing the rights of holders of the securities, that

(i) in the case

(A) where the securities are rated, results in the securities receiving the same credit rating as, or a higher credit rating than, the credit rating they would have received if payment had been fully and unconditionally guaranteed by the credit supporter, or

(B) where the securities are not rated, would result, if the securities were rated, in the securities receiving the same credit rating as, or a higher credit rating than, the credit rating they would have received if payment had been fully and unconditionally guaranteed by the credit supporter, and

(ii) entitles the holder of the securities to receive payment from the credit supporter, or enables the holder to receive payment from the issuer, within 15 days of any failure by the issuer to make a payment as stipulated.

2. The credit supporter

(a) satisfies

(i) both

(A) either of the 12 month reporting issuer history criteria in paragraph 1 of section 2.2, and

(B) the criterion that the credit supporter have equity securities, listed and posted for trading on an exchange in Canada, the aggregate market value of which is \$75,000,000 or more on a date within 60 days before the date of the filing of the issuer's preliminary short form prospectus, or

(ii) both

(A) the reporting issuer criterion in paragraph 1 of section 2.3, and

(B) the criterion that the credit supporter have equity securities, listed and posted for trading on an exchange in Canada, the aggregate market value of which is \$300,000,000 or more on a date within 60 days before the date of the filing of the issuer's preliminary short form prospectus; and

(b) has a current AIF.

3. If the issuer is filing a preliminary short form prospectus more than 90 days after the end of the most recently completed financial year of the credit supporter, the credit supporter has filed audited financial statements for that year.

2.6(2) For the purpose of paragraph 1 of subsection (1), payments to be made by an issuer of securities as stipulated in the terms of the securities include any amounts to be paid as dividends in accordance with, and on the dividend payment dates stipulated in, the provisions of the securities, whether or not the dividends have been declared.

Alternative qualification criteria for issuers of asset-backed securities

2.7(1) An issuer established in connection with a distribution of asset-backed securities is qualified to file a prospectus in the form of a short form prospectus for a distribution of asset-backed securities in the local jurisdiction, if all of the following criteria are satisfied:

1. The issuer has a current AIF.
2. The asset-backed securities to be distributed

(a) have received an approved rating on a provisional basis;

(b) have not been the subject of an announcement by an approved rating organization of which the issuer is or ought reasonably to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; and

(c) have not received a provisional or final rating lower than an approved rating from any approved rating organization.

3. If the issuer is filing a preliminary short form prospectus more than 90 days after the end of its most recently completed financial year, the issuer has filed financial statements for that year.

2.7(2) Paragraph 2 of subsection 2.7(1) does not apply to an issuer filing a preliminary short form prospectus that is a base shelf prospectus under National Instrument 44-102 Shelf Distributions.

Alternative qualification criteria following reorganizations

2.8 A successor issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of any of its securities in the local jurisdiction, if all of the following criteria are satisfied:

1. The successor issuer is deemed, under section 2.10, to have, or otherwise has, a current AIF.
2. The successor issuer is a reporting issuer under Canadian securities legislation of any jurisdiction.
3. The aggregate market value of the successor issuer's equity securities, listed and posted for trading on an exchange in Canada, is \$75,000,000 or more on a date within 60 days before the date of the filing of the successor issuer's preliminary short form prospectus.
4. The aggregate market value of the equity securities of at least one of the participants, listed and posted for trading on an exchange in Canada, is \$75,000,000 or more on a date within 60 days before the date of the reorganization.
5. One of the participants satisfies the criterion in paragraph 4 and the 12 month reporting issuer history criterion in paragraph 1 of section 2.2.
6. If the successor issuer is filing a preliminary short form prospectus more than 90 days after the end of its most recently completed financial year, the successor issuer has filed audited financial statements for that year.

Calculation of the aggregate market value of an issuer's securities

2.9(1) For the purposes of this Part,

(a) the aggregate market value of the equity securities of an issuer on a date is the aggregate of the market value of each class of its equity securities on the date, calculated by multiplying

(i) the total number of equity securities of the class outstanding on the date, by

(ii) the closing price on the date of the equity securities of the class on the exchange in Canada on which that class of equity securities is principally traded; and

(b) instalment receipts may, at the option of the issuer, be deemed to be equity securities if

(i) the instalment receipts are listed and posted for trading on an exchange in Canada, and

(ii) the outstanding equity securities, the beneficial ownership of which is evidenced by the instalment receipts, are not listed and posted for trading on an exchange in Canada.

2.9(2) For the purposes of subsection (1), in calculating the total number of equity securities of a class outstanding, an issuer shall exclude those equity securities of the class that are beneficially owned, or over which control or direction is exercised, by persons or companies that, alone or together with their respective affiliates and associated parties, beneficially own or exercise control or direction over more than 10 per cent of the outstanding equity securities of the issuer.

2.9(3) Despite subsection (2), if a portfolio manager of a pension fund, mutual fund or non-redeemable investment fund, alone or together with its affiliates and associated parties, exercises control or direction in the aggregate over more than 10 per cent of the outstanding equity securities of an issuer, and the fund beneficially owns or exercises control or direction over 10 per cent or less of the issued and outstanding equity securities of the issuer, the securities that the fund beneficially owns or exercises control or direction over are not excluded unless the portfolio manager is an affiliate of the issuer.

Adoption by successor issuer of a participant's aif following a reorganization

2.10 A successor issuer that notifies the regulator that it has adopted as its own AIF the AIF of a participant in the reorganization, as a result of which the successor issuer exists, is deemed to have a current AIF for the purposes of securities legislation, if the AIF was a current AIF of the participant at the time of the reorganization, until the earlier of

(a) the date the successor issuer files an AIF; and

(b) either

(i) the date the AIF ceases to be a current AIF of the participant, if the participant continues to exist after the reorganization, or

(ii) the date that is 140 days following the end of the financial year to which the AIF relates, if the participant did not continue to exist after the reorganization.

PART 3 – AIF

Initial AIF

3.1(1) An issuer filing an initial AIF shall file the AIF in Form 44-101F1 or the form referred to in section 3.4.

3.1(2) If an issuer revises its initial AIF, the issuer shall promptly

(a) file in all jurisdictions in which the initial AIF was filed the revised initial AIF and a copy of the revised initial AIF, blacklined to show changes from the initial AIF; and

(b) send a copy of the revised initial AIF to each person and company that was sent an initial AIF.

3.1(3) An issuer shall file a French language version of its initial AIF before sending the French language version of the AIF to an investor or prospective investor.

3.1(4) An issuer that has prepared a French language version of its initial AIF shall file the French language version of the initial AIF and any supporting documents in New Brunswick concurrently with or as soon as practicable after filing the English language version of those documents in that Province.

3.2 Renewal AIF filing procedures

3.2(1) An issuer filing a renewal AIF shall file the AIF in Form 44-101F1 or the form referred to in section 3.4.

3.2(2) An issuer filing a renewal AIF for a financial year in which the issuer made a significant acquisition of a business or a significant acquisition of related businesses, or was a party to a reorganization that was material to the issuer, shall state in a covering letter accompanying the renewal AIF that the acquisition or reorganization occurred.

3.2(3) An issuer that intends to file a preliminary short form prospectus within 10 days of filing its renewal AIF should notify the 44-101 regulator of this intention at the time of filing

its renewal AIF or, if the decision is not yet made at that time, then immediately upon making the decision.

3.2(4) The 44-101 regulator may decide to review a renewal AIF at any time, in which case the 44-101 regulator shall

- (a) notify the issuer that the 44-101 regulator will be reviewing the renewal AIF;
- (b) review the renewal AIF; and
- (c) send the issuer upon completion of the review a notice that the review of the renewal AIF has been completed.

3.2(5) Upon receipt of a notice from the 44-101 regulator that its renewal AIF is being reviewed, an issuer shall promptly file the renewal AIF again, with the statement required under Item 1.2 of Form 44-101F1 added, in all jurisdictions in which the renewal AIF was filed.

3.2(6) An issuer shall promptly notify the 44-101 regulator if the issuer intends to file a short form prospectus after the 44-101 regulator has notified the issuer that its renewal AIF will be reviewed and before the 44-101 regulator has notified the issuer that the review has been completed.

