

SECURITIES COMMISSION
(ADOPTION OF NATIONAL INSTRUMENTS)

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PART XXXI
[clause 2(ee)]

NATIONAL INSTRUMENT 51-101
STANDARDS OF DISCLOSURE FOR OIL AND GAS ACTIVITIES

PART 1 APPLICATION AND TERMINOLOGY

1.1 Definitions - In this Instrument:

“abandonment and reclamation costs” means all costs associated with the process of restoring a *reporting issuer’s property* that has been disturbed by *oil and gas activities* to a standard imposed by applicable government or regulatory authorities;

“alternate reference point” means a location at which quantities and values of a *product type* are measured before the *first point of sale*;

“annual information form” has the same meaning as “AIF” in NI 51-102;

“analogous information” means information about an area outside the area in which the *reporting issuer* has an interest or intends to acquire an interest, which is referenced by the *reporting issuer* for the purpose of drawing a comparison or conclusion to an area in which the *reporting issuer* has an interest or intends to acquire an interest, which comparison or conclusion is reasonable, and includes:

- (i) historical information concerning *reserves*;
- (ii) estimates of the volume or value of *reserves*;
- (iii) historical information concerning *resources*;
- (iv) estimates of the volume or value of *resources*;
- (v) historical *production* amounts;
- (vi) *production* estimates; or
- (vii) information concerning a *field*, well, basin or *reservoir*;

“anticipated results” means information that may, in the opinion of a reasonable person, indicate the potential value or quantities of *resources* in respect of the *reporting issuer’s resources* or a portion of its *resources* and includes:

- (i) estimates of volume;
- (ii) estimates of value;
- (iii) areal extent;
- (iv) pay thickness;
- (v) flow rates; or
- (vi) hydrocarbon content;

“bitumen” means a naturally occurring solid or semi-solid *hydrocarbon*

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(i) consisting mainly of heavier *hydrocarbons*, with a viscosity greater than 10,000 millipascal-seconds (mPa • s) or 10,000 centipoise (cP) measured at the *hydrocarbon's* original temperature in the *reservoir* and at atmospheric pressure on a gas-free basis, and

(ii) that is not primarily recoverable at economic rates through a well without the implementation of enhanced recovery methods;

“BOEs” means barrels of *oil* equivalent;

“by-product” means a substance that is recovered as a consequence of *producing a product type*;

“coal bed methane” means *natural gas* that

(i) primarily consists of methane, and

(ii) is contained in a coal deposit;

“COGE Handbook” means the ‘Canadian Oil and Gas Evaluation Handbook’ maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time;

“contingent resources data” means

(i) an estimate of the volume of *contingent resources*, and

(ii) the *risked* net present value of *future net revenue of contingent resources*;

“conventional natural gas” means *natural gas* that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete *accumulations* by seals that may be formed by localized structural, depositional or erosional geological features;

“effective date”, in respect of information, means the date as at which, or for the period ended on which, the information is provided;

“first point of sale” means the first point after initial *production* at which there is a transfer of ownership of a *product type*;

“forecast prices and costs” means future prices and costs that are:

(i) generally accepted as being a reasonable outlook of the future;

(ii) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the *reporting issuer* is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in subparagraph (i);

“foreign geographic area” means a geographic area outside North America within one country or including all or portions of a number of countries;

“Form 51-101F1” means Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*;

“Form 51-101F2” means Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor*;

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“Form 51-101F3” means Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure*;

“Form 51-101F4” means Form 51-101F4 *Notice of Filing of 51-101F1 Information*;

“Form 51-101F5” means Form 51-101F5 *Notice of Ceasing to Engage in Oil and Gas Activities*;

“future net revenue” means a forecast of revenue, estimated using *forecast prices and costs* or *constant prices and costs*, arising from the anticipated development and production of *resources*, net of the associated royalties, *operating costs*, *development costs*, and *abandonment and reclamation costs*;

“gas hydrate” means a naturally occurring crystalline substance composed of water and *gas* in an ice-lattice structure;

“heavy crude oil” means *crude oil* with a relative density greater than 10 degrees API gravity and less than or equal to 22.3 degrees API gravity;

“hydrocarbon” means a compound consisting of hydrogen and carbon, which, when naturally occurring, may also contain other elements such as sulphur;

“independent”, in respect of the relationship between a *reporting issuer* and a person or company, means a relationship between the *reporting issuer* and that person or company in which there is no circumstance that could, in the opinion of a reasonable person aware of all relevant facts, interfere with that person’s or company’s exercise of judgment regarding the preparation of information which is used by the *reporting issuer*;

“light crude oil” means *crude oil* with a relative density greater than 31.1 degrees API gravity;

“McfGEs” means thousand cubic feet of *gas* equivalent;

“medium crude oil” means *crude oil* with a relative density greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity;

“natural gas” means a naturally occurring mixture of *hydrocarbon* gases and other gases;

“natural gas liquids” means those *hydrocarbon* components that can be recovered from *natural gas* as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus, and condensates;

“NI 14-101” means National Instrument 14-101 *Definitions*;

“NI 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“oil and gas activities” include the following:

- (i) searching for a *product type* in its natural location;
- (ii) acquiring *property* rights or a *property* for the purpose of exploring for or removing *product types* from their natural locations;

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(iii) any activity necessary to remove *product types* from their natural locations, including construction, drilling, mining and production, and the acquisition, construction, installation and maintenance of *field* gathering and storage systems including treating, *field* processing and *field* storage;

(iv) producing or manufacturing of *synthetic crude oil* or *synthetic gas*;

but do not include any of the following:

(v) any activity that occurs after the *first point of sale*;

(vi) any activity relating to the extraction of a substance other than a *product type* and their *by-products*;

(vii) extracting *hydrocarbons* as a consequence of the extraction of geothermal steam;

“oil and gas metric” means a numerical measure of a *reporting issuer’s oil and gas activities*;

“preparation date”, in respect of written disclosure, means the most recent date to which information relating to the period ending on the *effective date* was considered in the preparation of the disclosure;

“product type” means any of the following:

(i) *bitumen*;

(ii) *coal bed methane*;

(iii) *conventional natural gas*;

(iv) *gas hydrates*;

(v) *heavy crude oil*;

(vi) *light crude oil* and *medium crude oil* combined;

(vii) *natural gas liquids*;

(viii) *shale gas*;

(ix) *synthetic crude oil*;

(x) *synthetic gas*;

(xi) *tight oil*;

“professional organization” means a self-regulatory organization of engineers, geologists, other geoscientists or other professionals whose professional practice includes *reserves evaluations* or *reserves audits*, that:

(i) admits members primarily on the basis of their educational qualifications;

(ii) requires its members to comply with the professional standards of competence and ethics prescribed by the organization that are relevant to the estimation, *evaluation*, *review* or *audit of reserves data*;

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(iii) has disciplinary powers, including the power to suspend or expel a member; and

(iv) is either:

(A) given authority or recognition by statute in a jurisdiction of Canada; or

(B) accepted for this purpose by the *securities regulatory authority* or the *regulator*;

“prospective resources data” means

(i) an estimate of the volume of *prospective resources*, and

(ii) the *risked* net present value of *future net revenue* of *prospective resources*;

“qualified reserves auditor” means an individual who:

(i) in respect of particular *reserves data*, *resources* or related information, possesses professional qualifications and experience appropriate for the estimation, *evaluation*, *review* and *audit* of the *reserves data*, *resources* and related information; and

(ii) is a member in good standing of a *professional organization*;

“qualified reserves evaluator” means an individual who:

(i) in respect of particular *reserves data*, *resources* or related information, possesses professional qualifications and experience appropriate for the estimation, *evaluation* and *review* of the *reserves data*, *resources* and related information; and

(ii) is a member in good standing of a *professional organization*;

“qualified reserves eval uator or auditor” means a *qualified reserves auditor* or a *qualified reserves evaluator*;

“reserves” means *proved*, *probable* or *possible reserves*;

“reserves data” means an estimate of *proved reserves* and probable reserves and related future net revenue, estimated using *forecast prices and costs*;

“risked” means adjusted for the probability of loss or failure in accordance with the *COGE Handbook*;

“shale gas” means *natural gas*

(i) contained in dense organic-rich rocks, including low-permeability shales, siltstones and carbonates, in which the *natural gas* is primarily adsorbed on the kerogen or clay minerals, and

(ii) that usually requires the use of hydraulic fracturing to achieve economic production rates;

“supporting filing” means a document filed by a *reporting issuer* with a *securities regulatory authority*;

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“synthetic crude oil” means a mixture of liquid *hydrocarbons* derived by upgrading *bitumen*, *kerogen* or other substances such as coal, or derived from *gas* to liquid conversion and may contain sulphur or other compounds;

“synthetic gas” means a gaseous fluid

- (i) generated as a result of the application of an in-situ transformation process to coal or other *hydrocarbon*-bearing rock; and
- (ii) comprised of not less than 10% by volume of methane;

“tight oil” means *crude oil*

- (i) contained in dense organic-rich rocks, including low-permeability shales, siltstones and carbonates, in which the *crude oil* is primarily contained in microscopic pore spaces that are poorly connected to one another, and
- (ii) that typically requires the use of hydraulic fracturing to achieve economic production rates.

1.2 COGE Handbook Definitions

(1) Terms used in this *Instrument* but not defined in this *Instrument*, *NI 14-101* or the securities statute in the *jurisdiction*, and defined or interpreted in the *COGE Handbook*, have the meaning or interpretation ascribed to those terms in the *COGE Handbook*.

(2) In the event of a conflict or inconsistency between the definition of a term in this *Instrument*, *NI 14-101* or the securities statute in the *jurisdiction* and the meaning ascribed to the term in the *COGE Handbook*, the definition in this *Instrument*, *NI 14-101* or the securities statute in the *jurisdiction*, as the case may be, applies.

1.3 Applies to Reporting Issuers Only - This *Instrument* applies only to *reporting issuers* engaged, directly or indirectly, in *oil and gas activities*.

1.4 Materiality Standard

(1) This *Instrument* applies only in respect of information that is *material* in respect of a *reporting issuer*.

(2) For the purpose of subsection (1), information is *material* in respect of a *reporting issuer* if it would be likely to influence a decision by a reasonable investor to buy, hold or sell a security of the *reporting issuer*.

PART 2 ANNUAL FILING REQUIREMENTS

2.1 Reserves Data and Other Oil and Gas Information - A *reporting issuer* must, not later than the date on which it is required by *securities legislation* to file audited financial statements for its most recent financial year, file with the *securities regulatory authority* the following:

1. **Statement of Reserves Data and Other Information** - a statement of the *reserves data* and other information specified in *Form 51-101F1*, as at the last day of the *reporting issuer's* most recent financial year and for the financial year then ended;

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2. Report of *Independent Qualified Reserves Evaluator or Auditor* - a report in accordance with *Form 51-101F2* that is:

- (a) included in, or filed concurrently with, the document filed under item 1; and
- (b) executed by one or more *qualified reserves evaluators or auditors* each of whom is *independent* of the *reporting issuer* and who must have,
 - (i) in the aggregate,
 - (A) *evaluated* or *audited* at least 75 percent of the *future net revenue*, calculated using a discount rate of 10 percent, attributable to *proved* plus *probable reserves*, as reported in the statement filed or to be filed under item 1, and
 - (B) *reviewed* the balance of that *future net revenue*, and
 - (ii) *evaluated* or *audited* the *contingent resources data* or *prospective resources data* reported in the statement filed or to be filed under item 1.

3. Report of Management and Directors - a report in accordance with *Form 51-101F3* that:

- (a) refers to the information filed or to be filed under items 1 and 2;
- (b) confirms the responsibility of management of the *reporting issuer* for the content and filing of the statement referred to in item 1 and for the filing of the report referred to in item 2;
- (c) confirms the role of the board of directors in connection with the information referred to in paragraph (b);
- (d) is contained in, or filed concurrently with, the statement filed under item 1; and
- (e) is executed:
 - (i) by two officers of the *reporting issuer*, one of whom is the chief executive officer; and
 - (ii) on behalf of the board of directors, by:
 - (A) any two directors of the *reporting issuer*, other than the persons referred to in subparagraph (i) above; or
 - (B) if the *reporting issuer* has only three directors, two of whom are the persons referred to in subparagraph (i), all of the directors of the *reporting issuer*.

2.2 Repealed (December 30, 2010)

2.3 Inclusion in *Annual Information Form*

- (1) The requirements of section 2.1 may be satisfied by including the information specified in section 2.1 in an *annual information form* filed within the time specified in section 2.1.
- (2) A reporting issuer that adopts the approach described in subsection (1) must, concurrently with filing its *annual information form*, file with the *securities regulatory authority* a notice of filing in accordance with *Form 51-101F4*.

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2.4 Reservation in Report of Qualified Reserves Evaluator or Auditor

- (1) If a *qualified reserves evaluator or auditor* cannot report without *reservation* on *reserves data*, *contingent resources data* or *prospective resources data*, the *reporting issuer* must ensure that the report of the *qualified reserves evaluator or auditor* prepared for the purpose of item 2 of section 2.1 sets out the cause of the *reservation* and the effect, if known to the *qualified reserves evaluator or auditor*, on the *reserves data*, *contingent resources data*, or *prospective resources data*.
- (2) A report containing a *reservation*, the cause of which can be removed by the *reporting issuer*, does not satisfy the requirements of item 2 of section 2.1.

PART 3 RESPONSIBILITIES OF REPORTING ISSUERS AND DIRECTORS

3.1 Interpretation - A reference to a board of directors in this Part means, for a *reporting issuer* that does not have a board of directors, those individuals whose authority and duties in respect of that *reporting issuer* are similar to those of a board of directors.

3.2 Reporting Issuer to Appoint Independent Qualified Reserves Evaluator or Independent Qualified Reserves Auditor

- (1) A *reporting issuer* must appoint one or more *qualified reserves evaluators*, or *qualified reserves auditors*, each of whom is *independent* of the *reporting issuer*, and must direct each appointed evaluator or auditor to report to the board of directors of the *reporting issuer* on the *reserves data* disclosed in the statement prepared for the purpose of item 1 of section 2.1.
- (2) If a *reporting issuer* discloses *contingent resources data* or *prospective resources data* in a statement prepared for the purpose of item 1 of section 2.1, the *reporting issuer* must appoint one or more *qualified reserves evaluators* or *qualified reserves auditors* and must direct each appointed evaluator or auditor to report to the board of directors of the *reporting issuer* on all *contingent resources data* and *prospective resources data* included in the statement.

3.3 Reporting Issuer to Make Information Available to Qualified Reserves Evaluator or Auditor - A *reporting issuer* must make available to the *qualified reserves evaluators or auditors* that it appoints under section 3.2 all information reasonably necessary to enable the *qualified reserves evaluators or auditors* to provide a report that will satisfy the applicable requirements of this *Instrument*.

3.4 Certain Responsibilities of Board of Directors - The board of directors of a *reporting issuer* must:

- (a) review, with reasonable frequency, the *reporting issuer's* procedures relating to the disclosure of information with respect to *oil and gas activities*, including its procedures for complying with the disclosure requirements and restrictions of this *Instrument*;
- (b) review each appointment under section 3.2 and, in the case of any proposed change in such appointment, determine the reasons for the proposal and whether there have been disputes between the appointed *qualified reserves evaluator or auditor* and management of the *reporting issuer*;

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- (c) review, with reasonable frequency, the *reporting issuer's* procedures for providing information to the *qualified reserves evaluators or auditors* who report on *reserves data, contingent resources data* or *prospective resources data* for the purposes of this *Instrument*;
- (d) before approving the filing of *reserves data, contingent resources data* or *prospective resources data* and the report of the *qualified reserves evaluators or auditors* thereon referred to in section 2.1, meet with management and each *qualified reserves evaluator or auditor* appointed under section 3.2, to:
 - (i) determine whether any restrictions affect the ability of the *qualified reserves evaluator or auditor* to report on *reserves data, contingent resources data* or *prospective resources data* without reservation; and
 - (ii) review the *reserves data, contingent resources data* or *prospective resources data* and the report of the *qualified reserves evaluator or auditor* thereon; and
- (e) review and approve:
 - (i) the content and filing, under section 2.1, of the statement referred to in item 1 of section 2.1;
 - (ii) the filing, under section 2.1, of the report referred to in item 2 of section 2.1; and
 - (iii) the content and filing, under section 2.1, of the report referred to in item 3 of section 2.1.

3.5 Reserves Committee

- (1) The board of directors of a *reporting issuer* may, subject to subsection (2), delegate the responsibilities set out in section 3.4 to a committee of the board of directors, provided that a majority of the members of the committee:
 - (a) are individuals who are not and have not been, during the preceding 12 months:
 - (i) an officer or employee of the *reporting issuer* or of an affiliate of the *reporting issuer*;
 - (ii) a person who beneficially owns 10 percent or more of the outstanding voting securities of the *reporting issuer*; or
 - (iii) a relative of a person referred to in subparagraph (a)(i) or (ii), residing in the same home as that person; and
 - (b) are free from any business or other relationship which could reasonably be seen to interfere with the exercise of their independent judgement.
- (2) Despite subsection (1), a board of directors of a *reporting issuer* must not delegate its responsibility under paragraph 3.4(e) to approve the content or the filing of information.
- (3) A board of directors that has delegated responsibility to a committee pursuant to subsection (1) must solicit the recommendation of that committee as to whether to approve the content and filing of information for the purpose of paragraph 3.4(e).

3.6 Repealed (September 19, 2005)

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PART 4 MEASUREMENT

4.1 Repealed (December 30, 2010)

4.2 Consistency in Dates - The date or period with respect to which the effects of an event or transaction are recorded in a *reporting issuer's* annual financial statements must be the same as the date or period with respect to which they are first reflected in the *reporting issuer's* annual *reserves data* disclosure under Part 2.

PART 5 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE

5.1 Application of Part 5 - This Part applies to disclosure made by or on behalf of a *reporting issuer*:

- (a) to the public;
- (b) in any document filed with a *securities regulatory authority*; or
- (c) in other circumstances in which, at the time of making the disclosure, the *reporting issuer* knows, or ought reasonably to know, that the disclosure is or will become available to the public.

5.2(1) Disclosure of Reserves and Other Information - If a *reporting issuer* makes disclosure of *reserves* or other information of a type that is specified in *Form 51-101F1*, the *reporting issuer* must ensure that the disclosure satisfies the following requirements:

- (a) estimates of *reserves* or *future net revenue* must:
 - (i) disclose the *effective date* of the estimate;
 - (ii) have been prepared or audited by a *qualified reserves evaluator or auditor*;
 - (iii) have been prepared or audited in accordance with the *COGE Handbook*;
 - (iv) have been made assuming that development of each *property* in respect of which the estimate is made will occur, without regard to the likely availability to the *reporting issuer* of funding required for that development; and
 - (v) in the case of estimates of *possible reserves* or related *future net revenue* disclosed in writing, also include a cautionary statement that is proximate to the estimate to the following effect:

‘Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves’;

- (b) for the purpose of determining whether *reserves* should be attributed to a particular undrilled *property*, reasonably estimated future abandonment and reclamation costs related to the *property* must have been taken into account;

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(c) in disclosing aggregate *future net revenue* the disclosure must comply with the requirements for the determination of *future net revenue* specified in *Form 51-101F1*; and

(d) the disclosure must be consistent with the corresponding information, if any, contained in the statement most recently filed by the reporting issuer with the securities regulatory authority under item 1 of section 2.1, except to the extent that the statement has been supplemented or superseded by a report of a material change filed by the reporting issuer with the securities regulatory authority.

(2) Disclosure referred to under subsection (1) must indicate whether the estimates of *reserves* or *future net revenue* were prepared by an *independent qualified reserves evaluator or qualified reserves auditor*.

5.3 Classification of *Reserves* and of *Resources Other than Reserves*

(1) *Reserves* or *resources* other than *reserves* must be disclosed using the applicable terminology and *category* set out in the *COGE Handbook* and must be classified in the most specific category of *reserves* or *resources* other than *reserves* in which the *reserves* or *resources* other than *reserves* can be classified.

(2) Despite subsection (1), where the applicable terminology set out in the *COGE Handbook* for the disclosure of *resources* is *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place*, the *reporting issuer* may depart from the applicable terminology by substituting, for the word “*petroleum*”, reference to the specific *product type* of the *resource*.

5.4 *Oil and Gas Resources and Sales*

(1) Disclosure of *resources* or of sales of *product types* or associated *by-products* must be made with respect to the *first point of sale*.

(2) Despite subsection (1), a *reporting issuer* may disclose *resources* or sales of *product types* or associated *by-products* with respect to an *alternate reference point* if, to a reasonable person, the *resources*, *product types* or associated *by-products* would be marketable at the *alternate reference point*.

(3) If a *reporting issuer* discloses *resources* or sales of *product types* or associated *by-products* with respect to an *alternate reference point*, the *reporting issuer* must

(a) state that the disclosure is made with respect to an *alternate reference point*,

(b) disclose the location of the *alternate reference point*, and

(c) explain why disclosure is not being made with respect to the *first point of sale*.

5.5 *Recovery of Product Types or By-Products* - Disclosure of *product types* or *by-products*, including *natural gas liquids* and sulphur must be made in respect only of volumes that have been or are to be recovered prior to the *first point of sale*, or an *alternate reference point*, as applicable.

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5.6 *Future Net Revenue Not Fair Market Value* - Disclosure of an estimate of *future net revenue*, whether calculated without discount or using a discount rate, must include a statement to the effect that the estimated values disclosed do not represent fair market value.

5.7 Repealed

5.8 *Disclosure of Less Than All Reserves* - If a *reporting issuer* that has more than one *property* makes written disclosure of any *reserves* attributable to a particular *property*:

- (a) the disclosure must include a cautionary statement to the effect that:
 “The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation”; and
- (b) the document containing the disclosure of any *reserves* attributable to one *property* must also disclose total *reserves* of the same classification for all *properties* of the *reporting issuer* in the same country (or, if appropriate and not misleading, in the same *foreign geographic area*).

5.9 *Disclosure of Resources Other than Reserves*

(1) If a *reporting issuer* discloses *anticipated results* from *resources* which are not currently classified as *reserves*, the *reporting issuer* must also disclose in writing, in the same document or in a *supporting filing*:

- (a) the *reporting issuer's* interest in the *resources*;
- (b) the location of the *resources*;
- (c) the *product types* reasonably expected;
- (d) the risks and the level of uncertainty associated with recovery of the *resources*; and
- (e) in the case of *unproved property*, if its value is disclosed:
 - (i) the basis of the calculation of its value; and
 - (ii) whether the value was prepared by an *independent* party.

(2) If disclosure referred to in subsection (1) includes an estimate of a quantity of *resources* other than *reserves* in which the *reporting issuer* has an interest or intends to acquire an interest, or an estimated value attributable to an estimated quantity, the estimate must:

- (a) have been prepared or audited by a *qualified reserves evaluator or auditor*;
- (b) have been prepared or audited in accordance with the *COGE Handbook*;
- (c) be classified in the most specific category of *resources* other than *reserves*, as required by section 5.3; and

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- (d) be accompanied by the following information:
 - (i) a definition of the *resources* category used for the estimate;
 - (ii) the *effective date* of the estimate;
 - (iii) the significant positive and negative factors relevant to the estimate;
 - (iii.1) a description of the applicable project or projects including the following:
 - (A) the estimated total cost required to achieve *commercial* production;
 - (B) the general timeline of the project, including the estimated date of first *commercial production*;
 - (C) the recovery technology;
 - (D) whether the project is based on a *conceptual or pre-development study*.
 - (iv) in respect of *contingent resources*, the specific contingencies which prevent the classification of the *resources* as *reserves*; and
 - (v) a cautionary statement that is proximate to the estimate to the effect that:
 - (A) in the case of *discovered resources* or a subcategory of *discovered resources* other than *reserves*:

“There is uncertainty that it will be commercially viable to produce any portion of the resources”; or
 - (B) in the case of *undiscovered resources* or a subcategory of *undiscovered resources*:

“There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources”.
- (3) Paragraphs (1)(d) and (e) and subparagraphs (2)(d)(iii), (iii.1) and (iv) do not apply if:
- (a) the *reporting issuer* includes in the written disclosure a reference to the title and date of a previously filed document that complies with those requirements; and
 - (b) the *resources* in the written disclosure, taking into account the specific *properties* and interests reflected in the *resources* estimate or other *anticipated result*, are *materially* the same *resources* addressed in the previously filed document.
- (4) Any disclosure made under subsection (1) or (2) must indicate whether the *anticipated results* from *resources* which are not currently classified as *reserves* or the estimate of a quantity of *resources* other than *reserves* were prepared by an *independent qualified reserves evaluator or auditor*.

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5.10 Analogous Information

(1) Sections 5.2, 5.3, 5.9 and 5.16 do not apply to the disclosure of *analogous information* provided that the *reporting issuer* discloses the following:

- (a) the source and date of the *analogous information*;
- (b) whether the source of the *analogous information* was *independent*;
- (c) if the *reporting issuer* is unable to confirm that the *analogous information* was prepared by a *qualified reserves evaluator or auditor* or in accordance with the *COGE Handbook*, a cautionary statement to that effect proximate to the disclosure of the *analogous information*; and
- (d) the relevance of the *analogous information* to the *reporting issuer's oil and gas activities*.

(2) For greater certainty, if a *reporting issuer* discloses information that is an *anticipated result*, an estimate of a quantity of *reserves* or *resources*, or an estimate of value attributable to an estimated quantity of *reserves* or *resources* for an area in which it has an interest or intends to acquire an interest, that is based on an extrapolation from *analogous information*, sections 5.2, 5.3, 5.9 and 5.16 apply to the disclosure of the information.

5.11 Repealed

5.12 Repealed

5.13 Repealed

5.14 Disclosure Using Oil and Gas Metrics

(1) If a *reporting issuer* discloses an *oil and gas metric*, other than an estimate of the volume or value of *resources* prepared in accordance with section 5.2, 5.9 or 5.18 or a comparative or equivalency measure under Part 2, 3, 4, 5, 6 or 7 of Form 51-101F1, the *reporting issuer* must include disclosure that

- (a) identifies the standard and source of the *oil and gas metric*, if any,
- (b) provides a brief description of the method used to determine the *oil and gas metric*,
- (c) provides an explanation of the meaning of the *oil and gas metric*, and
- (d) cautions readers as to the reliability of the *oil and gas metric*.

(2) If there is no identifiable standard for an *oil and gas metric*, the *reporting issuer* must also include disclosure that

- (a) provides a brief description of the parameters used in the calculation of the *oil and gas metric*, and
- (b) states that the *oil and gas metric* does not have any standardized meaning and should not be used to make comparisons.

5.15 Repealed

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5.16 Restricted Disclosure: Summation of *Resource Categories*

(1) A *reporting issuer* must not disclose a summation of an estimated quantity, or estimated value, of two or more of the following:

- (a) *reserves*;
- (b) *contingent resources*;
- (c) *prospective resources*;
- (d) the unrecoverable portion of *discovered petroleum initially-in-place*;
- (e) the unrecoverable portion of *undiscovered petroleum initially-in-place*;
- (f) *discovered petroleum initially-in-place*; and
- (g) *undiscovered petroleum initially-in-place*.

(2) Despite subsection (1), a *reporting issuer* may disclose an estimate of *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place* if the *reporting issuer* includes, proximate to that disclosure, an estimate of each of the following, as applicable:

- (a) *reserves*;
- (b) *contingent resources*;
- (c) *prospective resources*;
- (d) the commercial portion of *discovered petroleum initially-in-place*;
- (e) the sub-commercial portion of *discovered petroleum initially-in-place*;
- (f) the unrecoverable portion of *discovered petroleum initially-in-place*;
- (g) the unrecoverable portion of *undiscovered petroleum initially-in-place*;
- (h) *discovered petroleum initially-in-place*; and
- (i) *undiscovered petroleum initially-in-place*.

(3) A *reporting issuer* may disclose an estimate of *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place* as the most specific category that it can assign to its *resources* if, proximate to its disclosure, the *reporting issuer*:

- (a) explains why *total petroleum initially-in-place*, *discovered petroleum initially-in-place* or *undiscovered petroleum initially-in-place*, as the case may be, is the most specific assignable category; and
- (b) includes:
 - (i) in the case of disclosure of *discovered petroleum initially-in-place*, the cautionary statement required by clause 5.9(2)(d)(v)(A); or
 - (ii) in the case of disclosure of *total petroleum initially-in-place* or *undiscovered petroleum initially-in-place*, the cautionary statement required by clause 5.9(2)(d)(v)(B).

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5.17 Disclosure of High-Case Estimates of *Reserves* and of *Resources* other than *Reserves*

- (1) If a *reporting issuer* discloses an estimate of *proved* plus *probable* plus *possible reserves*, the *reporting issuer* must also disclose the corresponding estimates of *proved* and *proved plus probable reserves* or of *proved* and *probable reserves*.
- (2) If a *reporting issuer* discloses a high-case estimate of *resources* other than *reserves*, the *reporting issuer* must also disclose the corresponding low and best-case estimates.

5.18 Supplementary Disclosure of *Resources* Using Evaluation Standards other than the *COGE Handbook*

- (1) A *reporting issuer* may supplement disclosure provided in accordance with section 5.2, 5.3 or 5.9 with an estimate of the volume or the value of *resources* prepared in accordance with an alternative *resources* evaluation standard that
 - (a) has a comprehensive framework for the evaluation of *resources*,
 - (b) defines *resources* using terminology and categories in a manner that is consistent with the terminology and categories of the *COGE Handbook*,
 - (c) has a scientific basis, and
 - (d) requires that estimates of volume and value of *resources* be based on reasonable assumptions.
- (2) If disclosure is made under subsection (1) and that disclosure is required under the laws of or by a *foreign jurisdiction*, the *reporting issuer* must, proximate to the disclosure,
 - (a) disclose the *effective date* of the estimate,
 - (b) describe any significant differences, and the reasons those differences exist, between the estimate prepared in accordance with the alternative *resources* evaluation standard and the estimate prepared in accordance with the *COGE Handbook*, and
 - (c) include a reference to the location on the *SEDAR* website of the estimate prepared
 - (i) in accordance with section 5.2, 5.3 or 5.9, as applicable, and
 - (ii) at the same effective date as the alternative disclosure.
- (3) If disclosure is made under subsection (1) and the disclosure is not required by a *foreign jurisdiction*, the *reporting issuer* must, proximate to the disclosure,
 - (a) disclose the *effective date* of the estimate,
 - (b) provide a description of the alternative *resources* evaluation standard,
 - (c) describe any significant differences, and the reasons those differences exist, between the estimate prepared in accordance with the alternative *resources* evaluation standard and the estimate prepared in accordance with the *COGE Handbook*, and

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- (d) disclose the estimate prepared
 - (i) in accordance with section 5.2, 5.3 or 5.9, as applicable, and
 - (ii) at the same *effective date* as the disclosure provided under subsection (1).

(4) An estimate under subsection (1) must have been prepared or *audited* by a *qualified reserves evaluator or auditor*

PART 6 MATERIAL CHANGE DISCLOSURE AND CEASING TO ENGAGE IN OIL AND GAS ACTIVITIES

6.1 Material Change from Information Filed under Part 2

(1) This section applies in respect of a material change that, had it occurred on or before the *effective date* of information included in the statement most recently filed by a *reporting issuer* under item 1 of section 2.1, would have resulted in a significant change in the information contained in the statement.

(2) In addition to any other requirement of *securities legislation* governing disclosure of a material change, disclosure of a material change referred to in subsection (1) must discuss the *reporting issuer's* reasonable expectation of how the material change has affected its *reserves* data or other information:

- (a) Repealed (December 27, 2007).
- (b) Repealed (December 27, 2007).

6.2 Ceasing to Engage in Oil and Gas Activities - A *reporting issuer* must file with the *securities regulatory authority* a notice prepared in accordance with *Form 51-101F5* not later than 10 days after ceasing to be engaged, directly or indirectly, in *oil and gas activities*.

PART 7 OTHER INFORMATION

7.1 Information to be Furnished on Request - A *reporting issuer* must, on the request of the *regulator*, deliver additional information with respect to the content of a document filed under this *Instrument*.

PART 8 EXEMPTIONS

8.1 Authority to Grant Exemption

- (1) The *regulator* or the *securities regulatory authority* may grant an exemption from this *Instrument*, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario only the *regulator* may grant an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions*, opposite the name of the local jurisdiction.

8.2 Exemption for Certain Exchangeable Security Issuers

- (1) An exchangeable security issuer, as defined in subsection 13.3(1) of *NI 51-102*, is exempt from this *Instrument* if all of the requirements of subsection 13.3(2) of *NI 51-102* are satisfied.
- (2) For the purposes of subsection (1), the reference to “continuous disclosure documents” in clause 13.3(2)(d)(ii)(A) of *NI 51-102* includes documents filed under this *Instrument*.

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PART 9 INSTRUMENT IN FORCE

9.1 Coming Into Force - This Instrument comes into force on September 30, 2003.

9.2 Repealed (December 30, 2010).

FORM 51-101F1
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION

This is the form referred to in item 1 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”).

GENERAL INSTRUCTIONS

- (1) *Terms for which a meaning is given in NI 51-101 have the same meaning in this Form 51-101F1.*
- (2) *Unless otherwise specified in this Form 51-101F1, information under item 1 of section 2.1 of NI 51-101 must be provided as at the last day of the reporting issuer’s most recent financial year or for the financial year then ended.*
- (3) *It is not necessary to include the headings or numbering, or to follow the ordering of Items, in this Form 51-101F1. Information may be provided in tables.*
- (4) *To the extent that any Item or any component of an Item specified in this Form 51-101F1 does not apply to a reporting issuer and its activities and operations, or is not material, no reference need be made to that Item or component. It is not necessary to state that such an Item or component is “not applicable” or “not material”. Materiality is discussed in NI 51-101 and Companion Policy 51-101CP.*
- (5) *This Form 51-101F1 sets out minimum requirements. A reporting issuer may provide additional information not required in this Form 51-101F1 provided that it is not misleading and not inconsistent with the requirements of NI 51-101, and provided that material information required to be disclosed is not omitted, and that contingent resource data and prospective resource data only appears in an appendix to Form 51-101F1.*
- (6) *A reporting issuer may satisfy the requirement of this Form 51-101F1 for disclosure of information “by country” by instead providing information by foreign geographic area in respect of countries outside North America as may be appropriate for meaningful disclosure in the circumstances.*
- (7) *A reporting issuer disclosing financial information in a currency other than the Canadian dollar must, clearly and as frequently as is necessary to avoid confusing or misleading readers, disclose the currency in which the financial information is disclosed.*
- (8) *The COGE Handbook provides guidance about reporting using units of measurement. Reporting issuers should not, without compelling reason, switch between imperial units of measure (such as barrels) and Système International (SI) units of measurement (such as tonnes) within or between disclosure documents.*

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PART 1 DATE OF STATEMENT

Item 1.1 Relevant Dates

1. Date the statement.
2. Disclose the effective date of the information being provided.
3. Disclose the preparation date of the information being provided.