3.2(7) If an issuer revises its renewal AIF, the issuer shall promptly

- (a) file in all jurisdictions in which the renewal AIF was filed the revised renewal AIF and a copy of the revised renewal AIF, blacklined to show changes from the renewal AIF; and
- (b) send a copy of the revised renewal AIF to each person and company that was sent a renewal AIF.

3.2(8) An issuer shall file a French language version of its renewal AIF before sending the French language version of the AIF to an investor or prospective investor.

3.2(9) An issuer that has prepared a French language version of its renewal AIF shall file the French language version of the renewal AIF and any supporting documents in New Brunswick concurrently with or as soon as practicable after filing the English language version of those documents in that Province.

Supporting documents

3.3(1) In addition to any other requirement of securities legislation, an issuer that files an initial AIF and a renewal AIF shall

- (a) file the following:

1. Material Incorporated by Reference - Copies of all material incorporated by reference in the initial AIF or renewal AIF and not previously filed.

2. Mining Reports - The technical reports required to be filed with an AIF under National Instrument 43-101 Standards of Disclosure for Mineral Projects and not previously filed, if the issuer has a mineral project; and

(b) deliver to the regulator the following:

1. Personal Information - For each director and executive officer of the issuer for whom the issuer has not previously delivered to the regulator the following information, a statement containing that individual's

(a) full name;

(b) position with or relationship to the issuer;

(c) employer's name and address, if other than the issuer;

(d) full residential address;

(e) date and place of birth; and

(f) citizenship.

2. Authorization of Collection of Information - An authorization in the form set out in Appendix A to the collection of personal information.

3.3(2) An issuer that files an AIF in the form of an annual report on Form 10-K, or on Form 20-F, under the 1934 Act shall file an undertaking with the regulator to the effect that the issuer will provide to any person or company, upon request to the secretary of the issuer, the documents listed in Item 9.1(1) of Form 44-101F1.

Alternative form of AIF

3.4(1) An issuer that has securities registered under section 12 of the 1934 Act or has a reporting obligation under subsection 15(d) of the 1934 Act may file an AIF in the form of a current annual report on Form 10-K, or on Form 20-F, under the 1934 Act.

3.4(2) An issuer subsisting under the laws of a foreign jurisdiction that files an AIF in the form of a current annual report on Form 20-F under subsection (1) shall file the AIF within 180 days after the end of its most recently completed financial year.

PART 4 – DISCLOSURE IN A SHORT FORM PROSPECTUS OF FINANCIAL STATEMENTS FOR SIGNIFICANT ACQUISITIONS

Scope

4.1 This Part applies only to

- (a) acquisitions completed during an issuer's three most recently completed financial years;
- (b) acquisitions completed during an issuer's current financial year; and
- (c) probable acquisitions.

Financial statement disclosure for significant acquisitions completed during the issuer's three most recently completed financial years

4.2(1) If an issuer made a significant acquisition during its three most recently completed financial years, the issuer shall include in its short form prospectus the following financial statements of each business acquired:

Annual Financial Statements

- 1. Statements of income, retained earnings and cash flows for at least the periods specified in section 4.6.

Interim Financial Statements

- 2. Statements of income, retained earnings and cash flows for
 - (a) either
 - (i) the most recently completed interim period of the acquired business that ended before the date of the acquisition and more than 60 days before the date of the short form prospectus; or
 - (ii) the pre-acquisition period; and
 - (b) the comparable period in the preceding financial year of the acquired business.

***Pro Forma* Income Statement**

- 3. A *pro forma* income statement prepared in accordance with subsection 4.5(1)2(a).
- 4. *Pro forma* earnings per share based on the *pro forma* income statement referred to in paragraph 3.

4.2(2) If an issuer is required under subsection (1) to include financial statements in a short form prospectus for more than one business because the significant acquisition involves an acquisition of related businesses, the financial statements required under subsection (1) shall be presented separately for each business, except that the issuer may present the financial statements of the businesses on a combined basis for the periods during which the businesses were under common control or management.

Financial statement disclosure for significant acquisitions completed during the issuer's current financial year

4.3(1) If an issuer has made a significant acquisition during its current financial year, the issuer shall include in its short form prospectus the following financial statements of each business acquired:

Annual Financial Statements

1. Statements of income, retained earnings and cash flows for at least the periods specified in section 4.6.
2. A balance sheet as at the date on which each of the periods specified in section 4.6 ended, except that, if section 4.6 specifies that separate financial statements of the business are to be included for three financial years, a balance sheet as at the last day of the earliest of the three financial years is not required.

Interim Financial Statements

3. Statements of income, retained earnings and cash flows for
 - (a) either
 - (i) the most recently completed interim period of the acquired business that ended before the date of the acquisition and more than 60 days before the date of the short form prospectus; or
 - (ii) the pre-acquisition period; and
 - (b) the comparable period in the preceding financial year of the acquired business.
4. A balance sheet as at the date on which the interim period referred to in paragraph 3(a)(i) or 3(a)(ii) ended.

***Pro Forma* Financial Statements**

5. *Pro forma* financial statements prepared in accordance with subsection 4.5.

6. *Pro forma* earnings per share based on the *pro forma* financial statements referred to in paragraph 5.

4.3(2) If an issuer is required under subsection (1) to include financial statements in a short form prospectus for more than one business because the significant acquisition involves an acquisition of related businesses or a probable acquisition of related businesses, the financial statements required under subsection (1) shall be presented separately for each business except the issuer may present the financial statements of the businesses on a combined basis for the periods during which the businesses have been under common control or management.

Financial statement disclosure for significant probable acquisitions

4.4(1) If an issuer is proposing to make a significant probable acquisition, the issuer shall include in its short form prospectus the following financial statements of each business to be acquired:

Annual Financial Statements

1. Statements of income, retained earnings and cash flows for at least the periods specified in section 4.6.
2. A balance sheet as at the date on which each of the periods specified in section 4.6 ended, except that, if section 4.6 specifies that separate financial statements of the business are to be included for three financial years, a balance sheet as at the last day of the earliest of the three financial years is not required.

Interim Financial Statements

3. Statements of income, retained earnings and cash flows for
 - (a) the most recently completed interim period of the business to be acquired that ended more than 60 days before the date of the short form prospectus; and
 - (b) the comparable period in the preceding financial year.
4. A balance sheet as at the date on which the interim period referred to in paragraph 3(a) ended.

***Pro Forma* Financial Statements**

5. *Pro forma* financial statements prepared in accordance with subsection 4.5.
6. *Pro forma* earnings per share based on the *pro forma* financial statements referred to in paragraph 5.

4.4(2) If an issuer is required under subsection (1) to include financial statements in a short form prospectus for more than one business because the significant acquisition involves an acquisition of related businesses or a probable acquisition of related businesses, the financial statements required under subsection (1) shall be presented separately for each business, except the issuer may present the financial statements of the businesses on a combined basis for periods during which the businesses have been under common control or management.

Pro Forma Financial Statements

4.5(1) If an issuer is required to include *pro forma* financial statements in the short form prospectus under sections 4.2, 4.3, 4.4 or 5.2, the issuer shall prepare *pro forma* financial statements as follows:

1. ***Pro forma balance sheet*** - A *pro forma* balance sheet of the issuer shall be prepared as at the date of the issuer's most recent balance sheet included in the short form prospectus to give effect to, as if they had taken place as at the date of the *pro forma* balance sheet,

(a) significant acquisitions that have been completed, but are not reflected in the issuer's most recent balance sheet included in the short form prospectus; and

(b) significant probable acquisitions.

2. ***Pro forma income statement*** - A *pro forma* income statement of the issuer shall be prepared to give effect to

(a) significant acquisitions completed during the most recently completed financial year of the issuer as if they had taken place at the beginning of the most recently completed financial year of the issuer for which audited financial statements are included in the short form prospectus; and

(b) the acquisitions referred to in clauses (i) and (ii)

(i) significant acquisitions completed during the issuer's current financial year; and

(ii) significant probable acquisitions,

for each of the financial periods referred to in the following paragraphs:

A. the most recently completed financial year of the issuer for which audited financial statements are included in the short form prospectus; and

B. the most recently completed interim period of the issuer for which financial statements are included in the short form prospectus,

as if they had taken place at the beginning of the most recently completed financial year of the issuer for which audited financial statements are included in the short form prospectus.

4.5(2) If an issuer includes in a short form prospectus a *pro forma* financial statement prepared in accordance with subsection (1) which gives effect to more than one significant acquisition or significant probable acquisition, the *pro forma* financial statement shall separately identify each significant completed or probable acquisition.

4.5(3) If an issuer is required to include pro forma financial statements in a short form prospectus, the issuer shall include in the *pro forma* financial statements a description of the underlying assumptions on which the *pro forma* financial statements are prepared, cross-referenced to each related *pro forma* adjustment.

4.5(4) If an issuer is required under paragraph 2 of subsection (1) to include a *pro forma* income statement in a short form prospectus for the most recently completed financial year of the issuer and both of the following conditions are satisfied:

(a) the *pro forma* income statement is not prepared using the income statement of the business for the pre-acquisition period, and

(b) the financial year end of a business differs from the issuer's year end by more than 93 days,

then, despite paragraph 2 of subsection (1), for purposes of preparing the *pro forma* income statement, the income statement of the business shall be for a period of twelve consecutive months ending no more than 93 days from the issuer's year end.

4.5(5) Subject to subsection (4), if an issuer is required to prepare the *pro forma* income statements referred to in clauses (1)2(b)A and (1)2(b)B, and the *pro forma* income statement referred to in clause A includes results of the business which are also included in the *pro forma* income statement referred to in clause B, there shall be disclosed in a note to the *pro forma* financial statements the revenue, expenses, gross profit and income from continuing operations included in the *pro forma* income statements for the overlapping period.

Reporting periods

4.6(1) Exception to Requirement to Include Financial Statements - No financial statements are required under section 4.2 to be included in a short form prospectus if

(a) the results of the business for a complete financial year have been reflected in the audited consolidated financial statements of the issuer included in the short form prospectus; and

(b) none of the significance tests would be satisfied if the 20 per cent threshold in the significance tests was changed to 100 per cent.

4.6(2) Acquisitions at the 100% Significance Level - If the results of the business for a complete financial year have been reflected in the audited consolidated financial statements of the issuer included in the short form prospectus and any of the significance tests would be satisfied if the 20 per cent threshold in the significance tests was changed to 100 per cent, separate financial statements of the business are required for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's financial statements in the short form prospectus include the results of the business, financial statements reflecting the results of the business, either separately or on a consolidated basis, are included for a total of three years or each of the completed financial years of the business, if the business has not been in existence for three completed financial years.

4.6(3) Subject to subsections (1) and (2), the periods for which the financial statements are required under paragraphs 1 and 2 of subsections 4.2(1), 4.3(1) and 4.4(1) to be included in a short form prospectus shall be determined by reference to the significance tests as follows:

1. Acquisitions Significant between 20% and 40% - If none of the significance tests is satisfied if the 20 per cent threshold is changed to 40 per cent, financial statements shall be included for

(a) the most recently completed financial year of the business ended more than 90 days before the date of the short form prospectus; or

(b) if the business has not completed one financial year, the financial period from the date of formation to a date not more than 90 days before the date of the short form prospectus.

2. Acquisitions Significant between 40% and 50% - If any of the three significance tests are satisfied if the 20 per cent threshold is changed to 40 per cent, but none of the three significance tests is satisfied if the 20 per cent threshold is changed to 50 per cent, financial statements shall be included for

(a) each of the three most recently completed financial years of the business ended more than 90 days before the date of the short form prospectus;

(b) if the business has not completed two financial years, each completed financial year ended more than 90 days before the date of the short form prospectus; or

(c) if the business has not completed one financial year, the financial period from the date of formation to a date not more than 90 days before the date of the short form prospectus.

3. Acquisitions Significant at 50% or greater - If any of the three significance tests are satisfied if the 20 per cent threshold is changed to 50 per cent, financial statements shall be included for

(a) each of the three most recently completed financial years of the business ended more than 90 days before the date of the short form prospectus;

(b) if the business has not completed three financial years, each completed financial year ended more than 90 days before the date of the short form prospectus; or

(c) if the business has not completed one financial year, the financial period from the date of formation to a date not more than 90 days before the date of the short form prospectus.

Additional financial statements or financial information of the business filed or released

4.7(1) An issuer shall include in its short form prospectus annual and interim financial statements of a business for a financial period that ended before the date of the acquisition and is more recent than the periods for which financial statements are required under subsections 4.2(1), 4.3(1) and 4.4(1) if, before the short form prospectus is filed, the financial statements for the more recent period have been filed.

4.7(2) If, before the short form prospectus is filed, financial information of a business for a period more recent than for the period for which financial statements are required under subsections 4.2(1), 4.3(1) and 4.4(1), is publicly disseminated by news release or otherwise by or on behalf of the issuer, the issuer shall include in the short form prospectus the content of the news release or public communication.

Exceptions to disclosure requirements for significant acquisitions if more recent financial statements included

4.8(1) Despite subsection 4.6(3), an issuer may omit separate financial statements of a business for the earliest financial year otherwise required under subsection 4.6(3), if audited financial statements of the business are included in the short form prospectus for a financial year ended 90 days or less before the date of the short form prospectus.

4.8(2) Despite subsection 4.6(3), an issuer may omit separate financial statements of a business for the earliest financial year otherwise required under subsection 4.6(3) if

(a) separate financial statements of a business are required under subsection 4.6(3) for more than one financial year;

(b) audited financial statements are included in the short form prospectus for a period of at least nine months in the financial year after the most recent year for which separate financial statements are required under subsection 4.6(3);

(c) the issuer has not relied upon the exception in section 4.9; and

(d) the business is not seasonal.

4.8(3) Despite subsections 4.2(1), 4.3(1) and 4.4(1), an issuer may omit from a short form prospectus the financial statements of a business for the interim period otherwise required under subsections 4.2(1), 4.3(1) and 4.4(1) if annual financial statements of the business are included in the short form prospectus for a financial year ended 90 days or less before the date of the short form prospectus.

Exception to disclosure requirements for significant acquisitions if financial year end changed

4.9 Despite section 4.6, if a business changed its financial year end once during any of its financial years for which financial statements are required to be included in the short form prospectus, the issuer may include financial statements for the transition year in satisfaction of the financial statements for one of the years under section 4.6 provided that the transition year is at least nine months.

Exception to disclosure requirements for significant acquisitions accounted for using the equity method

4.10 Despite subsections 4.2(1), 4.3(1) and 4.4(1), an issuer may omit from its short form prospectus the financial statements of a business and the *pro forma* financial statements of an issuer otherwise required under subsections 4.2(1), 4.3(1) and 4.4(1) if

- (a) the acquisition is, or will be, an investment accounted for using the equity method, as that term is defined in the Handbook;
- (b) the short form prospectus includes disclosure for the periods for which financial statements are otherwise required under subsections 4.2(1), 4.3(1) and 4.4(1) that
 - (i) summarizes the assets, liabilities and results of operations of the business, and
 - (ii) describes the issuer's proportionate interest in the business and any contingent issuance of securities by the business that might significantly affect the issuer's share of earnings;
- (c) the financial information provided under paragraph (b) for any completed financial year
 - (i) has been derived from audited financial statements of the business, or
 - (ii) has been audited;
- (d) the short form prospectus
 - (i) identifies the financial statements referred to in paragraph (c)(i) from which the disclosure provided under paragraph (b) has been derived; or

(ii) discloses that the financial information provided under paragraph (b), if not derived from audited financial statements, has been audited; and

(iii) discloses that the audit opinion with respect to the financial statements referred to in (i), or the financial information referred to in (ii), was issued without a reservation of opinion.

Additional disclosure for significant acquisitions after financial year end accounted for using the purchase method

4.11(1) An issuer shall include in a subsequent event note to its financial statements included in a short form prospectus or elsewhere in a short form prospectus the information referred to in subsection (2), if

(a) the issuer has made a significant acquisition since its most recent financial year end; and

(b) the purchase method is used to account for the acquisition.

4.11(2) The information required under subsection (1) is

(a) if

(i) determined by the date of the subsequent event note, details of the purchase equation, namely the allocation of the purchase price to the underlying assets being acquired, the underlying liabilities being assumed and any resulting goodwill, or

(ii) not determined by the date of the subsequent event note, the issuer's reasonable estimate of the allocation; and

(b) the terms and status of the acquisition.

Audit requirement for financial statements of a business

4.12 Financial statements of a business included in a short form prospectus under this Part, other than *pro forma* financial statements, shall be accompanied by an auditor's report without a reservation of opinion.