INSTRUCTIONS:

(1) *For the purpose of Part 2 of NI 51-101, and consistent with General Instruction (2) of this Form 51-101F1, the **effective date** to be disclosed under section 2 of Item 1.1 is the last day of the **reporting issuer's** most recent financial year.*

(2) *The same effective date applies to **reserves** of each category reported and to related **future net revenue**. References to a change in an item of information, such as changes in **production** or a change in reserves, mean changes in respect of that item during the year ended on the **effective date**.*

(3) *The **preparation date**, in respect of written disclosure, means the most recent date to which information relating to the period ending on the **effective date** was considered in the preparation of the disclosure. The **preparation date** is a date subsequent to the **effective date** because it takes time after the end of the financial year to assemble the information for that completed year that is needed to prepare the required disclosure as at the end of the financial year.*

(4) *Because of the interrelationship between certain of the **reporting issuer's reserves data** and other information referred to in this Form 51-101F1 and certain of the information included in its financial statements, the **reporting issuer** should ensure that its financial statement auditor and its **qualified reserves evaluators or auditors** are kept apprised of relevant events and transactions, and should facilitate communication between them.*

(5) *If the **reporting issuer** provides information as at a date more recent than the **effective date**, in addition to the information required as at the **effective date**, also disclose the date as at which that additional information is provided. The provision of such additional information does not relieve the **reporting issuer** of the obligation to provide information as at the **effective date**.*

PART 2 DISCLOSURE OF RESERVES DATA

Item 2.1 Reserves Data (Forecast Prices and Costs)

1. Breakdown of Reserves (Forecast Case) - Disclose, by country and in the aggregate, *reserves, gross and net*, estimated using *forecast prices and costs*, for each *product type*, in the following categories:
 - (a) *proved developed producing reserves;*
 - (b) *proved developed non-producing reserves;*
 - (c) *proved undeveloped reserves;*
 - (d) *proved reserves (in total);*

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- (e) *probable reserves* (in total);
- (f) *proved plus probable reserves* (in total); and
- (g) if the *reporting issuer* discloses an estimate of *possible reserves* in the statement:
 - (i) *possible reserves* (in total); and
 - (ii) *proved plus probable plus possible reserves* (in total).

2. Net Present Value of Future Net Revenue (Forecast Case) - Disclose, by country and in the aggregate, the net present value of *future net revenue* attributable to the *reserves* categories referred to in section 1 of this Item, estimated using *forecast prices and costs*, before and after deducting *future income tax expenses*, calculated without discount and using discount rates of 5 percent, 10 percent, 15 percent and 20 percent. Also disclose the same information on a unit value basis (e.g., \$/Mcf or \$/bbl using *net reserves*) using a discount rate of 10 percent and calculated before deducting *future income tax expenses*. This unit value disclosure requirement may be satisfied by including the unit value disclosure for each category of *proved reserves* and for *probable reserves* in the disclosure referred to in paragraph 3(c) of Item 2.1.

3. Additional Information Concerning Future Net Revenue (Forecast Case)

- (a) This section 3 applies to *future net revenue* attributable to each of the following *reserves* categories estimated using *forecast prices and costs*:
 - (i) *proved reserves* (in total);
 - (ii) *proved plus probable reserves* (in total); and
 - (iii) if paragraph 1(g) of this Item applies, *proved plus probable plus possible reserves* (in total).
- (b) Disclose, by country and in the aggregate, the following elements of future net revenue estimated using forecast prices and costs and calculated without discount:
 - (i) revenue;
 - (ii) royalties;
 - (iii) *operating costs*;
 - (iv) *development costs*;
 - (v) *abandonment and reclamation costs*;
 - (vi) *future net revenue* before deducting *future income tax expenses*;
 - (vii) *future income tax expenses*; and
 - (viii) *future net revenue* after deducting *future income tax expenses*.
- (c) Disclose, by *product type*, in each case with associated *by-products*, and on a unit value basis for each *product type*, in each case with associated *by-products* (e.g., \$/Mcf or \$/bbl using *net reserves*), the net present value of *future net revenue* (before deducting *future income tax expenses*) estimated using *forecast prices and costs* and calculated using a discount rate of 10 percent.

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INSTRUCTIONS

- (1) *Disclose all of the **reserves** in respect of which the **reporting issuer** has a direct or indirect ownership, working or royalty interest. These concepts are explained in sections 5.5.4(a) "Ownership Considerations" and 7.5 "Interests" of volume 1 of the **COGE Handbook**, section 5.2 "Ownership Considerations" of volume 2 of the **COGE Handbook** and, with respect to an entitlement to share **production** under a **production** sharing agreement, section 4.0 "Fiscal Regimes" of the chapter entitled "Reserves Recognition For International Properties" of volume 3 of the **COGE Handbook**.*
- (2) *Do not include, in the **reserves data** a **product type** that is subject to purchase under a long-term supply, purchase or similar agreement. However, if the **reporting issuer** is a party to such an agreement with a government or governmental authority, and participates in the operation of the **properties** in which the **product type** is situated or otherwise serves as producer of the **reserves** (in contrast to being an independent purchaser, broker, dealer or importer), disclose separately the **reporting issuer's** interest in the **reserves** that are subject to such agreements at the **effective date** and the **net** quantity of the **product type** received by the **reporting issuer** under the agreement during the year ended on the **effective date**.*
- (3) ***Future net revenue** includes the portion attributable to the **reporting issuer's** interest under an agreement referred to in Instruction (2).*
- (4) *If the **reporting issuer's** disclosure of **reserves** would, to a reasonable person, be misleading, if stated without an explanation of the **reporting issuer's** ownership of or control over those **reserves**, explain the nature of the **reporting issuer's** ownership of or control over **reserves** disclosed in the statement filed or to be filed under item 1 of section 2.1 of **NI 51-101***

Item 2.2 Supplementary Disclosure (Constant Prices and Costs)

The *reporting issuer* may supplement its disclosure of *reserves data* under Item 2.1 by also disclosing estimates of *reserves*, *resources* other than *reserves*, or both, together with estimates of associated *future net revenue*, determined using constant prices and costs rather than *forecast prices and costs* for each applicable product type.

INSTRUCTION:

For this purpose:

- (a) *a constant price is:*
 - (i) *if the **reporting issuer** is legally bound to supply the product at a particular price, that price; or*
 - (ii) *in every other case, the price that is the unweighted arithmetic average of the first-day-of-the-month price for that product for each of the 12 months preceding the effective date; and*
- (b) *the costs to be used are to be reasonably estimated on the basis of existing economic conditions without escalation or adjustment for inflation.*

Item 2.3 Repealed

Item 2.4 Repealed

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PART 3 PRICING ASSUMPTIONS

Item 3.1 Constant Prices Used in Supplementary Estimates

If supplementary disclosure under Item 2.2 is made, the *reporting issuer* must disclose, for each *product type*, the constant price used.

Item 3.2 Forecast Prices Used in Estimates

1. For each *product type*, disclose:
 - (a) the pricing assumptions used in estimating *reserves data* disclosed in response to Item 2.1:
 - (i) for each of at least the following five financial years; and
 - (ii) generally, for subsequent periods; and
 - (b) the *reporting issuer's* weighted average historical prices for the most recent financial year.
2. The disclosure in response to section 1 must include the benchmark reference pricing schedules for the countries or regions in which the *reporting issuer* operates, and inflation and other forecast factors used.
3. If the pricing assumptions specified in response to section 1 were provided by a *qualified reserves evaluator or auditor* who is *independent* of the *reporting issuer*, disclose that fact and identify the *qualified reserves evaluator or auditor*.

INSTRUCTIONS:

- (1) *Benchmark reference prices may be obtained from sources such as public product trading exchanges or prices posted by purchasers.*
- (2) *The defined term “forecast prices and costs” includes any fixed or presently determinable future prices or costs to which the **reporting issuer** is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended. In effect, such contractually committed prices override benchmark reference prices for the purpose of estimating **reserves data**. To ensure that disclosure under this Part is not misleading, the disclosure should reflect such contractually committed prices.*
- (3) Repealed

PART 4 RECONCILIATION OF CHANGES IN RESERVES

Item 4.1 Reserves Reconciliation

1. Provide the information specified in section 2 of this Item in respect of the following *reserves* categories:
 - (a) *gross proved reserves* (in total);
 - (b) *gross probable reserves* (in total); and
 - (c) *gross proved plus probable reserves* (in total).

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2. Disclose changes between the *reserves* estimates made as at the *effective date* and the corresponding estimates (“prior-year estimates”) made as at the last day of the preceding financial year of the *reporting issuer*:

- (a) by country;
- (b) for each of the following:
 - (i) *bitumen*;
 - (ii) *coal bed methane*;
 - (iii) *conventional natural gas*;
 - (iv) *gas hydrates*;
 - (v) *heavy crude oil*;
 - (vi) *light crude oil* and *medium crude oil* combined;
 - (vii) *natural gas liquids*;
 - (viii) *shale gas*;
 - (ix) *synthetic crude oil*;
 - (x) *synthetic gas*;
 - (xi) *tight oil*;
- (c) separately identifying and explaining each of the following:
 - (i) extensions and improved recovery;
 - (ii) technical revisions;
 - (iii) discoveries;
 - (iv) acquisitions;
 - (v) dispositions;
 - (vi) economic factors;
 - (vii) *production*.

INSTRUCTIONS:

- (1) *The reconciliation required under this Item 4.1 must be provided in respect of **reserves** estimated using **forecast prices and costs**, with the price and cost case indicated in the disclosure.*
- (2) *For the purpose of this Item 4.1, it is sufficient to provide the information in respect of the products specified in paragraph 2(b), excluding **solution gas, natural gas liquids** and other associated by-products.*

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(3) The **COGE Handbook** provides guidance on the preparation of the reconciliation required under this Item 4.1.

(4) **Reporting issuers** must not include infill drilling **reserves** in the category of technical revisions specified in clause 2(c)(ii). **Reserves** additions from infill drilling must be included in the category of extensions and improved recovery in clause 2(c)(i) (or, alternatively, in an additional separate category under paragraph 2(c) labelled “infill drilling”).

(5) If the **reporting issuer** first became engaged in **oil and gas activities** only after the last day of its preceding financial year and no evaluation report in respect of its **reserves** as at that date is available to the **reporting issuer**, so that there is no opening data to be reconciled, the **reporting issuer** need not provide the reconciliation otherwise required under this Part but must disclose the reason for its absence.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Item 5.1 Undeveloped Reserves

1. For proved undeveloped reserves:
 - (a) disclose for each *product type* the volumes of *proved undeveloped reserves* that were first attributed in each of the most recent three financial years; and
 - (b) discuss generally the basis on which the *reporting issuer* attributes *proved undeveloped reserves*, its plans (including timing) for developing the *proved undeveloped reserves* and, if applicable, its reasons for deferring the development of particular *proved undeveloped reserves* beyond two years.
2. For probable undeveloped reserves:
 - (a) disclose for each *product type* the volumes of *probable undeveloped reserves* that were first attributed in each of the most recent three financial years; and
 - (b) discuss generally the basis on which the *reporting issuer* attributes *probable undeveloped reserves*, its plans (including timing) for developing the *probable undeveloped reserves* and, if applicable, its reasons for deferring the development of particular *probable undeveloped reserves* beyond two years.

INSTRUCTIONS

(1) The phrase “first attributed” refers to the initial allocation of an undeveloped volume of **oil** or **gas reserves** by a **reporting issuer**. Only previously unassigned undeveloped volumes of **oil** or **gas reserves** may be included in the first attributed volumes for the applicable financial year. For example, if in 2011 a **reporting issuer** allocated by way of acquisition, discovery, extension and improved recovery 300 MMcf of **proved undeveloped conventional natural gas reserves**, that would be the first attributed volume for 2011.

(2) The discussion of a **reporting issuer’s** plans for developing **undeveloped reserves**, or the **reporting issuer’s** reasons for deferring the development of **undeveloped reserves**, must enable a reasonable investor to assess the efforts made by the **reporting issuer** to convert **undeveloped reserves** to **developed reserves**.

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Item 5.2 Significant Factors or Uncertainties Affecting *Reserves Data*

Identify and discuss significant economic factors or significant uncertainties that affect particular components of the *reserves data*.

INSTRUCTIONS

(1) A **reporting issuer** must, under this Item, include a discussion of any significant **abandonment and reclamation costs**, unusually high expected **development costs** or operating costs, or contractual obligations to **produce** and sell a significant portion of **production** at prices substantially below those which could be realized but for those contractual obligations.

(2) If the information required by this Item is presented in the **reporting issuer's** financial statements and notes thereto for the most recent financial year ended, the **reporting issuer** satisfies this Item by directing the reader to that presentation.

Item 5.3 Future Development Costs

1. (a) Provide the information specified in paragraph 1(b) in respect of *development costs* deducted in the estimation of *future net revenue* attributable to each of the following *reserves* categories:

(i) *proved reserves* (in total) estimated using *forecast prices and costs*; and

(ii) *proved plus probable reserves* (in total) estimated using *forecast prices and costs*.

(b) Disclose, by country, the amount of *development costs* estimated:

(i) in total, calculated using no discount; and

(ii) by year for each of the first five years estimated.

2. Discuss the *reporting issuer's* expectations as to:

(a) the sources (including internally-generated cash flow, debt or equity financing, farm-outs or similar arrangements) and costs of funding for estimated future *development costs*; and

(b) the effect of those costs of funding on disclosed *reserves* or *future net revenue*.

3. If the *reporting issuer* expects that the costs of funding referred to in section 2, could make development of a *property* uneconomic for that *reporting issuer*, disclose that expectation and its plans for the *property*.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

1. Identify and describe generally the *reporting issuer's* important *properties*, plants, facilities and installations:

(a) identifying their location (province, territory or state if in Canada or the United States, and country otherwise);

(b) indicating whether they are located onshore or offshore;

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(c) in respect of properties to which reserves have been attributed and which are capable of producing but which are not producing, disclosing how long they have been in that condition and discussing the general proximity of pipelines or other means of transportation; and

(d) describing any statutory or other mandatory relinquishments, surrenders, back-ins or changes in ownership.

2. State, separately for *oil* wells and *gas* wells, the number of the *reporting issuer's* producing wells and non-producing wells, expressed in terms of both *gross* wells and *net* wells, by location (province, territory or state if in Canada or the United States, and country otherwise).

Item 6.2 Properties With No Attributed Reserves

1. For *unproved properties* disclose:

(a) the *gross* area (acres or hectares) in which the *reporting issuer* has an interest;

(b) the interest of the reporting issuer therein expressed in terms of net area (acres or hectares);

(c) the location, by country; and

(d) the existence, nature (including any bonding requirements), timing and cost (specified or estimated) of any work commitments.

2. Disclose, by country, the *net* area (acres or hectares) of *unproved property* for which the *reporting issuer* expects its rights to explore, develop and exploit to expire within one year.

INSTRUCTION:

*If the **reporting issuer** holds interests in different formations under the same surface area pursuant to separate leases, disclose the method of calculating the **gross** and **net** area. A general description of the method of calculating the disclosed area will suffice.*

Item 6.2.1 Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

Identify and discuss significant economic factors or significant uncertainties that have affected or are reasonably expected to affect the anticipated development or production activities on *properties* with no attributed reserves.

INSTRUCTIONS

(1) A **reporting issuer** must, under this Item, include a discussion of any significant **abandonment and reclamation costs**, unusually high expected **development costs** or **operating costs**, or contractual obligations to **produce** and sell a significant portion of **production** at prices substantially below those which could be realized but for those contractual obligations.

(2) If the information required by this Item is presented in the **reporting issuer's** financial statements and notes thereto for the most recent financial year ended, the **reporting issuer** satisfies this Item by directing the reader to that presentation.

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Item 6.3 Forward Contracts

1. If the *reporting issuer* is bound by an agreement (including a transportation agreement), directly or through an aggregator, under which it may be precluded from fully realizing, or may be protected from the full effect of, future market prices for *oil* or *gas*, describe generally the agreement, discussing dates or time periods and summaries or ranges of volumes and contracted or reasonably estimated values.
2. A *reporting issuer* may satisfy the requirement in section 1 by including the information required by that section in its financial statements for the financial year ended on the *effective date*.
3. If the *reporting issuer's* transportation obligations or commitments for future physical deliveries of *oil* or *gas* exceed the *reporting issuer's* expected related future *production* from its *proved reserves*, estimated using *forecast prices and costs* and disclosed under Part 2, discuss such excess, giving information about the amount of the excess, dates or time periods, volumes and reasonably estimated value.

Item 6.4 Repealed

Item 6.5 Tax Horizon

If the *reporting issuer* is not required to pay income taxes for its most recently completed financial year, discuss its estimate of when income taxes may become payable.

Item 6.6 Costs Incurred

Disclose by country for the most recent financial year ended each of the following:

- (a) *property acquisition costs*, separately for *proved properties* and *unproved properties*;
- (b) *exploration costs*;
- (c) *development costs*.

INSTRUCTION

*If the costs specified in paragraphs (a), (b) and (c) are presented in the **reporting issuer's** financial statements and the notes to those statements for the most recent financial year ended, the **reporting issuer** satisfies this Item by directing the reader to that presentation.*

Item 6.7 Exploration and Development Activities

1. Disclose, by country and separately for *exploratory wells* and *development wells*:
 - (a) the number of *gross wells* and *net wells* completed in the *reporting issuer's* most recent financial year; and
 - (b) for each category of wells for which information is disclosed under paragraph (a), the number completed as *oil wells*, *gas wells*, *service wells* and *stratigraphic test wells* and the number that were dry holes.
2. Describe generally the *reporting issuer's* most important current and likely exploration and development activities, by country.

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Item 6.8 Production Estimates

1. Disclose, by country, for each *product type*, the volume of *production* estimated for the first year reflected in the estimates of *gross proved reserves* and *gross probable reserves* disclosed under Item 2.1.
2. If one *field* accounts for 20 percent or more of the estimated *production* disclosed under section 1, identify that *field* and disclose the volume of *production* estimated for the *field* for that year.

Item 6.9 Production History

1. Disclose, for each quarter of its most recent financial year, by country for each *product type*:
 - (a) the *reporting issuer's* share of average *gross* daily *production* volume; and
 - (b) as an average per unit of volume (for example, \$/*bbl* or \$/*Mcf*):
 - (i) the prices received;
 - (ii) royalties paid;
 - (iii) *production costs*; and
 - (iv) the resulting netback.
2. For each important *field*, and in total, disclose the *reporting issuer's* *production* volumes for the most recent financial year, for each *product type*.

INSTRUCTION:

*In providing information for each **product type** for the purpose of Item 6.9, it is not necessary to allocate among multiple **product types** attributable to a single well, **reservoir** or other **reserves** entity. It is sufficient to provide the information in respect of the principal **product type** attributable to the well, **reservoir** or other **reserves** entity. Resulting netbacks may be disclosed on the basis of units of equivalency between **oil** and **gas** (e.g. **BOE**) but if so that must be made clear and disclosure must comply with section 5.14 of **NI 51-101**.*

PART 7 OPTIONAL DISCLOSURE OF CONTINGENT RESOURCES DATA AND PROSPECTIVE RESOURCES DATA

INSTRUCTIONS

- (1) *A **reporting issuer** may disclose **contingent resources data** or **prospective resources data** in a statement of the **reserves data** and other information filed under item 1 of section 2.1 of **NI 51-101**, however, that data must only be disclosed as an appendix to that statement.*
- (2) *The following cautionary statement must be included in bold font and appear proximate to the **risked** net present value of **future net revenue** associated with **contingent resources** or **prospective resources**:*

An estimate of risked net present value of future net revenue of [contingent resources][and][prospective resources] is preliminary in nature and is provided to assist the reader in reaching an opinion on the merit and likelihood of the company proceeding with the required investment. It includes [contingent resources][and][prospective resources] that are considered too uncertain with respect to the [chance of development][and][chance of discovery] to be classified as reserves. There is uncertainty that the risked net present value of future net revenue will be realized.

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(3) A **reporting issuer** may not rely on subsection 5.9(3) of **NI 51-101** for disclosure required to be included in this Part.

(4) If a **reporting issuer's** disclosure of **contingent resources** or **prospective resources** would, to a reasonable person, be misleading if not accompanied by an explanation of the **reporting issuer's** ownership of or control over those **resources**, explain the nature of the **reporting issuer's** ownership of or control over all **contingent resources** and **prospective resources** disclosed in the statement filed or to be filed under item 1 of section 2.1 of **NI 51-101**.

(5) A **reporting issuer's** disclosure respecting the value of **prospective resources** or **contingent resources** that are not in the **development pending project maturity sub-class** must be **risked** and must include an explanation of the factors considered respecting the **chance of commerciality**, which includes both **chance of discovery** and **chance of development** in the case of **prospective resources** and **chance of development** in the case of **contingent resources**.

GUIDANCE

(1) A **reporting issuer** is subject to sections 5.9 and 5.17 of **NI 51-101** when providing disclosure of **contingent resources data** or **prospective resources data** in this **Form**.

(2) A **reporting issuer** providing disclosure of **contingent resources data** or **prospective resources data** in this **Form** must have an evaluation process for **contingent resources** or **prospective resources** that

- (a) is at least as rigorous as would be the case for **reserves data**; and
- (b) is recognized as well-established in the oil and gas industry.

(3) An evaluation process described in subsection (2) is not needed if a reasonable **qualified evaluator or auditor** would conclude that it is not necessary in the circumstances.

(4) All public disclosure by **reporting issuers** is subject to the general prohibition against misleading statements. The disclosure of development on-hold, development unclarified or development not viable **contingent resources**, or **prospective resources**, in the statement of **reserves data** and other oil and gas information might be misleading where there is a significant degree of uncertainty and risk associated with those estimates.

Item 7.1 Contingent Resources Data

1. If a **reporting issuer** discloses **contingent resources** in the statement filed under item 1 of section 2.1 of **NI 51-101**, the **reporting issuer** must disclose all of the following:

- (a) the **risked 2C contingent resources volumes**, gross and net, for each **product type**, and classified in each applicable **project maturity sub-class**;
- (b) if **contingent resources** in the **development pending project maturity sub-class** are disclosed, the **risked net present value of future net revenue** of the **2C contingent resources** in the **development pending project maturity sub-class**, calculated using **forecast prices and costs** for each **product type**, before deducting **future income taxes** and using discount rates of 0 percent, 5 percent, 10 percent, 15 percent and 20 percent.

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2. Disclose the numeric value of the chance of development risk and describe the method of all of the following:

- (a) quantifying the chance of development risk;
- (b) estimating the contingent resources adjusted for chance of development risk and the associated risked net present value of future net revenue.

Item 7.2 Prospective Resources Data

1. If a reporting issuer discloses prospective resources in the statement filed under item 1 of section 2.1 of NI 51-101, disclose the best estimate prospective resources, gross and net, for each product type.

2. Disclose the numeric value of the chance of discovery and chance of development and describe the method of all of the following:

- (a) quantifying the chance of discovery and chance of development;
- (b) estimating the prospective resources adjusted for chance of discovery and chance of development.

Item 7.3 Forecast Prices Used in Estimates

1. For each product type, disclose the pricing assumptions used in estimating contingent resources data and prospective resources data disclosed in response to Item 7.1 for each of the five years following the most recently completed financial year.

2. The disclosure in response to section 1 must include the benchmark reference pricing schedules for the countries or regions in which the reporting issuer operates, and inflation and other forecast factors used.

3. The pricing assumptions included in section 1 must be the same as the pricing assumptions disclosed in response to Part 3 of this Form 51-101F1.

INSTRUCTIONS

(1) Benchmark reference prices may be obtained from sources such as public product trading exchanges or prices posted by purchasers.

(2) The defined term 'forecast prices and costs' includes any fixed or presently determinable future prices or costs to which the reporting issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended. Such contractually committed prices must be used, instead of benchmark reference prices for the purpose of estimating contingent resources data and prospective resources data, unless a reasonable investor would find the use those contractually committed prices misleading.

Item 7.4 Supplemental Contingent Resources Data

The reporting issuer may supplement its disclosure of contingent resources data under Item 7.1 by also disclosing estimates of contingent resources together with estimates of associated risked net present value of future net revenue, determined using constant prices and costs rather than forecast prices and costs for each applicable product type.

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FORM 51-101F2

***REPORT ON [RESERVES DATA][,][CONTINGENT RESOURCES DATA]
[AND] [PROSPECTIVE RESOURCES DATA]***

***BY
INDEPENDENT QUALIFIED RESERVES
EVALUATOR OR AUDITOR***

This is the form referred to in item 2 of section 2.1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (“NI 51-101”).

1. Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.
2. The report on reserves data, contingent resources data or prospective resources data, if applicable, referred to in item 2 of section 2.1 of NI 51-101, to be executed by one or more qualified reserves evaluators or auditors independent of the reporting issuer, must in all material respects be in the following form:

Report on [Reserves Data][,][Contingent Resources Data][and][Prospective Resources Data] by Independent Qualified Reserves Evaluator or Auditor

To the board of directors of [name of reporting issuer] (the “Company”):

1. We have [audited][,][and][evaluated][or reviewed] the Company’s [reserves data][,][contingent resources data][and][prospective resources data] as at [last day of the reporting issuer’s most recently completed financial year]. [If the Company has reserves, include the following sentence: The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at [last day of the reporting issuer’s most recently completed financial year], estimated using forecast prices and costs.] [If the Company has disclosed contingent resources data or prospective resources data, include the following sentence: The [contingent resources data] [and] [prospective resources data] are risked estimates of volume of [contingent resources][and][prospective resources] and related risked net present value of future net revenue as at [last day of the reporting issuer’s most recently completed financial year], estimated using forecast prices and costs.]
2. The [reserves data][,][contingent resources data][and][prospective resources data] are the responsibility of the Company’s management. Our responsibility is to express an opinion on the [reserves data][,][contingent resources data][and][prospective resources data] based on our [audit][,][and][evaluation][and review].

We carried out our [audit][,][and][evaluation][and review] in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the “COGE Handbook”) maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

3. Those standards require that we plan and perform an [audit][,][and][evaluation][and review] to obtain reasonable assurance as to whether the [reserves data][,][contingent resources data][and][prospective resources data] are free of material misstatement. An [audit][,][and][evaluation][and review] also includes assessing whether the [reserves data] [,][contingent resources data][and][prospective resources data] are in accordance with principles and definitions presented in the COGE Handbook.

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4. [If the Company has reserves, include this paragraph:] The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company [audited][,][and][evaluated][and reviewed] for the year ended [last day of the reporting issuer's most recently completed financial year], and identifies the respective portions thereof that we have [audited][,][and] [evaluated] [and reviewed] and reported on to the Company's [management/board of directors]:

| Independent Qualified Reserves Evaluator or Auditor | Effective Date of [Audit/ Evaluation/ Review] Report | Location of Reserves (Country or Foreign Geographic Area) | Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) | | | |
|--|---|--|---|-----------|----------|-------|
| | | | Audited | Evaluated | Reviewed | Total |
| Evaluator A | xxx xx, 20xx | Xxxx | \$xxx | \$xxx | \$xxx | \$xxx |
| Evaluator B | xxx xx, 20xx | Xxxx | \$xxx | \$xxx | \$xxx | \$xxx |
| Totals | | | \$xxx | \$xxx | \$xxx | \$xxx |

5. [If the Company has disclosed contingent resources data or prospective resources data, include this paragraph and the tables:] The following tables set forth the risked volume and risked net present value of future net revenue of [contingent resources][and][prospective resources] (before deduction of income taxes) attributed to [contingent resources][and][prospective resources], estimated using forecast prices and costs and calculated using a discount rate of 10%, included in the Company's statement prepared in accordance with Form 51-101F1 and identifies the respective portions of the [contingent resources data][and][prospective resources data] that we have [audited][and][evaluated] and reported on to the Company's [management/board of directors]:

| Classification | Independent Qualified Reserves Evaluator or Auditor | Effective Date of [Audit/ Evaluation] Report | Location of Resources Other than Reserves (Country or Foreign Geographic Area) | Risked Volume | Risked Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) | | |
|--|---|--|---|------------------|--|-----------|-------|
| | | | | | Audited | Evaluated | Total |
| Development Pending Contingent Resources (2C) | Evaluator | xxx xx, 20xx | xxxx | xxx | \$xxx | \$xxx | \$xxx |

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| Classification | Independent Qualified Reserves Evaluator or Auditor | Effective Date of [Audit/Evaluation] Report | Location of Resources Other than Reserves (Country or Foreign Geographic Area) | Risk Volume |
|--|---|---|---|----------------|
| Prospective Resources | Evaluator | xxx xx, 20xx | xxxx | xxx |
| Contingent Resources | Evaluator | xxx xx, 20xx | xxxx | xxx |
| [project maturity sub-classes other than Development Pending] | | | | |

6. In our opinion, the [reserves data][,][contingent resources data][and][prospective resources data] respectively [audited][and][evaluated] by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the [reserves data][,][contingent resources data][and] [prospective resources data] that we reviewed but did not audit or evaluate.

7. We have no responsibility to update our reports referred to in paragraph[s] [4] [and][4.1] for events and circumstances occurring after the effective date of our reports.

8. Because the [reserves data][,][contingent resources data][and][prospective resources data] are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Evaluator A, City, Province or State / Country, Execution Date _____
[signed]

Evaluator B, City, Province or State / Country, Execution Date _____
[signed]

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FORM 51-101F3

***REPORT OF MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE***

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”).

1. Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.
2. The report referred to in item 3 of section 2.1 of NI 51-101 must in all material respects be in the following form:

**Report of Management and Directors
on Reserves Data and Other Information**

Management of [name of reporting issuer] (the ‘Company’) are responsible for the preparation and disclosure of information with respect to the Company’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data [and includes, if disclosed in the statement required by item 1 of section 2.1 of NI 51-101, other information such as contingent resources data or prospective resources data].

[Alternative A: Reserves Data to Report or Contingent Resources Data or Prospective Resources Data to Report]

[An] independent [qualified reserves evaluator[s] or qualified reserves auditor[s]] [has/have] [audited][,][and][evaluated][and reviewed] the Company’s [reserves data] [,][contingent resources data][and][prospective resources data]. The report of the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]] [is presented below / will be filed with securities regulatory authorities concurrently with this report].

The [Reserves Committee of the] board of directors of the Company has

- (a) reviewed the Company’s procedures for providing information to the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]];
- (b) met with the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]] to determine whether any restrictions affected the ability of the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]] to report without reservation [and, in the event of a proposal to change the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]], to inquire whether there had been disputes between the previous independent [qualified reserves evaluator[s] or qualified reserves auditor[s] and management]]; and
- (c) reviewed the [reserves data][,][contingent resources data][and][prospective resources data] with management and the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]].

The [Reserves Committee of the] board of directors has reviewed the Company’s procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has [, on the recommendation of the Reserves Committee,] approved

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- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing [reserves data][,][contingent resources data][and][prospective resources data] and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent [qualified reserves evaluator[s] or qualified reserves auditor[s]] on the reserves data, contingent resources data, or prospective resources data; and
- (c) the content and filing of this report.

Because the [reserves data][,][contingent resources data][and][prospective resources data] are based on judgements regarding future events, actual results will vary and the variations may be material.

[Alternative B: No Reserves to Report and No Resources Other than Reserves to Report]

The [Reserves Committee of the] board of directors of the Company has reviewed the oil and gas activities of the Company and has determined that the Company had no reserves as of [last day of the reporting issuer's most recently completed financial year].

An independent qualified reserves evaluator or qualified reserves auditor has not been retained to evaluate the Company's reserves data. No report of an independent qualified reserves evaluator or qualified reserves auditor will be filed with securities regulatory authorities with respect to the financial year ended on [last day of the reporting issuer's most recently completed financial year].

The [Reserves Committee of the] board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has [, on the recommendation of the Reserves Committee,] approved

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing information detailing the Company's oil and gas activities; and
- (b) the content and filing of this report.

[signature, name and title of chief executive officer]

[signature, name and title of an officer other than the chief executive officer]

[signature, name of a director]

[signature, name of a director]

[Date]

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FORM 51-101F4
NOTICE OF FILING OF 51-101F1 INFORMATION

This is the form referred to in section 2.3 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”).

On [date of SEDAR Filing], [name of reporting issuer] filed its reports under section 2.1 of NI 51-101, which can be found [describe where a copy of the filed information can be found for viewing by electronic means (for example, in the company’s annual information form under the company’s profile on SEDAR at www.sedar.com)]

FORM 51-101F5
NOTICE OF CEASING TO ENGAGE IN OIL AND GAS ACTIVITIES

This is the form referred to in section 6.2 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”).

1. Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.
2. The notice referred to in section 6.2 of NI 51-101 must in all material respects be in the following form:

Notice of Ceasing to Engage in Oil and Gas Activities

Management and the board of directors of [name of reporting issuer] (the “Company”) have determined that as of [date] the Company is no longer engaged, directly or indirectly, in oil and gas activities.

[signature, name and title of chief executive officer]

[signature, name and title of an officer other than the chief executive officer]

[signature, name of a director]

[signature, name of a director]

[Date]

13 Mar 2015 SR 17/2015 s4.

PART XXXII
[clause 2(ff)]

NATIONAL INSTRUMENT 55-103
INSIDER REPORTING FOR CERTAIN DERIVATIVE TRANSACTIONS
(EQUITY MONETIZATION)

Repealed. 19 Mar 2010 SR 11/2010 s6.

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PART XXXIII
[*clause 2(gg)*]

**NATIONAL INSTRUMENT 52-108
AUDITOR OVERSIGHT**

PART 1 DEFINITIONS AND APPLICATION

1 Definitions - In this Instrument:

“**CPAB**” means the Canadian Public Accountability Board/Conseil canadien sur la reddition de comptes, incorporated as a corporation without share capital under the *Canada Corporations Act* by Letters Patent dated April 15, 2003;

“**CPAB rules**” means the rules and bylaws of CPAB, as amended from time to time;

“**participating audit firm**” means a public accounting firm that has entered into a participation agreement and that has not had its participant status terminated or, if its participant status was terminated, the status has been reinstated by CPAB;

“**participation agreement**” means a written agreement between CPAB and a public accounting firm in connection with CPAB’s program of practice inspections and the establishment of practice requirements;

“**professional standards**” means the standards, as amended from time to time, listed in section 300 of CPAB rules that are applicable to participating audit firms;

“**public accounting firm**” means a person or company engaged in the business of providing the services of a public accountant.

PART 2 AUDITOR OVERSIGHT

2 Public Accounting Firms - A public accounting firm that prepares an auditor’s report with respect to the financial statements of a reporting issuer must be, as of the date of the auditor’s report:

- (a) a participating audit firm;
- (b) in compliance with any remedial action referred to in subsection 5(1); and
- (c) in compliance with the notice requirements of subsections 5(1) and (2).