Exception to audit requirement for interim financial statements of a business

4.13 Despite section 4.12, an issuer may omit from its short form prospectus an auditor's report for the interim financial statements of a business included in a short form prospectus under this Part.

Exception to audit requirement for recent financial statements of a business

4.14 Despite section 4.12, an issuer may omit from its short form prospectus an auditor's report for the annual financial statements of a business required under subsection 4.8(3), if the auditor has not issued an auditor's report on the financial statements.

Exception to audit requirement for financial statements of a business included in a previous prospectus without an audit opinion

4.15 Despite section 4.12, an issuer may omit from its short form prospectus an auditor's report for the annual financial statements of a business included in the short form prospectus, other than for the most recently completed financial year of the business for which financial statements are included in the short form prospectus, if

- (a) those financial statements were previously included in a short form prospectus of the issuer without an auditor's report as permitted by this Instrument or pursuant to an exemption granted under this Instrument; and
- (b) an auditor has not issued an auditor's report on the financial statements.

Compilation report for *pro forma* financial statements

4.16 The *pro forma* financial statements included in a short form prospectus under this Part shall be accompanied by a compilation report signed by the auditor and prepared in accordance with the Handbook.

PART 5 – FINANCIAL STATEMENT DISCLOSURE FOR MULTIPLE ACQUISITIONS THAT ARE NOT OTHERWISE SIGNIFICANT OR RELATED

Scope

5.1 This Part applies only to an issuer that

- (a) has acquired two or more businesses during its most recently completed financial year;
- (b) has acquired two or more business during its current financial year;
- (c) is proposing to make two or more probable acquisitions of a business; or
- (d) has acquired one or more businesses since the beginning of its current financial year and is proposing to make one or more probable acquisitions of a business,

excluding, in each case, acquisitions that individually meet the significance tests.

Historical financial statement disclosure

5.2(1) Application of the Significance Tests - An issuer shall include in a short form prospectus separate financial statements of each business required under subsection (2) for the periods referred to in subsection (3) if any of the significance tests would be satisfied if

- (a) the 20 per cent threshold in the significance tests was changed to 50 per cent;

(b) the total consolidated assets of the businesses referred to in section 5.1 were considered on a combined basis;

(c) the issuer's consolidated investments in and advances to the businesses referred to in section 5.1 were considered on a combined basis; and

(d) the consolidated income from continuing operations of the businesses referred to in section 5.1 for the most recently completed financial year of each business ended prior to the acquisition date of each business were considered on a combined basis.

5.2(2) Significant Businesses for Reporting Purposes - An issuer shall include in a short form prospectus the financial statements for a majority of the businesses that satisfy the asset, investment or income test at the highest percentage and which on a combined basis, represent a majority of

(a) the total consolidated assets of all of the businesses referred to in section 5.1;

(b) the issuer's consolidated investments in and advances to all of the businesses referred to in section 5.1; or

(c) the consolidated income from continuing operations of all of the businesses referred to in section 5.1.

5.2(3) An issuer shall include the following financial statements for each business required under subsection (2):

Annual Financial Statements

1. Statements of income, retained earnings, and cash flows for

(a) the most recently completed financial year of the business before the date of the acquisition, if the acquisition was completed more than 90 days before the date of the short form prospectus;

(b) the most recently completed financial year of the business ended more than 90 days before the date of the short form prospectus, if the acquisition either has not been completed at the date of the short form prospectus or was completed 90 days or less before the date of the short form prospectus; or

(c) if a business has not completed one financial year, the financial period from the date of formation to a date not more than 90 days before the date of the short form prospectus.

2. A balance sheet as at the date on which the periods referred to in paragraph 1 ended.

Interim Financial Statements

3. Statements of income, retained earnings and cash flows for

(a) the most recently completed interim period of the business ended before the date of the acquisition or the proposed date of the acquisition and more than 60 days before the date of the short form prospectus; or

(b) the pre-acquisition period.

4. A balance sheet as at the date on which the period referred to in paragraph 3 ended.

***Pro Forma* Financial Statements**

5. *Pro forma* financial statements prepared in accordance with section 4.5.

6. *Pro forma* earnings per share based on the financial statement referred to in paragraph 5.

5.2(4) Despite subsection (3), if the business was acquired before the date of the most recent audited balance sheet of the issuer included in the short form prospectus, the issuer may omit from the short form prospectus the balance sheets of the business referred to in paragraphs 2 and 4.

Additional financial statements or financial information of the business filed or released

5.3(1) An issuer shall include in its short form prospectus annual and interim financial statements of a business for a financial period that ended before the date of the acquisition and is more recent than the periods for which financial statements are required under section 5.2 if, before the short form prospectus is filed, the financial statements for the more recent period have been filed.

5.3(2) If, before the short form prospectus is filed, financial information of a business for a period more recent than the period for which financial statements are required under section 5.2 is publicly disseminated by news release or otherwise by, or on behalf of, the issuer, the issuer shall include in the short form prospectus the content of the news release or public communication.

Exceptions to disclosure requirements for multiple acquisitions if more recent financial statements included

5.4(1) Despite section 5.2, an issuer may omit from a short form prospectus, the financial statements of a business for the financial year otherwise required under subsection 5.2(3) if audited financial statements of the business are included in the short form prospectus for a financial year ended 90 days or less before the date of the short form prospectus.

5.4(2) Despite section 5.2, an issuer may omit from a short form prospectus the financial statements of a business for the interim period otherwise required under subsection 5.2(3) if annual financial statements of the business are included in the short form prospectus for a financial year ended 90 days or less before the date of the short form prospectus.

Exception to disclosure requirements for multiple acquisitions if financial year end changed

5.5 Despite section 5.2, if a business changed its financial year end during the year for which financial statements are required to be included in the short form prospectus, the issuer may include financial statements for the transition year in satisfaction of the financial statements for the year under paragraphs 1(a) and 1(b) of subsection 5.2(3) provided that the transition year is at least nine months.

Audit requirement for financial statements of a business

5.6 Financial statements of a business included in a short form prospectus under this Part, other than *pro forma* financial statements, shall be accompanied by an auditor's report without a reservation of opinion.

Exception to audit requirement for interim financial statements of a business

5.7 Despite section 5.6, an issuer may omit from its short form prospectus an auditor's report for the interim financial statements of a business included under this Part.

Exception to audit requirement for recent financial statements of a business

5.8 Despite section 5.6, an issuer may omit from its short form prospectus an auditor's report for the annual financial statements of a business referred to under subsection 5.3(2) if the auditor has not issued an auditor's report on the financial statements.

Compilation report for *pro forma* financial statements

5.9 The *pro forma* financial statements included in a short form prospectus under this Part shall be accompanied by a compilation report signed by the auditor and prepared in accordance with the Handbook.

PART 6 – *PRO FORMA* FINANCIAL STATEMENT DISCLOSURE FOR SIGNIFICANT DISPOSITIONS

Scope

6.1 This Part applies only to

- (a) significant dispositions completed during an issuer's most recently completed financial year; and
- (b) significant dispositions completed during an issuer's current financial year,

but not to significant dispositions of business segments.

Pro Forma Financial Statements

6.2 If an issuer has made a significant disposition referred to in clause (a) or (b) of section 6.1, the issuer shall include in its short form prospectus the following *pro forma* financial statements:

6.2(1) **Pro Forma Balance Sheet** - A *pro forma* balance sheet of the issuer prepared as at the date of the issuer's most recent balance sheet included in the short form prospectus to give effect to, as if they had taken place as at the date of the *pro forma* balance sheet, significant dispositions that have been completed, but are not reflected in the issuer's most recent balance sheet included in the short form prospectus.

6.2(2) **Pro Forma Income Statement** - *Pro forma* income statements of the issuer prepared to give effect to significant dispositions completed during

(a) the most recently completed financial year of the issuer as if they had taken place at the beginning of the most recently completed financial year of the issuer for which audited financial statements are included in the short form prospectus; and

(b) the issuer's current financial year for each of the financial periods referred to in clause (i) and (ii)

(i) the most recently completed financial year of the issuer for which audited financial statements are included in the short form prospectus; and

(ii) the most recently completed interim period of the issuer for which financial statements are included in the short form prospectus,

as if they had taken place at the beginning of the most recently completed financial year of the issuer for which audited financial statements are included in the short form prospectus.