3 Notice to Reporting Issuer if Public Accounting Firm Not in Compliance

(1) If a public accounting firm has been appointed to prepare an auditor’s report with respect to the financial statements of a reporting issuer and, at any time before signing the auditor’s report, the public accounting firm is not in compliance with the requirements of paragraphs 2(a), (b) or (c), the public accounting firm must deliver to the reporting issuer a notice in writing that it is not in compliance within 2 business days of first becoming aware of its non-compliance.

(2) A public accounting firm that previously delivered a notice to a reporting issuer under subsection (1) must not notify the reporting issuer that it is in compliance with paragraph 2(a), (b) or (c) unless the public accounting firm has been informed in writing by CPAB that the circumstances that gave rise to the notice no longer apply.

(3) A public accounting firm must deliver a copy of a notice required under this section to CPAB on the same day that the notice is delivered to the reporting issuer.

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4 Reporting Issuers - A reporting issuer that files its financial statements accompanied by an auditor's report must have the auditor's report prepared by a public accounting firm that, as of the date of the auditor's report:

- (a) is a participating audit firm; and
- (b) has not delivered to the reporting issuer a notice under subsection 3(1) or, if it has delivered to the reporting issuer a notice under subsection 3(1), the public accounting firm has notified the reporting issuer that the circumstances that gave rise to the notice no longer apply.

PART 3 NOTICE

5 Notice of Remedial Action to the Regulator or the Securities Regulatory Authority

(1) A participating audit firm appointed to prepare an auditor's report with respect to the financial statements of a reporting issuer must deliver a notice to the regulator or, in Quebec, the securities regulatory authority, if any of the following occurs:

- (a) CPAB notifies the participating audit firm in writing that it requires the participating audit firm to take one or more of the following remedial actions:
 - (i) terminate an audit engagement;
 - (ii) engage an independent monitor to observe and report to CPAB on the participating audit firm's compliance with professional standards;
 - (iii) engage an external reviewer or supervisor to oversee the work of the participating audit firm;
 - (iv) limit the type or number of new reporting issuer audit clients the participating audit firm may accept;
- (b) CPAB notifies the participating audit firm in writing that it must disclose to the regulator or, in Quebec, the securities regulatory authority, any remedial action not referred to in paragraph (a);
- (c) CPAB publicly discloses a remedial action with which the participating audit firm must comply.

(2) The notice required under subsection (1) must be in writing and must include all of the following:

- (a) how the participating audit firm failed to comply with professional standards;
- (b) the name of each reporting issuer whose audit file was referred to by CPAB in its communications with the participating audit firm as the basis, in whole or in part, for CPAB's conclusion that the participating audit firm failed to comply with professional standards;
- (c) each remedial action that CPAB imposed on the participating audit firm, as described by CPAB;
- (d) the time period within which the participating audit firm must comply with each remedial action, as described by CPAB.

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(3) A participating audit firm must deliver the notice required under subsection (2) to the regulator or, in Quebec, the securities regulatory authority, no later than 2 business days after the date that CPAB notifies the participating audit firm that it must comply with any remedial action under paragraph (1)(a), (b) or (c).

(4) The participating audit firm must deliver a copy of a notice required under this section to CPAB on the same day that the notice is delivered to the regulator or, in Quebec, the securities regulatory authority.

6 Additional Notice Relating to Defects in the System of Quality Control

(1) If CPAB required a participating audit firm to comply with any remedial action relating to a defect in the participating audit firm's system of quality control, and CPAB notifies the participating audit firm in writing that it has failed to address the defect in its system of quality control to the satisfaction of CPAB within the time period required by CPAB, the participating audit firm must deliver a notice to all of the following:

(a) for each reporting issuer for which the participating audit firm is appointed to prepare an auditor's report:

(i) the audit committee; or

(ii) if the reporting issuer does not have an audit committee, the person or company responsible for reviewing and approving the reporting issuer's financial statements before they are filed;

(b) the regulator or, in Quebec, the securities regulatory authority.

(2) The notice required under subsection (1) must be in writing and must describe all of the following:

(a) the defect in the participating audit firm's system of quality control identified by CPAB;

(b) the remedial action imposed by CPAB, including the date the remedial action was imposed and the time period within which CPAB required the participating audit firm to address the defect in its system of quality control;

(c) why the participating audit firm failed to address the defect in its system of quality control within the time period required by CPAB.

(3) A participating audit firm must deliver the notice required under subsection (1) no later than 10 business days after the participating audit firm received notice from CPAB in writing that the participating audit firm failed to address the defect in its system of quality control within the time period required by CPAB.

(4) The participating audit firm must deliver a copy of a notice required under this section to CPAB on the same day the notice is delivered to the regulator or, in Quebec, the securities regulatory authority.

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7 Notice Before New Appointment

(1) A participating audit firm that is seeking an appointment to prepare an auditor's report with respect to the financial statements for a financial year of a reporting issuer must deliver a notice to the reporting issuer's audit committee or, if the reporting issuer does not have an audit committee, the person or company responsible for reviewing and approving the reporting issuer's financial statements before they are filed, if:

(a) the participating audit firm did not audit the financial statements of the reporting issuer for the immediately preceding financial year; and

(b) CPAB informed the participating audit firm within the preceding 12-month period that the participating audit firm failed to address a defect in its system of quality control to the satisfaction of CPAB.

(2) The notice required under subsection (1) must be in writing and include the information referred to in subsection 6(2).

PART 4 EXEMPTION

8 Exemption

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

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

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of NI 14-101 opposite the name of the local jurisdiction.

PART 5 EFFECTIVE DATE

9 Effective Date - This Instrument comes into force on September 30, 2014.

15 Aug 2014 SR 71/2014 s4.

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PART XXXIV
[*clause 2(hh)*]

**NATIONAL INSTRUMENT 52-109
CERTIFICATION OF DISCLOSURE IN ISSUERS'
ANNUAL AND INTERIM FILINGS**

PART 1 DEFINITIONS AND APPLICATION

1.1 Definitions – In this Instrument:

- (a) **“AIF”** has the meaning ascribed to it in NI 51-102;
- (b) **“accounting principles”** has the meaning ascribed to it in NI 52-107;
- (c) **“annual certificate”** means the certificate required to be filed under Part 4 or section 6.1;
- (d) **“annual filings”** means an issuer’s AIF, if any, its annual financial statements and its annual MD&A filed under securities legislation for a financial year, including, for greater certainty, all documents and information that are incorporated by reference in the AIF;
- (e) **“annual financial statements”** means the annual financial statements required to be filed under NI 51-102;
- (f) **“certifying officer”** means each chief executive officer and each chief financial officer of an issuer, or in the case of an issuer that does not have a chief executive officer or a chief financial officer, each individual performing similar functions to those of a chief executive officer or chief financial officer;
- (g) **“DC&P”** means disclosure controls and procedures;
- (h) **“disclosure controls and procedures”** means controls and other procedures of an issuer that are designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the issuer’s management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure;
- (i) **“financial period”** means a financial year or an interim period;
- (j) **“ICFR”** means internal control over financial reporting;
- (k) **“internal control over financial reporting”** means a process designed by, or under the supervision of, an issuer’s certifying officers, and effected by the issuer’s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP and includes those policies and procedures that:

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- (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
 - (ii) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the issuer's GAAP, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and
 - (iii) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the annual financial statements or interim financial statements;
- (l) **"interim certificate"** means the certificate required to be filed under Part 5 or section 6.2;
- (m) **"interim filings"** means an issuer's interim financial statements and its interim MD&A filed under securities legislation for an interim period;
- (n) **"interim financial statements"** means the interim financial statements required to be filed under NI 51-102;
- (o) **"interim period"** has the meaning ascribed to it in NI 51-102;
- (p) **"issuer's GAAP"** has the meaning ascribed to it in NI 52-107;
- (q) **"marketplace"** has the meaning ascribed to it in National Instrument 21-101 *Marketplace Operation*;
- (r) **"material weakness"** means a deficiency, or a combination of deficiencies, in ICFR such that there is a reasonable possibility that a material misstatement of the reporting issuer's annual or interim financial statements will not be prevented or detected on a timely basis;
- (s) **"MD&A"** has the meaning ascribed to it in NI 51-102;
- (t) **"NI 51-102"** means National Instrument 51-102 *Continuous Disclosure Obligations*;
- (u) **"NI 52-107"** means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;
- (v) **"non-venture issuer"** means a reporting issuer that is not a venture issuer;
- (w) **"proportionately consolidated entity"** means an entity in which an issuer has an interest that is accounted for by combining, on a line-by-line basis, the issuer's *pro rata* share of each of the assets, liabilities, revenues and expenses of the entity with similar items in the issuer's financial statements;
- (x) **"reverse takeover"** has the meaning ascribed to it in NI 51-102;
- (y) **"reverse takeover acquiree"** has the meaning ascribed to it in NI 51-102;
- (z) **"reverse takeover acquirer"** has the meaning ascribed to it in NI 51-102;

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- (aa) **“Sarbanes-Oxley Act”** means the Sarbanes-Oxley Act of 2002 of the United States of America, Pub.L. 107-204, 116 Stat. 745 (2002), as amended from time to time;
- (bb) **“SOX 302 Rules”** means U.S. federal securities laws implementing the annual report certification requirements in section 302(a) of the Sarbanes-Oxley Act;
- (cc) **“SOX 404 Rules”** means U.S. federal securities laws implementing the internal control report requirements in sections 404(a) and (b) of the Sarbanes-Oxley Act;
- (dd) **“U.S. marketplace”** has the meaning ascribed to it in NI 51-102;
- (ee) **“variable interest entity”** has the meaning ascribed to it in the issuer’s GAAP; and
- (ff) **“venture issuer”** means a reporting issuer that, as at the end of the period covered by the annual or interim filings, as the case may be, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequis NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

1.2 Application

- (1) This Instrument applies to a reporting issuer other than an investment fund.
- (2) This Instrument applies in respect of annual filings and interim filings for financial periods ending on or after December 15, 2008.

PART 2 CERTIFICATION OBLIGATION

- 2.1 Certifying officers’ certification obligation** – Each certifying officer must certify the matters prescribed by the required form that must be filed under Part 4 or Part 5.

PART 3 DC&P AND ICFR

- 3.1 Establishment and maintenance of DC&P and ICFR** – A non-venture issuer must establish and maintain DC&P and ICFR.

- 3.2 MD&A disclosure of material weakness** – Despite section 3.1, if a non-venture issuer determines that it has a material weakness which exists as at the end of the period covered by its annual or interim filings, as the case may be, it must disclose in its annual or interim MD&A for each material weakness:

- (a) a description of the material weakness;
- (b) the impact of the material weakness on the issuer’s financial reporting and its ICFR; and
- (c) the issuer’s current plans, if any, or any actions already undertaken, for remediating the material weakness.

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3.3 Limitations on scope of design

- (1) Despite section 3.1, a non-venture issuer may limit its design of DC&P or ICFR to exclude controls, policies and procedures of:
 - (a) subject to subsection (3), a proportionately consolidated entity or a variable interest entity in which the issuer has an interest; or
 - (b) subject to subsection (4), a business that the issuer acquired not more than 365 days before the end of the financial period to which the certificate relates.
- (2) An issuer that limits its design of DC&P or ICFR under subsection (1) must disclose in its MD&A:
 - (a) the limitation; and
 - (b) summary financial information about the proportionately consolidated entity, variable interest entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.
- (3) An issuer must not limit its design of DC&P or ICFR under paragraph (1)(a) except where the certifying officers would not have a reasonable basis for making the representations in the annual or interim certificates because they do not have sufficient access to a proportionately consolidated entity or variable interest entity, as applicable, to design and evaluate controls, policies and procedures carried out by that entity.
- (4) An issuer must not limit its design of DC&P or ICFR under paragraph (1)(b) except in the case of:
 - (a) an annual certificate relating to the financial year in which the issuer acquired the business; and
 - (b) an interim certificate relating to the first, second or third interim period ending on or after the date the issuer acquired the business.

3.4 Use of a control framework for the design of ICFR

- (1) A non-venture issuer must use a control framework to design the issuer's ICFR.
- (2) If a venture issuer files a Form 52-109F1 or Form 52-109F2 for a financial period, the venture issuer must use a control framework to design the issuer's ICFR.

PART 4 CERTIFICATION OF ANNUAL FILINGS

4.1 Requirement to file

- (1) A reporting issuer must file a separate annual certificate in the wording prescribed by the required form:
 - (a) for each individual who, at the time of filing the annual certificate, is a certifying officer; and
 - (b) signed by the certifying officer.

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(2) A reporting issuer must file a certificate required under subsection (1) on the later of the dates on which it files the following:

- (a) its AIF if it is required to file an AIF under NI 51-102; or
- (b) its annual financial statements and annual MD&A.

(3) If a venture issuer voluntarily files an AIF for a financial year after it has filed its annual financial statements, annual MD&A and annual certificates for the financial year, the venture issuer must file on the same date that it files its AIF a separate annual certificate in the wording prescribed by the required form:

- (a) for each individual who, at the time of filing the annual certificate, is a certifying officer; and
- (b) signed by the certifying officer.

(4) A reporting issuer must file a certificate required under subsection (1) or (3) separately from the documents to which the certificate relates.

4.2 Required form of annual certificate

(1) The required form of annual certificate under subsection 4.1(1) is:

- (a) Form 52-109F1, in the case of an issuer that is a non-venture issuer; and
- (b) Form 52-109FV1, in the case of an issuer that is a venture issuer.

(2) Despite subsection (1)(b), a venture issuer may file Form 52-109F1 in the wording prescribed by that Form instead of Form 52-109FV1 for a financial year.

(3) The required form of annual certificate under subsection 4.1(3) is Form 52-109F1 – AIF.

4.3 Alternative form of annual certificate for first financial period after initial public offering – Despite subsection 4.2(1), an issuer may file an annual certificate in Form 52-109F1 – IPO/RTO for the first financial year that ends after the issuer becomes a reporting issuer if:

- (a) the issuer becomes a reporting issuer by filing a prospectus; and
- (b) the first financial period that ends after the issuer becomes a reporting issuer is a financial year.

4.4 Alternative form of annual certificate for first financial period after certain reverse takeovers – Despite subsection 4.2(1), an issuer may file an annual certificate in Form 52-109F1 – IPO/RTO for the first financial year that ends after the completion of a reverse takeover if:

- (a) the issuer is the reverse takeover acquiree in the reverse takeover;
- (b) the reverse takeover acquirer was not a reporting issuer immediately before the reverse takeover; and
- (c) the first financial period that ends after the completion of the reverse takeover is a financial year.

4.5 Alternative form of annual certificate for first financial period after becoming a non-venture issuer – Despite subsection 4.2(1), an issuer may file an annual certificate in Form 52-109F1 – IPO/RTO for the first financial year that ends after the issuer becomes a non-venture issuer if the first financial period that ends after the issuer becomes a non-venture issuer is a financial year.

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4.6 Exception for new reporting issuers – Despite section 4.1, a reporting issuer does not have to file an annual certificate relating to:

- (a) the annual financial statements required under section 4.7 of NI 51-102 for financial years that ended before the issuer became a reporting issuer; or
- (b) the annual financial statements for a reverse takeover acquirer required under section 4.10 of NI 51-102 for financial years that ended before the completion of the reverse takeover.

PART 5 CERTIFICATION OF INTERIM FILINGS

5.1 Requirement to file

- (1) A reporting issuer must file a separate interim certificate in the wording prescribed by the required form:
 - (a) for each individual who, at the time of filing the interim certificate, is a certifying officer; and
 - (b) signed by the certifying officer.
- (2) A reporting issuer must file a certificate required under subsection (1) on the same date that the issuer files its interim filings.
- (3) A reporting issuer must file a certificate required under subsection (1) separately from the documents to which the certificate relates.

5.2 Required form of interim certificate

- (1) The required form of interim certificate under subsection 5.1(1) is:
 - (a) Form 52-109F2, in the case of an issuer that is a non-venture issuer; and
 - (b) Form 52-109FV2, in the case of an issuer that is a venture issuer.
- (2) Despite subsection (1)(b), a venture issuer may file Form 52-109F2 in the wording prescribed by that Form instead of Form 52-109FV2 for an interim period.

5.3 Alternative form of interim certificate for first financial period after initial public offering – Despite subsection 5.2(1), an issuer may file an interim certificate in Form 52-109F2 – IPO/RTO for the first interim period that ends after the issuer becomes a reporting issuer if:

- (a) the issuer becomes a reporting issuer by filing a prospectus; and
- (b) the first financial period that ends after the issuer becomes a reporting issuer is an interim period.

5.4 Alternative form of interim certificate for first financial period after certain reverse takeovers – Despite subsection 5.2(1), an issuer may file an interim certificate in Form 52-109F2 – IPO/RTO for the first interim period that ends after the completion of a reverse takeover if:

- (a) the issuer is the reverse takeover acquiree in the reverse takeover;
- (b) the reverse takeover acquirer was not a reporting issuer immediately before the reverse takeover; and
- (c) the first financial period that ends after the completion of the reverse takeover is an interim period.

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- 5.5 Alternative form of interim certificate for first financial period after becoming a non-venture issuer** – Despite subsection 5.2(1), an issuer may file an interim certificate in Form 52-109F2 – IPO/RTO for the first interim period that ends after the issuer becomes a non-venture issuer if the first financial period that ends after the issuer becomes a non-venture issuer is an interim period.
- 5.6 Exception for new reporting issuers** – Despite section 5.1, a reporting issuer does not have to file an interim certificate relating to:
- (a) the interim financial statements required under section 4.7 of NI 51-102 for interim periods that ended before the issuer became a reporting issuer; or
 - (b) the interim financial statements for a reverse takeover acquirer required under section 4.10 of NI 51-102 for interim periods that ended before the completion of the reverse takeover.

PART 60 REFILED FINANCIAL STATEMENTS, MD&A OR AIF

- 6.1 Refiled annual financial statements, annual MD&A or AIF** – If an issuer refiles its annual financial statements, annual MD&A or AIF for a financial year, it must file separate annual certificates for that financial year in Form 52-109F1R on the date that it refiles the annual financial statements, annual MD&A or AIF, as the case may be.
- 6.2 Refiled interim financial statements or interim MD&A** – If an issuer refiles its interim financial statements or interim MD&A for an interim period, it must file separate interim certificates for that interim period in Form 52-109F2R on the date that it refiles the interim financial statements or interim MD&A, as the case may be.

PART 7 GENERAL REQUIREMENTS FOR CERTIFICATES

- 7.1 Dating of certificates** – A certifying officer must date a certificate filed under this Instrument the same date the certificate is filed.
- 7.2 French or English**
- (1) A certificate filed by an issuer under this Instrument must be in French or in English.
 - (2) In Québec, an issuer must comply with linguistic obligations and rights prescribed by Québec law.

PART 8 EXEMPTIONS

- 8.1 Exemption from annual requirements for issuers that comply with U.S. laws**
- (1) Subject to subsection (2), Parts 2, 3, 4, 6 and 7 do not apply to an issuer for a financial year if:
 - (a) the issuer is in compliance with the SOX 302 Rules and the issuer files signed certificates relating to its annual report under the 1934 Act separately, but concurrently, and as soon as practicable after they are filed with or furnished to the SEC; and

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(b) the issuer is in compliance with the SOX 404 Rules, and the issuer files management's annual report on internal control over financial reporting and the attestation report on management's assessment of internal control over financial reporting included in the issuer's annual report under the 1934 Act for the financial year, if applicable, as soon as practicable after they are filed with or furnished to the SEC.

(2) Despite subsection (1), Parts 2, 3, 4, 6 and 7 apply to an issuer for a financial year if the issuer's annual financial statements, annual MD&A or AIF, that together comprise the issuer's annual filings, differ from the annual financial statements, annual MD&A or AIF filed with or furnished to the SEC, or included as exhibits to other documents filed with or furnished to the SEC, and certified in compliance with the SOX 302 Rules.

8.2 Exemption from interim requirements for issuers that comply with U.S. laws

(1) Subject to subsection (3), Parts 2, 3, 5, 6 and 7 do not apply to an issuer for an interim period if the issuer is in compliance with the SOX 302 Rules and the issuer files signed certificates relating to its quarterly report under the 1934 Act for the quarter separately, but concurrently, and as soon as practicable after they are filed with or furnished to the SEC.

(2) Subject to subsection (3), Parts 2, 3, 5, 6 and 7 do not apply to an issuer for an interim period if:

(a) the issuer files with or furnishes to the SEC a report on Form 6-K containing the issuer's quarterly financial statements and MD&A;

(b) the Form 6-K is accompanied by signed certificates that are filed with or furnished to the SEC in the same form required by the SOX 302 Rules; and

(c) the issuer files signed certificates relating to the quarterly report filed or furnished under cover of the Form 6-K as soon as practicable after they are filed with or furnished to the SEC.

(3) Despite subsections (1) and (2), Parts 2, 3, 5, 6 and 7 apply to an issuer for an interim period if the issuer's interim financial statements or interim MD&A, that together comprise the issuer's interim filings, differ from the interim financial statements or interim MD&A filed with or furnished to the SEC, or included as exhibits to other documents filed with or furnished to the SEC, and certified in compliance with the SOX 302 Rules.

8.3 Exemption for certain foreign issuers – This Instrument does not apply to an issuer if it qualifies under, and is in compliance with, sections 5.4 and 5.5 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

8.4 Exemption for certain exchangeable security issuers – This Instrument does not apply to an issuer if it qualifies under, and is in compliance with, subsection 13.3(2) of NI 51-102.

8.5 Exemption for certain credit support issuers – This Instrument does not apply to an issuer if it qualifies under, and is in compliance with, subsection 13.4(2) of NI 51-102.

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8.6 General exemption

- (1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

PART 9 EFFECTIVE DATE AND REPEAL

9.1 Effective date – This Instrument comes into force on December 15, 2008.

9.2 Repeal – Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, which came into force on:

- (a) March 30, 2004, in all jurisdictions other than British Columbia, New Brunswick and Québec;
- (b) June 30, 2005, in Québec;
- (c) July 28, 2005, in New Brunswick; and
- (d) September 19, 2005 in British Columbia;

is repealed.

FORM 52-109F1 CERTIFICATION OF ANNUAL FILINGS FULL CERTIFICATE

I, *<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>*, certify the following:

1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of *<identify issuer>* (the "issuer") for the financial year ended *<state the relevant date>*.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

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4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
 5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the financial year end:
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
 - 5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is *<insert the name of the control framework used>*.
- <insert paragraph 5.2 or 5.3 if applicable. If paragraph 5.2 or 5.3 is not applicable, insert "5.2 N/A" or "5.3 N/A" as applicable. For paragraph 5.3, include (a)(i), (a)(ii) or (a)(iii) as applicable, and subparagraph (b).>*
- 5.2 **ICFR – material weakness relating to design:** The issuer has disclosed in its annual MD&A for each material weakness relating to design existing at the financial year end:
 - (a) a description of the material weakness;
 - (b) the impact of the material weakness on the issuer's financial reporting and its ICFR; and
 - (c) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.
 - 5.3 **Limitation on scope of design:** The issuer has disclosed in its annual MD&A:
 - (a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of:
 - (i) a proportionately consolidated entity in which the issuer has an interest;
 - (ii) a variable interest entity in which the issuer has an interest; or
 - (iii) a business that the issuer acquired not more than 365 days before the issuer's financial year end; and

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(b) summary financial information about the proportionately consolidated entity, variable interest entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

<insert subparagraph 6(b)(ii) if applicable. If subparagraph 6(b)(ii) is not applicable, insert "(ii) N/A".>

6. **Evaluation:** The issuer's other certifying officer(s) and I have:

(a) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and

(b) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A:

(i) our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and

(ii) for each material weakness relating to operation existing at the financial year end:

(A) a description of the material weakness;

(B) the impact of the material weakness on the issuer's financial reporting and its ICFR; and

(C) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

7. **Reporting changes in ICFR:** The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on **<insert the date immediately following the end of the period in respect of which the issuer made its most recent interim or annual filing, as applicable>** and ended on **<insert the last day of the financial year>** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

8. **Reporting to the issuer's auditors and board of directors or audit committee:** The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: **<insert date of filing>**

[Signature]

[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

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FORM 52-109FV1
CERTIFICATION OF ANNUAL FILINGS VENTURE
ISSUER BASIC CERTIFICATE

I, *<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>*, certify the following:

1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of *<identify issuer>* (the "issuer") for the financial year ended *<state the relevant date>*.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: *<insert date of filing>*

[Signature]

[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

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NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**FORM 52-109F1 – IPO/RT0
CERTIFICATION OF ANNUAL FILINGS FOLLOWING
AN INITIAL PUBLIC OFFERING, REVERSE TAKEOVER
OR BECOMING A NON-VENTURE ISSUER**

I, *<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>*, certify the following:

1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of *<identify issuer>* (the "issuer") for the financial year ended *<state the relevant date>*.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.

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3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: *<insert date of filing>*

[Signature]

[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

NOTE TO READER

In contrast to the usual certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), namely, Form 52-109F1, this Form 52-109F1 – IPO/RTO does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of an issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 in the first financial period following:

- i) completion of the issuer's initial public offering in the circumstances described in s. 4.3 of NI 52-109;
- ii) completion of a reverse takeover in the circumstances described in s. 4.4 of NI 52-109; or
- iii) the issuer becoming a non-venture issuer in the circumstances described in s. 4.5 of NI 52-109;

may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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FORM 52-109F1R
CERTIFICATION OF REFILED ANNUAL FILINGS

This certificate is being filed on the same date that *<identify the issuer>* (the “issuer”) has refiled *<identify the filing(s) that have been refiled>*.

I, *<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer’s title is not “chief executive officer” or “chief financial officer”, indicate in which of these capacities the certifying officer is providing the certificate>*, certify the following:

1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of the issuer for the financial year ended *<state the relevant date>*.

<Insert all paragraphs included in the annual certificates originally filed with the annual filings, other than paragraph 1. If the originally filed annual certificates were in Form 52-109FV1 or Form 52-109F1 – IPO/RTO, include the “note to reader” contained in Form 52-109FV1 or Form 52-109F1 – IPO/RTO, as the case may be, in this certificate.>

Date: *<insert date of filing>*

[Signature]

[Title]

<If the certifying officer’s title is not “chief executive officer” or “chief financial officer”, indicate in which of these capacities the certifying officer is providing the certificate.>

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(ADOPTION OF NATIONAL INSTRUMENTS)

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FORM 52-109F1 – AIF
CERTIFICATION OF ANNUAL FILINGS IN CONNECTION WITH
VOLUNTARILY FILED AIF

This certificate is being filed on the same date that *<identify the issuer>* (the “issuer”) has voluntarily filed an AIF.

I, *<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer’s title is not “chief executive officer” or “chief financial officer”, indicate in which of these capacities the certifying officer is providing the certificate>*, certify the following:

1. **Review:** I have reviewed the AIF, annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of the issuer for the financial year ended *<state the relevant date>*.

<Insert all paragraphs included in the annual certificates originally filed with the annual filings, other than paragraph 1. If the originally filed annual certificates were in Form 52-109FV1 or Form 52-109F1 – IPO/RTO, include the “note to reader” contained in Form 52-109FV1 or Form 52-109F1 – IPO/RTO, as the case may be, in this certificate.>

Date: *<insert date of filing>*

[Signature]

[Title]

<If the certifying officer’s title is not “chief executive officer” or “chief financial officer”, indicate in which of these capacities the certifying officer is providing the certificate.>

SECURITIES COMMISSION
(ADOPTION OF NATIONAL INSTRUMENTS)

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FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS FULL CERTIFICATE

I, *<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>*, certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of *<identify the issuer>* (the "issuer") for the interim period ended *<state the relevant date>*.

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings:

(a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that:

(i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

(ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is *<insert the name of the control framework used>*.

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<insert paragraph 5.2 or 5.3 if applicable. If paragraph 5.2 or 5.3 is not applicable, insert “5.2 N/A” or “5.3 N/A” as applicable. For paragraph 5.3, include (a)(i), (a)(ii) or (a)(iii) as applicable, and subparagraph (b).>

5.2 ICFR – material weakness relating to design: The issuer has disclosed in its interim MD&A for each material weakness relating to design existing at the end of the interim period:

- (a) a description of the material weakness;
- (b) the impact of the material weakness on the issuer’s financial reporting and its ICFR; and
- (c) the issuer’s current plans, if any, or any actions already undertaken, for remediating the material weakness.

5.3 Limitation on scope of design: The issuer has disclosed in its interim MD&A:

- (a) the fact that the issuer’s other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of:
 - (i) a proportionately consolidated entity in which the issuer has an interest;
 - (ii) a variable interest entity in which the issuer has an interest; or
 - (iii) a business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and
- (b) summary financial information about the proportionately consolidated entity, variable interest entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer’s financial statements.

6. Reporting changes in ICFR: The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on **<insert the date immediately following the end of the period in respect of which the issuer made its most recent interim or annual filing, as applicable>** and ended on **<insert the last day of the period covered by the interim filings>** that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: **<insert date of filing>**

[Signature]

[Title]

<If the certifying officer’s title is not “chief executive officer” or “chief financial officer”, indicate in which of these capacities the certifying officer is providing the certificate.>

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FORM 52-109FV2
CERTIFICATION OF INTERIM FILINGS VENTURE
ISSUER BASIC CERTIFICATE

I, *<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>*, certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of *<identify the issuer>* (the "issuer") for the interim period ended *<state the relevant date>*.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: *<insert date of filing>*

[Signature]

[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

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NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FORM 52-109F2 – IPO/RTO
CERTIFICATION OF INTERIM FILINGS FOLLOWING AN INITIAL PUBLIC
OFFERING, REVERSE TAKEOVER OR BECOMING
A NON-VENTURE ISSUER

I, *<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>*, certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of *<identify the issuer>* (the "issuer") for the interim period ended *<state the relevant date>*.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

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3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **<insert date of filing>**

[Signature]

[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

NOTE TO READER

In contrast to the usual certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), namely, Form 52-109F2, this Form 52-109F2 – IPO/RTO does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of an issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 in the first financial period following:

- i) completion of the issuer's initial public offering in the circumstances described in s. 5.3 of NI 52-109;
- ii) completion of a reverse takeover in the circumstances described in s. 5.4 of NI 52-109; or
- iii) the issuer becoming a non-venture issuer in the circumstances described in s. 5.5 of NI 52-109;

may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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FORM 52-109F2R
CERTIFICATION OF REFILED INTERIM FILINGS

This certificate is being filed on the same date that *<identify the issuer>* (the “issuer”) has refiled *<identify the filing(s) that have been refiled>*.

I, *<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer’s title is not ‘chief executive officer’ or ‘chief financial officer’, indicate in which of these capacities the certifying officer is providing the certificate>*, certify the following:

1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the ‘interim filings’) of the issuer for the interim period ended *<state the relevant date>*.

<Insert all paragraphs included in the interim certificates originally filed with the interim filings, other than paragraph 1. If the originally filed interim certificates were in Form 52-109FV2 or Form 52-109F2 – IPO/RTO, include the ‘note to reader’ contained in Form 52-109FV2 or Form 52-109F2 – IPO/RTO, as the case may be, in this certificate .>

Date: *<insert date of filing>*

[Signature]

[Title]

<If the certifying officer’s title is not “chief executive officer” or “chief financial officer”, indicate in which of these capacities the certifying officer is providing the certificate>.

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PART XXXV
[clause 2(ii)]

NATIONAL INSTRUMENT 52-110
AUDIT COMMITTEES

PART 1 DEFINITIONS AND APPLICATION

1.1 Definitions – In this Instrument:

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“**AIF**” has the meaning ascribed to it in NI 51-102;

“**asset-backed security**” has the meaning ascribed to it in NI 51-102;

“**audit committee**” means a committee (or an equivalent body) established by and among the board of directors of an issuer for the purpose of overseeing the accounting and financial reporting processes of the issuer and audits of the financial statements of the issuer, and, if no such committee exists, the entire board of directors of the issuer;

“**audit services**” means the professional services rendered by the issuer’s external auditor for the audit and review of the issuer’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**credit support issuer**” has the meaning ascribed to it in section 13.4 of NI 51-102;

“**designated foreign issuer**” has the meaning ascribed to it in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

“**exchangeable security issuer**” has the meaning ascribed to it in section 13.3 of NI 51-102;

“**executive officer**” of an entity means an individual who is:

- (a) a chair of the entity;
- (b) a vice-chair of the entity;
- (c) the president of the entity;
- (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production;
- (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or
- (f) any other individual who performs a policy-making function in respect of the entity;

“**foreign private issuer**” means an issuer that is a foreign private issuer within the meaning of Rule 405 under the 1934 Act;

“**immediate family member**” means an individual’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the individual or the individual’s immediate family member) who shares the individual’s home;

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“marketplace” has the meaning ascribed to it in National Instrument 21-101 *Marketplace Operation*;

“MD&A” has the meaning ascribed to it in NI 51-102;

“NI 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“non-audit services” means services other than audit services;

“SEC foreign issuer” has the meaning ascribed to it in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

“U.S. marketplace” means an exchange registered as a ‘national securities exchange’ under section 6 of the 1934 Act, or the Nasdaq Stock Market;

“venture issuer” means an issuer that, at the end of its most recently completed financial year, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequis NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

1.2 Application – This Instrument applies to all reporting issuers other than:

- (a) investment funds;
- (b) issuers of asset-backed securities;
- (c) designated foreign issuers;
- (d) SEC foreign issuers;
- (e) issuers that are subsidiary entities, if:
 - (i) the subsidiary entity does not have equity securities (other than non-convertible, non-participating preferred securities) trading on a marketplace; and
 - (ii) the parent of the subsidiary entity is:
 - (A) subject to the requirements of this Instrument; or
 - (B) an issuer that:
 - (1) has securities listed or quoted on a U.S. marketplace; and
 - (2) is in compliance with the requirements of that U.S. marketplace applicable to issuers, other than foreign private issuers, regarding the role and composition of audit committees;
- (f) exchangeable security issuers, if the exchangeable security issuer qualifies for the relief contemplated by, and is in compliance with the requirements and conditions set out in, section 13.3 of NI 51-102; and
- (g) credit support issuers, if the credit support issuer qualifies for the relief contemplated by, and is in compliance with the requirements and conditions set out in, section 13.4 of NI 51-102.

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1.3 Meaning of Affiliated Entity, Subsidiary Entity and Control

- (1) For the purposes of this Instrument, a person or company is considered to be an affiliated entity of another person or company if:
 - (a) one of them controls or is controlled by the other or if both persons or companies are controlled by the same person or company; or
 - (b) the person is an individual who is:
 - (i) both a director and an employee of an affiliated entity; or
 - (ii) an executive officer, general partner or managing member of an affiliated entity.
- (2) For the purposes of this Instrument, a person or company is considered to be a subsidiary entity of another person or company if:
 - (a) it is controlled by:
 - (i) that other; or
 - (ii) that other and one or more persons or companies each of which is controlled by that other; or
 - (iii) two or more persons or companies, each of which is controlled by that other; or
 - (b) it is a subsidiary entity of a person or company that is the other's subsidiary entity.
- (3) For the purpose of this Instrument, **“control”** means the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise.
- (4) Despite subsection (1), an individual will not be considered to control an issuer for the purposes of this Instrument if the individual:
 - (a) owns, directly or indirectly, 10% or less of any class of voting securities of the issuer; and
 - (b) is not an executive officer of the issuer.

1.4 Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

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- (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor;
 - (ii) is an employee of that firm; or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor;
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because:
- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer; and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

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(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member:

- (a) has previously acted as an interim chief executive officer of the issuer; or
- (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 Additional Independence Requirements

(1) Despite any determination made under section 1.4, an individual who:

- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
- (b) is an affiliated entity of the issuer or any of its subsidiary entities;

is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by:

- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
- (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

1.6 Meaning of Financial Literacy - For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

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PART 2 AUDIT COMMITTEE RESPONSIBILITIES

2.1 Audit Committee – Every issuer must have an audit committee that complies with the requirements of the Instrument.

2.2 Relationship with External Auditors – Every issuer must require its external auditor to report directly to the audit committee.

2.3 Audit Committee Responsibilities

(1) An audit committee must have a written charter that sets out its mandate and responsibilities.

(2) An audit committee must recommend to the board of directors:

(a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer; and

(b) the compensation of the external auditor.

(3) An audit committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.

(4) An audit committee must pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the issuer's external auditor.

(5) An audit committee must review the issuer's financial statements, MD&A and annual and interim profit or loss press releases before the issuer publicly discloses this information.

(6) An audit committee must be satisfied that adequate procedures are in place for the review of the issuer's public disclosure of financial information extracted or derived from the issuer's financial statements, other than the public disclosure referred to in subsection (5), and must periodically assess the adequacy of those procedures.

(7) An audit committee must establish procedures for:

(a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

(8) An audit committee must review and approve the issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.

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2.4 *De Minimis* Non-Audit Services – An audit committee satisfies the pre-approval requirement in subsection 2.3(4) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5 % of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- (b) the issuer or the subsidiary entity of the issuer, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the audit committee of the issuer and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated by the audit committee.

2.5 Delegation of Pre-Approval Function

- (1) An audit committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(4).
- (2) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection (1) must be presented to the audit committee at its first scheduled meeting following such pre-approval.

2.6 Pre-Approval Policies and Procedures – An audit committee satisfies the pre-approval requirement in subsection 2.3(4) if it adopts specific policies and procedures for the engagement of the non-audit services, if:

- (a) the pre-approval policies and procedures are detailed as to the particular service;
- (b) the audit committee is informed of each non-audit service; and
- (c) the procedures do not include delegation of the audit committee's responsibilities to management.

PART 3 COMPOSITION OF THE AUDIT COMMITTEE

3.1 Composition

- (1) An audit committee must be composed of a minimum of three members.
- (2) Every audit committee member must be a director of the issuer.
- (3) Subject to sections 3.2, 3.3, 3.4, 3.5 and 3.6, every audit committee member must be independent.
- (4) Subject to sections 3.5 and 3.8, every audit committee member must be financially literate.

3.2 Initial Public Offerings

- (1) Subject to section 3.9, if an issuer has filed a prospectus to qualify the distribution of securities that constitutes its initial public offering, subsection 3.1(3) does not apply for a period of up to 90 days commencing on the date of the receipt for the prospectus, provided that one member of the audit committee is independent.

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(2) Subject to section 3.9, if an issuer has filed a prospectus to qualify the distribution of securities that constitutes its initial public offering, subsection 3.1(3) does not apply for a period of up to one year commencing on the date of the receipt for the prospectus, provided that a majority of the audit committee members are independent.

3.3 Controlled Companies

(1) An audit committee member that sits on the board of directors of an affiliated entity is exempt from the requirement in subsection 3.1(3) if the member, except for being a director (or member of a board committee) of the issuer and the affiliated entity, is otherwise independent of the issuer and the affiliated entity.

(2) Subject to section 3.7, an audit committee member is exempt from the requirement in subsection 3.1(3) if:

- (a) the member would be independent of the issuer but for the relationship described in paragraph 1.5(1)(b) or as a result of subsection 1.4(8);
- (b) the member is not an executive officer, general partner or managing member of a person or company that:
 - (i) is an affiliated entity of the issuer; and
 - (ii) has its securities trading on a marketplace;
- (c) the member is not an immediate family member of an executive officer, general partner or managing member referred to in paragraph (b), above;
- (d) the member does not act as the chair of the audit committee; and
- (e) the board determines in its reasonable judgement that:
 - (i) the member is able to exercise the impartial judgement necessary for the member to fulfill his or her responsibilities as an audit committee member; and
 - (ii) the appointment of the member is required by the best interests of the issuer and its shareholders.

3.4 Events Outside Control of Member – Subject to section 3.9, if an audit committee member ceases to be independent for reasons outside the member's reasonable control, the member is exempt from the requirement in subsection 3.1(3) for a period ending on the later of:

- (a) the next annual meeting of the issuer; and
- (b) the date that is six months from the occurrence of the event which caused the member to not be independent.

3.5 Death, Disability or Resignation of Member – Subject to section 3.9, if the death, disability or resignation of an audit committee member has resulted in a vacancy on the audit committee that the board of directors is required to fill, an audit committee member appointed to fill such vacancy is exempt from the requirements in subsections 3.1(3) and (4) for a period ending on the later of:

- (a) the next annual meeting of the issuer; and
- (b) the date that is six months from the day the vacancy was created.

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3.6 Temporary Exemption for Limited and Exceptional Circumstances – Subject to section 3.7, an audit committee member is exempt from the requirement in subsection 3.1(3) if:

- (a) the member is not an individual described in subsection 1.5(1);
- (b) the member is not an employee or officer of the issuer, or an immediate family member of an employee or officer of the issuer;
- (c) the board, under exceptional and limited circumstances, determines in its reasonable judgement that:
 - (i) the member is able to exercise the impartial judgement necessary for the member to fulfill his or her responsibilities as an audit committee member; and
 - (ii) the appointment of the member is required by the best interests of the issuer and its shareholders;
- (d) the member does not act as chair of the audit committee; and
- (e) the member does not rely upon this exemption for a period of more than two years.

3.7 Majority Independent – The exemptions in subsection 3.3(2) and section 3.6 are not available to a member unless a majority of the audit committee members would be independent.

3.8 Acquisition of Financial Literacy – Subject to section 3.9, an audit committee member who is not financially literate may be appointed to the audit committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.

3.9 Restriction on Use of Certain Exemptions – The exemptions in sections 3.2, 3.4, 3.5 and 3.8 are not available to a member unless the issuer's board of directors has determined that the reliance on the exemption will not materially adversely affect the ability of the audit committee to act independently and to satisfy the other requirements of this Instrument.

PART 4 AUTHORITY OF THE AUDIT COMMITTEE

4.1 Authority – An audit committee must have the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) to set and pay the compensation for any advisors employed by the audit committee; and
- (c) to communicate directly with the internal and external auditors.

PART 5 REPORTING OBLIGATIONS

5.1 Required Disclosure – Every issuer must include in its AIF the disclosure required by Form 52-110F1.

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5.2 Management Information Circular – If management of an issuer solicits proxies from the security holders of the issuer for the purpose of electing directors to the issuer's board of directors, the issuer must include in its management information circular a cross-reference to the sections in the issuer's AIF that contain the information required by section 5.1.

PART 6 VENTURE ISSUERS

6.1 Venture Issuers – Venture issuers are exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

6.1.1. Composition of Audit Committee

- (1) An audit committee of a venture issuer must be composed of a minimum of three members.
- (2) Every member of an audit committee of a venture issuer must be a director of the issuer.
- (3) Subject to subsections (4), (5) and (6), a majority of the members of an audit committee of a venture issuer must not be executive officers, employees or control persons of the venture issuer or of an affiliate of the venture issuer.
- (4) If a circumstance arises that affects the business or operations of the venture issuer, and a reasonable person would conclude that the circumstance can be best addressed by a member of the audit committee becoming an executive officer or employee of the venture issuer, subsection (3) does not apply to the audit committee in respect of the member until the later of:
 - (a) the next annual meeting of the venture issuer;
 - (b) the date that is six months after the date on which the circumstance arose.
- (5) If an audit committee member becomes a control person of the venture issuer or of an affiliate of the venture issuer for reasons outside the member's reasonable control, subsection (3) does not apply to the audit committee in respect of that member until the later of:
 - (a) the next annual meeting of the venture issuer;
 - (b) the date that is six months after the event which caused the member to become a control person.
- (6) If a vacancy on the audit committee arises as a result of the death, incapacity or resignation of an audit committee member and the board of directors is required to fill the vacancy, subsection (3) does not apply to the audit committee, in respect of the member appointed to fill the vacancy, until the later of:
 - (a) the next annual meeting of the venture issuer;
 - (b) the date that is six months from the day the vacancy was created.
- (7) This section applies to a venture issuer in respect of a financial year beginning on or after January 1, 2016.

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6.2 Required Disclosure

- (1) Subject to subsection (2), if management of a venture issuer solicits proxies from the security holders of the venture issuer for the purpose of electing directors to its board of directors, the venture issuer must include in its management information circular the disclosure required by Form 52-110F2.
- (2) A venture issuer that is not required to send a management information circular to its security holders must provide the disclosure required by Form 52-110F2 in its AIF or annual MD&A.

PART 7 U.S. LISTED ISSUERS

7.1 U.S. Listed Issuers – An issuer that has securities listed or quoted on a U.S. marketplace is exempt from the requirements of Parts 2 (*Audit Committee Responsibilities*), 3 (*Composition of the Audit Committee*), 4 (*Authority of the Audit Committee*), and 5 (*Reporting Obligations*), if:

- (a) the issuer is in compliance with the requirements of that U.S. marketplace applicable to issuers, other than foreign private issuers, regarding the role and composition of audit committees; and
- (b) if the issuer is incorporated, continued or otherwise organized in a jurisdiction in Canada, the issuer includes in its AIF the disclosure (if any) required by paragraph 7 of Form 52-110F1.

PART 8 EXEMPTIONS

8.1 Exemptions

- (1) The securities regulatory authority or regulator may grant an exemption from this rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

PART 9 EFFECTIVE DATE

9.1 Effective Date

- (1) This Instrument comes into force on March 30, 2004.
- (2) Despite subsection (1), this Instrument applies to an issuer commencing on the earlier of:
 - (a) the first annual meeting of the issuer after July 1, 2004; and
 - (b) July 1, 2005.

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MULTILATERAL INSTRUMENT 52-110

FORM 52-110F1
AUDIT COMMITTEE INFORMATION REQUIRED IN AN AIF

1. The Audit Committee's Charter

Disclose the text of the audit committee's charter.

2. Composition of the Audit Committee

Disclose the name of each audit committee member and state whether or not the member is (i) independent and (ii) financially literate.

3. Relevant Education and Experience

Describe the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member and, in particular, disclose any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by the issuer to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

4. Audit Committee Oversight

If, at any time since the commencement of the issuer's most recently completed financial year, a recommendation of the audit committee to nominate or compensate an external auditor was not adopted by the board of directors, state that fact and explain why.

5. Reliance on Certain Exemptions

If, at any time since the commencement of the issuer's most recently completed financial year, the issuer has relied on:

- (a) the exemption in section 2.4 (*DeMinimis Non-audit Services*); or
- (b) an exemption from this Instrument, in whole or in part, granted under Part 8 (*Exemptions*);

state that fact.

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6. Pre-Approval Policies and Procedures

If the audit committee has adopted specific policies and procedures for the engagement of non-audit services, describe those policies and procedures.

7. External Auditor Service Fees (By Category)

(a) Disclose, under the caption “Audit Fees”, the aggregate fees billed by the issuer’s external auditor in each of the last two fiscal years for audit fees.

(b) Disclose, under the caption “Audit-Related Fees”, the aggregate fees billed in each of the last two fiscal years for assurance and related services by the issuer’s external auditor that are reasonably related to the performance of the audit or review of the issuer’s financial statement and are not reported under clause (a) above. Include a description of the nature of the services comprising the fees disclosed under this category.

(c) Disclose, under the caption “Tax Fees”, the aggregate fees billed in each of the last two fiscal years for professional services rendered by the issuer’s external auditor for tax compliance, tax advice, and tax planning. Include a description of the nature of the services comprising the fees disclosed under this category.

(d) Disclose, under the caption “All Other Fees”, the aggregate fees billed in each of the last two fiscal years for products and services provided by the issuer’s external auditor, other than the services reported under clauses (a), (b) and (c), above. Include a description of the nature of the services comprising the fees disclosed under this category.

INSTRUCTION:

The fees required to be disclosed by paragraph 7 relate only to services provided to the issuer or its subsidiary entities by the issuer’s external auditor.

8. Exemption

Disclose that the issuer is relying upon the exemption in section 6.1 of the Instrument.

9. External Auditor Service Fees (By Category)

(a) Disclose, under the caption ‘Audit Fees’, the aggregate fees billed by the issuer’s external auditor in each of the last two fiscal years for audit services.

(b) Disclose, under the caption ‘Audit-Related Fees’, the aggregate fees billed in each of the last two fiscal years for assurance and related services by the issuer’s external auditor that are reasonably related to the performance of the audit or review of the issuer’s financial statements and are not reported under clause (a) above. Include a description of the nature of the services comprising the fees disclosed under this category.

(c) Disclose, under the caption ‘Tax Fees’, the aggregate fees billed in each of the last two fiscal years for professional services rendered by the issuer’s external auditor for tax compliance, tax advice, and tax planning. Include a description of the nature of the services comprising the fees disclosed under this category.

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(d) Disclose, under the caption 'All Other Fees', the aggregate fees billed in each of the last two fiscal years for products and services provided by the issuer's external auditor, other than the services reported under clauses (a), (b) and (c), above. Include a description of the nature of the services comprising the fees disclosed under this category.

INSTRUCTIONS

The fees required to be disclosed by this paragraph 9 relate only to services provided to the issuer or its subsidiary entities by the issuer's external auditor.

MULTILATERAL INSTRUMENT 52-110

**FORM 52-110F2
DISCLOSURE BY VENTURE ISSUERS**

1. The Audit Committee's Charter

Disclose the text of the audit committee's charter.

2. Composition of the Audit Committee

Disclose the name of each audit committee member and state whether or not the member is (i) independent and (ii) financially literate.

3. Relevant Education and Experience

Describe the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member and, in particular, disclose any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by the issuer to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

4. Audit Committee Oversight

If, at any time since the commencement of the issuer's most recently completed financial year, a recommendation of the audit committee to nominate or compensate an external auditor was not adopted by the board of directors, state that fact and explain why.

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5. Reliance on Certain Exemptions

If, at any time since the commencement of the issuer's most recently completed financial year, the issuer has relied on

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*),
- (b) the exemption in subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*),
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*),
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or
- (e) an exemption from this Instrument, in whole or in part, granted under Part 8 (*Exemption*),

state that fact.

6. Pre-Approval Policies and Procedures

If the audit committee has adopted specific policies and procedures for the engagement of non-audit services, describe those policies and procedures.

7. External Auditor Service Fees (By Category)

- (a) Disclose, under the caption "Audit Fees", the aggregate fees billed by the issuer's external auditor in each of the last two fiscal years for audit fees.
- (b) Disclose, under the caption "Audit-Related Fees", the aggregate fees billed in each of the last two fiscal years for assurance and related services by the issuer's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statement and are not reported under clause (a) above. Include a description of the nature of the services comprising the fees disclosed under this category.
- (c) Disclose, under the caption "Tax Fees", the aggregate fees billed in each of the last two fiscal years for professional services rendered by the issuer's external auditor for tax compliance, tax advice, and tax planning. Include a description of the nature of the services comprising the fees disclosed under this category.
- (d) Disclose, under the caption "All Other Fees", the aggregate fees billed in each of the last two fiscal years for products and services provided by the issuer's external auditor, other than the services reported under clauses (a), (b) and (c), above. Include a description of the nature of the services comprising the fees disclosed under this category.

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INSTRUCTION:

The fees required to be disclosed by paragraph 7 relate only to services provided to the issuer or its subsidiary entities by the issuer's external auditor.

8. Exemption

Disclose that the issuer is relying upon the exemption in section 6.1 of the Instrument.

8 Apr 2004 SR 13/2004 s4; 30 Jne 2005 SR
61/2005 s4; 11 Jan 2008 SR 128/2007 s4; 4 Apr
2008 SR 18/2008 s6; 8 Jly 2011 SR 41/2011
s16; 3 Jly 2015 SR 61/2015 s4; 4 Dec 2015 SR
104/2015 s7.

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PART XXXVI
[*clause 2(jj)*]

NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions and Interpretation

(1) In this Instrument:

“**acquisition date**” has the same meaning as in the issuer’s GAAP;

“**AIF**” means a completed Form 51-102F2 *Annual Information Form* or, in the case of an SEC issuer, a completed Form 51-102F2 or an annual report or transition report under the 1934 Act on Form 10-K or Form 20-F;

“**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, fixed or revolving, that by their terms convert into cash within a finite period and any rights or other assets designed to assure the servicing or the timely distribution of proceeds to securityholders;

“**board of directors**” means, for a person or company that does not have a board of directors, an individual or group that acts in a capacity similar to a board of directors;

“**business acquisition report**” means a completed Form 51-102F4 *Business Acquisition Report*;

“**class**” includes a series of a class;

“**common share**” means an equity security to which are attached voting rights exercisable in all circumstances, irrespective of the number or percentage of securities owned, that are not less, per security, than the voting rights attached to any other outstanding securities of the reporting issuer;

“**corporate law**” has the same meaning as in section 1.1 of NI 54-101;

“**date of transition to IFRS**” means the date of transition to IFRSs as that term is defined in Canadian GAAP applicable to publicly accountable enterprises;

“**designated rating organization**” means:

- (a) each of DBRS Limited, Fitch, Inc., Moody’s Canada Inc., Standard & Poor’s Ratings Services (Canada), including their DRO affiliates; or
- (b) any other credit rating organization that has been designated under securities legislation;

“**DRO affiliate**” has the same meaning as in section 1 of National Instrument 25-101 *Designated Rating Organizations*;

“**electronic format**” has the same meaning as in National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

“**equity investee**” means a business that the issuer has invested in and accounted for using the equity method;

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“exchange-traded security” means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*;

“executive officer” means, for a reporting issuer, an individual who is:

- (a) a chair, vice-chair or president;
- (a.1) a chief executive officer or chief financial officer;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the issuer;

“financial outlook” means forward-looking information about prospective financial performance, financial position or cash flows that is based on assumptions about future economic conditions and courses of action and that is not presented in the format of a historical statement of financial position, statement of comprehensive income or statement of cash flows;

“financial statements” includes interim financial reports;

“first IFRS financial statements” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“FOFI”, or “future-oriented financial information”, means forward-looking information about prospective financial performance, financial position or cash flows, based on assumptions about future economic conditions and courses of action, and presented in the format of a historical statement of financial position, statement of comprehensive income or statement of cash flows;

“form of proxy” means a document containing the information required under section 9.4 that, on completion and execution by or on behalf of a securityholder, becomes a proxy;

“forward-looking information” means disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented as a forecast or a projection;

“information circular” means a completed Form 51-102F5 *Information Circular*;

“informed person” means:

- (a) a director or executive officer of a reporting issuer;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer;

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(c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and

(d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities;

“inter-dealer bond broker” means a person or company that is approved by the Investment Industry Regulatory Organization of Canada under its Rule 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its Rule 36 and its Rule 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;

“interim period” means:

(a) in the case of a year other than a non-standard year or a transition year, a period commencing on the first day of the financial year and ending nine, six or three months before the end of the financial year;

(a.1) in the case of a non-standard year, a period commencing on the first day of the financial year and ending within 22 days of the date that is nine, six or three months before the end of the financial year; or

(b) in the case of a transition year, a period commencing on the first day of the transition year and ending:

(i) three, six, nine or twelve months, if applicable, after the end of the old financial year; or

(ii) twelve, nine, six or three months, if applicable, before the end of the transition year;

“issuer’s GAAP” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“MD&A” means a completed Form 51-102F1 *Management’s Discussion & Analysis* or, in the case of an SEC issuer, a completed Form 51-102F1 or management’s discussion and analysis prepared in accordance with Item 303 of Regulation S-K under the 1934 Act;

“marketplace” means:

(a) an exchange;

(b) a quotation and trade reporting system;

(c) a person or company not included in paragraph (a) or (b) that:

(i) constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities;

(ii) brings together the orders for securities of multiple buyers and sellers; and

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(iii) uses established, non-discretionary methods under which the orders interact with each other, and the buyers and sellers entering the orders agree to the terms of a trade; or

(d) a dealer that executes a trade of an exchange-traded security outside of a marketplace;

but does not include an inter-dealer bond broker;

“material change” means:

(a) a change in the business, operations or capital of the reporting issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the reporting issuer; or

(b) a decision to implement a change referred to in paragraph (a) made by the board of directors or other persons acting in a similar capacity or by senior management of the reporting issuer who believe that confirmation of the decision by the board of directors or any other persons acting in a similar capacity is probable;

“material contract” means any contract that an issuer or any of its subsidiaries is a party to, that is material to the issuer;

“mineral project” has the same meaning as in National Instrument 43-101 *Standards for Disclosure for Mineral Projects*;

“new financial year” means the financial year of a reporting issuer that immediately follows a transition year;

“NI 54-101” means National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

“non-standard year” means a financial year, other than a transition year, that does not have 365 days, or 366 days if it includes February 29;

“non-voting security” means a restricted security that does not carry the right to vote generally, except for a right to vote that is mandated, in special circumstances, by law;

“notice-and-access” has the same meaning as in section 1.1 of NI 54-101;

“old financial year” means the financial year of a reporting issuer that immediately precedes a transition year;

“operating income” means gross revenue minus royalty expenses and production costs;

“preference share” means a security to which is attached a preference or right over the securities of any class of equity securities of the reporting issuer, but does not include an equity security;

“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 one-third or more of the aggregate amount owing on all of the financial assets servicing the asset-backed security;

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“private enterprise” has the same meaning as in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“profit or loss attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“profit or loss from continuing operations attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“proxy” means a completed and executed form of proxy by which a securityholder has appointed a person or company as the securityholder’s nominee to attend and act for the securityholder and on the securityholder’s behalf at a meeting of securityholders;

“proxy-related materials” means securityholder material relating to a meeting of securityholders that a person or company that solicits proxies is required under corporate law or securities legislation to send to the registered holders or beneficial owners of the securities;

“publicly accountable enterprise” has the same meaning as in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“recognized exchange” means:

- (a) in Ontario, an exchange recognized by the securities regulatory authority to carry on business as a stock exchange;
- (a.1) in Québec, a person or company authorized by the securities regulatory authority to carry on business as an exchange; and
- (b) in every other jurisdiction, an exchange recognized by the securities regulatory authority as an exchange, self-regulatory organization or self-regulatory body;

“recognized quotation and trade reporting system” means:

- (a) in every jurisdiction other than British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as a quotation and trade reporting system; and
- (b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange;

“restricted security” means an equity security of a reporting issuer if any of the following apply:

- (a) there is another class of securities of the reporting issuer that, to a reasonable person, appears to carry a greater number of votes per security relative to the equity security;
- (b) the conditions attached to the class of equity securities, the conditions attached to another class of securities of the reporting issuer, or the reporting issuer’s constating documents have provisions that nullify or, to a reasonable person, appear to significantly restrict the voting rights of the equity securities; or

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(c) the reporting issuer has issued another class of equity securities that, to a reasonable person, appears to entitle the owners of securities of that other class to participate in the earnings or assets of the reporting issuer to a greater extent, on a per security basis, than the owners of the first class of equity securities;

“restricted security term” means each of the terms “non-voting security”, “subordinate voting security” and “restricted voting security”;

“restricted voting security” means a restricted security that carries a right to vote subject to a restriction on the number or percentage of securities that may be voted by one or more persons or companies, unless the restriction is:

- (a) permitted or prescribed by statute; and
- (b) is applicable only to persons or companies that are not citizens or residents of Canada or that are otherwise considered as a result of any law applicable to the reporting issuer to be non-Canadians;

“restructuring transaction” means:

- (a) a reverse takeover;
- (b) an amalgamation, merger, arrangement or reorganization;
- (c) a transaction or series of transactions involving a reporting issuer acquiring assets and issuing securities that results in:
 - (i) new securityholders owning or controlling more than 50% of the reporting issuer’s outstanding voting securities; and
 - (ii) a new person or company, a new combination of persons or companies acting together, the vendors of the assets, or new management:
 - (A) being able to materially affect the control of the reporting issuer; or
 - (B) holding more than 20% of the outstanding voting securities of the reporting issuer, unless there is evidence showing that the holding of those securities does not materially affect the control of the reporting issuer; and
- (d) any other transaction similar to the transactions listed in paragraphs (a) to (c);

but does not include a subdivision, consolidation, or other transaction that does not alter a securityholder’s proportionate interest in the issuer and the issuer’s proportionate interest in its assets;

“retrospective” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“retrospectively” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

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“reverse takeover” means:

- (a) a reverse acquisition, which has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises; or
- (b) a transaction where an issuer acquires a person or company by which the securityholders of the acquired person or company, at the time of the transaction, obtain control of the issuer, where, for purposes of this paragraph, “control” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“reverse takeover acquiree” means the legal parent in a reverse takeover;

“reverse takeover acquirer” means the legal subsidiary in a reverse takeover;

“SEC issuer” means an issuer that:

- (a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act; and
- (b) is not registered or required to be registered as an investment company under the Investment Company Act of 1940 of the United States of America, as amended;

“solicit”, in connection with a proxy, includes:

- (a) requesting a proxy whether or not the request is accompanied by or included in a form of proxy;
- (b) requesting a securityholder to execute or not to execute a form of proxy or to revoke a proxy;
- (c) sending a form of proxy or other communication to a securityholder under circumstances that to a reasonable person will likely result in the giving, withholding or revocation of a proxy; or
- (d) sending a form of proxy to a securityholder by management of a reporting issuer;

but does not include:

- (e) sending a form of proxy to a securityholder in response to a unsolicited request made by or on behalf of the securityholder;
- (f) performing ministerial acts or professional services on behalf of a person or company soliciting a proxy;
- (g) sending, by an intermediary as defined in NI 54-101, of the documents referred to in NI 54-101;
- (h) soliciting by a person or company in respect of securities of which the person or company is the beneficial owner;

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(i) publicly announcing, by a securityholder, how the securityholder intends to vote and the reasons for that decision, if that public announcement is made by:

(i) a speech in a public forum; or

(ii) a press release, an opinion, a statement or an advertisement provided through a broadcast medium or by a telephonic, electronic or other communication facility, or appearing in a newspaper, a magazine or other publication generally available to the public;

(j) communicating for the purposes of obtaining the number of securities required for a securityholder proposal under the laws under which the reporting issuer is incorporated, organized or continued or under the reporting issuer's constating or establishing documents; or

(k) communicating, other than a solicitation by or on behalf of the management of the reporting issuer, to securityholders in the following circumstances:

(i) by one or more securityholders concerning the business and affairs of the reporting issuer, including its management or proposals contained in a management information circular, and no form of proxy is sent to those securityholders by the securityholder or securityholders making the communication or by a person or company acting on their behalf, unless the communication is made by:

(A) a securityholder who is an officer or director of the reporting issuer if the communication is financed directly or indirectly by the reporting issuer;

(B) a securityholder who is a nominee or who proposes a nominee for election as a director, if the communication relates to the election of directors;

(C) a securityholder whose communication is in opposition to an amalgamation, arrangement, consolidation or other transaction recommended or approved by the board of directors of the reporting issuer and who is proposing or intends to propose an alternative transaction to which the securityholder or an affiliate or associate of the securityholder is a party;

(D) a securityholder who, because of a material interest in the subject-matter to be voted on at a securityholder's meeting, is likely to receive a benefit from its approval or non-approval, which benefit would not be shared pro rata by all other holders of the same class of securities, unless the benefit arises from the securityholder's employment with the reporting issuer; or

(E) any person or company acting on behalf of a securityholder described in any of clauses (A) to (D);

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(ii) by one or more securityholders and concerns the organization of a dissident's proxy solicitation, and no form of proxy is sent to those securityholders by the securityholder or securityholders making the communication or by a person or company acting on their behalf;

(iii) as clients, by a person or company who gives financial, corporate governance or proxy voting advice in the ordinary course of business and concerns proxy voting advice if:

(A) the person or company discloses to the securityholder any significant relationship with the reporting issuer and any of its affiliates or with a securityholder who has submitted a matter to the reporting issuer that the securityholder intends to raise at the meeting of securityholders and any material interests the person or company has in relation to a matter on which advice is given;

(B) the person or company receives any special commission or remuneration for giving the proxy voting advice only from the securityholder or securityholders receiving the advice; and

(C) the proxy voting advice is not given on behalf of any person or company soliciting proxies or on behalf of a nominee for election as a director; or

(iv) by a person or company who does not seek directly or indirectly the power to act as a proxyholder for a securityholder;

“special meeting” has the same meaning as in section 1.1 of NI 54-101;

“special resolution” has the same meaning as in section 1.1 of NI 54-101;

“stratification” has the same meaning as in section 1.1 of NI 54-101;

“subordinate voting security” means a restricted security that carries a right to vote, if there are securities of another class outstanding that carry a greater right to vote on a per security basis;

“transition year” means the financial year of a reporting issuer or business in which the issuer or business changes its financial year-end;

“U.S. AICPA GAAS” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“U.S. GAAP” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“U.S. laws” means the 1933 Act, the 1934 Act, all enactments made under those Acts and all SEC releases adopting the enactments, as amended;

“U.S. marketplace” means an exchange registered as a “national securities exchange” under section 6 of the 1934 Act, or the Nasdaq Stock Market;

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“U.S. PCAOB GAAS” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*; and

“venture issuer” means a reporting issuer that, as at the applicable time, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequis NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc; where the “applicable time” in respect of:

- (a) Parts 4 and 5 of this Instrument and Form 51-102F1, is the end of the applicable financial period;
- (b) Parts 6 and 9 of this Instrument and Form 51-102F6, is the end of the most recently completed financial year;
- (c) Part 8 of this Instrument and Form 51-102F4, is the acquisition date; and
- (d) section 11.3 of this Instrument, is the date of the meeting of the securityholders.

(2) **Affiliate** - In this Instrument, an issuer is an affiliate of another issuer if:

- (a) one of them is the subsidiary of the other; or
- (b) each of them is controlled by the same person.

(3) **Control** - For the purposes of subsection (2), a person (first person) is considered to control another person (second person) if:

- (a) the first person beneficially owns, or controls or directs, directly or indirectly, securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation;
- (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership; or
- (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

PART 2 APPLICATION

2.1 Application

This Instrument does not apply to an investment fund.

PART 3 LANGUAGE OF DOCUMENTS

3.1 French or English

- (1) A person or company must file a document required to be filed under this Instrument in French or in English.

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(2) Despite subsection (1), if a person or company files a document only in French or only in English but delivers to securityholders a version of the document in the other language, the person or company must file that other version not later than when it is first delivered to securityholders.

(3) In Québec, a reporting issuer must comply with linguistic obligations and rights prescribed by Québec law.

3.2 Filings Translated into French or English

If a person or company files a document under this Instrument that is a translation of a document prepared in a language other than French or English, the person or company must:

- (a) attach a certificate as to the accuracy of the translation to the filed document; and
- (b) make a copy of the document in the original language available to a registered holder or beneficial owner of its securities, on request.

PART 4 FINANCIAL STATEMENTS

4.1 Comparative Annual Financial Statements and Audit

(1) Subject to subsection 4.8(6), a reporting issuer must file annual financial statements that include:

- (a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for:
 - (i) the most recently completed financial year; and
 - (ii) the financial year immediately preceding the most recently completed financial year, if any;
- (b) a statement of financial position as at the end of each of the periods referred to in paragraph (a);
- (c) in the following circumstances, a statement of financial position as at the beginning of the financial year immediately preceding the most recently completed financial year:
 - (i) the reporting issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS; and
 - (ii) the reporting issuer:
 - (A) applies an accounting policy retrospectively in its annual financial statements;
 - (B) makes a retrospective restatement of items in its annual financial statements; or
 - (C) reclassifies items in its annual financial statements;
- (d) in the case of the reporting issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS; and
- (e) notes to the annual financial statements.

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- (2) Annual financial statements filed under subsection (1) must be audited.
- (3) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (1).

4.2 Filing Deadline for Annual Financial Statements

The audited annual financial statements required to be filed under section 4.1 must be filed:

- (a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of:
 - (i) the 90th day after the end of its most recently completed financial year; and
 - (ii) the date of filing, in a foreign jurisdiction, annual financial statements for its most recently completed financial year; or
- (b) in the case of a venture issuer, on or before the earlier of:
 - (i) the 120th day after the end of its most recently completed financial year; and
 - (ii) the date of filing, in a foreign jurisdiction, annual financial statements for its most recently completed financial year.

4.3 Interim Financial Report

- (1) Subject to sections 4.7 and 4.10, a reporting issuer must file an interim financial report for each interim period ended after it became a reporting issuer.
- (2) Subject to subsections 4.7(4), 4.8(7), 4.8(8) and 4.10(3), the interim financial report required to be filed under subsection (1) must include:
 - (a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any;
 - (b) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any;
 - (c) for interim periods other than the first interim period in a reporting issuer's financial year, a statement of comprehensive income for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the immediately preceding financial year, if any;
 - (d) in the following circumstances, a statement of financial position as at the beginning of the immediately preceding financial year:
 - (i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 Interim Financial Reporting; and

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(ii) the reporting issuer:

(A) applies an accounting policy retrospectively in its interim financial report;

(B) makes a retrospective restatement of items in its interim financial report; or

(C) reclassifies items in its interim financial report;

(e) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS; and

(f) notes to the interim financial report.

(2.1) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (2).

(3) Disclosure of Auditor Review of an Interim Financial Report

(a) If an auditor has not performed a review of an interim financial report required to be filed under subsection (1), the interim financial report must be accompanied by a notice indicating that the interim financial report has not been reviewed by an auditor.

(b) If a reporting issuer engaged an auditor to perform a review of an interim financial report required to be filed under subsection (1) and the auditor was unable to complete the review, the interim financial report must be accompanied by a notice indicating that the auditor was unable to complete a review of the interim financial report and the reasons why the auditor was unable to complete the review.

(c) If an auditor has performed a review of the interim financial report required to be filed under subsection (1) and the auditor has expressed a reservation of opinion in the auditor's interim review report, the interim financial report must be accompanied by a written review report from the auditor.