6.2(3) If an issuer includes in a short form prospectus a *pro forma* financial statement prepared in accordance with subsection (2) which gives effect to more than one significant disposition, the *pro forma* financial statement shall separately identify each significant disposition.

6.2(4) If an issuer is required under this Part to include *pro forma* financial statements in a short form prospectus, the issuer shall include in the *pro forma* financial statements a description of the underlying assumptions on which the *pro forma* financial statements are prepared, cross-referred to each related *pro forma* adjustment.

6.2(5) Pro Forma Earnings per Share - If an issuer is required under this Part to include in a short form prospectus *pro forma* financial statements, the short form prospectus shall include *pro forma* earnings per share based on the *pro forma* financial statements referred to in this Part.

6.2(6) Presentation of Pro Forma Financial Statements for Significant Dispositions - Despite subsection (2), if an issuer is required to include in its short form prospectus *pro forma* financial statements prepared under section 4.5 and subsection (2) of this Part, the issuer shall prepare one set of *pro forma* financial statements which give effect to the significant acquisitions referred to in section 4.5 and the significant dispositions referred to in subsection 6.2(2).

PART 7 – GAAP, GAAS, AUDITORS' REPORTS AND OTHER FINANCIAL STATEMENT MATTERS

Generally accepted accounting principles

7.1(1) The financial statements of a person or company incorporated or organized in a jurisdiction that are included in a short form prospectus shall be prepared in accordance with Canadian GAAP.

7.1(2) The financial statements of a person or company incorporated or organized in a foreign jurisdiction that are included in a short form prospectus shall be prepared in accordance with

(a) Canadian GAAP; or

(b) foreign GAAP, if the notes to the financial statements

(i) explain and quantify the effect of material differences between Canadian GAAP and foreign GAAP that relate to measurements, and

(ii) provide disclosure consistent with Canadian GAAP requirements to the extent not already reflected in the financial statements.

7.1(3) If the financial information included in a short form prospectus in accordance with section 4.10 has been derived from financial statements of a person or company incorporated or acquired in a foreign jurisdiction that have been prepared in accordance with foreign GAAP, the information shall be accompanied by a note which explains and quantifies the effect of material differences between Canadian GAAP and foreign GAAP.

Exception to the requirement to reconcile financial statements prepared in accordance with foreign GAAP

7.2 Despite subsection 7.1(2)(b), if an issuer has made a significant acquisition or is proposing to make a significant acquisition, and is required to provide financial statements of the business under subsection 4.6(2) or paragraph 4.6(3) and those financial statements have been prepared in accordance with a foreign GAAP, the reconciliation to Canadian GAAP may be excluded for the earliest of the three years presented.

Audit requirement

7.3 Financial statements of an issuer included in a short form prospectus, other than the following, shall be accompanied by an auditor's report without a reservation of opinion:

1. Comparative interim financial statements required to be incorporated by reference under paragraph (1)3 of Item 12.1 or paragraph 2 of 12.2 of Form 44-101F3.
2. The comparative annual financial statements of the issuer for the most recently completed financial year if
 - (a) the financial statements are required to be incorporated by reference in a short form prospectus solely by reason of paragraph (1)6 of Item 12.1 of Form 44-101F3;
 - (b) the auditor of the issuer has not issued an auditor's report on the financial statements; and
 - (c) comparative financial statements, together with the accompanying auditor's report, for the year preceding the most recently completed financial year are included in the short form prospectus.
3. The comparative interim financial statements of a credit supporter required to be incorporated by reference under Item 13.2 of Form 44-101F3.

Generally accepted auditing standards

7.4(1) The financial statements of a person or company incorporated or organized in a jurisdiction that are included in a short form prospectus shall be audited in accordance with Canadian GAAS and accompanied by a Canadian auditor's report.

7.4(2) The financial statements of a person or company incorporated or organized in a foreign jurisdiction that are included in a short form prospectus shall be audited in accordance with

- (a) Canadian GAAS; or
- (b) foreign GAAS provided the foreign GAAS is substantially equivalent to Canadian GAAS.

Foreign auditor's report

7.5 If the financial statements included in a short form prospectus are accompanied by a foreign auditor's report, the auditor's report shall be accompanied by a statement by the auditor

(a) disclosing any material differences in the form and content of the foreign auditor's report as compared to a Canadian auditor's report; and

(b) confirming that the auditing standards applied are substantially equivalent to Canadian GAAS.

PART 8 – AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS INCLUDED IN A SHORT FORM PROSPECTUS

Audit committee review of financial statements included in a short form prospectus

8.1 An issuer shall not file a short form prospectus unless each financial statement of a person or company included in the short form prospectus has been reviewed by the audit committee of the board of directors of the person or company, if the person or company has, or is required to have, an audit committee, and approved by the board of directors.

PART 9 – DEEMED INCORPORATION BY REFERENCE

Deemed incorporation by reference of filed documents

9.1 If an issuer does not incorporate by reference in its short form prospectus a document required to be incorporated by reference under Item 12.1 of Form 44-101F3, the document is deemed for purposes of securities legislation to be incorporated by reference in the issuer's short form prospectus as of the date of the short form prospectus to the extent not otherwise modified or superseded by a statement contained in the short form prospectus or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference in the short form prospectus.

Deemed incorporation by reference of subsequently filed documents

9.2 If an issuer does not incorporate by reference in its short form prospectus a document required to be incorporated by reference under Item 12.2 of Form 44-101F3, the document is deemed for purposes of securities legislation to be incorporated by reference in the issuer's short form prospectus as of the date the issuer filed the document to the extent not otherwise modified or superseded by a statement contained in the short form prospectus or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference in the short form prospectus.

PART 10 – FILING REQUIREMENTS FOR A SHORT FORM PROSPECTUS

Interpretation of "prospectus"

10.1 In this Part, a reference to a short form prospectus does not include a preliminary short form prospectus.

Required documents for filing a preliminary short form prospectus

10.2 An issuer that files a preliminary short form prospectus shall

(a) file the following with the preliminary short form prospectus:

1. Signed Copy - A signed copy of the preliminary short form prospectus.

2. Qualification Certificate - A certificate executed on behalf of the issuer by one of its executive officers certifying that all of the criteria on which the issuer is relying in order to be qualified to file a prospectus in the form of a short form prospectus have been satisfied.

3. Material Incorporated by Reference - Copies of all material incorporated by reference in the preliminary short form prospectus and not previously filed.

4. Mining Reports - If the issuer has a mineral project, the technical reports required to be filed with a preliminary short form prospectus under National Instrument 43-101 Standards of Disclosure for Mineral Projects if that National Instrument is in force and until that National Instrument is in force any technical report or certificate requested to be filed by the regulator.

5. Oil and Gas Reports - If the issuer has oil and gas operations, any technical report or certificate relating to oil and gas properties, not previously filed, that

(i) if the preliminary short form prospectus is filed before a successor instrument to National Policy Statement No. 2-B Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators is in force, is requested to be filed by the regulator, in which case the technical report or certificate shall be prepared in accordance with National Policy Statement No. 2-B; and

(ii) in any other case, is required to be filed with the preliminary short form prospectus pursuant to a successor instrument to National Policy Statement No. 2-B.

(b) deliver to the regulator, concurrently with the filing of the preliminary short form prospectus, the following:

1. Personal Information - For each director and executive officer of an issuer, each promoter of the issuer or, if the promoter is not an individual, each director and executive officer of the promoter, for whom the issuer has not previously delivered the following information, a statement containing that individual's

- (i) full name;
- (ii) position with or relationship to the issuer;
- (iii) employer's name and address, if other than the issuer;
- (iv) full residential address;
- (v) date and place of birth; and
- (vi) citizenship.

2. Authorization to Collect Information - An authorization in the form set out in Appendix A to the collection of personal information.

3. Calculation of Earnings Coverage - If the preliminary short form prospectus is filed for a proposed distribution of debt securities having a term to maturity in excess of one year or for a proposed distribution of preferred shares, a letter setting out the calculation of the earnings coverage.

4. Material Contracts - Copies of all material contracts to which the issuer is a party that have not previously been filed.

5. Reports and Valuations - A copy of each report or valuation referred to in the preliminary short form prospectus for which a consent is required to be filed under section 10.4 and that has not previously been filed, other than a technical report that

- (i) deals with a mineral project or oil and gas operations; and
- (ii) is not otherwise required to be filed under paragraphs 4 and 5 of clause 10.2(a).