(4) SEC Issuer - Restatement of an Interim Financial Report

If an SEC issuer that is a reporting issuer:

(a) has filed an interim financial report prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises for one or more interim periods since its most recently completed financial year for which annual financial statements have been filed; and

(b) prepares its annual financial statements or an interim financial report for the period immediately following the periods referred to in paragraph (a) in accordance with U.S. GAAP;

the SEC issuer must:

(c) restate the interim financial report for the periods referred to in paragraph (a) in accordance with U.S. GAAP; and

(d) file the restated interim financial report referred to in paragraph (c) by the filing deadline for the financial statements referred to in paragraph (b).

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4.4 Filing Deadline for an Interim Financial Report

An interim financial report required to be filed under subsection 4.3(1) must be filed:

- (a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of:
 - (i) the 45th day after the end of the interim period; and
 - (ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period; or
- (b) in the case of a venture issuer, on or before the earlier of:
 - (i) the 60th day after the end of the interim period; and
 - (ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.

4.5 Approval of Financial Statements

- (1) The annual financial statements a reporting issuer is required to file under section 4.1 must be approved by the board of directors before the statements are filed.
- (2) The interim financial report a reporting issuer is required to file under section 4.3 must be approved by the board of directors before the report is filed.
- (3) In fulfilling the requirement in subsection (2), the board of directors may delegate the approval of the interim financial report to the audit committee of the board of directors.

4.6 Delivery of Financial Statements

- (1) Subject to subsection (2), a reporting issuer must send annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request any of the following:
 - (a) a paper copy of the reporting issuer's annual financial statements and MD&A for the annual financial statements;
 - (b) a copy of the reporting issuer's interim financial reports and MD&A for the interim financial reports.
- (2) For the purposes of subsection (1), the reporting issuer must, applying the procedures set out in NI 54-101, send the request form to the beneficial owners of its securities who are identified under that Instrument as having chosen to receive all securityholder materials sent to beneficial owners of securities.
- (3) If a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the issuer's annual financial statements or interim financial reports, the reporting issuer must send a copy of the requested financial statements to the person or company that made the request, without charge, by the later of:
 - (a) in the case of a reporting issuer other than a venture issuer, 10 calendar days after the filing deadline in subparagraph 4.2(a)(i) or 4.4(a)(i), section 4.7, or subsection 4.10(2), as applicable, for the financial statements requested;

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- (b) in the case of a venture issuer, 10 calendar days after the filing deadline in paragraph 4.2(b)(i) or 4.4(b)(i), section 4.7, or subsection 4.10(2), as applicable, for the financial statements requested; and
 - (c) 10 calendar days after the issuer receives the request.
- (4) A reporting issuer is not required to send copies of annual financial statements or interim financial reports under subsection (3) that were filed more than one year before the issuer receives the request.
- (5) Subsection (1) and the requirement to send annual financial statements under subsection (3) do not apply to a reporting issuer that sends its annual financial statements to its securityholders, other than holders of debt instruments, within 140 days of the issuer's financial year-end and in accordance with NI 54-101.
- (6) If a reporting issuer sends financial statements under this section, the reporting issuer must also send, at the same time, the annual or interim MD&A relating to the financial statements.

4.7 Filing of Financial Statements After Becoming a Reporting Issuer

- (1) Despite any provisions of this Part other than subsections (2), (3) and (4) of this section, the first annual financial statements and interim financial reports that a reporting issuer must file under sections 4.1 and 4.3 are the financial statements for the financial year and interim periods immediately following the periods for which financial statements of the issuer were included in a document filed:
- (a) that resulted in the issuer becoming a reporting issuer; or
 - (b) in respect of a transaction that resulted in the issuer becoming a reporting issuer.
- (2) If, under subsection (1), a reporting issuer is required to file annual financial statements for a financial year that ended before the issuer became a reporting issuer, those annual financial statements must be filed on or before the later of:
- (a) the 20th day after the issuer became a reporting issuer; and
 - (b) the filing deadline in section 4.2.
- (3) If, under subsection (1), a reporting issuer is required to file an interim financial report for an interim period that ended before the issuer became a reporting issuer, that interim financial report must be filed on or before the later of:
- (a) the 10th day after the issuer became a reporting issuer; and
 - (b) the filing deadline in section 4.4.
- (4) A reporting issuer is not required to provide comparative interim financial information for periods that ended before the issuer became a reporting issuer if:
- (a) to a reasonable person it is impracticable to present prior-period information on a basis consistent with subsection 4.3(2);
 - (b) the prior-period information that is available is presented; and
 - (c) the notes to the interim financial report disclose the fact that the prior-period information has not been prepared on a basis consistent with the most recent interim financial information.

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4.8 Change in Year-End

(1) **Exemption from Change in Year-End Requirements** - An SEC issuer satisfies this section if:

- (a) it complies with the requirements of U.S. laws relating to a change of fiscal year; and
- (b) it files a copy of all materials required by U.S. laws relating to a change of fiscal year at the same time as, or as soon as practicable after, they are filed with or furnished to the SEC and, in the case of financial statements, no later than the filing deadlines prescribed under sections 4.2 and 4.4.

(2) **Notice of Change** - If a reporting issuer decides to change its financial year-end by more than 14 days, it must file a notice containing the information set out in subsection (3) as soon as practicable, and, in any event, not later than the earlier of:

- (a) the filing deadline, based on the reporting issuer's old financial year-end, for the next financial statements required to be filed, either annual or interim, whichever comes first; and
- (b) the filing deadline, based on the reporting issuer's new financial year-end, for the next financial statements required to be filed, either annual or interim, whichever comes first.

(3) The notice referred to in subsection (2) must state:

- (a) that the reporting issuer has decided to change its year-end;
- (b) the reason for the change;
- (c) the reporting issuer's old financial year-end;
- (d) the reporting issuer's new financial year-end;
- (e) the length and ending date of the periods, including the comparative periods, of each interim financial report and the annual financial statements to be filed for the reporting issuer's transition year and its new financial year; and
- (f) the filing deadlines, prescribed under sections 4.2 and 4.4, for the annual financial statements and interim financial reports for the reporting issuer's transition year.

(4) **Maximum Length of Transition Year** - For the purposes of this section:

- (a) a transition year must not exceed 15 months; and
- (b) the first interim period after an old financial year must not exceed four months.

(5) **Interim Period Ends Within One Month of Year-End** - Despite subsection 4.3(1), a reporting issuer is not required to file an interim financial report for any period in its transition year that ends not more than one month:

- (a) after the last day of its old financial year; or
- (b) before the first day of its new financial year.

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(6) Comparative Financial Information in Annual Financial Statements for New Financial Year - If a transition year is less than nine months in length, the reporting issuer must include as comparative financial information to its annual financial statements for its new financial year:

- (a) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and notes to the financial statements for its transition year;
- (b) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements for its old financial year;
- (c) in the following circumstances, a statement of financial position as at the beginning of the old financial year:
 - (i) the reporting issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS; and
 - (ii) the reporting issuer:
 - (A) applies an accounting policy retrospectively in its annual financial statements;
 - (B) makes a retrospective restatement of items in its annual financial statements; or
 - (C) reclassifies items in its annual financial statements; and
- (d) in the case of the reporting issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS.

(7) Comparative Financial Information in each Interim Financial Report if Interim Periods Not Changed in Transition Year - If interim periods for the reporting issuer's transition year end three, six, nine or twelve months after the end of its old financial year, the reporting issuer must include:

- (a) as comparative financial information in each interim financial report during its transition year, the comparative financial information required by subsection 4.3(2), except if an interim period during the transition year is 12 months in length and the reporting issuer's transition year is longer than 13 months, the comparative financial information must be the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows for the 12 month period that constitutes its old financial year;
- (b) as comparative financial information in each interim financial report during its new financial year:
 - (i) a statement of financial position as at the end of its transition year; and
 - (ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows for the periods in its transition year or old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year;

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(c) in the following circumstances, a statement of financial position as at the beginning of the earliest comparative period:

(i) the reporting issuer that discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 Interim Financial Reporting; and

(ii) the reporting issuer:

(A) applies an accounting policy retrospectively in its interim financial report;

(B) makes a retrospective restatement of items in its interim financial report; or

(C) reclassifies items in its interim financial report; and

(d) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS.

(8) Comparative Financial Information in Interim Financial Reports if Interim Periods Changed in Transition Year - If interim periods for a reporting issuer's transition year end twelve, nine, six or three months before the end of the transition year, the reporting issuer must include:

(a) as comparative financial information in each interim financial report during its transition year:

(i) a statement of financial position as at the end of its old financial year; and

(ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows for periods in its old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the transition year;

(b) as comparative financial information in each interim financial report during its new financial year:

(i) a statement of financial position as at the end of its transition year; and

(ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows in its transition year or old financial year, or both, as appropriate, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year;

(c) in the following circumstances, a statement of financial position as at the beginning of the earliest comparative period:

(i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 Interim Financial Reporting; and

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- (ii) the reporting issuer:
 - (A) applies an accounting policy retrospectively in its interim financial report;
 - (B) makes a retrospective restatement of items in its interim financial report; or
 - (C) reclassifies items in its interim financial report; and
- (d) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS.

4.9 Change in Corporate Structure

If an issuer is party to a transaction that resulted in:

- (a) the issuer becoming a reporting issuer other than by filing a prospectus; or
- (b) if the issuer was already a reporting issuer, in:
 - (i) the issuer ceasing to be a reporting issuer;
 - (ii) a change in the reporting issuer's financial year end; or
 - (iii) a change in the name of the reporting issuer;

the issuer must, as soon as practicable, and in any event not later than the deadline for the first filing required under this Instrument following the transaction, file a notice stating:

- (c) the names of the parties to the transaction;
- (d) a description of the transaction;
- (e) the effective date of the transaction;
- (f) the name of each party, if any, that ceased to be a reporting issuer after the transaction and of each continuing entity;
- (g) the date of the reporting issuer's first financial year-end after the transaction if paragraph (a) or subparagraph (b)(ii) applies;
- (h) the periods, including the comparative periods, if any, of the interim financial reports and the annual financial statements required to be filed for the reporting issuer's first financial year after the transaction, if paragraph (a) or subparagraph (b)(ii) applies; and
- (i) what documents were filed under this Instrument that described the transaction and where those documents can be found in electronic format, if paragraph (a) or subparagraph (b)(ii) applies.

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4.10 Reverse Takeovers

(1) **Change in Year End** - If a reporting issuer must comply with section 4.9 because it was a party to a reverse takeover, the reporting issuer must comply with section 4.8 unless:

- (a) the reporting issuer had the same year-end as the reverse takeover acquirer before the transaction; or
- (b) the reporting issuer changes its year-end to be the same as that of the reverse takeover acquirer.

(2) **Financial Statements of the Reverse Takeover Acquirer for Periods Ending Before a Reverse Takeover** - If a reporting issuer completes a reverse takeover, it must:

- (a) file the following financial statements for the reverse takeover acquirer, unless the financial statements have already been filed:
 - (i) financial statements for all annual and interim periods ending before the date of the reverse takeover and after the date of the financial statements included in an information circular or similar document, or under Item 5.2 of the Form 51-102F3 Material Change Report, prepared in connection with the transaction; or
 - (ii) if the reporting issuer did not file a document referred to in subparagraph (i), or the document does not include the financial statements for the reverse takeover acquirer that would be required to be included in a prospectus, the financial statements prescribed under securities legislation and described in the form of prospectus that the reverse takeover acquirer was eligible to use prior to the reverse takeover for a distribution of securities in the jurisdiction;
- (b) file the annual financial statements required by paragraph (a) on or before the later of:
 - (i) the 20th day after the date of the reverse takeover;
 - (ii) the 90th date after the end of the financial year; and
 - (iii) the 120th day after the end of the financial year if the reporting issuer is a venture issuer; and
- (c) file each interim financial report required by paragraph (a) on or before the later of:
 - (i) the 10th day after the date of the reverse takeover;
 - (ii) the 45th day after the end of the interim period;
 - (iii) the 60th day after the end of the interim period if the reporting issuer is a venture issuer; and
 - (iv) the filing deadline in paragraph (b).

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(3) Comparative Financial Information in each Interim Financial Report after a Reverse Takeover - A reporting issuer is not required to provide comparative interim financial information for the reverse takeover acquirer for periods that ended before the date of a reverse takeover if:

- (a) to a reasonable person it is impracticable to present prior-period information on a basis consistent with subsection 4.3(2);
- (b) the prior-period information that is available is presented; and
- (c) the notes to the interim financial report disclose the fact that the prior-period information has not been prepared on a basis consistent with the most recent interim financial information.

4.11 Change of Auditor

(1) **Definitions** - In this section:

“appointment” means, in relation to a reporting issuer, the earlier of:

- (a) the appointment as its auditor of a different person or company than its predecessor auditor; and
- (b) the decision by the board of directors of the reporting issuer to propose to holders of qualified securities to appoint as its auditor a different person or company than its predecessor auditor;

“consultation” means advice provided by a successor auditor, whether or not in writing, to a reporting issuer during the relevant period, which the successor auditor concluded was an important factor considered by the reporting issuer in reaching a decision concerning:

- (a) the application of accounting principles or policies to a transaction, whether or not the transaction is completed;
- (b) a report provided by an auditor on the reporting issuer’s financial statements;
- (c) scope or procedure of an audit or review engagement; or
- (d) financial statement disclosure;

“disagreement” means a difference of opinion between personnel of a reporting issuer responsible for finalizing the reporting issuer’s financial statements and the personnel of a predecessor auditor responsible for authorizing the issuance of audit reports on the reporting issuer’s financial statements or authorizing the communication of the results of the auditor’s review of the reporting issuer’s interim financial report, if the difference of opinion:

- (a) resulted in a modified opinion in the predecessor auditor’s audit report on the reporting issuer’s financial statements for any period during the relevant period;

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(b) would have resulted in a modified opinion in the predecessor auditor's audit report on the reporting issuer's financial statements for any period during the relevant period if the difference of opinion had not been resolved to the predecessor auditor's satisfaction, not including a difference of opinion based on incomplete or preliminary information that was resolved to the satisfaction of the predecessor auditor upon the receipt of further information;

(c) resulted in a qualified or adverse communication or denial of assurance in respect of the predecessor auditor's review of the reporting issuer's interim financial report for any interim period during the relevant period; or

(d) would have resulted in a qualified or adverse communication or denial of assurance in respect of the predecessor auditor's review of the reporting issuer's interim financial report for any interim period during the relevant period if the difference of opinion had not been resolved to the predecessor auditor's satisfaction, not including a difference of opinion based on incomplete or preliminary information that was resolved to the satisfaction of the predecessor auditor upon the receipt of further information;

"predecessor auditor" means the auditor of a reporting issuer that is the subject of the most recent termination or resignation;

"qualified securities" means securities of a reporting issuer that carry the right to participate in voting on the appointment or removal of the reporting issuer's auditor;

"relevant information circular" means:

(a) if a reporting issuer's constating documents or applicable law require holders of qualified securities to take action to remove the reporting issuer's auditor or to appoint a successor auditor:

(i) the information circular required to accompany or form part of every notice of meeting at which that action is proposed to be taken; or

(ii) the disclosure document accompanying the text of the written resolution provided to holders of qualified securities; or

(b) if paragraph (a) does not apply, the information circular required to accompany or form part of the first notice of meeting to be sent to holders of qualified securities following the preparation of a reporting package concerning a termination or resignation;

"relevant period" means the period:

(a) commencing at the beginning of the reporting issuer's two most recently completed financial years and ending on the date of termination or resignation; or

(b) during which the predecessor auditor was the reporting issuer's auditor, if the predecessor auditor was not the reporting issuer's auditor throughout the period described in paragraph (a);

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“reportable event” means a disagreement, a consultation, or an unresolved issue;

“reporting package” means:

- (a) the documents referred to in subparagraphs (5)(a)(i) and (6)(a)(i);
- (b) the letter referred to in clause (5)(a)(ii)(B), if received by the reporting issuer, unless an updated letter referred to in clause (6)(a)(iii)(B) has been received by the reporting issuer;
- (c) the letter referred to in clause (6)(a)(ii)(B), if received by the reporting issuer; and
- (d) any updated letter referred to in clause (6)(a)(iii)(B) received by the reporting issuer;

“resignation” means notification from an auditor to a reporting issuer of the auditor’s decision to resign or decline to stand for reappointment;

“successor auditor” means the person or company:

- (a) appointed;
- (b) that the board of directors have proposed to holders of qualified securities be appointed; or
- (c) that the board of directors have decided to propose to holders of qualified securities be appointed;

as the reporting issuer’s auditor after the termination or resignation of the reporting issuer’s predecessor auditor;

“termination” means, in relation to a reporting issuer, the earlier of:

- (a) the removal of its auditor before the expiry of the auditor’s term of appointment, the expiry of its auditor’s term of appointment without reappointment, or the appointment of a different person or company as its auditor upon expiry of its auditor’s term of appointment; and
- (b) the decision by the board of directors of the reporting issuer to propose to holders of its qualified securities that its auditor be removed before, or that a different person or company be appointed as its auditor upon, the expiry of its auditor’s term of appointment;

“unresolved issue” means any matter that, in the predecessor auditor’s opinion, has, or could have, a material impact on the financial statements, or reports provided by the auditor relating to the financial statements, for any financial period during the relevant period, and about which the predecessor auditor has advised the reporting issuer if:

- (a) the predecessor auditor was unable to reach a conclusion as to the matter’s implications before the date of termination or resignation;
- (b) the matter was not resolved to the predecessor auditor’s satisfaction before the date of termination or resignation; or
- (c) the predecessor auditor is no longer willing to be associated with any of the financial statements;

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(2) **Meaning of “Material”** - For the purposes of this section, the term “material” has a meaning consistent with the discussion of the term “materiality” in the issuer’s GAAP.

(3) **Exemption from Change of Auditor Requirements** - This section does not apply if:

- (a) the following three conditions are met:
 - (i) a termination, or resignation, and appointment occur in connection with an amalgamation, arrangement, takeover or similar transaction involving the reporting issuer or a reorganization of the reporting issuer;
 - (ii) the termination, or resignation, and appointment have been disclosed in a news release that has been filed or in a disclosure document that has been delivered to holders of qualified securities and filed; and
 - (iii) no reportable event has occurred;
- (b) the change of auditor is required by the legislation under which the reporting issuer exists or carries on its activities; or
- (c) the change of auditor arises from an amalgamation, merger or other reorganization of the auditor.

(4) **Exemption From Change of Auditor Requirements** - SEC Issuers - An SEC issuer satisfies this section if it:

- (a) complies with the requirements of U.S. laws relating to a change of auditor;
- (b) files a copy of all materials required by U.S. laws relating to a change of auditor at the same time as, or as soon as practicable after, they are filed with or furnished to the SEC;
- (c) issues and files a news release describing the information disclosed in the materials referred to in paragraph (b), if there are any reportable events; and
- (d) includes the materials referred to in paragraph (b) with each relevant information circular.

(5) **Requirements Upon Auditor Termination or Resignation** - Upon a termination or resignation of its auditor, a reporting issuer must:

- (a) within 3 days after the date of termination or resignation:
 - (i) prepare a change of auditor notice in accordance with subsection (7) and deliver a copy of it to the predecessor auditor; and
 - (ii) request the predecessor auditor to:
 - (A) review the reporting issuer’s change of auditor notice;
 - (B) prepare a letter, addressed to the regulator or securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor:
 - (I) agrees;
 - (II) disagrees, and the reasons why; or
 - (III) has no basis to agree or disagree; and

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- (C) deliver the letter to the reporting issuer within 7 days after the date of termination or resignation;
 - (b) within 14 days after the date of termination or resignation:
 - (i) have the audit committee of its board of directors or its board of directors review the letter referred to in clause (5)(a)(ii)(B) if received by the reporting issuer, and approve the change of auditor notice;
 - (ii) file a copy of the reporting package with the regulator or securities regulatory authority;
 - (iii) deliver a copy of the reporting package to the predecessor auditor;
 - (iv) if there are any reportable events, issue and file a news release describing the information in the reporting package; and
 - (c) include with each relevant information circular:
 - (i) a copy of the reporting package as an appendix; and
 - (ii) a summary of the contents of the reporting package with a cross-reference to the appendix.
- (6) **Requirements upon Auditor Appointment** - Upon an appointment of a successor auditor, a reporting issuer must:
- (a) within 3 days after the date of appointment:
 - (i) prepare a change of auditor notice in accordance with subsection (7) and deliver it to the successor auditor and to the predecessor auditor;
 - (ii) request the successor auditor to:
 - (A) review the reporting issuer's change of auditor notice;
 - (B) prepare a letter addressed to the regulator or securities regulatory authority, stating, for each statement in the change of auditor notice, whether the auditor:
 - (I) agrees;
 - (II) disagrees, and the reasons why; or
 - (III) has no basis to agree or disagree; and
 - (C) deliver that letter to the reporting issuer within 7 days after the date of appointment; and
 - (iii) request the predecessor auditor to, within 7 days after the date of appointment:
 - (A) confirm that the letter referred to in clause (5)(a)(ii)(B) does not have to be updated; or
 - (B) prepare and deliver to the reporting issuer an updated letter to replace the letter referred to in clause (5)(a)(ii)(B);
 - (b) within 14 days after the date of appointment:
 - (i) have the audit committee of its board of directors or its board of directors review the letters referred to in clauses (6)(a)(ii)(B) and (6)(a)(iii)(B) if received by the reporting issuer, and approve the change of auditor notice;

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- (ii) file a copy of the reporting package with the regulator or securities regulatory authority;
- (iii) deliver a copy of the reporting package to the successor auditor and to the predecessor auditor; and
- (iv) if there are any reportable events, issue and file a news release disclosing the appointment of the successor auditor and describing the information in the reporting package or referring to the news release required under subparagraph (5)(b)(iv).

(7) Change of Auditor Notice Content - A change of auditor notice must state:

- (a) the date of termination or resignation;
- (b) whether the predecessor auditor:
 - (i) resigned on the predecessor auditor's own initiative or at the reporting issuer's request;
 - (ii) was removed or is proposed to holders of qualified securities to be removed during the predecessor auditor's term of appointment; or
 - (iii) was not reappointed or has not been proposed for reappointment;
- (c) whether the termination or resignation of the predecessor auditor and any appointment of the successor auditor were considered or approved by the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors;
- (d) whether the predecessor auditor's report on any of the reporting issuer's financial statements relating to the relevant period expressed a modified opinion and, if so, a description of each modification;
- (e) if there is a reportable event, the following information:
 - (i) for a disagreement:
 - (A) a description of the disagreement;
 - (B) whether the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors discussed the disagreement with the predecessor auditor; and
 - (C) whether the reporting issuer authorized the predecessor auditor to respond fully to inquiries by any successor auditor concerning the disagreement and, if not, a description of and reasons for any limitation;
 - (ii) for a consultation:
 - (A) a description of the issue that was the subject of the consultation;
 - (B) a summary of the successor auditor's oral advice, if any, provided to the reporting issuer concerning the issue;
 - (C) a copy of the successor auditor's written advice, if any, received by the reporting issuer concerning the issue; and

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(D) whether the reporting issuer consulted with the predecessor auditor concerning the issue and, if so, a summary of the predecessor auditor's advice concerning the issue; and

(iii) for an unresolved issue:

(A) a description of the issue;

(B) whether the audit committee of the reporting issuer's board of directors or the reporting issuer's board of directors discussed the issue with the predecessor auditor; and

(C) whether the reporting issuer authorized the predecessor auditor to respond fully to inquiries by any successor auditor concerning the issue and, if not, a description of and reasons for any limitation; and

(f) if there are no reportable events, a statement to that effect.

(8) Predecessor Auditor's Obligations to Report Non-Compliance - If a reporting issuer does not file the reporting package required to be filed under subparagraph (5)(b)(ii) or the news release required to be filed under subparagraph (5)(b)(iv), the predecessor auditor must, within 3 days of the required filing date, advise the reporting issuer in writing of the failure and deliver a copy of the letter to the regulator or, in Quebec, the securities regulatory authority.

(9) Successor Auditor's Obligations to Report Non - Compliance - If a reporting issuer does not file the reporting package required to be filed under subparagraph (6)(b)(ii) or the news release required to be filed under subparagraph (6)(b)(iv), the successor auditor must, within 3 days of the required filing date, advise the reporting issuer in writing of the failure and deliver a copy of the letter to the regulator or, in Quebec, the securities regulatory authority.

PART 4A FORWARD-LOOKING INFORMATION

4A.1 Application

This Part applies to forward-looking information that is disclosed by a reporting issuer other than forward-looking information contained in oral statements.

4A.2 Reasonable Basis

A reporting issuer must not disclose forward-looking information unless the issuer has a reasonable basis for the forward-looking information.

4A.3 Disclosure

A reporting issuer that discloses material forward-looking information must include disclosure that:

(a) identifies forward-looking information as such;

(b) cautions users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information;

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(c) states the material factors or assumptions used to develop forward-looking information; and

(d) describes the reporting issuer's policy for updating forward-looking information if it includes procedures in addition to those described in subsection 5.8(2).

PART 4B FOFI AND FINANCIAL OUTLOOKS

4B.1 Application

(1) Subject to subsection (2), this Part applies to FOFI or a financial outlook that is disclosed by a reporting issuer.

(2) This Part does not apply to disclosure that is:

(a) subject to requirements in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* or National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

(b) made to comply with the conditions of any exemption from the requirements referred to in paragraph (a) that a reporting issuer received from a regulator or securities regulatory authority unless the regulator or securities regulatory authority orders that this Part applies to disclosure made under the exemption; or

(c) contained in an oral statement.

4B.2 Assumptions

(1) A reporting issuer must not disclose FOFI or a financial outlook unless the FOFI or financial outlook is based on assumptions that are reasonable in the circumstances.

(2) FOFI or a financial outlook that is based on assumptions that are reasonable in the circumstances must, without limitation:

(a) be limited to a period for which the information in the FOFI or financial outlook can be reasonably estimated; and

(b) use the accounting policies the reporting issuer expects to use to prepare its historical financial statements for the period covered by the FOFI or the financial outlook.

4B.3 Disclosure

In addition to the disclosure required by section 4A.3, if a reporting issuer discloses FOFI or a financial outlook, the issuer must include disclosure that:

(a) states the date management approved the FOFI or financial outlook, if the document containing the FOFI or financial outlook is undated; and

(b) explains the purpose of the FOFI or financial outlook and cautions readers that the information may not be appropriate for other purposes.

PART 5 MANAGEMENT'S DISCUSSION & ANALYSIS

5.1 Filing of MD&A

(1) A reporting issuer must file MD&A relating to its annual financial statements and each interim financial report required under Part 4.

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(1.1) Despite subsection (1), a reporting issuer does not have to file MD&A relating to the annual financial statements and interim financial reports required under sections 4.7 and 4.10 for financial years and interim periods that ended before the issuer became a reporting issuer.

(2) Subject to section 5.2, the MD&A required to be filed under subsection (1) must be filed on or before the earlier of:

- (a) the filing deadlines for the annual financial statements and each interim financial report set out in sections 4.2 and 4.4, as applicable; and
- (b) the date the reporting issuer files the financial statements under subsections 4.1(1) or 4.3(1), as applicable.

5.2 Filing of MD&A for SEC Issuers

If an SEC issuer that is a reporting issuer is filing its annual or interim MD&A prepared in accordance with Item 303 of Regulation S-K under the 1934 Act, the SEC issuer must file that document on or before the earlier of:

- (a) the date the SEC issuer would be required to file that document under section 5.1; and
- (b) the date the SEC issuer files that document with the SEC.

5.3 Additional Disclosure for Venture Issuers Without Significant Revenue

(1) A venture issuer that has not had significant revenue from operations in either of its last two financial years, must disclose in its MD&A, for each period referred to in subsection (2), a breakdown of material components of:

- (a) exploration and evaluation assets or expenditures;
- (b) expensed research and development costs;
- (c) intangible assets arising from development;
- (d) general and administration expenses; and
- (e) any material costs, whether expensed or recognized as assets, not referred to in paragraphs (a) through (d);

and if the venture issuer's business primarily involves mining exploration and development, the analysis of exploration and evaluation assets or expenditures must be presented on a property-by-property basis.

(2) The disclosure in subsection (1) must be provided for the following periods:

- (a) in the case of annual MD&A, for the two most recently completed financial years; and
- (b) in the case of interim MD&A, for an issuer that is not providing disclosure in accordance with section 2.2.1 of Form 51-102F1 for the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report.

(3) Subsection (1) does not apply if the information required under that subsection has been disclosed in the financial statements to which the MD&A relates.

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5.4 Disclosure of Outstanding Share Data

(1) A reporting issuer must disclose in its annual MD&A and, if the issuer is not providing disclosure in accordance with section 2.2.1 of Form 51-102F1, its interim MD&A the designation and number or principal amount of:

- (a) each class and series of voting or equity securities of the reporting issuer for which there are securities outstanding;
- (b) each class and series of securities of the reporting issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the reporting issuer; and
- (c) subject to subsection (2), each class and series of voting or equity securities of the reporting issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer.

(2) If the exact number or principal amount of voting or equity securities of the reporting issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer is not determinable, the reporting issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the reporting issuer and, if that maximum number or principal amount is not determinable, the reporting issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined.

(3) The disclosure under subsections (1) and (2) must be prepared as of the latest practicable date.

5.5 Approval of MD&A

(1) The annual MD&A that a reporting issuer is required to file under this Part must be approved by the board of directors before being filed.

(2) The interim MD&A that a reporting issuer is required to file under this Part must be approved by the board of directors before being filed.

(3) In fulfilling the requirement in subsection (2), the board of directors may delegate the approval of the interim MD&A required to be filed under this Part to the audit committee of the board of directors.

5.6 Delivery of MD&A

(1) If a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the reporting issuer's annual or interim MD&A, the reporting issuer must send a copy of the requested MD&A to the person or company that made the request, without charge, by the delivery deadline set out in subsection 4.6(3) for the annual financial statements or interim financial report to which the MD&A relates.

(2) A reporting issuer is not required to send copies of any MD&A under subsection (1) that was filed more than two years before the issuer receives the request.

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(3) The requirement to send annual MD&A under subsection (1) does not apply to a reporting issuer that sends its annual MD&A to its securityholders, other than holders of debt instruments, within 140 days of the issuer's financial year-end and in accordance with NI 54-101.

(4) If a reporting issuer sends MD&A under this section, the reporting issuer must also send, at the same time, the annual financial statements or interim financial report to which the MD&A relates.

5.7 Additional Disclosure for Reporting Issuers with Significant Equity Investees

(1) A reporting issuer that has a significant equity investee must disclose in its MD&A for each period referred to in subsection (2):

- (a) summarized financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and
- (b) the reporting issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the reporting issuer's share of profit or loss.

(2) The disclosure in subsection (1) must be provided for the following periods:

- (a) in the case of annual MD&A, for the two most recently completed financial years; and
- (b) in the case of interim MD&A, for an issuer that is not providing disclosure in accordance with section 2.2.1 of Form 51-102F1 for the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report.

(3) Subsection (1) does not apply if:

- (a) the information required under that subsection has been disclosed in the financial statements to which the MD&A relates; or
- (b) the issuer files separate financial statements of the equity investee for the periods referred to in subsection (2).

5.8 Disclosure Relating to Previously Disclosed Material Forward-Looking Information

(1) **Application** - This section applies to material forward-looking information that is disclosed by a reporting issuer other than:

- (a) forward-looking information contained in an oral statement; or
- (b) disclosure that is:
 - (i) subject to the requirements in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* or National Instrument 43-101 *Standards of Disclosure for Mineral Projects*; or
 - (ii) made to comply with the conditions of any exemption from the requirements referred to in subparagraph (i) that a reporting issuer received from a regulator or securities regulatory authority unless the regulator or securities regulatory authority orders that this Part applies to disclosure made under the exemption.

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- (2) **Update** - A reporting issuer must discuss in its MD&A:
- (a) events and circumstances that occurred during the period to which the MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking information for a period that is not yet complete that the reporting issuer previously disclosed to the public; and
 - (b) the expected differences referred to in paragraph (a).
- (3) **Exemption** - Subsection (2) does not apply if the reporting issuer:
- (a) includes the information required by subsection (2) in a news release issued and filed by the reporting issuer before the filing of the MD&A referred to in subsection (2); and
 - (b) includes disclosure in the MD&A referred to in subsection (2) that:
 - (i) identifies the news release referred to in paragraph (a);
 - (ii) states the date of the news release; and
 - (iii) states that the news release is available at www.sedar.com.
- (4) **Comparison to Actual** - A reporting issuer must disclose and discuss in its MD&A material differences between:
- (a) actual results for the annual or interim period to which the MD&A relates; and
 - (b) any FOFI or financial outlook for the period referred to in paragraph (a) that the reporting issuer previously disclosed.
- (5) **Withdrawal** - If during the period to which its MD&A relates, a reporting issuer decides to withdraw previously disclosed material forward-looking information:
- (a) the reporting issuer must disclose in its MD&A the decision and discuss the events and circumstances that led the reporting issuer to that decision, including a discussion of the assumptions underlying the forward-looking information that are no longer valid; and
 - (b) subsection (4) does not apply to the reporting issuer with respect to the MD&A:
 - (i) if the reporting issuer complies with paragraph (a); and
 - (ii) the MD&A is filed before the end of the period covered by the forward-looking information.
- (6) **Exemption** - Paragraph 5(a) does not apply if the reporting issuer:
- (a) includes the information required by paragraph (5)(a) in a news release issued and filed by the reporting issuer before the filing of the MD&A referred to in subsection (5); and
 - (b) includes disclosure in the MD&A referred to in subsection (5) that:
 - (i) identifies the news release referred to in paragraph (a);
 - (ii) states the date of the news release; and
 - (iii) states that the news release is available at www.sedar.com.

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PART 6 ANNUAL INFORMATION FORM

6.1 Requirement to File an AIF

A reporting issuer that is not a venture issuer must file an AIF.

6.2 Filing Deadline for an AIF

An AIF required to be filed under section 6.1 must be filed:

- (a) subject to paragraph (b), on or before the 90th day after the end of the reporting issuer's most recently completed financial year; or
- (b) in the case of a reporting issuer that is an SEC issuer filing its AIF on Form 10-K or Form 20-F, on or before the earlier of:
 - (i) the 90th day after the end of the reporting issuer's most recently completed financial year; and
 - (ii) the date the reporting issuer files its Form 10-K or Form 20-F with the SEC.

6.3 [Repealed]

PART 7 MATERIAL CHANGE REPORTS

7.1 Publication of Material Change

(1) Subject to subsection (2), if a material change occurs in the affairs of a reporting issuer, the reporting issuer must:

- (a) immediately issue and file a news release authorized by an executive officer disclosing the nature and substance of the change; and
- (b) as soon as practicable, and in any event within 10 days of the date on which the change occurs, file a Form 51-102F3 *Material Change Report* with respect to the material change.