6. Auditor's Comfort Letter regarding Audited Financial Statements - A signed letter to the regulator from the auditor of the issuer or of the business, as applicable, prepared in accordance with the form suggested for this circumstance by the Handbook, if a financial statement of an issuer or a business included in a preliminary short form prospectus is accompanied by an unsigned auditor's report.

7. Comfort Letter regarding Foreign Auditor's Report - If a financial statement included in a short form prospectus has been prepared in accordance with foreign GAAP or

includes a foreign auditor's report, a letter to the regulators from the foreign auditor that discusses the auditor's expertise

- (i) to audit the reconciliation of foreign GAAP to Canadian GAAP; and
- (ii) in the case of foreign GAAS, other than U.S. GAAS applied by a U. S. auditor, to make the determination that the auditing standards applied are substantially equivalent to Canadian GAAS.

Required documents for filing a short form prospectus

10.3 An issuer that files a short form prospectus shall

(a) file the following with the short form prospectus:

- 1. Signed Copy** - A signed copy of the short form prospectus.
- 2. Material Incorporated by Reference** - Copies of all material incorporated by reference in the short form prospectus and not previously filed.
- 3. Issuer's Submission to Jurisdiction** - A submission to jurisdiction and appointment of agent for service of process of the issuer in the form set out in Appendix B, if an issuer is incorporated or organized in a foreign jurisdiction and does not have an office in Canada.
- 4. Non-Issuer's Submission to Jurisdiction** - A submission to jurisdiction and appointment of agent for service of process of the selling security holder, promoter or credit supporter, as applicable, in the form set out in Appendix C, if a selling security holder, promoter or credit supporter of an issuer is incorporated or organized under a foreign jurisdiction and does not have an office in Canada or is an individual who resides outside of Canada.
- 5. Expert's Consent** - The consents required to be filed under section 10.4.
- 6. Credit Supporter's Consent** - The written consent of the credit supporter to the inclusion of its financial statements in the short form prospectus, if financial statements of a credit supporter are required under Item 13.2 of Form 44-101F3 to be included in a short form prospectus and a certificate of the credit supporter is not required under Item 20.3 of Form 44-101F3 to be included in the short form prospectus.
- 7. Material Contracts** - Copies of all material contracts to which the issuer is a party that have not previously been filed.
- 8. Other Mining Reports** - If the issuer has a mineral project, any technical report, certificate or consent required to be filed with a short form prospectus under National

Instrument 43-101, if that National Instrument is in force and until that National Instrument is in force, any technical report or certificate requested to be filed by a regulator and not previously filed.

9. Other Oil and Gas Reports - If the issuer has oil and gas operations, any technical report or certificate not previously filed, that,

(i) if the short form prospectus is filed before a successor instrument to National Policy Statement No. 2-B is in effect, is requested to be filed by the regulator, in which case the technical report or certificate shall be prepared in accordance with National Policy Statement No. 2-B; and

(ii) in any other case, is required to be filed with the short form prospectus pursuant to a successor instrument to National Policy Statement No. 2-B.

10. Other Reports and Valuations - A copy of each report or valuation referred to in the short form prospectus, for which a consent is required to be filed under section 10.3 and that has not previously been delivered, other than a technical report that

(i) deals with a mineral project of an issuer or oil and gas operations; and

(ii) is not otherwise required to be filed under paragraph 8 or 9; and

(b) deliver to the regulators, no later than the filing of the short form prospectus,

1. Auditor's Comfort Letter regarding Unaudited Financial Statements -

(i) a comfort letter to the regulators from the auditor of the issuer or the business, as applicable, prepared in accordance with the relevant standards in the Handbook, if an unaudited financial statement of an issuer or a business is included in a short form prospectus;

(ii) a comfort letter to the regulators from the auditor of the business, prepared in accordance with the relevant standards in the Handbook, if the prospectus includes unaudited financial information of a business that has been derived from financial statements of a business that are not included in the short form prospectus;

(iii) a comfort letter to the regulators from the auditor of the business, prepared in accordance with the relevant standards in the Handbook, if a *pro forma* income statement of the issuer included in the short form prospectus includes results of the business that have been prepared in accordance with subsection 4.5(4);

(iv) a comfort letter to the regulators from the auditor of the issuer, prepared in accordance with the relevant standards of the Handbook, if a *pro forma* financial statement of the issuer included in the short form prospectus reflects the results of a

significant disposition in accordance with Part 6 of this Instrument.

2. **Blacklined Prospectus** - A copy of the short form prospectus, blacklined to show changes from the preliminary short form prospectus.

Consent of experts

10.4(1) If any solicitor, auditor, accountant, engineer or appraiser, or any other person or company whose profession gives authority to a statement made by that person or company, is named in a short form prospectus or an amendment to a short form prospectus, either directly or in a document incorporated by reference

(a) as having prepared or certified any part of the short form prospectus or the amendment,

(b) as having opined on financial statements from which selected information included in the short form prospectus has been derived and which audit opinion is referred to in the short form prospectus either directly or in a document incorporated by reference, or

(c) as having prepared or certified a report or valuation referred to in the short form prospectus or the amendment, either directly or in a document incorporated by reference,

the issuer shall file no later than the time the short form prospectus or the amendment is filed, the written consent of the person or company to being named and to that use of the report or valuation.

10.4(2) The consent referred to in subsection (1) shall

(a) refer to the report, valuation, statement or opinion stating the date of the report, valuation, statement or opinion, and

(b) contain a statement that the person or company referred to in subsection (1)

(iii) has read the short form prospectus, and

(iv) has no reason to believe that there are any misrepresentations in the information contained in it that are

(A) derived from the report, valuation, statement or opinion, or

(B) within the knowledge of the person or company as a result of the services performed by the person or company in connection with the report, financial statements, valuation, statement or opinion.

10.4(3) In addition to any other requirement of this section, the consent of an auditor or accountant shall also state

(a) the dates of the financial statements on which the report of the person or company is made, and

(b) that the person or company has no reason to believe that there are any misrepresentations in the information contained in the short form prospectus that are

(i) derived from the financial statements on which the person or company has reported, or

(ii) within the knowledge of the person or company as a result of the audit of the financial statements.

10.4(4) Subsection (1) does not apply to an approved rating organization that issues a rating to the securities being distributed under the preliminary short form prospectus or short form prospectus.

Filing of French language version

10.5(1) Except when the prospectus is filed in Quebec, an issuer shall file a French language version of a preliminary short form prospectus, short form prospectus, any amendment to a preliminary short form prospectus or short form prospectus before sending the French language version of a preliminary short form prospectus, a short form prospectus or an amendment to an investor or prospective investor.

10.5(2) An issuer that has prepared a French language version of a preliminary short form prospectus, short form prospectus, amendment to a preliminary short form prospectus or short form prospectus file the French language version of the document in New Brunswick concurrently with or as soon as practicable after filing the English language version of the document in that Province.

Prohibition on filing

10.6 An issuer shall not file a preliminary short form prospectus or a short form prospectus if the issuer is in default in filing or delivering to the regulator a document required to be filed or delivered under securities legislation.

Material contracts

10.7 An issuer shall make available all material contracts referred to in a short form prospectus for inspection at a reasonable time and place in the local jurisdiction, without charge, during the distribution of the securities being offered under the short form prospectus.

PART 11 – AMENDMENTS TO A SHORT FORM PROSPECTUS

Form of amendment

11.1(1) An amendment to a preliminary short form prospectus or a short form prospectus shall consist of either an amendment that does not fully restate the text of the preliminary short

form prospectus or short form prospectus or an amended and restated preliminary short form prospectus or short form prospectus.

11.1(2) An amendment to a preliminary short form prospectus or a short form prospectus shall contain the certificates required by securities legislation and in the case of an amendment that does not restate the text of the preliminary short form prospectus or short form prospectus, shall be numbered and dated as follows:

"Amendment No. [insert amendment number] dated [insert date of amendment] to [Preliminary] Short Form Prospectus dated [insert date of preliminary short form prospectus or short form prospectus]."