(2) Subsection (1) does not apply if:

- (a) in the opinion of the reporting issuer, and if that opinion is arrived at in a reasonable manner, the disclosure required by subsection (1) would be unduly detrimental to the interests of the reporting issuer; or
- (b) the material change consists of a decision to implement a change made by senior management of the reporting issuer who believe that confirmation of the decision by the board of directors is probable, and senior management of the reporting issuer has no reason to believe that persons with knowledge of the material change have made use of that knowledge in purchasing or selling securities of the reporting issuer;

and the reporting issuer immediately files the report required under paragraph (1) (b) marked so as to indicate that it is confidential, together with written reasons for non-disclosure.

(3) [Repealed]

(4) [Repealed]

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(5) If a report has been filed under subsection (2), the reporting issuer must advise the regulator or securities regulatory authority in writing if it believes the report should continue to remain confidential, within 10 days of the date of filing of the initial report and every 10 days thereafter until the material change is generally disclosed in the manner referred to in paragraph (1)(a), or, if the material change consists of a decision of the type referred to in paragraph (2)(b), until that decision has been rejected by the board of directors of the reporting issuer.

(6) Despite subsection (5), in Ontario, the reporting issuer must advise the securities regulatory authority.

(7) If a report has been filed under subsection (2), the reporting issuer must promptly generally disclose the material change in the manner referred to in subsection (1) upon the reporting issuer becoming aware, or having reasonable grounds to believe, that persons or companies are purchasing or selling securities of the reporting issuer with knowledge of the material change that has not been generally disclosed.

PART 8 BUSINESS ACQUISITION REPORT

8.1 Interpretation and Application

(1) In this Part:

“acquisition” includes an acquisition of an interest in a business that is consolidated for accounting purposes or accounted for by another method, such as the equity method;

“acquisition of related businesses” means the acquisition 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) the acquisitions were contingent upon a single common event;

“business” includes an interest in an oil and gas property to which reserves, as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, have been specifically attributed; and

“specified profit or loss” means profit or loss from continuing operations attributable to owners of the parent, adjusted to exclude income taxes.

(2) This Part does not apply to a transaction that is a reverse takeover.

8.2 Obligation to File a Business Acquisition Report and Filing Deadline

(1) If a reporting issuer completes a significant acquisition, as determined under section 8.3, it must file a business acquisition report within 75 days after the acquisition date.

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(2) Despite subsection (1), if the most recently completed financial year of the acquired business ended 45 days or less before the acquisition date, a reporting issuer must file a business acquisition report:

- (a) within 90 days after the acquisition date, in the case of an issuer other than a venture issuer; or
- (b) within 120 days after the acquisition date, in the case of a venture issuer.

8.3 Determination of Significance

(1) **Significant Acquisitions** - Subject to subsection (3) and subsections 8.10(1) and 8.10(2), an acquisition of a business or related businesses is a significant acquisition:

- (a) for a reporting issuer that is not a venture issuer, if the acquisition satisfies any of the three significance tests set out in subsection (2); and
- (b) for a venture issuer, if the acquisition satisfies either of the significance tests set out in paragraphs (2)(a) or (b) if “20 percent” is read as “100 percent”.

(2) **Required Significance Tests** - For the purposes of subsection (1) and subject to subsections (4.1) and (4.2), the significance tests are:

- (a) **The Asset Test.** The reporting issuer’s proportionate share of the consolidated assets of the business or related businesses exceeds 20 percent of the consolidated assets of the reporting issuer calculated using the audited annual financial statements of each of the reporting issuer and the business or the related businesses for the most recently completed financial year of each that ended before the acquisition date.
- (b) **The Investment Test.** The reporting issuer’s consolidated investments in and advances to the business or related businesses as at the acquisition date exceeds 20 percent of the consolidated assets of the reporting issuer as at the last day of the most recently completed financial year of the reporting issuer ended before the acquisition date, excluding any investments in or advances to the business or related businesses as at that date.
- (c) **The Profit or Loss Test.** The reporting issuer’s proportionate share of the consolidated specified profit or loss of the business or related businesses exceeds 20 percent of the consolidated specified profit or loss of the reporting issuer calculated using the audited annual financial statements of each of the reporting issuer and the business or related businesses for the most recently completed financial year of each ended before the acquisition date.

(3) **Optional Significance Tests** - Despite subsection (1) and subject to subsections 8.10(1) and 8.10(2), if an acquisition of a business or related businesses is significant based on the significance tests in subsection (2):

- (a) a reporting issuer that is not a venture issuer may re-calculate the significance using the optional significance tests in subsection (4); and
- (b) a venture issuer may re-calculate the significance using the optional significance tests in paragraphs (4)(a) or (b) if “20 percent” is read as “100 percent”.

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(4) For the purposes of subsection (3) and subject to subsections (4.1) and (4.2), the optional significance tests are:

(a) **The Asset Test.** The reporting issuer's proportionate share of the consolidated assets of the business or related businesses exceeds 20 percent of the consolidated assets of the reporting issuer, calculated using the financial statements of each of the reporting issuer and the business or the related businesses for the most recently completed interim period or financial year of each, without giving effect to the acquisition.

(b) **The Investment Test.** The reporting issuer's consolidated investments in and advances to the business or related businesses as at the acquisition date exceeds 20 percent of the consolidated assets of the reporting issuer as at the last day of the most recently completed interim period or financial year of the reporting issuer, excluding any investments in or advances to the business or related businesses as at that date.

(c) **The Profit or Loss Test.** The specified profit or loss calculated under the following subparagraph (i) exceeds 20 percent of the specified profit or loss calculated under the following subparagraph (ii):

(i) the reporting issuer's proportionate share of the consolidated specified profit or loss of the business or related businesses for the later of:

(A) the most recently completed financial year of the business or related businesses; or

(B) the 12 months ended on the last day of the most recently completed interim period of the business or related businesses;

(ii) the reporting issuer's consolidated specified profit or loss for the later of:

(A) the most recently completed financial year, without giving effect to the acquisition; or

(B) the 12 months ended on the last day of the most recently completed interim period of the reporting issuer, without giving effect to the acquisition.

(4.1) For the purposes of subsections (2) and (4), the reporting issuer must not remeasure its previously held equity interest in the business or related businesses.

(4.2) For the purposes of paragraphs (2)(b) and (4)(b), the reporting issuer's investments in and advances to the business or related businesses must include:

(a) the consideration transferred for the acquisition, measured in accordance with the issuer's GAAP;

(b) payments made in connection with the acquisition which do not constitute consideration transferred but which would not have been paid unless the acquisition had occurred; and

(c) contingent consideration for the acquisition measured in accordance with the issuer's GAAP.

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(5) If an acquisition does not meet any of the significance tests under subsection (4), the acquisition is not a significant acquisition.

(6) Despite subsection (3), the significance of an acquisition of a business or related businesses may be re-calculated using financial statements for periods that ended after the acquisition date only if, after the acquisition date, the business or related businesses remained substantially intact and were not significantly reorganized, and no significant assets or liabilities were transferred to other entities.

(7) **Application of the Profit or Loss Test if a Loss Occurred** - For the purposes of paragraphs (2)(c) and (4)(c), if any of the reporting issuer, the business or the related businesses has incurred a loss, the significance test must be applied using the absolute value of the loss from continuing operations attributable to owners of the parent, adjusted to exclude income taxes.

(8) **Application of the Profit or Loss Test if Lower Than Average Profit or Loss for the Most Recent Year** - For the purposes of paragraph (2)(c) and clause (4)(c)(ii)(A), if the reporting issuer's consolidated specified profit or loss for the most recently completed financial year was lower by 20 percent or more than its average consolidated specified profit or loss for the three most recently completed financial years, the issuer may, subject to subsection (10), substitute the average consolidated specified profit or loss for the three most recently completed financial years in determining whether the significance test set out in paragraph (2)(c) or (4)(c) is satisfied.

(9) **Application of the Optional Profit or Loss Test if Lower Than Average Profit or Loss for the Most Recent Year** - For the purpose of clause (4)(c)(ii)(B) if the reporting issuer's consolidated specified profit or loss for the most recently completed 12-month period was lower by 20 percent or more than its average consolidated specified profit or loss for the three most recently completed 12-month periods, the issuer may, subject to subsection (10), substitute the average consolidated specified profit or loss for the three most recently completed 12-month periods in determining whether the significance test set out in paragraph (4)(c) is satisfied.

(10) **Lower than Average Profit or Loss of the Issuer if a Loss Occurred** - If the reporting issuer's consolidated specified profit or loss for either of the two earlier financial periods referred to in subsections (8) and (9) is a loss, the reporting issuer's specified profit or loss for that period is considered to be zero for the purposes of calculating the average consolidated specified profit or loss for the three financial periods.

(11) **Application of Significance Tests - Multiple Investments in the Same Business** - If a reporting issuer has made multiple investments in the same business, then for the purposes of applying subsections (2) and (4):

- (a) if the initial investment and one or more incremental investments were made during the same financial year, the investments must be aggregated and tested on a combined basis;

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(b) if one or more incremental investments were made in a financial year subsequent to the financial year in which an initial or incremental investment was made and the initial or previous incremental investments are reflected in audited annual financial statements of the reporting issuer previously filed, the reporting issuer must apply the significance tests set out in subsections (2) and (4) on a combined basis to the incremental investments not reflected in audited financial statements of the reporting issuer previously filed; and

(c) if one or more incremental investments were made in a financial year subsequent to the financial year in which the initial investment was made and the initial investment is not reflected in audited annual financial statements of the reporting issuer previously filed, the reporting issuer must apply the significance tests set out in subsections (2) and (4) to the initial and incremental investments on a combined basis.

(11.1) Application of the Optional Profit or Loss Test based on Pro Forma Financial Information - For the purposes of calculating the optional profit or loss test under clause (4)(c)(ii)(A), a reporting issuer may use pro forma consolidated specified profit or loss for its most recently completed financial year that was included in a previously filed document if:

- (a) the reporting issuer has made a significant acquisition of a business after its most recently completed financial year; and
- (b) the previously filed document included:
 - (i) audited annual financial statements of that acquired business for the periods required by this Part; and
 - (ii) the pro forma financial information required by subsection 8.4(5) or (6).

(12) Application of Significance Tests - Related Businesses - In determining whether an acquisition of related businesses is a significant acquisition, related businesses acquired after the ending date of the most recently filed audited annual financial statements of the reporting issuer must be considered on a combined basis.

(13) Application of Significance Tests - Accounting Principles and Currency - For the purposes of calculating the significance tests in subsections (2) and (4), the amounts used for the business or related businesses must:

- (a) subject to subsection (13.1), be based on the issuer's GAAP; and
- (b) be translated into the same presentation currency as that used in the reporting issuer's financial statements.

(13.1) Application of Significance Tests - Exemption - Canadian GAAP Applicable to Private Enterprises - Paragraph 8.3(13)(a) does not apply to a venture issuer if:

- (a) the financial statements for the business or related businesses referred to in subsections 8.3(2) and (4):
 - (i) are prepared in accordance with Canadian GAAP applicable to private enterprises; and
 - (ii) are prepared in a manner that consolidates any subsidiaries and accounts for significantly influenced investees and joint ventures using the equity method; and

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(b) none of the accounting principles described in paragraphs 3.11(1)(a) through (e) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* were used to prepare financial statements for the business or related businesses referred to in subsections 8.3(2) and (4).

(14) Application of Significance Tests - Use of Unaudited Financial Statements - Despite subsections (2) and (4), the significance of an acquisition of a business or related businesses may be calculated using unaudited financial statements of the business or related businesses that comply with section 3.11 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* if the financial statements of the business or related businesses for the most recently completed financial year have not been audited.

(15) Application of Significance Tests - Use of Previous Audited Financial Statements - Despite subsections (2) and (4), the significance of an acquisition of a business or related businesses may be calculated using the audited financial statements for the financial year immediately preceding the reporting issuer's most recently completed financial year if the reporting issuer has not been required to file, and has not filed, audited financial statements for its most recently completed financial year.

8.4 Financial Statement Disclosure for Significant Acquisitions

(1) **Comparative Annual Financial Statements** - If a reporting issuer is required to file a business acquisition report under section 8.2, subject to sections 8.6 through 8.11, the business acquisition report must include the following for each business or related businesses:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the following periods:

(i) if the business has completed one financial year:

(A) the most recently completed financial year ended on or before the acquisition date; and

(B) the financial year immediately preceding the most recently completed financial year, if any; or

(ii) if the business has not completed one financial year, the financial period commencing on the date of formation and ending on a date not more than 45 days before the acquisition date;

(b) a statement of financial position as at the end of each of the periods specified in paragraph (a); and

(c) notes to the financial statements.

(2) **Audit** - The most recently completed financial period referred to in subsection (1) must be audited.

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(3) **Interim Financial Report** - Subject to subsection (4) and sections 8.6 through 8.11, if a reporting issuer is required to include financial statements in a business acquisition report under subsection (1), the business acquisition report must include financial statements for:

- (a) the most recently completed interim period or other period that started the day after the date of the statement of financial position specified in paragraph (1)(b) and ended:
 - (i) in the case of an interim period, before the acquisition date; or
 - (ii) in the case of a period other than an interim period, after the interim period referred to in subparagraph (i) and on or before the acquisition date; and
- (b) a comparable period in the preceding financial year of the business.

(3.1) **Contents of Interim Financial Report - Canadian GAAP Applicable to Private Enterprises** - If a reporting issuer is required under subsection (3) to include an interim financial report in a business acquisition report and the financial statements for the business or related businesses acquired are prepared in accordance with Canadian GAAP applicable to private enterprises, as permitted under National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, the interim financial report must include:

- (a) a balance sheet as at the end of the interim period and a balance sheet as at the end of the immediately preceding financial year, if any;
- (b) an income statement, a statement of retained earnings and a cash flow statement, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any; and
- (c) notes to the financial statements.

(4) **Earlier Financial Statements Permitted** - Despite subsection (3), the business acquisition report may include financial statements for a period ending not more than one interim period before the period referred to in subparagraph (3)(a)(i) if:

- (a) the business does not, or related businesses do not, constitute a material departure from the business or operations of the reporting issuer immediately before the acquisition; and
- (b) [Repealed];
- (c) either:
 - (i) the acquisition date is, and the reporting issuer files the business acquisition report, within the following time after the business's or related businesses' most recently completed interim period:
 - (A) 45 days, if the reporting issuer is not a venture issuer; or
 - (B) 60 days, if the reporting issuer is a venture issuer; or

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- (ii) the reporting issuer filed a document before the acquisition date that included financial statements for the business or related businesses that would have been required if the document were a prospectus, and those financial statements are for a period ending not more than one interim period before the interim period referred to in subparagraph (3)(a)(i).

(5) Pro Forma Financial Statements Required in a Business Acquisition Report - If a reporting issuer other than a venture issuer is required to include financial statements in a business acquisition report under subsection (1) or (3), the business acquisition report must include:

- (a) a pro forma statement of financial position of the reporting issuer:
 - (i) as at the date of the reporting issuer's most recent statement of financial position filed, that gives effect, as if they had taken place as at the date of the pro forma statement of financial position, to significant acquisitions that have been completed, but are not reflected in the reporting issuer's most recent statement of financial position for an annual or interim period; or
 - (ii) if the reporting issuer has not filed a statement of financial position for any annual or interim period, as at the date of the acquired business's most recent statement of financial position, that gives effect, as if they had taken place as at the date of the pro forma statement of financial position, to significant acquisitions that have been completed;
- (b) a pro forma income statement of the reporting issuer that gives effect to significant acquisitions completed since the beginning of the financial year referred to in clause (i)(A) or (ii)(A), as applicable, as if they had taken place at the beginning of that financial year, for each of the following financial periods:
 - (i) the reporting issuer's:
 - (A) most recently completed financial year for which it has filed financial statements; and
 - (B) interim period for which it has filed an interim financial report that started after the period in clause (A) and ended immediately before the acquisition date or, in the reporting issuer's discretion, after the acquisition date; or
 - (ii) if the reporting issuer has not filed a statement of comprehensive income for any annual or interim period, for the business's or related businesses":
 - (A) most recently completed financial year that ended before the acquisition date; and
 - (B) period for which financial statements are included in the business acquisition report under paragraph (3)(a); and
- (c) pro forma earnings per share based on the pro forma financial statements referred to in paragraph (b).

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(6) Pro Forma Financial Statements based on Earlier Financial Statements Permitted - Despite paragraph (5)(a) and clauses (5)(b)(i)(B) and (5)(b)(ii)(B), if the reporting issuer relies on subsection (4), the business acquisition report may include:

- (a) a pro forma statement of financial position as at the date of the statement of financial position filed immediately before the reporting issuer's most recent statement of financial position filed; and
- (b) a pro forma income statement for the period ending not more than one interim period before the interim period referred to in clause (5)(b)(i)(B) or (5)(b)(ii)(B), as applicable.

(7) Preparation of Pro Forma Financial Statements - If a reporting issuer is required to include pro forma financial statements in a business acquisition report under subsection (5):

- (a) the reporting issuer must identify in the pro forma financial statements each significant acquisition, if the pro forma financial statements give effect to more than one significant acquisition;
- (b) the reporting issuer must include in the pro forma financial statements:
 - (i) adjustments attributable to each significant acquisition for which there are firm commitments and for which the complete financial effects are objectively determinable;
 - (ii) adjustments to conform amounts for the business or related businesses to the issuer's accounting policies; and
 - (iii) a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-referenced to each related pro forma adjustment;
- (c) if the financial year-end of the business differs from the reporting issuer's year-end by more than 93 days, for the purpose of preparing the pro forma income statement for the reporting issuer's most recently completed financial year, the reporting issuer must construct an income statement of the business for a period of 12 consecutive months ending no more than 93 days before or after the reporting issuer's year-end, by adding the results for a subsequent interim period to a completed financial year of the business and deducting the comparable interim results for the immediately preceding year;
- (d) if a constructed income statement is required under paragraph (c), the pro forma financial statements must disclose the period covered by the constructed income statement on the face of the pro forma financial statements and must include a note stating that the financial statements of the business used to prepare the pro forma financial statements were prepared for the purpose of the pro forma financial statements and do not conform with the financial statements for the business included elsewhere in the business acquisition report;

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(e) if a reporting issuer is required to prepare a pro forma income statement for an interim period required by paragraph (5)(b), and the pro forma income statement for the most recently completed financial year includes results of the business which are also included in the pro forma income statement for the interim period, the reporting issuer must disclose in a note to the pro forma financial statements the revenue, expenses and profit or loss from continuing operations included in each pro forma income statement for the overlapping period; and

(f) a constructed period referred to in paragraph (c) does not have to be audited.

(8) **Financial Statements of Related Businesses** - If a reporting issuer is required under subsection (1) to include financial statements for more than one business because the significant acquisition involves an acquisition of related businesses, the financial statements required under subsection (1) must be presented separately for each business, except for the periods during which the businesses have been under common control or management, in which case the reporting issuer may present the financial statements of the businesses on a combined basis.

8.5 [Repealed]

8.6 Exemption for Significant Acquisitions Accounted for Using the Equity Method

A reporting issuer is exempt from the requirements in section 8.4 if:

- (a) the acquisition is, or will be, of an equity investee;
- (b) the business acquisition report includes disclosure for the periods for which financial statements are otherwise required under subsection 8.4(1) that:
 - (i) summarizes financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and
 - (ii) describes the reporting issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the reporting issuer's share of profit or loss;
- (c) the financial information provided under paragraph (b) for the most recently completed financial year:
 - (i) has been derived from audited financial statements of the equity investee; or
 - (ii) has been audited; and

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- (d) the business acquisition report:
 - (i) identifies the financial statements referred to in subparagraph (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 auditor expressed an unmodified opinion with respect to the financial statements referred to in subparagraph (i) or the financial information referred to in subparagraph (ii).

8.7 [Repealed]

8.8 Exemption for Significant Acquisitions if Financial Year End Changed

If under section 8.4 a reporting issuer is required to provide financial statements for a business acquired and the business changed its financial year end during either of the financial years required to be included, the reporting issuer may include financial statements for the transition year in satisfaction of the financial statements for one of the years, provided that the transition year is at least nine months.

8.9 Exemption from Comparatives if Financial Statements Not Previously Prepared

A reporting issuer is not required to provide comparative information for an interim financial report required under subsection 8.4(3) for a business acquired if:

- (a) to a reasonable person it is impracticable to present prior-period information on a basis consistent with the most recently completed interim period of the acquired business;
- (b) the prior-period information that is available is presented; and
- (c) the notes to the interim financial report disclose the fact that the prior-period information has not been prepared on a basis consistent with the most recent interim financial information.

8.10 Acquisition of an Interest in an Oil and Gas Property

(1) **Asset Test** - Despite subsections 8.3(2) and 8.3(4), the asset tests in paragraphs 8.3(2)(a) and 8.3(4)(a) do not apply to an acquisition:

- (a) of a business that is an interest in an oil and gas property or related businesses that are interests in oil and gas properties; and
- (b) that is not of securities of another issuer, unless the vendor transferred the business referenced in paragraph (1)(a) to the other issuer and that other issuer:
 - (i) was created for the sole purpose of facilitating the acquisition; and
 - (ii) other than assets or operations related to the transferred business, has no:
 - (A) substantial assets; or
 - (B) operating history.

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(2) **Profit or Loss Test** - Despite subsections 8.3(2), 8.3(4), 8.3(8), 8.3(9), 8.3(10) and 8.3(11.1), a reporting issuer must substitute “operating income” for “specified profit or loss” for the purposes of the profit or loss test in paragraphs 8.3(2)(c) and 8.3(4)(c) if the acquisition is one described in subsection (1).

(3) **Exemption from Financial Statement Disclosure** - A reporting issuer is exempt from the requirements in section 8.4 if:

- (a) the significant acquisition is an acquisition described in subsection (1);
- (b) the reporting issuer is unable to provide the financial statements in respect of the significant acquisition otherwise required under this Part because those financial statements do not exist or because the reporting issuer does not have access to those financial statements;
- (c) the acquisition does not constitute a reverse takeover;
- (d) [Repealed];
- (e) subject to subsection (4), in respect of the business or related businesses, for each of the financial periods for which financial statements would, but for this section, be required under section 8.4, the business acquisition report includes:
 - (i) an operating statement for the business or related businesses prepared in accordance with subsection 3.11(5) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;
 - (ii) a pro forma operating statement of the reporting issuer that gives effect to significant acquisitions completed since the beginning of the reporting issuer’s most recently completed financial year for which financial statements are required to have been filed, as if they had taken place at the beginning of that financial year, for each of the financial periods referred to in paragraph 8.4(5)(b);
 - (iii) a description of the property or properties and the interest acquired by the reporting issuer; and
 - (iv) disclosure of the annual oil and gas production volumes from the business or related businesses;
- (f) the operating statement for the most recently completed financial period referred to in subsection 8.4(1) is audited; and
- (g) the business acquisition report discloses:
 - (i) the estimated reserves and related future net revenue attributable to the business or related businesses, the material assumptions used in preparing the estimates and the identity and relationship to the reporting issuer or to the vendor of the person who prepared the estimates; and
 - (ii) the estimated oil and gas production volumes from the business or related businesses for the first year reflected in the estimates disclosed under subparagraph (i).

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(4) **Exemption from Alternative Disclosure** - A reporting issuer is exempt from the requirements of subparagraphs (3)(e)(i), (ii) and (iv), if:

- (a) production, gross sales, royalties, production costs and operating income were nil for the business or related businesses for each financial period; and
- (b) the business acquisition report discloses this fact.

8.11 Exemption for Multiple Investments in the Same Business

Despite section 8.4, a reporting issuer is exempt from the requirements to file financial statements for an acquired business, other than the pro forma financial statements required by subsection 8.4(5), in a business acquisition report if the reporting issuer has made multiple investments in the same business and the acquired business has been consolidated in the reporting issuer's most recent annual financial statements that have been filed.

PART 9 PROXY SOLICITATION AND INFORMATION CIRCULARS

9.1 Sending of Proxies and Information Circulars

(1) If management of a reporting issuer gives notice of a meeting to its registered holders of voting securities, management must, at the same time as or before giving that notice, send to each registered holder of voting securities who is entitled to notice of the meeting a form of proxy for use at the meeting.

(2) Subject to section 9.2, a person or company that solicits proxies from registered holders of voting securities of a reporting issuer must:

- (a) in the case of a solicitation by or on behalf of management of a reporting issuer, send an information circular with the notice of meeting to each registered securityholder whose proxy is solicited; or
- (b) in the case of any other solicitation, concurrently with or before the solicitation, send an information circular to each registered securityholder whose proxy is solicited.

(3) [Repealed]

9.1.1 Notice-and-Access

(1) A person or company soliciting proxies may use notice-and-access to send proxy-related materials to a registered holder of voting securities of a reporting issuer if all of the following apply:

- (a) the registered holder of voting securities is sent a notice that contains the following information and no other information:
 - (i) the date, time and location of the reporting issuer's meeting for which the proxy-related materials are being sent;
 - (ii) a description of each matter or group of related matters identified in the form of proxy to be voted on, unless that information is already included in a form of proxy that is being sent to the registered holder of voting securities under paragraph (b);

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- (iii) the website addresses for SEDAR and the non-SEDAR website where the proxy-related materials are posted;
- (iv) a reminder to review the information circular before voting;
- (v) an explanation of how to obtain a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b) from the person or company;
- (vi) a plain-language explanation of notice-and-access that includes the following information:
 - (A) if the person or company is using stratification, a list of the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the documents in paragraph (2)(b);
 - (B) the estimated date and time by which a request for a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), is to be received in order for the requester to receive the paper copy in advance of any deadline for the submission of the proxy and the date of the meeting;
 - (C) an explanation of how the registered holder is to return the proxy, including any deadline for return of the proxy;
 - (D) the sections of the information circular where disclosure regarding each matter or group of related matters identified in the notice can be found;
 - (E) a toll-free telephone number the registered holder can call to get information about notice-and-access;
- (b) the registered holder of voting securities is sent, by prepaid mail, courier or the equivalent, the notice required by paragraph (a) and a form of proxy for use at the meeting and, in the case of a solicitation by or on behalf of management of the reporting issuer, the notice and form of proxy are sent at least 30 days before the date of the meeting;
- (c) in the case of a solicitation by or on behalf of management of the reporting issuer, the reporting issuer files on SEDAR the notification of meeting and record dates in the manner and within the time specified by NI 54-101;
- (d) public electronic access to the information circular, form of proxy and the notice in paragraph (a) is provided on or before the date that the person or company soliciting proxies sends the notice in paragraph (a) to registered holders in the following manner:
 - (i) the documents are filed on SEDAR as required by section 9.3;
 - (ii) the documents are posted until the date that is one year from the date that the documents are posted, on a website other than the website for SEDAR;

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- (e) a toll-free telephone number is provided for use by the registered holder of voting securities to request a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), at any time from the date that the person or company soliciting proxies sends the notice in paragraph (a) to the registered holder up to and including the date of the meeting, including any adjournment;
- (f) if a request for a paper copy of the information circular and, if applicable, the documents in paragraph (2)(b), is received at the toll-free telephone number provided under paragraph (e) or by any other means, a paper copy of any such document requested is sent free of charge by the person or company soliciting proxies to the requester at the address specified in the request in the following manner:
 - (i) in the case of a request received prior to the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent;
 - (ii) in the case of a request received on or after the date of the meeting, and within one year of the information circular being filed, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent.
- (2) Unless an information circular is included with the proxy-related materials, a reporting issuer that sends proxy-related materials to a registered holder of voting securities using notice-and-access must not include with the proxy-related materials any information or document that relates to the particulars of any matter to be submitted to the meeting, except for the following:
 - (a) the information required to be included in the notice under paragraph (1)(a);
 - (b) financial statements of the reporting issuer to be approved at the meeting and MD&A related to those financial statements, which may be part of an annual report.
- (3) A notice under paragraph (1)(a) and the form of proxy may be combined in a single document.

9.1.2 Posting materials on non-SEDAR website

- (1) A person or company that posts proxy-related materials in the manner referred to in subparagraph 9.1.1(1)(d)(ii) must also post on the website the following documents:
 - (a) any disclosure material regarding the meeting that the person or company has sent to registered holders or beneficial owners of voting securities;
 - (b) any written communications the person or company soliciting proxies has made available to the public regarding each matter or group of matters to be voted upon at the meeting, whether or not they were sent to registered holders or beneficial owners of voting securities.

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(2) Proxy-related materials that are posted under subparagraph 9.1.1(1)(d)(ii) must be posted in a manner and be in a format that permit an individual with a reasonable level of computer skill and knowledge to do all of the following easily:

- (a) access, read and search the documents on the website;
- (b) download and print the documents.

9.1.3 Consent to other delivery methods

For greater certainty, section 9.1.1 does not:

- (a) prevent a registered holder of voting securities from consenting to a person or company's use of other delivery methods to send proxy-related materials;
- (b) terminate or modify a consent that a registered holder of voting securities previously gave to a person or company regarding the use of other delivery methods to send proxy-related materials; or
- (c) prevent a person or company from sending proxy-related materials using a delivery method to which a registered holder has consented prior to February 11, 2013.

9.1.4 Instructions to receive paper copies

(1) Despite section 9.1.1, a reporting issuer may obtain standing instructions from a registered holder of voting securities that a paper copy of the information circular and, if applicable, the documents in paragraph 9.1.1(2)(b), be sent to the registered holder in all cases when the reporting issuer uses notice-and-access.

(2) If a reporting issuer has obtained standing instructions from a registered holder under subsection (1), the reporting issuer must do both of the following:

- (a) include with the notice required by paragraph 9.1.1(1)(a) any paper copies of information circulars and, if applicable, the documents in paragraph 9.1.1(2)(b), required to comply with standing instructions obtained under subsection (1);
- (b) include with the notice under paragraph (a) a description, or otherwise inform the registered holder of, the means by which the registered holder may revoke the registered holder's standing instructions.

9.1.5 Compliance with SEC Notice-and-Access Rules

A reporting issuer that is an SEC issuer can send proxy-related materials to registered holders under section 9.1 using a delivery method permitted under U.S. federal securities law, if both of the following apply:

- (a) the SEC issuer is subject to, and complies with Rule 14a-16 under the 1934 Act;
- (b) residents of Canada do not own, directly or indirectly, outstanding voting securities carrying more than 50% of the votes for the election of directors, and none of the following apply:
 - (i) the majority of the executive officers or directors of the issuer are residents of Canada;

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(ii) more than 50% of the consolidated assets of the issuer are located in Canada;

(iii) the business of the issuer is administered principally in Canada.

9.2 Exemptions from Sending Information Circular

(1) Subsection 9.1(2) does not apply to a solicitation by a person or company in respect of securities of which the person or company is the beneficial owner.

(2) Paragraph 9.1(2)(b) does not apply to a solicitation if the total number of securityholders whose proxies are solicited is not more than 15.

(3) For the purposes of subsection (2), two or more persons or companies who are joint registered owners of one or more securities are considered to be one securityholder.

(4) Despite paragraph 9.1(2)(b), a person or company, other than management of a reporting issuer or a person or company acting on behalf of management, may solicit proxies from registered securityholders of a reporting issuer without sending an information circular, if:

(a) the solicitation is made to the public by broadcast, speech or publication;

(b) soliciting proxies by broadcast, speech or publication is permitted by the laws under which the reporting issuer is incorporated, organized or continued and the person or company making the solicitation complies with the requirements, if any, of those laws relating to the broadcast, speech or publication;

(c) the person or company has filed the following information:

(i) the name and address of the reporting issuer to which the solicitation relates;

(ii) the information required under item 2, sections 3.2, 3.3 and 3.4 and paragraphs (b) and (d) of item 5 of Form 51-102F5 *Information Circular*;

(iii) any information required to be disclosed in respect of the broadcast, speech or publication by the laws under which the reporting issuer is incorporated, organized or continued; and

(iv) a copy of any communication intended to be published; and

(d) the broadcast, speech or publication contains the information referred to in paragraphs (c)(i) to (iii).

(5) Subsection (4) does not apply to a person or company that is proposing, at the time of the solicitation, a significant acquisition or restructuring transaction involving the reporting issuer and the person or company, under which securities of the person or company, or securities of an affiliate of the person or company, are to be changed, exchanged, issued or distributed, unless:

(a) the person or company has filed an information circular or other document containing the information required by section 14.4 of Form 51-102F5 *Information Circular*; and

(b) the solicitation refers to that information circular or other document and discloses that the circular or other document is on SEDAR.

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(6) Subsection (4) does not apply to a person or company that is nominating or proposing to nominate, at the time of the solicitation, an individual, including himself or herself, for election as a director of the reporting issuer, unless:

- (a) the person or company has filed an information circular or other document containing the information required by Form 51-102F5 *Information Circular* in respect of the proposed nominee; and
- (b) the solicitation refers to that information circular or other document and discloses that the circular or other document is on SEDAR.

9.3 Filing of Information Circulars and Proxy-Related Material

A person or company that is required under this Instrument to send an information circular or form of proxy to registered securityholders of a reporting issuer must promptly file a copy of the information circular, form of proxy and all other material required to be sent by the person or company in connection with the meeting to which the information circular or form of proxy relates.

9.3.1 Content of Information Circular

(1) Subject to Item 8 of Form 51-102F5, if a reporting issuer is required to send an information circular to a securityholder under paragraph 9.1(2)(a), the issuer must:

- (a) disclose all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the issuer, or a subsidiary of the issuer, to each NEO and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the NEO or director for services provided, directly or indirectly, to the issuer or a subsidiary of the issuer; and
- (b) include detail and discussion of the compensation, and the decision-making process relating to compensation, presented in such a way that it provides a reasonable person an understanding of:
 - (i) how decisions about NEO and director compensation are made;
 - (ii) the compensation paid, made payable, awarded, granted, given or otherwise provided to each NEO and director; and
 - (iii) how specific NEO and director compensation relates to the overall stewardship and governance of the reporting issuer.

(2) The disclosure required under subsection (1) must be provided for the periods set out in and in accordance with Form 51-102F6 *Statement of Executive Compensation*.

(2.1) Despite subsection (2), a venture issuer may provide the disclosure required by subsection (1) for the periods set out in and in accordance with Form 51-102F6V *Statement of Executive Compensation - Venture Issuers*.

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- (2.2) The disclosure required under subsection (1) must be filed
- (a) not later than 140 days after the end of the issuer's most recently completed financial year, in the case of an issuer other than a venture issuer, or
 - (b) not later than 180 days after the end of the issuer's most recently completed financial year, in the case of a venture issuer.
- (3) For the purposes of this section, "NEO" and "plan" have the meaning ascribed to those terms in Form 51-102F6 *Statement of Executive Compensation* or, for a venture issuer relying on subsection (2.1), in Form 51-102F6V *Statement of Executive Compensation - Venture Issuers*.
- (4) **Repealed.** 3 Jly 2015 SR 61/2015 s5.
- (5) Subsection (2.2) applies to an issuer in respect of a financial year beginning on or after July 1, 2015.