Required documents for filing an amendment

11.2 An issuer that files an amendment to a preliminary short form prospectus or short form prospectus shall

- (a) file a signed copy of the amendment;
- (b) deliver to the regulator a copy of the preliminary short form prospectus or short form prospectus blacklined to show the changes made by the amendment, if the amendment is also a restatement of the preliminary short form prospectus or short form prospectus;
- (c) file or deliver any supporting documents required under this Instrument or other provisions of securities legislation to be filed or delivered with a preliminary short form prospectus or a short form prospectus, as the case may be, unless the documents originally filed or delivered with the preliminary short form prospectus or short form prospectus as the case may be, are correct as of the date the amendment is filed; and
- (d) file any consent letter required under this Instrument to be filed with a preliminary short form prospectus or short form prospectus, as the case may be.

Auditor's letter

11.3 If an amendment to a preliminary short form prospectus or short form prospectus materially affects, or relates to, an auditor's comfort letter filed under section 10.2 or 10.3 refers, the issuer shall file with the amendment a new auditor's comfort letter.

Forwarding amendments

11.4 An amendment to a preliminary short form prospectus shall be forwarded to each recipient of the preliminary short form prospectus according to the record of recipients to be maintained under securities legislation.

Amendment to preliminary short form prospectus

11.5 The regulator shall issue a receipt for an amendment to a preliminary short form prospectus as soon as reasonably possible after the amendment is filed.

Amendment to Short Form Prospectus

11.6(1) If, after a receipt is issued for a short form prospectus but prior to the completion of the distribution under such short form prospectus, securities in addition to the securities previously disclosed in the prospectus are to be distributed, the person or company making the distribution must file an amendment to the short form prospectus disclosing the additional securities, as soon as practical, and in any event no later than 10 days after the decision to increase the number of securities offered is made.

11.6(2) Except as required by securities legislation, the regulator shall issue a receipt for an amendment to a short form prospectus required to be filed under this section or under securities legislation unless the regulator considers that it is not in the public interest to do so.

11.6(3) The regulator shall not refuse to issue a receipt under subsection (2) without giving the person or company who filed the short form prospectus an opportunity to be heard.

11.6(4) Subject to subsection (5), a distribution or an additional distribution must not proceed until a receipt for an amendment to a short form prospectus that is required to be filed is issued by the regulator.

11.6(5) Subsection (4) does not apply to amendments to short form prospectuses of mutual funds.

PART 12 – NON-FIXED PRICE OFFERINGS AND REDUCTION OF OFFERING PRICE UNDER SHORT FORM PROSPECTUS

Non-fixed price offerings and reduction of offering price under short form prospectus

12.1(1) Every security distributed under a short form prospectus shall be distributed at a fixed price.

12.1(2) Despite subsection (1), securities for which the issuer is qualified under Part 2 to file a prospectus in the form of a short form prospectus may be distributed for cash at non-fixed prices under a short form prospectus if, at the time of the filing of the preliminary short form prospectus, the securities have received a rating, on a provisional or final basis, from at least one approved rating organization.

12.1(3) Despite subsection (1), if securities are distributed for cash under a short form prospectus, the price of the securities may be decreased from the initial offering price disclosed in the short form prospectus and, after such a decrease, changed from time to time to an amount not greater than the initial offering price, without filing an amendment to the short form prospectus to reflect the change, if

- (a) the securities are distributed through one or more underwriters that have agreed to purchase all of the securities at a specified price;
- (b) the proceeds to be received by the issuer or selling security holders or by the issuer and selling security holders are disclosed in the short form prospectus as being fixed; and
- (c) the underwriters have made a reasonable effort to sell all of the securities distributed under the short form prospectus at the initial offering price disclosed in the short form prospectus.

12.1(4) Despite subsections (2) and (3), the price at which securities may be acquired on exercise of rights shall be fixed.

PART 13 – CIRCULARS

Use of short form prospectus disclosure in securities exchange take-over bid circular and securities exchange issuer bid circular

13.1(1) An issuer that makes a take-over bid or an issuer bid that includes consideration consisting, in whole or in part, of the issuer's securities satisfies the requirement in securities legislation to include, in a securities exchange take-over bid circular or a securities exchange issuer bid circular, the information prescribed by the form of prospectus appropriate for the issuer by including, in the securities exchange take-over bid circular or the securities exchange issuer bid circular, the information required under this Instrument to be included in a short form prospectus, if the issuer's securities offered as consideration are of a type for which the issuer is qualified under section 2.2, 2.3, 2.4 or 2.8 to file a prospectus in the form of a short form prospectus.

13.1(2) In determining, for the purpose of subsection (1), whether an issuer is qualified to file a prospectus in the form of a short form prospectus under section 2.2, 2.3, 2.4 or 2.8, references in those sections to the time of the filing of a preliminary short form prospectus shall be read as references to the time of the filing of the securities exchange take-over bid circular or securities exchange issuer bid circular.

Use of short form prospectus disclosure in information circular

13.2(1) An issuer, that sends an information circular to security holders disclosing information on a proposed reorganization that involves the issuer distributing its securities, satisfies the requirement in securities legislation to include in an information circular the information prescribed by the form of prospectus appropriate for the issuer by including in the information circular, the information required under this Instrument to be included in a short form prospectus, if the issuer's securities to be distributed in connection with the reorganization are of a type for which the issuer is qualified under section 2.2, 2.3, 2.4 or 2.8 to file a prospectus in the form of a short form prospectus.

13.2(2) In determining, for the purpose of subsection (1), whether an issuer is qualified to file a prospectus in the form of a short form prospectus under section 2.2, 2.3, 2.4 or 2.8, references in those sections to the time of the filing of a preliminary short form prospectus shall be read as references to the time of the filing of the information circular.

Information circular disclosure regarding availability of information

13.3 An issuer that has a current AIF and sends its information circular, as required under securities legislation, to security holders shall

(a) send, upon request to the secretary of the issuer, a copy of the following documents to the person or company making the request and, in the case of a security holder, without charge:

1. The issuer's current AIF, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the current AIF.
2. The issuer's most recently filed comparative annual financial statements, together with the accompanying report of the auditor, and any interim financial statements of the issuer that have been filed for any period after the end of its most recently completed financial year.
3. The issuer's information circular for its most recent annual meeting of shareholders that involved the election of directors or any annual filing prepared instead of that information circular, as appropriate; and

(b) include in its information circular a statement describing the availability, without charge to a security holder, upon request made to the secretary of the issuer, of the documents listed in paragraph (a).

PART 14 – SOLICITATIONS OF EXPRESSIONS OF INTEREST

Solicitations of expressions of interest

14.1 The prospectus requirement does not apply to solicitations of expressions of interest before the filing of a preliminary short form prospectus for securities to be qualified for distribution under a short form prospectus in accordance with this Instrument, if

(a) the issuer has entered into an enforceable agreement with an underwriter who has, or underwriters who have, agreed to purchase the securities;

(b) the agreement referred to in paragraph (a) has fixed the terms of the distribution and requires that the issuer file a preliminary short form prospectus for the securities and obtain a receipt for the preliminary short form prospectus from

(i) the 44-101 regulator dated not more than two business days after the date that the agreement is entered into, if the issuer has elected to use the MRRS; or

(ii) if the issuer has not elected to use the MRRS

(A) the regulator in at least one jurisdiction, dated not more than two business days after the date that the agreement is entered into, and

(B) the Canadian securities regulatory authorities in any other jurisdictions in which the distribution is to be made, dated not more than three business days after the date that the agreement is entered into;

(c) the issuer has issued and filed a news release announcing the agreement immediately upon entering into the agreement;

(d) upon issuance of a receipt for the preliminary short form prospectus, a copy of the preliminary short form prospectus is sent to each person or company who has expressed an interest in acquiring the securities; and

(e) except as provided in paragraph (a), no agreement of purchase and sale for the securities is entered into until the short form prospectus has been filed and a receipt obtained.

PART 15 – EXEMPTION

Exemption

15.1(1) The regulator or the securities regulatory authority may grant an exemption from the provisions of this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

15.1(2) Despite subsection (1), in Ontario and Alberta, only the regulator may grant such an exemption.

15.1(3) An application made to the securities regulatory authority or regulator for an exemption from the provisions of this Instrument shall include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

Evidence of exemption

15.2(1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption, in whole or in part, from Part 2, may be evidenced by the issuance of a receipt for a short form prospectus or an amendment to a short form prospectus.