9.4 Content of Form of Proxy

- (1) A form of proxy sent to securityholders of a reporting issuer by a person or company soliciting proxies must indicate in bold-face type whether or not the proxy is solicited by or on behalf of the management of the reporting issuer, provide a specifically designated blank space for dating the form of proxy and specify the meeting in respect of which the proxy is solicited.
- (2) An information circular sent to securityholders of a reporting issuer or the form of proxy to which the information circular relates must:
- (a) indicate in bold-face type that the securityholder has the right to appoint a person or company to represent the securityholder at the meeting other than the person or company if any, designated in the form of proxy; and
 - (b) contain instructions as to the manner in which the securityholder may exercise the right referred to in paragraph (a).
- (3) If a form of proxy sent to securityholders of a reporting issuer contains a designation of a named person or company as nominee, it must provide an option for the securityholder to designate in the form of proxy some other person or company as the securityholder's nominee.
- (4) A form of proxy sent to securityholders of a reporting issuer must provide an option for the securityholder to specify that the securities registered in the securityholder's name will be voted for or against each matter or group of related matters identified in the form of proxy, in the notice of meeting or in an information circular, other than the appointment of an auditor and the election of directors.
- (5) A form of proxy sent to securityholders of a reporting issuer may confer discretionary authority with respect to each matter referred to in subsection (4) as to which a choice is not specified if the form of proxy or the information circular states in bold-face type how the securities represented by the proxy will be voted in respect of each matter or group of related matters.

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(6) A form of proxy sent to securityholders of a reporting issuer must provide an option for the securityholder to specify that the securities registered in the name of the securityholder must be voted or withheld from voting in respect of the appointment of an auditor or the election of directors.

(7) An information circular sent to securityholders of a reporting issuer or the form of proxy to which the information circular relates must state that:

(a) the securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for; and

(b) if the securityholder specifies a choice under subsection (4) or (6) with respect to any matter to be acted upon, the securities will be voted accordingly.

(8) A form of proxy sent to securityholders of a reporting issuer may confer discretionary authority with respect to:

(a) amendments or variations to matters identified in the notice of meeting; and

(b) other matters which may properly come before the meeting;

if:

(c) the person or company by whom or on whose behalf the solicitation is made is not aware within a reasonable time before the time the solicitation is made that any of those amendments, variations or other matters are to be presented for action at the meeting; and

(d) a specific statement is made in the information circular or in the form of proxy that the proxy is conferring such discretionary authority.

(9) A form of proxy sent to securityholders of a reporting issuer must not confer authority to vote:

(a) for the election of any person as a director of a reporting issuer unless a bona fide proposed nominee for that election is named in the information circular or, in the case of a solicitation under subsection 9.2(4), the document required under paragraph 9.2(6)(a); or

(b) at any meeting other than the meeting specified in the notice of meeting or any adjournment of that meeting.

9.5 Exemption

Sections 9.1 to 9.4 do not apply to a reporting issuer, or a person or company that solicits proxies from registered holders of voting securities of a reporting issuer, if:

(a) the reporting issuer or other person or company complies with the requirements of the laws relating to the solicitation of proxies under which the reporting issuer is incorporated, organized or continued;

(b) the requirements referred to in subsection (a) are substantially similar to the requirements of this Part; and

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- (c) the reporting issuer or other person or company files a copy of any information circular and form of proxy, or other documents that contain substantially similar information, promptly after the reporting issuer or other person or company sends the circular, form or other document in connection with the meeting.

PART 10 RESTRICTED SECURITY DISCLOSURE

10.1 Restricted Security Disclosure

- (1) Except as otherwise provided in section 10.3, if a reporting issuer has outstanding restricted securities, or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or securities that will, when issued, result in an existing class of outstanding securities being considered restricted securities, each document referred to in subsection (2) must:
 - (a) refer to restricted securities using a term that includes the appropriate restricted security term;
 - (b) not refer to securities by a term that includes “common”, or “preference” or “preferred”, unless the securities are common shares or preference shares, respectively;
 - (c) describe any restrictions on the voting rights of restricted securities;
 - (d) describe the rights to participate, if any, of holders of restricted securities if a takeover bid is made for securities of the reporting issuer with voting rights superior to those attached to the restricted securities;
 - (e) state the percentage of the aggregate voting rights attached to the reporting issuer’s securities that are represented by the class of restricted securities; and
 - (f) if holders of restricted securities have no right to participate if a takeover bid is made for securities of the reporting issuer with voting rights superior to those attached to the restricted securities, contain a statement to that effect in bold-face type.
- (2) Subsection (1) applies to the following documents except as provided in subsections (3) and (6):
 - (a) an information circular;
 - (b) a document required by this Instrument to be delivered upon request by a reporting issuer to any of its securityholders; and
 - (c) an AIF prepared by a reporting issuer.
- (3) Despite subsection (2), annual financial statements, an interim financial report and MD&A or other accompanying discussion by management of those financial statements are not required to include the details referred to in paragraphs (1)(c), (d), (e) and (f).
- (4) Each reference to restricted securities in any document not referred to in subsection (2) that a reporting issuer sends to its securityholders must include the appropriate restricted security term.

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(5) A reporting issuer must not refer, in any of the documents described in subsection (4), to securities by a term that includes “common” or “preference” or “preferred”, unless the securities are common shares or preference shares, respectively.

(6) Despite paragraph (1)(b) and subsection (5), a reporting issuer may, in one place only in a document referred to in subsection (2) or (4), describe the restricted securities by the term used in the constating documents of the reporting issuer, to the extent that term differs from the appropriate restricted security term, if the description is not on the front page of the document and is in the same type face and type size as that used generally in the document.

10.2 Dissemination of Disclosure Documents to Holder of Restricted Securities

(1) If a reporting issuer sends a document to all holders of any class of its equity securities the document must also be sent by the reporting issuer at the same time to the holders of its restricted securities.

(2) A reporting issuer that is required by this Instrument to arrange for, or voluntarily makes arrangements for, delivery of the documents referred to in subsection (1) to the beneficial owners of any securities of a class of equity securities registered in the name of a registrant, must make similar arrangements for delivery of the documents to the beneficial owners of securities of a class of restricted securities registered in the name of the registrant.

10.3 Exemptions for Certain Reporting Issuers

The provisions of sections 10.1 and 10.2 do not apply to:

(a) securities that carry a right to vote subject to a restriction on the number or percentage of securities that may be voted or owned by persons or companies that are not citizens or residents of Canada or that are otherwise considered as a result of any law applicable to the reporting issuer to be non-Canadians, but only to the extent of the restriction; and

(b) securities that are subject to a restriction, imposed by any law governing the reporting issuer, on the level of ownership of the securities by any person, company or combination of persons or companies, but only to the extent of the restriction.

PART 11 ADDITIONAL FILING REQUIREMENTS

11.1 Additional Disclosure Requirements

(1) A reporting issuer must file a copy of any disclosure material:

(a) that it sends to its securityholders;

(b) in the case of an SEC issuer, that it files with or furnishes to the SEC under the 1934 Act, including material filed as exhibits to other documents, if the material contains information that has not been included in disclosure already filed in a jurisdiction by the SEC issuer; or

(c) that it files with another provincial or territorial securities regulatory authority or regulator other than in connection with a distribution.

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(2) A reporting issuer must file the material referred to in subsection (1) on the same date as, or as soon as practicable after, the earlier of:

- (a) the date on which the reporting issuer sends the material to its securityholders;
- (b) the date on which the reporting issuer files or furnishes the material to the SEC; and
- (c) the date on which the reporting issuer files that material with the other provincial or territorial securities regulatory authority or regulator.

11.2 Change of Status Report

A reporting issuer must file a notice promptly after the occurrence of either of the following:

- (a) the reporting issuer becomes a venture issuer; or
- (b) the reporting issuer ceases to be a venture issuer.

11.3 Voting Results

A reporting issuer that is not a venture issuer must, promptly following a meeting of securityholders at which a matter was submitted to a vote, file a report that discloses, for each matter voted upon:

- (a) a brief description of the matter voted upon and the outcome of the vote; and
- (b) if the vote was conducted by ballot, including a vote on a matter in which votes are cast both in person and by proxy, the number or percentage of votes cast for, against or withheld from the vote.

11.4 Financial Information

A reporting issuer must file a copy of any news release issued by it that discloses information regarding its historical or prospective financial performance or financial condition for a financial year or interim period.

11.5 Re-filing Documents

If a reporting issuer decides it will:

- (a) re-file a document filed under this Instrument; or
- (b) re-state financial information for comparative periods in financial statements for reasons other than retrospective application of a change in an accounting standard or policy or a new accounting standard;

and the information in the re-filed document, or re-stated financial information, will differ materially from the information originally filed, the issuer must immediately issue and file a news release authorized by an executive officer disclosing the nature and substance of the change or proposed changes.

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11.6 Executive Compensation Disclosure for Certain Reporting Issuers

(1) A reporting issuer that is not required to send to its securityholders an information circular and does not send an information circular that includes the disclosure required by Item 8 of Form 51-102F5 and that does not file an AIF that includes the executive compensation disclosure required by Item 18 of Form 51-102F2 must:

(a) disclose all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the issuer, or a subsidiary of the issuer, to each NEO and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the NEO or director for services provided, directly or indirectly, to the issuer or a subsidiary of the issuer; and

(b) include detail and discussion of the compensation, and the decision-making process relating to compensation, presented in such a way that it provides a reasonable person an understanding of:

(i) how decisions about NEO and director compensation are made;

(ii) the compensation paid, made payable, awarded, granted, given or otherwise provided to each NEO and director; and

(iii) how specific NEO and director compensation relates to the overall stewardship and governance of the reporting issuer.

(2) The disclosure required under subsection (1) must be provided for the periods set out in, and in accordance with, Form 51-102F6 *Statement of Executive Compensation*.

(2.1) Despite subsection (2), a reporting issuer that is a venture issuer may provide the disclosure required under subsection (1) for the periods set out in and in accordance with Form 51-102F6V *Statement of Executive Compensation - Venture Issuers*.

(3) The disclosure required under subsection (1) must be filed not later than 140 days after the end of the reporting issuer's most recently completed financial year.

(4) For the purposes of this section, "NEO" and "plan" have the meaning ascribed to those terms in Form 51-102F6 *Statement of Executive Compensation* or, for a venture issuer relying on subsection (2.1), in Form 51-102F6V *Statement of Executive Compensation - Venture Issuers*.

(5) This section does not apply to an issuer that satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation under section 4.6 or 5.7 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

(6) **Repealed.** 3 Jly 2015 SR 61/2015 s5.

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PART 12 FILING OF CERTAIN DOCUMENTS

12.1 Filing of Documents Affecting the Rights of Securityholders

- (1) A reporting issuer must file copies of the following documents, and any material amendments to the following documents, unless previously filed:
 - (a) articles of incorporation, amalgamation, continuation or any other constating or establishing documents of the issuer, unless the constating or establishing document is a statutory or regulatory instrument;
 - (b) by-laws or other corresponding instruments currently in effect;
 - (c) any securityholder or voting trust agreement that the reporting issuer has access to and that can reasonably be regarded as material to an investor in securities of the reporting issuer;
 - (d) any securityholders' rights plans or other similar plans; and
 - (e) any other contract of the issuer or a subsidiary of the issuer that creates or can reasonably be regarded as materially affecting the rights or obligations of its securityholders generally.
- (2) A document required to be filed under subsection (1) may be filed in paper format if:
 - (a) it is dated before March 30, 2004; and
 - (b) it does not exist in an acceptable electronic format.

12.2 Filing of Material Contracts

- (1) Unless previously filed, a reporting issuer must file a material contract entered into:
 - (a) within the last financial year; or
 - (b) before the last financial year if that material contract is still in effect.
- (2) Despite subsection (1), a reporting issuer is not required to file a material contract entered into in the ordinary course of business unless the material contract is:
 - (a) a contract to which directors, officers, or promoters are parties other than a contract of employment;
 - (b) a continuing contract to sell the majority of the reporting issuer's products or services or to purchase the majority of the reporting issuer's requirements of goods, services, or raw materials;
 - (c) a franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name;
 - (d) a financing or credit agreement with terms that have a direct correlation with anticipated cash distributions;
 - (e) an external management or external administration agreement; or
 - (f) a contract on which the reporting issuer's business is substantially dependent.

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- (3) A provision in a material contract filed pursuant to subsections (1) or (2) may be omitted or marked to be unreadable if an executive officer of the reporting issuer reasonably believes that disclosure of that provision would be seriously prejudicial to the interests of the reporting issuer or would violate confidentiality provisions.
- (4) Subsection (3) does not apply if the provision relates to:
- (a) debt covenants and ratios in financing or credit agreements;
 - (b) events of default or other terms relating to the termination of the material contract; or
 - (c) other terms necessary for understanding the impact of the material contract on the business of the reporting issuer.
- (5) If a provision is omitted or marked to be unreadable under subsection (3), the reporting issuer must include a description of the type of information that has been omitted or marked to be unreadable immediately after the provision in the copy of the material contract filed by the reporting issuer.
- (6) Despite subsections (1) and (2), a reporting issuer is not required to file a material contract entered into before January 1, 2002.

12.3 Time for Filing of Documents

The documents required to be filed under sections 12.1 and 12.2 must be filed no later than the time the reporting issuer files a material change report in Form 51-102F3, if the making of the document constitutes a material change for the issuer, and

- (a) no later than the time the reporting issuer's AIF is filed under section 6.1, if the document was made or adopted before the date of the issuer's AIF; or
- (b) if the reporting issuer is not required to file an AIF under section 6.1, within 120 days after the end of the issuer's most recently completed financial year, if the document was made or adopted before the end of the issuer's most recently completed financial year.

PART 13 EXEMPTIONS

13.1 Exemptions from this Instrument

- (1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

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13.2 Existing Exemptions

- (1) A reporting issuer that was entitled to rely on an exemption, waiver or approval granted to it by a regulator or securities regulatory authority relating to continuous disclosure requirements of securities legislation or securities directions existing immediately before this Instrument came into force is exempt from any substantially similar provision of this Instrument to the same extent and on the same conditions, if any, as contained in the exemption, waiver or approval.
- (2) A reporting issuer must, at the time that it first intends to rely on subsection (1) in connection with a filing requirement under this Instrument, inform the securities regulatory authority in writing of:
 - (a) the general nature of the prior exemption, waiver or approval and the date on which it was granted; and
 - (b) the requirement under prior securities legislation or securities directions in respect of which the prior exemption, waiver or approval applied and the substantially similar provision of this Instrument.

13.3 Exemption for Certain Exchangeable Security Issuers

- (1) In this section:

“designated Canadian jurisdiction” means Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Québec, or Saskatchewan;

“designated exchangeable security” means an exchangeable security which provides the holder of the security with economic and voting rights which are, as nearly as possible except for tax implications, equivalent to the underlying securities;

“exchangeable security” means a security of an issuer that is exchangeable for, or carries the right of the holder to purchase, or of the parent issuer to cause the purchase of, an underlying security;

“exchangeable security issuer” means a person or company that has issued an exchangeable security;

“parent issuer”, when used in relation to an exchangeable security issuer, means the person or company that issues the underlying security; and

“underlying security” means a security of a parent issuer issued or transferred, or to be issued or transferred, on the exchange of an exchangeable security.
- (2) Except as provided in this subsection, an exchangeable security issuer satisfies the requirements in this Instrument if:
 - (a) the parent issuer is the beneficial owner of all the issued and outstanding voting securities of the exchangeable security issuer;
 - (b) the parent issuer is either:
 - (i) an SEC issuer with a class of securities listed or quoted on a U.S. marketplace that has filed all documents it is required to file with the SEC; or
 - (ii) a reporting issuer in a designated Canadian jurisdiction that has filed all documents it is required to file under this Instrument;

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- (c) the exchangeable security issuer does not issue any securities, and does not have any securities outstanding, other than:
- (i) designated exchangeable securities;
 - (ii) securities issued to and held by the parent issuer or an affiliate of the parent issuer;
 - (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or
 - (iv) securities issued under exemption from the prospectus requirement in section 2.35 of National Instrument 45-106 *Prospectus Exemptions*;
- (d) the exchangeable security issuer files in electronic format:
- (i) if the parent issuer is not a reporting issuer in a designated Canadian jurisdiction, copies of all documents the parent issuer is required to file with the SEC under the 1934 Act, at the same time as, or as soon as practicable after, the filing by the parent issuer of those documents with the SEC; or
 - (ii) if the parent issuer is a reporting issuer in a designated Canadian jurisdiction:
 - (A) a notice indicating that the exchangeable security issuer is relying on the continuous disclosure documents filed by its parent issuer and setting out where those documents can be found in electronic format, if the parent issuer is a reporting issuer in the local jurisdiction; or
 - (B) copies of all documents the parent issuer is required to file under securities legislation, other than in connection with a distribution, at the same time as the filing by the parent issuer of those documents with a securities regulatory authority or regulator;
- (e) the exchangeable security issuer concurrently sends to all holders of designated exchangeable securities all disclosure materials that are sent to holders of the underlying securities in the manner and at the time required by:
- (i) U.S. laws and any U.S. marketplace on which securities of the parent issuer are listed or quoted, if the parent issuer is not a reporting issuer in a designated Canadian jurisdiction; or
 - (ii) securities legislation, if the parent issuer is a reporting issuer in a designated Canadian jurisdiction;
- (f) the parent issuer:
- (i) complies with U.S. laws and the requirements of any U.S. marketplace on which the securities of the parent issuer are listed or quoted if the parent issuer is not a reporting issuer in a designated Canadian jurisdiction, or securities legislation if the parent issuer is a reporting issuer in a designated Canadian jurisdiction, in respect of making public disclosure of material information on a timely basis; and
 - (ii) immediately issues in Canada and files any news release that discloses a material change in its affairs;

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- (g) the exchangeable security issuer issues in Canada a news release and files a material change report in accordance with Part 7 of this Instrument for all material changes in respect of the affairs of the exchangeable security issuer that are not also material changes in the affairs of its parent issuer; and
- (h) the parent issuer includes in all mailings of proxy solicitation materials to holders of designated exchangeable securities a clear and concise statement that:
 - (i) explains the reason the mailed material relates solely to the parent issuer;
 - (ii) indicates that the designated exchangeable securities are the economic equivalent to the underlying securities; and
 - (iii) describes the voting rights associated with the designated exchangeable securities.

(3) The insider reporting requirement and the requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders* does not apply to any insider of an exchangeable security issuer in respect of securities of the exchangeable security issuer so long as:

- (a) if the insider is not the parent issuer:
 - (i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning the parent issuer before the material facts or material changes are generally disclosed; and
 - (ii) the insider is not an insider of the parent issuer in any capacity other than by virtue of being an insider of the exchangeable security issuer;
- (b) the parent issuer is the beneficial owner of all of the issued and outstanding voting securities of the exchangeable security issuer;
- (c) if the insider is the parent issuer, the insider does not beneficially own any designated exchangeable securities other than securities acquired through the exercise of the exchange right and not subsequently traded by the insider;
- (d) the parent issuer is an SEC issuer or a reporting issuer in a designated Canadian jurisdiction; and
- (e) the exchangeable security issuer has not issued any securities and does not have any securities outstanding, other than:
 - (i) designated exchangeable securities;
 - (ii) securities issued to and held by the parent issuer or an affiliate of the parent issuer;
 - (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; and
 - (iv) securities issued under exemption from the prospectus requirement in section 2.35 of National Instrument 45-106 *Prospectus Exemptions*.

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13.4 Exemption for Certain Credit Support Issuers

(1) In this section:

“alternative credit support” means support, other than a guarantee, for the payments to be made by the issuer, 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;

“credit support issuer” means an issuer of securities for which a credit supporter has provided a guarantee or alternative credit support;

“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;

“designated Canadian jurisdiction” means Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Québec or Saskatchewan;

“designated credit support securities” means:

- (a) non-convertible debt securities or convertible debt securities that are convertible into non-convertible securities of the credit supporter; or
- (b) non-convertible preferred shares or convertible preferred shares that are convertible into securities of the credit supporter;

in respect of which a parent credit supporter has provided:

- (c) alternative credit support that:
 - (i) entitles the holder of the securities to receive payment from the credit supporter, or enables the holder to receive payment from the credit support issuer, within 15 days of any failure by the credit support issuer to make a payment; and
 - (ii) 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 would result in the securities receiving such a rating if they were rated; or

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(d) a full and unconditional guarantee of the payments to be made by the credit support issuer, as stipulated in the terms of the securities or in an agreement governing the rights of holders of the securities, that results in the holder of such securities being entitled to receive payment from the credit supporter within 15 days of any failure by the credit support issuer to make a payment;

“parent credit supporter” means a credit supporter of which the reporting issuer is a subsidiary;

“subsidiary credit supporter” means a credit supporter that is a subsidiary of the parent credit supporter; and

“summary financial information” includes the following line items:

- (a) revenue;
- (b) profit or loss from continuing operations attributable to owners of the parent;
- (c) profit or loss attributable to owners of the parent; and
- (d) unless the accounting principles used to prepare the financial statements of the person or company permits the preparation of the person or company’s statement of financial position without classifying assets and liabilities between current and non-current and the person or company provides alternative meaningful financial information which is more appropriate to the industry:
 - (i) current assets;
 - (ii) non-current assets;
 - (iii) current liabilities; and
 - (iv) non-current liabilities.

[**Note:** See section 1.1 of the Instrument for the definitions of **“profit or loss attributable to owners of the parent”** and **“profit or loss from continuing operations attributable to owners of the parent”**.]

(1.1) For the purposes of subparagraph (2)(g)(ii), consolidating summary financial information must be prepared on the following basis:

- (a) an entity’s annual or interim summary financial information must be derived from the entity’s financial information underlying the corresponding consolidated financial statements of the parent credit supporter for the corresponding period;
- (b) the parent credit supporter column must account for investments in all subsidiaries under the equity method; and
- (c) all subsidiary entity columns must account for investments in non-credit supporter subsidiaries under the equity method.

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(2) Except as provided in this section, a credit support issuer satisfies the requirements in this Instrument if:

- (a) the parent credit supporter is the beneficial owner of all the outstanding voting securities of the credit support issuer;
- (b) the parent credit supporter is either:
 - (i) an SEC issuer that is incorporated or organized under the laws of the United States of America or any state or territory of the United States of America or the District of Columbia and that has filed all documents it is required to file with the SEC; or
 - (ii) subject to subsection (4), a reporting issuer in a designated Canadian jurisdiction that has filed all documents it is required to file under this Instrument;
- (c) the credit support issuer does not issue any securities, and does not have any securities outstanding, other than:
 - (i) designated credit support securities;
 - (ii) securities issued to and held by the parent credit supporter or an affiliate of the parent credit supporter;
 - (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or
 - (iv) securities issued under exemption from the prospectus requirement in section 2.35 of National Instrument 45-106 *Prospectus Exemptions*;
- (d) the credit support issuer files in electronic format:
 - (i) if the parent credit supporter is not a reporting issuer in a designated Canadian jurisdiction, copies of all documents the parent credit supporter is required to file with the SEC under the 1934 Act, at the same time or as soon as practicable after the filing by the parent credit supporter of those documents with the SEC; or
 - (ii) if the parent credit supporter is a reporting issuer in a designated Canadian jurisdiction:
 - (A) a notice indicating that the credit support issuer is relying on the continuous disclosure documents filed by the parent credit supporter and setting out where those documents can be found for viewing in electronic format, if the credit support issuer is a reporting issuer in the local jurisdiction; or
 - (B) copies of all documents the parent credit supporter is required to file under securities legislation, other than in connection with a distribution, at the same time as the filing by the parent credit supporter of those documents with a securities regulatory authority or regulator;

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- (e) if the parent credit supporter is not a reporting issuer in a designated Canadian jurisdiction, the parent credit supporter:
 - (i) complies with U.S. laws and the requirements of any U.S. marketplace on which securities of the parent credit supporter are listed or quoted in respect of making public disclosure of material information on a timely basis; and
 - (ii) immediately issues in Canada and files any news release that discloses a material change in its affairs;
- (f) the credit support issuer issues in Canada a news release and files a material change report in accordance with Part 7 for all material changes in respect of the affairs of the credit support issuer that are not also material changes in the affairs of the parent credit supporter;
- (g) the credit support issuer files, in electronic format, in the notice referred to in clause (d)(ii)(A) or in or with the copy of each consolidated interim financial report and consolidated annual financial statements filed under subparagraph (d)(i) or clause (d)(ii)(B), either:
 - (i) a statement that the financial results of the credit support issuer are included in the consolidated financial results of the parent credit supporter, if at that time:
 - (A) the credit support issuer has minimal assets, operations, revenue or cash flows other than those related to the issuance, administration and repayment of the securities described in paragraph (c); and
 - (B) each item of the summary financial information of the subsidiaries of the parent credit supporter on a combined basis, other than the credit support issuer, represents less than 3% of the corresponding items on the consolidated financial statements of the parent credit supporter being filed or referred to under paragraph (d); or
 - (ii) for the periods covered by the consolidated interim financial report or consolidated annual financial statements of the parent credit supporter filed, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
 - (A) the parent credit supporter;
 - (B) the credit support issuer;
 - (C) any other subsidiaries of the parent credit supporter on a combined basis;
 - (D) consolidating adjustments; and
 - (E) the total consolidated amounts;

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- (h) the credit support issuer files a corrected notice under clause (d)(ii)(A) if the credit support issuer filed the notice with the statement contemplated in subparagraph (g)(i) and the credit support issuer can no longer rely on subparagraph (g)(i);
 - (i) in the case of designated credit support securities that include debt, the credit support issuer concurrently sends to all holders of such securities all disclosure materials that are sent to holders of similar debt of the parent credit supporter in the manner and at the time required by:
 - (i) U.S. laws and any U.S. marketplace on which securities of the parent credit supporter are listed or quoted, if the parent credit supporter is not a reporting issuer in a designated Canadian jurisdiction; or
 - (ii) securities legislation, if the parent credit supporter is a reporting issuer in a designated Canadian jurisdiction;
 - (j) in the case of designated credit support securities that include preferred shares, the credit support issuer concurrently sends to all holders of such securities all disclosure materials that are sent to holders of similar preferred shares of the parent credit supporter in the manner and at the time required by:
 - (i) U.S. laws and any U.S. marketplace on which securities of the parent credit supporter are listed or quoted, if the parent credit supporter is not a reporting issuer in a designated Canadian jurisdiction; or
 - (ii) securities legislation, if the parent credit supporter is a reporting issuer in a designated Canadian jurisdiction; and
 - (k) no person or company other than the parent credit supporter has provided a guarantee or alternative credit support for the payments to be made under any issued and outstanding securities of the credit support issuer.
- (2.1) A credit support issuer satisfies the requirements of this Instrument where there is a parent credit supporter and one or more subsidiary credit supporters if:
- (a) the conditions in paragraphs (2)(a) to (f), (i), and (j) are complied with;
 - (b) the parent credit supporter controls each subsidiary credit supporter and the parent credit supporter has consolidated the financial statements of each subsidiary credit supporter into the parent credit supporter's financial statements that are filed or referred to under paragraph (2)(d);
 - (c) the credit support issuer files, in electronic format, in the notice referred to in clause (2)(d)(ii)(A) or in or with the copy of each consolidated interim financial report and the consolidated annual financial statements filed under subparagraph (2)(d)(i) or clause (2)(d)(ii)(B), for a period covered by any consolidated interim financial report or consolidated annual financial statements of the parent credit supporter filed by the parent credit supporter, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
 - (i) the parent credit supporter;

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- (ii) the credit support issuer;
 - (iii) each subsidiary credit supporter on a combined basis;
 - (iv) any other subsidiaries of the parent credit supporter on a combined basis;
 - (v) consolidating adjustments; and
 - (vi) the total consolidated amounts;
- (d) no person or company, other than the parent credit supporter or a subsidiary credit supporter has provided a guarantee or alternative credit support for the payments to be made under the issued and outstanding designated credit support securities; and
- (e) the guarantees or alternative credit supports are joint and several.
- (2.2) Despite paragraph (2.1)(c), the information set out in a column in accordance with:
- (a) subparagraph (2.1)(c)(iv), may be combined with the information set out in accordance with any of the other columns in paragraph (2.1)(c) if each item of the summary financial information set out in a column in accordance with subparagraph (2.1)(c)(iv) represents less than 3% of the corresponding items on the consolidated financial statements of the parent credit supporter being filed or referred to under paragraph (2)(d);
 - (b) subparagraph (2.1)(c)(ii) may be combined with the information set out in accordance with any of the other columns in paragraph (2.1)(c) if the credit support issuer has minimal assets, operations, revenue or cash flows other than those related to the issuance, administration and repayment of the securities described in paragraph (2)(c).
- (3) The insider reporting requirement and the requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders* do not apply to an insider of a credit support issuer in respect of securities of the credit support issuer so long as:
- (a) the conditions in paragraphs (2)(a) to (c) are complied with;
 - (b) if the insider is not a credit supporter:
 - (i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning a credit supporter before the material facts or material changes are generally disclosed; and
 - (ii) the insider is not an insider of a credit supporter in any capacity other than by virtue of being an insider of the credit support issuer; and
 - (c) if the insider is a credit supporter, the insider does not beneficially own any designated credit support securities.
- (4) A parent credit supporter is not a reporting issuer in a designated Canadian jurisdiction for the purposes of subparagraph (2)(b)(ii) if the parent credit supporter complies with a requirement of this Instrument by relying on a provision of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

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PART 14 EFFECTIVE DATE AND TRANSITION

14.1 Effective Date

This Instrument comes into force on March 30, 2004.

14.2 Transition

Despite section 14.1, section 5.7 applies for financial years of the reporting issuer beginning on or after January 1, 2007.

14.3 Transition - Interim Financial Report

(1) Despite section 4.4 and paragraph 4.10(2)(c), the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 may be filed:

(a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of:

(i) the 75th day after the end of the interim period; and

(ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period; or

(b) in the case of a venture issuer, on or before the earlier of:

(i) the 90th day after the end of the interim period; and

(ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.

(2) Despite subsection 5.1(2), the MD&A required to be filed under subsection 5.1(1) relating to the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 may be filed on or before the earlier of:

(a) the filing deadline for the interim financial report set out in subsection (1); and

(b) the date the reporting issuer files the interim financial report under subsections (1) or 4.3(1), as applicable.

(3) Despite subsection 4.6(3), if a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the issuer's first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011, the reporting issuer may send a copy of the required interim financial report and the interim MD&A relating to the interim financial report to the person or company that made the request, without charge, by the later of:

(a) in the case of a reporting issuer relying on subsection (1), 10 calendar days after the filing deadline set out in subsection (1), for the financial statements requested;

(b) in the case of a reporting issuer not relying on subsection (1), 10 calendar days after the filing deadline in subparagraph 4.4(a)(i) or 4.4(b)(i), subsection 4.10(2) or subsection 14.3(1), as applicable, for the financial statements requested; and

(c) 10 calendar days after the issuer receives the request.

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- (4) Subsections (1), (2) and (3) do not apply unless the reporting issuer:
- (a) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 Interim Financial Reporting; and
 - (b) did not previously file financial statements that disclosed compliance with IFRS.
- (5) Subsections (1), (2) and (3) do not apply if the first interim financial report is in respect of an interim period ending after March 30, 2012.

FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS

PART 1 GENERAL PROVISIONS

(a) What is MD&A?

MD&A is a narrative explanation, through the eyes of management, of how your company performed during the period covered by the financial statements, and of your company's financial condition and future prospects. MD&A complements and supplements your financial statements, but does not form part of your financial statements.

Your objective when preparing the MD&A should be to improve your company's overall financial disclosure by giving a balanced discussion of your company's financial performance and financial condition including, without limitation, such considerations as liquidity and capital resources - openly reporting bad news as well as good news. Your MD&A should:

- help current and prospective investors understand what the financial statements show and do not show;
- discuss material information that may not be fully reflected in the financial statements, such as contingent liabilities, defaults under debt, off-balance sheet financing arrangements, or other contractual obligations;
- discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future; and
- provide information about the quality, and potential variability, of your company's profit or loss and cash flow, to assist investors in determining if past performance is indicative of future performance.

(b) Date of Information

In preparing the MD&A, you must take into account information available up to the date of the MD&A. If the date of the MD&A is not the date it is filed, you must ensure the disclosure in the MD&A is current so that it will not be misleading when it is filed.

(c) Use of "Company"

Wherever this Form uses the word "company", the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

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(d) Explain Your Analysis

Explain the nature of, and reasons for, changes in your company's performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid using boilerplate language. Your discussion should assist the reader to understand trends, events, transactions and expenditures.

(e) Focus on Material Information

Focus your MD&A on material information. You do not need to disclose information that is not material. Exercise your judgment when determining whether information is material.

(f) What is Material?

Would a reasonable investor's decision whether or not to buy, sell or hold securities in your company likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material.

(g) Venture Issuers

If your company is a venture issuer, you have the option of meeting the requirement to provide interim MD&A under section 2.2 by instead providing quarterly highlights disclosure. Refer to Companion Policy 51-102CP for guidance on quarterly highlights.

If your company is a venture issuer without significant revenue from operations, in your MD&A including any quarterly highlights, focus your discussion and analysis of financial performance on expenditures and progress towards achieving your business objectives and milestones.

(h) Reverse Takeover Transactions

If an acquisition is a reverse takeover, the MD&A should be based on the reverse takeover acquirer's financial statements.

(i) [Repealed]

(j) Resource Issuers

If your company has mineral projects, your disclosure must comply with National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, including the requirement that all scientific and technical disclosure be based on a technical report or other information prepared by or under the supervision of a qualified person.

If your company has oil and gas activities, your disclosure must comply with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

(k) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(l) Omitting Information

You do not need to respond to any item in this Form that is inapplicable.

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(m) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of the local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP for further guidance.

This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Companion Policy 51-102CP.

(n) Plain Language

Write the MD&A so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP for further guidance. If you use technical terms, explain them in a clear and concise manner.

(o) Available Prior Period Information

If you have not presented comparative financial information in your financial statements, in your MD&A you must provide prior period information relating to financial performance that is available.

(p) Use of “Financial Condition”

This Form uses the term “financial condition”. Financial condition reflects the overall health of the company and includes your company’s financial position (as shown on the statement of financial position) and other factors that may affect your company’s liquidity, capital resources and solvency.

PART 2 CONTENT OF MD&A

Item 1 Annual MD&A

1.1 Date

Specify the date of your MD&A. The date of the MD&A must be no earlier than the date of the auditor’s report on the annual financial statements for your company’s most recently completed financial year.