15.2(2) An exemption under this Part may be evidenced in the manner set out in subsection (1) only if

(a) the person or company that sought the exemption

(i) sent to the regulator the letter or memorandum referred to in subsection 15.1(3) on or before the date of the filing of the preliminary short form prospectus, or

(ii) sent to the regulator the letter or memorandum referred to in subsection 15.1(3) after the date of the filing of the preliminary short form prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1); and

(b) the Director has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

Exemption under prior policy

15.3 An issuer that, immediately before the time this Instrument came into force, was eligible to participate in the prompt offering qualification system contemplated by NP47 under an exemption, ruling, order, decision or other action of the securities regulatory authority or regulator, other than a blanket ruling or order, is qualified to file a prospectus in the form of a short form prospectus, in reliance on the exemption, ruling, order, decision or other action and subject to the same conditions, if any, as are in the action, until the earliest of

(a) the end of the period for which the AIF filed by the issuer before this Instrument came into force is a current AIF under this Instrument;

(b) the expiration of the action; and

(c) the revocation of the action by the securities regulatory authority or the regulator.

PART 16 – EFFECTIVE DATE

Citation

16.1 This rule may be cited or referred to as either MSC Rule 2001-2 or National Instrument 44-101.

16.1 Effective Date - This Instrument shall come into force on April 11, 2001.

**NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS
APPENDIX A**

AUTHORIZATION OF INDIRECT COLLECTION OF PERSONAL INFORMATION

The attached Schedule 1 contains information concerning the name, position with or relationship to issuer, name and address of employer, if other than the issuer, residential address, date and place of birth and citizenship of each director, executive officer, promoter, if any, and each director and executive officer of the promoter, if any, of the issuer named below (the "Issuer") as required by securities legislation, unless previously delivered to the regulator. The Issuer hereby confirms that each person or company listed on Schedule 1

(a) has been notified by the Issuer

(i) of the Issuer's delivery to the regulator of the information pertaining to the person or company as set out in Schedule 1,

(ii) that such information is being collected indirectly by the regulator under the authority granted to it in securities legislation,

(iii) that such information is being collected for the purpose of enabling the regulator to discharge his/her obligations under the provisions of securities legislation that, among other things, require or permit the regulator to refuse to issue a receipt for a prospectus if it appears to the regulator that the past conduct of management or promoters of the issuer affords reasonable grounds for belief that the business of the issuer will not be conducted with integrity and in the best interests of its securityholders, and

(iv) that the title, business address and business telephone number of the public official in the local jurisdiction as set out in the attached Schedule 2, who can answer questions about the regulator's indirect collection of the information; and

(b) has authorized the indirect collection of the information by the regulator.

Date: _____

Name of Issuer

Per: _____

Name

Official Capacity

(Please print the name of the
individual whose signature
appears in the official capacity)

**Schedule 1 Personal Information
to Appendix A Authorization of Indirect
Collection of Personal Information**

[Name of Issuer]

Name and Position with or Relationship to Issuer	Name and Address of Employer, if other than Issuer	Residential Address	Date and Place of Birth	Citizenship

**Schedule 2 Public Official
to Appendix A Authorization of Indirect
Collection of Personal Information**

Local Jurisdiction

Public Official

Alberta

Executive Director
Alberta Securities Commission
Suite 400
300 - 5th Avenue S.W.
Calgary, Alberta T2P 3C4
Telephone: (403) 297-4228

British Columbia

Supervisor, Registration
British Columbia Securities Commission
Suite 200
865 Hornby Street
Vancouver, British Columbia V6Z 2H4
Telephone: (604) 899-5692
Toll Free within British Columbia: (800) 373-6393

Manitoba

Director
Manitoba Securities Commission
Consumer and Corporate Affairs
Administration
1034 - 405 Broadway
Winnipeg, Manitoba R3C 3L6
Telephone: (204) 945-2653

New Brunswick

Administrator
Department of Justice
Securities Branch
Harbour Building, 133 Prince William Street
Suite 606, P.O. Box 5001
Saint John, New Brunswick E2L 4Y9
Telephone: (506) 658-3060

Newfoundland

Director of Securities
Department of Government Services and Lands
P.O. Box 8700
West Block, 2nd Floor, Confederation Building
St. John's, Newfoundland A1B 4J6
Telephone: (709) 729-4189

Northwest Territories	Government of the Northwest Territories Securities Registries Department of Justice P.O. Box 1320, Yellowknife, Northwest Territories X1A 2L9
Nova Scotia	Deputy Director, Compliance and Enforcement Nova Scotia Securities Commission P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: (902)424-5354
Nunavut	Nunavut Legal Registries Government of Nunavut BAG 9500 Yellowknife, Northwest Territories X1A 2R3
Ontario Corporate Finance	Administrative Assistant to the Director of Ontario Securities Commission 18th Floor, 20 Queen Street West Toronto, Ontario M5H 2S8 (416) 597-0681
Prince Edward Island	Deputy Registrar, Securities Division Shaw Building 95 Rochford Street, P.O. Box 2000, 4th Floor Charlottetown, Prince Edward Island C1A 7N8 Telephone: (902) 368-4550
Quebec	Secretary and Director Legal Department Commission d'accès à l'information Québec City (Head Office) 575, rue St-Amable Bureau 1.10 Québec, Québec G1R 2G4 Telephone: (418) 528-7741 Toll Free in Québec: (888) 628-7741

Saskatchewan

Director
Saskatchewan Securities Commission
800-1920 Broad Street
Regina, Saskatchewan S4P 3V7
Telephone: (306) 787-5842

Yukon

Registrar of Securities
Department of Justice
Andrew A. Philipsen Law Centre
2130 - 2nd Avenue, 3rd Floor
Whitehorse, Yukon Territory Y1A 5H6
Telephone: (867) 667-5005

**NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS
APPENDIX B
ISSUER FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

1. Name of issuer (the "Issuer"):

2. Jurisdiction of incorporation, or equivalent, of Issuer:

3. Address of principal place of business of Issuer:

4. Description of securities (the "Securities"):

5. Date of the short form prospectus (the "Short Form Prospectus") under which the Securities are offered:

6. Name of agent for service of process (the "Agent"):

7. Address for service of process of Agent in Canada (the address may be anywhere in Canada):

8. The Issuer designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Short Form Prospectus or the obligations of the Issuer as a reporting issuer, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.
9. The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of
 - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Short Form Prospectus; and
 - (b) any administrative proceeding in any such province [or territory],in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Short Form Prospectus or the obligations of the issuer as a reporting issuer.
10. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.
11. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.
12. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____
Signature of Issuer

Print name and title of signing
officer of Issuer

AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Issuer] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: _____
Signature of Agent

Print name of person signing and, if Agent is not an individual, the title of the person

**NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS
APPENDIX C
NON-ISSUER FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

1. Name of issuer (the "Issuer"):

2. Jurisdiction of incorporation, or equivalent, of Issuer:

3. Address of principal place of business of Issuer:

4. Description of securities (the "Securities"):

5. Date of the short form prospectus (the "Short Form Prospectus") under which the Securities are offered:

6. Name of person filing this form (the "Filing Person"):

7. Filing Person's relationship to Issuer:

8. Jurisdiction of incorporation, or equivalent, of Filing Person, if applicable, or jurisdiction of residence of Filing Person:

9. Address of principal place of business of Filing Person:

10. Name of agent for service of process (the "Agent"):

11. Address for service of process of Agent in Canada (which address may be anywhere in Canada):

12. The Filing Person designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Short Form Prospectus, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring the Proceeding.

13. The Filing Person irrevocably and unconditionally submits to the non-exclusive jurisdiction of

- (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Short Form Prospectus; and
- (b) any administrative proceeding in any such province [or territory],

in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Short Form Prospectus.

14. Until six years after completion of the distribution of the Securities made under the Short Form Prospectus, the Filing Person shall file a new submission to jurisdiction and

appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.

15. Until six years after completion of the distribution of the Securities under the Short Form Prospectus, the Filing Person shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before a change in the name or above address of the Agent.
16. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____
Signature of Filing Person

Print name of person signing and, if the Filing Person is not an individual, the title of the person
AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Filing Person] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: _____
Signature of Agent

Print name of person signing and, if the Agent is not an individual, the title of the person

THE MANITOBA SECURITIES COMMISSION
MSC RULE 2001-2
(Section 149.1, *The Securities Act*)

NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS

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