1.2 Overall Performance

Provide an analysis of your company’s financial condition, financial performance and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on your company’s business. Compare your company’s performance in the most recently completed financial year to the prior year’s performance. Your analysis should address at least the following:

- (a) operating segments that are reportable segments as those terms are described in the issuer’s GAAP;
- (b) other parts of your business if:
 - (i) they have a disproportionate effect on revenue, profit or loss or cash needs; or
 - (ii) there are any legal or other restrictions on the flow of funds from one part of your company’s business to another;

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- (c) industry and economic factors affecting your company's performance;
- (d) why changes have occurred or expected changes have not occurred in your company's financial condition and financial performance; and
- (e) the effect of discontinued operations on current operations.

INSTRUCTIONS:

- (i) When explaining changes in your company's financial condition and results, include an analysis of the effect on your continuing operations of any acquisition, disposition, write-off, abandonment or other similar transaction.*
- (ii) A discussion of financial condition should include important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future.*
- (iii) Include information for a period longer than two financial years if it will help the reader to better understand a trend.*

1.3 Selected Annual Information

- (1) Provide the following financial data derived from your company's annual financial statements for each of the three most recently completed financial years:
 - (a) total revenue;
 - (b) profit or loss from continuing operations attributable to owners of the parent, in total and on a per-share and diluted per-share basis;
 - (c) profit or loss attributable to owners of the parent, in total and on a per-share and diluted per-share basis;
 - (d) total assets;
 - (e) total non-current financial liabilities; and
 - (f) distributions or cash dividends declared per-share for each class of share.
- (2) Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of your business, and any other information your company believes would enhance an understanding of, and would highlight trends in, financial position and financial performance.

INSTRUCTIONS:

- (i) For each of the three most recently completed financial years, indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency and the functional currency if different from the presentation currency.*
- (ii) If the financial data provided was not prepared in accordance with the same accounting principles for all three years, focus the discussion on the important trends and risks that have affected the business.*

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1.4 Discussion of Operations

Discuss your analysis of your company's operations for the most recently completed financial year, including:

- (a) total revenue by reportable segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold, or the introduction of new products or services;
- (b) any other significant factors that caused changes in total revenue;
- (c) cost of sales or gross profit;
- (d) for issuers that have significant projects that have not yet generated revenue, describe each project, including your company's plan for the project and the status of the project relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the project to the next stage of the project plan;
- (e) for resource issuers with producing mines or mines under development, identify any milestone, including, without limitation, mine expansion plans, productivity improvements, plans to develop a new deposit, or production decisions, and whether the milestone is based on a technical report filed under National Instrument 43-101 Standards of Disclosure for Mineral Projects;
- (f) factors that caused a change in the relationship between costs and revenue, including changes in costs of labour or materials, price changes or inventory adjustments;
- (g) commitments, events, risks or uncertainties that you reasonably believe will materially affect your company's future performance including total revenue and profit or loss from continuing operations attributable to owners of the parent;
- (h) effect of inflation and specific price changes on your company's total revenue and on profit or loss from continuing operations attributable to owners of the parent;
- (i) a comparison in tabular form of disclosure you previously made about how your company was going to use proceeds (other than working capital) from any financing, an explanation of variances and the impact of the variances, if any, on your company's ability to achieve its business objectives and milestones; and
- (j) unusual or infrequent events or transactions.

INSTRUCTION:

Your discussion under paragraph 1.4(d) should include:

- (i) *whether or not you plan to expend additional funds on the project; and*
- (ii) *any factors that have affected the value of the project(s) such as change in commodity prices, land use or political or environmental issues.*

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1.5 Summary of Quarterly Results

Provide the following information in summary form, derived from your company's financial statements, for each of the eight most recently completed quarters:

- (a) total revenue;
- (b) profit or loss from continuing operations attributable to owners of the parent, in total and on a per-share and diluted per-share basis; and
- (c) profit or loss attributable to owners of the parent, in total and on a per-share and diluted per-share basis.

Discuss the factors that have caused variations over the quarters necessary to understand general trends that have developed and the seasonality of the business.

INSTRUCTIONS:

- (i) *In the case of the annual MD&A, your most recently completed quarter is the quarter that ended on the last day of your most recently completed financial year.*
- (ii) *You do not have to provide information for a quarter prior to your company becoming a reporting issuer if your company has not prepared financial statements for those quarters.*
- (iii) *For sections 1.2, 1.3, 1.4 and 1.5 consider identifying, discussing and analyzing the following factors:*

- (A) *changes in customer buying patterns, including changes due to new technologies and changes in demographics;*
- (B) *changes in selling practices, including changes due to new distribution arrangements or a reorganization of a direct sales force;*
- (C) *changes in competition, including an assessment of the issuer's resources, strengths and weaknesses relative to those of its competitors;*
- (D) *the effect of exchange rates;*
- (E) *changes in pricing of inputs, constraints on supply, order backlog, or other input-related matters;*
- (F) *changes in production capacity, including changes due to plant closures and work stoppages;*
- (G) *changes in volume of discounts granted to customers, volumes of returns and allowances, excise and other taxes or other amounts reflected on a net basis against revenue;*
- (H) *changes in the terms and conditions of service contracts;*
- (I) *the progress in achieving previously announced milestones;*
- (J) *for resource issuers with producing mines, identify changes to cash flows caused by changes in production throughput, head-grade, cut-off grade, metallurgical recovery and any expectation of future changes; and*
- (K) *if you have an equity investee that is significant to your company, the nature of the investment and significance to your company.*

- (iv) *For each of the eight most recently completed quarters, indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency and the functional currency if different from the presentation currency.*

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(v) If the financial data provided was not prepared in accordance with the same accounting principles for all eight quarters, focus the discussion on the important trends and risks that have affected the business.

1.6 Liquidity

Provide an analysis of your company's liquidity, including:

- (a) its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain your company's capacity, to meet your company's planned growth or to fund development activities;
- (b) trends or expected fluctuations in your company's liquidity, taking into account demands, commitments, events or uncertainties;
- (c) its working capital requirements;
- (d) liquidity risks associated with financial instruments;
- (e) if your company has or expects to have a working capital deficiency, discuss its ability to meet obligations as they become due and how you expect it to remedy the deficiency;
- (f) statement of financial position conditions or profit or loss attributable to owners of the parent or cash flow items that may affect your company's liquidity;
- (g) legal or practical restrictions on the ability of subsidiaries to transfer funds to your company and the effect these restrictions have had or may have on the ability of your company to meet its obligations; and
- (h) defaults or arrears or significant risk of defaults or arrears on:
 - (i) distributions or dividend payments, lease payments, interest or principal payment on debt;
 - (ii) debt covenants; and
 - (iii) redemption or retraction or sinking fund payments;

and how your company intends to cure the default or arrears or address the risk.

INSTRUCTIONS:

(i) In discussing your company's ability to generate sufficient amounts of cash and cash equivalents you should describe sources of funding and the circumstances that could affect those sources that are reasonably likely to occur. Examples of circumstances that could affect liquidity are market or commodity price changes, economic downturns, defaults on guarantees and contractions of operations.

(ii) In discussing trends or expected fluctuations in your company's liquidity and liquidity risks associated with financial instruments you should discuss:

(A) provisions in debt, lease or other arrangements that could trigger an additional funding requirement or early payment. Examples of such situations are provisions linked to credit rating, profit or loss, cash flows or share price; and

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(B) circumstances that could impair your company's ability to undertake transaction considered essential to operations. Examples of such circumstances are the inability to maintain investment grade credit rating, earnings per-share, cash flow or share price.

(iii) In discussing your company's working capital requirements you should discuss situations where your company must maintain significant inventory to meet customers' delivery requirements or any situations involving extended payment terms.

(iv) In discussing your company's statement of financial position conditions or profit or loss or cash flow items you should present a summary, in tabular form, of contractual obligations including payments due for each of the next five years and thereafter. The summary and table do not have to be provided if your company is a venture issuer. An example of a table that can be adapted to your company's particular circumstances follows:

| Contractual Obligations | Payments Due by Period | | | | |
|---|-------------------------------|-------------------------|--------------------|--------------------|----------------------|
| | Total | Less than 1 year | 1 – 3 years | 4 – 5 years | After 5 years |
| <i>Debt</i> | | | | | |
| <i>Finance Lease Obligations</i> | | | | | |
| <i>Operating Leases</i> | | | | | |
| <i>Purchase Obligations¹</i> | | | | | |
| <i>Other Obligations²</i> | | | | | |
| <i>Total Contractual Obligations</i> | | | | | |

The tabular presentation may be accompanied by footnotes to describe provisions that create, increase or accelerate obligations, or other details to the extent necessary for an understanding of the timing and amount of your company's specified contractual obligations.

1.7 Capital Resources

Provide an analysis of your company's capital resources, including:

- (a) commitments for capital expenditures as of the date of your company's financial statements including:
 - (i) the amount, nature and purpose of these commitments;
 - (ii) the expected source of funds to meet these commitments; and
 - (iii) expenditures not yet committed but required to maintain your company's capacity, to meet your company's planned growth or to fund development activities;
- (b) known trends or expected fluctuations in your company's capital resources, including expected changes in the mix and relative cost of these resources; and
- (c) sources of financing that your company has arranged but not yet used.

¹ 'Purchase Obligation' means an agreement to purchase goods or services that is enforceable and legally binding on your company that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

² 'Other Obligations' means other financial liabilities reflected on your company's statement of financial position.

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INSTRUCTIONS:

- (i) *Capital resources are financing resources available to your company and include debt, equity and any other financing arrangements that you reasonably consider will provide financial resources to your company.*
- (ii) *In discussing your company's commitments you should discuss any exploration and development, or research and development expenditures required to maintain properties or agreements in good standing.*

1.8 Off-Balance Sheet Arrangements

Discuss any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of your company including, without limitation, such considerations as liquidity and capital resources.

In your discussion of off-balance sheet arrangements you should discuss their business purpose and activities, their economic substance, risks associated with the arrangements, and the key terms and conditions associated with any commitments. Your discussion should include:

- (a) a description of the other contracting party(ies);
- (b) the effects of terminating the arrangement;
- (c) the amounts receivable or payable, revenue, expenses and cash flows resulting from the arrangement;
- (d) the nature and amounts of any other obligations or liabilities arising from the arrangement that could require your company to provide funding under the arrangement and the triggering events or circumstances that could cause them to arise; and
- (e) any known event, commitment, trend or uncertainty that may affect the availability or benefits of the arrangement (including any termination) and the course of action that management has taken, or proposes to take, in response to any such circumstances.

INSTRUCTIONS:

- (i) *Off-balance sheet arrangements include any contractual arrangement with an entity not reported on a consolidated basis with your company, under which your company has:*
 - (A) *any obligation under certain guarantee contracts;*
 - (B) *a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for the assets;*
 - (C) *any obligation under certain derivative instruments; or*
 - (D) *any obligation held by your company in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to your company, or engages in leasing, hedging activities or, research and development services with your company.*

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(ii) *Contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.*

(iii) *Disclosure of off-balance sheet arrangements should cover the most recently completed financial year. However, the discussion should address changes from the previous year where such discussion is necessary to understand the disclosure.*

(iv) *The discussion need not repeat information provided in the notes to the financial statements if the discussion clearly cross-references to specific information in the relevant notes and integrates the substance of the notes into the discussion in a manner that explains the significance of the information not included in the MD&A.*

1.9 Transactions Between Related Parties

Discuss all transactions between related parties as defined by the issuer's GAAP.

INSTRUCTION:

In discussing your company's transactions between related parties, your discussion should include both qualitative and quantitative characteristics that are necessary for an understanding of the transactions" business purpose and economic substance. You should discuss:

- (A) the relationship and identify the related person or entities;*
- (B) the business purpose of the transaction;*
- (C) the recorded amount of the transaction and describe the measurement basis used; and*
- (D) any ongoing contractual or other commitments resulting from the transaction.*

1.10 Fourth Quarter

Discuss and analyze fourth quarter events or items that affected your company's financial condition, financial performance or cash flows, year-end and other adjustments, seasonal aspects of your company's business and dispositions of business segments. If your company has filed separate MD&A for its fourth quarter, you may satisfy this requirement by incorporating that MD&A by reference.

1.11 Proposed Transactions

Discuss the expected effect on financial condition, financial performance and cash flows of any proposed asset or business acquisition or disposition if your company's board of directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with the transaction. Include the status of any required shareholder or regulatory approvals.

INSTRUCTION:

You do not have to disclose this information if, under section 7.1 of National Instrument 51-102, your company has filed a Form 51-102F3 Material Change Report regarding the transaction on a confidential basis and the report remains confidential.

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1.12 Critical Accounting Estimates

If your company is not a venture issuer, provide an analysis of your company's critical accounting estimates. Your analysis should:

- (a) identify and describe each critical accounting estimate used by your company including:
 - (i) a description of the accounting estimate;
 - (ii) the methodology used in determining the critical accounting estimate;
 - (iii) the assumptions underlying the accounting estimate that relate to matters highly uncertain at the time the estimate was made;
 - (iv) any known trends, commitments, events or uncertainties that you reasonably believe will materially affect the methodology or the assumptions described; and
 - (v) if applicable, why the accounting estimate is reasonably likely to change from period to period and have a material impact on the financial presentation;
- (b) explain the significance of the accounting estimate to your company's financial position, changes in financial position and financial performance and identify the financial statement line items affected by the accounting estimate;
- (c) [Repealed];
- (d) discuss changes made to critical accounting estimates during the past two financial years including the reasons for the change and the quantitative effect on your company's overall financial performance and financial statement line items; and
- (e) identify the reportable segments of your company's business that the accounting estimate affects and discuss the accounting estimate on a reportable segment basis, if your company operates in more than one reportable segment.

INSTRUCTIONS:

- (i) *An accounting estimate is a critical accounting estimate only if:*
 - (A) *it requires your company to make assumptions about matters that are highly uncertain at the time the accounting estimate is made; and*
 - (B) *different estimates that your company could have used in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on your company's financial condition, changes in financial condition or financial performance.*
- (ii) *As part of your description of each critical accounting estimate, in addition to qualitative disclosure, you should provide quantitative disclosure when quantitative information is reasonably available and would provide material information for investors. Similarly, in your discussion of assumptions underlying an accounting estimate that relates to matters highly uncertain at the time the estimate was made, you should provide quantitative disclosure when it is reasonably available and it would provide material information for investors. For example, quantitative information may include a sensitivity analysis or disclosure of the upper and lower ends of the range of estimates from which the recorded estimate was selected.*

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1.13 Changes in Accounting Policies including Initial Adoption

Discuss and analyze any changes in your company's accounting policies, including:

- (a) for any accounting policies that you have adopted or expect to adopt subsequent to the end of your most recently completed financial year, including changes you have made or expect to make voluntarily and those due to a change in an accounting standard or a new accounting standard that you do not have to adopt until a future date, you should:
 - (i) describe the new standard, the date you are required to adopt it and, if determined, the date you plan to adopt it;
 - (ii) disclose the methods of adoption permitted by the accounting standard and the method you expect to use;
 - (iii) discuss the expected effect on your company's financial statements, or if applicable, state that you cannot reasonably estimate the effect; and
 - (iv) discuss the potential effect on your business, for example technical violations or default of debt covenants or changes in business practices; and
- (b) for any accounting policies that you have initially adopted during the most recently completed financial year, you should:
 - (i) describe the events or transactions that gave rise to the initial adoption of an accounting policy;
 - (ii) describe the accounting policy that has been adopted and the method of applying that policy;
 - (iii) discuss the effect resulting from the initial adoption of the accounting policy on your company's financial position, changes in financial position and financial performance;
 - (iv) if your company is permitted a choice among acceptable accounting policies:
 - (A) state that you made a choice among acceptable alternatives;
 - (B) identify the alternatives;
 - (C) describe why you made the choice that you did; and
 - (D) discuss the effect, where material, on your company's financial position, changes in financial position and financial performance under the alternatives not chosen; and
 - (v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to your initial adoption of the accounting policy, explain your decision regarding which accounting policy to use and the method of applying that policy.

INSTRUCTION:

You do not have to present the discussion under paragraph 1.13(b) for the initial adoption of accounting policies resulting from the adoption of new accounting standards.

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1.14 Financial Instruments and Other Instruments

For financial instruments and other instruments:

- (a) discuss the nature and extent of your company's use of, including relationships among, the instruments and the business purposes that they serve;
- (b) describe and analyze the risks associated with the instruments;
- (c) describe how you manage the risks in paragraph (b), including a discussion of the objectives, general strategies and instruments used to manage the risks, including any hedging activities;
- (d) disclose the financial statement classification and amounts of income, expenses, gains and losses associated with the instrument; and
- (e) discuss the significant assumptions made in determining the fair value of financial instruments, the total amount and financial statement classification of the change in fair value of financial instruments recognized in profit or loss for the period, and the total amount and financial statement classification of deferred or unrecognized gains and losses on financial instruments.

INSTRUCTIONS:

- (i) *"Other instruments" are instruments that may be settled by the delivery of non-financial assets. A commodity futures contract is an example of an instrument that may be settled by delivery of non-financial assets.*
- (ii) *Your discussion under paragraph 1.14(a) should enhance a reader's understanding of the significance of recognized and unrecognized instruments on your company's financial position, financial performance and cash flows. The information should also assist a reader in assessing the amounts, timing, and certainty of future cash flows associated with those instruments. Also discuss the relationship between liability and equity components of convertible debt instruments.*
- (iii) *For purposes of paragraph 1.14(c), if your company is exposed to significant price, credit or liquidity risks, consider providing a sensitivity analysis or tabular information to help readers assess the degree of exposure. For example, an analysis of the effect of a hypothetical change in the prevailing level of interest or currency rates on the fair value of financial instruments and future profit or loss and cash flows may be useful in describing your company's exposure to price risk.*
- (iv) *For purposes of paragraph 1.14(d), disclose and explain the revenue, expenses, gains and losses from hedging activities separately from other activities.*

1.15 Other MD&A Requirements

- (a) Your MD&A must disclose that additional information relating to your company, including your company's AIF if your company files an AIF, is on SEDAR at www.sedar.com;
- (b) Your MD&A must also provide the information required in the following sections of National Instrument 51-102, if applicable:
 - (i) Section 5.3 - Additional Disclosure for Venture Issuers without Significant Revenue;
 - (ii) Section 5.4 - Disclosure of Outstanding Share Data; and
 - (iii) Section 5.7 - Additional Disclosure for Reporting Issuers with Significant Equity Investees.

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(c) Your MD&A must include the MD&A disclosure required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and, as applicable, Form 52-109F1 *Certification of Annual Filings - Full Certificate*, Form 52-109F1R *Certification of Refiled Annual Filings*, or Form 52-109F1 AIF *Certification of Annual Filings in Connection with Voluntarily Filed AIF*.

Item 2 Interim MD&A

2.1 Date

Specify the date of your interim MD&A.

2.2 Interim MD&A

Interim MD&A must update your company's annual MD&A for all disclosure required by Item 1 except section 1.3. This disclosure must include:

- (a) a discussion of your analysis of:
 - (i) current quarter and year-to-date results including a comparison of financial performance to the corresponding periods in the previous year;
 - (i.i) a comparison of cash flows to the corresponding period in the previous year;
 - (ii) changes in financial performance and elements of profit or loss attributable to owners of the parent that are not related to ongoing business operations;
 - (iii) any seasonal aspects of your company's business that affect its financial position, financial performance or cash flows; and
- (b) a comparison of your company's interim financial condition to your company's financial condition as at the most recently completed financial year-end.

INSTRUCTION:

- (i) *If the first MD&A you file in this Form (your first MD&A) is an interim MD&A, you must provide all the disclosure called for in Item 1 in your first MD&A. Base the disclosure, except the disclosure for section 1.3, on your interim financial report. Since you do not have to update the disclosure required in section 1.3 in your interim MD&A, your first MD&A will provide disclosure under section 1.3 based on your annual financial statements. Your subsequent interim MD&A for that year will update your first interim MD&A.*
- (ii) *For the purposes of paragraph 2.2(b), you may assume the reader has access to your annual MD&A or your first MD&A. You do not have to duplicate the discussion and analysis of financial condition in your annual MD&A or your first MD&A. For example, if economic and industry factors are substantially unchanged you may make a statement to this effect.*
- (iii) *For the purposes of subparagraph 2.2(a)(i), you should generally give prominence to the current quarter.*
- (iv) *In discussing your company's statement of financial position conditions or profit or loss or cash flow items for an interim period, you do not have to present a summary, in tabular form, of all known contractual obligations contemplated under section 1.6. Instead, you should disclose material changes in the specified contractual obligations during the interim period.*

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(v) *Interim MD&A prepared in accordance with Item 2 is not required for your company's fourth quarter as relevant fourth quarter content will be contained in your company's annual MD&A prepared in accordance with Item 1 (see section 1.10).*

(vi) *In your interim MD&A, update the summary of quarterly results in section 1.5 by providing summary information for the eight most recently completed quarters.*

(vii) *Your annual MD&A may not include all the information in Item 1 if you were a venture issuer as at the end of your last financial year. If you ceased to be a venture issuer during your interim period, you do not have to restate the MD&A you previously filed. Instead, provide the disclosure for the additional sections in Item 1 that you were exempt from as a venture issuer in the next interim MD&A you file. Base your disclosure for those sections on your interim financial report.*

2.2.1 Quarterly Highlights

If your company is a venture issuer, you have the option of meeting the requirement to provide interim MD&A under section 2.2 by instead providing a short discussion of all material information about your company's operations, liquidity and capital resources. Include in your discussion:

- an analysis of your company's financial condition, financial performance and cash flows and any significant factors that have caused period to period variations in those measures;
- known trends, risks or demands;
- major operating milestones;
- commitments, expected or unexpected events, or uncertainties that have materially affected your company's operations, liquidity and capital resources in the interim period or are reasonably likely to have a material effect going forward;
- any significant changes from disclosure previously made about how the company was going to use proceeds from any financing and an explanation of variances;
- any significant transactions between related parties that occurred in the interim period.

INSTRUCTIONS

(i) *If the first MD&A you file in this Form (your first MD&A) is an interim MD&A, you cannot use quarterly highlights. Rather, you must provide all the disclosure called for in Item 1 in your first MD&A. Base the disclosure, except the disclosure for section 1.3, on your interim financial report. Since you do not have to update the disclosure required in section 1.3 in your interim MD&A, your first MD&A will provide disclosure under section 1.3 based on your annual financial statements.*

(ii) *Provide a short, focused discussion that gives a balanced and accurate picture of the company's business activities during the interim period. The purpose of the quarterly highlights reporting is to provide a brief narrative update about the business activities, financial condition, financial performance and cash flow of the company. While summaries are to be clear and concise, they are subject to the normal prohibitions against false and misleading statements.*

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(iii) *Quarterly highlights prepared in accordance with section 2.2.1 are not required for your company's fourth quarter as relevant fourth quarter content will be contained in your company's annual MD&A prepared in accordance with Item 1 (see section 1.10).*

(iv) *You must title your quarterly highlights 'Interim MD&A - Quarterly Highlights'.*

(v) *If there was a change to the company's accounting policies during the interim period, include a description of the material effects resulting from the change.*

2.2.2 Quarterly Highlights - Transition

Section 2.2.1 applies to an issuer in respect of a financial year beginning on or after July 1, 2015.

2.3 Other Interim MD&A Requirements

Your interim MD&A must include the interim MD&A disclosure required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and, as applicable, Form 52-109F2 *Certification of Interim Filings - Full Certificate* or Form 52-109F2R *Certification of Refiled Interim Filings*.

**FORM 51-102F2
ANNUAL INFORMATION FORM**

PART 1 GENERAL PROVISIONS

(a) What is an AIF?

An AIF (annual information form) is required to be filed annually by certain companies under Part 6 of National Instrument 51-102. An AIF is a disclosure document intended to provide material information about your company and its business at a point in time in the context of its historical and possible future development. Your AIF describes your company, its operations and prospects, risks and other external factors that impact your company specifically.

This disclosure is supplemented throughout the year by subsequent continuous disclosure filings including news releases, material change reports, business acquisition reports, financial statements and management discussion and analysis.

(b) Date of Information

Unless otherwise specified in this Form, the information in your AIF must be presented as at the last day of your company's most recently completed financial year. If necessary, you must update the information in the AIF so it is not misleading when it is filed. For information presented as at any date other than the last day of your company's most recently completed financial year, specify the relevant date in the disclosure.

(c) Use of "Company"

Wherever this Form uses the word "company", the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

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All references to “your company” in Items 4, 5, 6, 12, 13, 15 and 16 of this Form apply collectively to your company, your company’s subsidiaries, joint ventures to which your company is a party and entities in which your company has an investment accounted for by the equity method.

(d) Focus on Material Information

Focus your AIF on material information. You do not need to disclose information that is not material. Exercise your judgment when determining whether information is material. However, you must disclose all corporate and individual cease trade orders, bankruptcies, penalties and sanctions in accordance with Item 10 and section 12.2 of this Form.

(e) What is Material?

Would a reasonable investor’s decision whether or not to buy, sell or hold securities in your company likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material.

(f) Incorporating Information by Reference

You may incorporate information required to be included in your AIF by reference to another document, other than a previous AIF. Clearly identify the referenced document or any excerpt of it that you incorporate into your AIF. Unless you have already filed the referenced document or excerpt, including any documents incorporated by reference into the document or excerpt, under your SEDAR profile, you must file it with your AIF. You must also disclose that the document is on SEDAR at www.sedar.com.

(g) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP for further guidance.

This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Companion Policy 51-102CP.

(h) Plain Language

Write the AIF so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP for further guidance. If you use technical terms, explain them in a clear and concise manner.

(i) Special Purpose Entities

If your company is a special purpose entity, you may have to modify the disclosure items in this Form to reflect the special purpose nature of your company’s business.

(j) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

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(k) Omitting Information

You do not need to respond to any item in this Form that is inapplicable and you may omit negative answers.

PART 2 CONTENT OF AIF**Item 1 Cover Page****1.1 Date**

Specify the date of your AIF. The date must be no earlier than the date of the auditor's report on the financial statements for your company's most recently completed financial year.

You must file your AIF within 10 days of the date of the AIF.

1.2 Revisions

If you revise your company's AIF after you have filed it, identify the revised version as a "revised AIF".

Item 2 Table of Contents**2.1 Table of Contents**

Include a table of contents.

Item 3 Corporate Structure**3.1 Name, Address and Incorporation**

(1) State your company's full corporate name or, if your company is an unincorporated entity, the full name under which it exists and carries on business, and the address(es) of your company's head and registered office.

(2) State the statute under which your company is incorporated, continued or organized or, if your company is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of your company.

3.2 Intercompany Relationships

Describe, by way of a diagram or otherwise, the intercompany relationships among your company and its subsidiaries. For each subsidiary state:

- (a) the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by your company;
- (b) the percentage of each class of restricted securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by your company; and
- (c) where it was incorporated, continued, formed or organized.

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INSTRUCTION:

You may omit a particular subsidiary if, at the most recent financial year-end of your company:

- (i) the total assets of the subsidiary do not exceed 10 per cent of the consolidated assets of your company;*
- (ii) the revenue of the subsidiary does not exceed 10 per cent of the consolidated revenue of your company; and*
- (iii) the conditions in paragraphs (i) and (ii) would be satisfied if you:*
 - (A) aggregated the subsidiaries that may be omitted under paragraphs (i) and (ii); and*
 - (B) changed the reference in those paragraphs from 10 per cent to 20 per cent.*

Item 4 General Development of the Business**4.1 Three Year History**

Describe how your company's business has developed over the last three completed financial years. Include only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business. If your company produces or distributes more than one product or provides more than one kind of service, describe the products or services. Also discuss changes in your company's business that you expect will occur during the current financial year.

4.2 Significant Acquisitions

Disclose any significant acquisition completed by your company during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102, by providing a brief summary of the significant acquisition and stating whether your company has filed a Form 51-102F4 in respect of the acquisition.

Item 5 Describe the Business**5.1 General**

(1) Describe the business of your company and its operating segments that are reportable segments as those terms are described in the issuer's GAAP. For each reportable segment include:

- (a) **Summary** - For products or services:
 - (i) their principal markets;
 - (ii) distribution methods;
 - (iii) for each of the two most recently completed financial years, as dollar amounts or as percentages, the revenue for each category of products or services that accounted for 15 per cent or more of total consolidated revenue for the applicable financial year derived from:
 - (A) sales or transfers to joint ventures in which your company is a participant or to entities in which your company has an investment accounted for by the equity method;

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- (B) sales to customers, other than those referred to in clause A, outside the consolidated entity, and
- (C) sales or transfers to controlling shareholders;
- (iv) if not fully developed, the stage of development of the products or services and, if the products are not at the commercial production stage:
 - (A) the timing and stage of research and development programs;
 - (B) whether your company is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods; and
 - (C) the additional steps required to reach commercial production and an estimate of costs and timing.
- (b) **Production and Services** - The actual or proposed method of production and, if your company provides services, the actual or proposed method of providing services.
- (c) **Specialized Skill and Knowledge** - A description of any specialized skill and knowledge requirements and the extent to which the skill and knowledge are available to your company.
- (d) **Competitive Conditions** - The competitive conditions in your company's principal markets and geographic areas, including, if reasonably possible, an assessment of your company's competitive position.
- (e) **New Products** - If you have publicly announced the introduction of a new product, the status of the product.
- (f) **Components** - The sources, pricing and availability of raw materials, component parts or finished products.
- (g) **Intangible Properties** - The importance, duration and effect of identifiable intangible properties, such as brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks, on the segment.
- (h) **Cycles** - The extent to which the business of the reportable segment is cyclical or seasonal.
- (i) **Economic Dependence** - A description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends.
- (j) **Changes to Contracts** - A description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.
- (k) **Environmental Protection** - The financial and operational effects of environmental protection requirements on the capital expenditures, profit or loss and competitive position of your company in the current financial year and the expected effect in future years.
- (l) **Employees** - The number of employees as at the most recent financial year-end or the average number of employees over the year, whichever is more meaningful to understand the business.

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(m) **Foreign Operations** - Describe the dependence of your company and any reportable segment upon foreign operations.

(n) **Lending** - With respect to your company's lending operations, disclose the investment policies and lending and investment restrictions.

(2) **Bankruptcy and Similar Procedures** - Disclose the nature and results of any bankruptcy, receivership or similar proceedings against your company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by your company or any of its subsidiaries, within the three most recently completed financial years or during or proposed for the current financial year.

(3) **Reorganizations** - Disclose the nature and results of any material reorganization of your company or any of its subsidiaries within the three most recently completed financial years or completed during or proposed for the current financial year.

(4) **Social or Environmental Policies** - If your company has implemented social or environmental policies that are fundamental to your operations, such as policies regarding your company's relationship with the environment or with the communities in which it does business, or human rights policies, describe them and the steps your company has taken to implement them.

5.2 Risk Factors

Disclose risk factors relating to your company and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by your company, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be most likely to influence an investor's decision to purchase securities of your company. If there is a risk that securityholders of your company may become liable to make an additional contribution beyond the price of the security, disclose that risk.

INSTRUCTIONS:

(i) *Disclose the risks in order of seriousness from the most serious to the least serious.*

(ii) *A risk factor must not be de-emphasized by including excessive caveats or conditions.*

5.3 Companies with Asset-backed Securities Outstanding

If your company had asset-backed securities outstanding that were distributed under a prospectus, disclose the following information:

(1) **Payment Factors** - A description of any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of any payments or distributions to be made under the asset-backed securities.

(2) **Underlying Pool of Assets** - For the three most recently completed financial years of your company or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, financial disclosure that described the underlying pool of financial assets servicing the asset-backed securities relating to:

(a) the composition of the pool as of the end of each financial year or partial period;

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- (b) profit and losses from the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
- (c) the payment, prepayment and collection experience of the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
- (d) servicing and other administrative fees; and
- (e) any significant variances experienced in the matters referred to in paragraphs (a) through (d).

(2.1) If any of the financial disclosure disclosed in accordance with subsection (2) has been audited, disclose the existence and results of the audit.

(3) **Investment Parameters** - The investment parameters applicable to investments of any cash flow surpluses.

(4) **Payment History** - The amount of payments made during the three most recently completed financial years or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, in respect of principal and interest or capital and yield, each stated separately, on asset-backed securities of your company outstanding.

(5) **Acceleration Event** - The occurrence of any event that has led to, or with the passage of time could lead to, the accelerated payment of principal, interest or capital of asset-backed securities.

(6) **Principal Obligors** - The identity of any principal obligors for the outstanding asset-backed securities of your company, the percentage of the pool of financial assets servicing the asset-backed securities represented by obligations of each principal obligor and whether the principal obligor has filed an AIF in any jurisdiction or a Form 10-K or Form 20-F in the United States.

INSTRUCTIONS:

(i) *Present the information requested under subsection (2) in a manner that enables a reader to easily determine the status of the events, covenants, standards and preconditions referred to in subsection (1).*

(ii) *If the information required under subsection (2):*

(A) *is not compiled specifically on the pool of financial assets servicing the asset-backed securities, but is compiled on a larger pool of the same assets from which the securitized assets are randomly selected so that the performance of the larger pool is representative of the performance of the pool of securitized assets; or*

(B) *in the case of a new company, where the pool of financial assets servicing the asset-backed securities will be randomly selected from a larger pool of the same assets so that the performance of the larger pool will be representative of the performance of the pool of securitized assets to be created, a company may comply with subsection (2) by providing the information required based on the larger pool and disclosing that it has done so.*

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5.4 Companies with Mineral Projects

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

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

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

- (a) The location of the project and means of access.
- (b) The nature and extent of your company's title to or interest in the project, including surface rights, obligations that must be met to retain the project, and the expiration date of claims, licences and other property tenure rights.
- (c) The terms of any royalties, overrides, back-in rights, payments or other agreements and encumbrances to which the project is subject.
- (d) To the extent known, any significant factors or risks that might affect access or title, or the right or ability to perform work on, the property, including permitting and environmental liabilities to which the project is subject.

(3) **History**

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

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

- (a) The regional, local, and property geology.
- (b) The significant mineralized zones encountered on the property, the surrounding rock types and relevant geological controls, and the length, width, depth and continuity of the mineralization together with a description of the type, character and distribution of the mineralization.
- (c) The mineral deposit type or geological model or concepts being applied.

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

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

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

- (a) sample preparation methods and quality control measures employed before dispatch of samples to an analytical or testing laboratory,
- (b) the security measures taken to ensure the validity and integrity of samples taken,
- (c) assaying and analytical procedures used and the relationship, if any, of the laboratory to your company, and
- (d) quality control measures and data verification procedures, and their results.

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

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

- (a) the effective date of the estimates,
- (b) the quantity and grade or quality of each category of mineral resources and mineral reserves,
- (c) the key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves, and
- (d) the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, and other relevant issues.

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

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

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

- (a) the infrastructure and logistic requirements for the project, and
- (b) the reasonably available information on environmental, permitting, and social or community factors related to the project.

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

- (a) a summary of capital and operating cost estimates, with the major components set out in tabular form, and
- (b) an economic analysis with forecasts of annual cash flow, net present value, internal rate of return, and payback period, unless exempted under Instruction (1) to Item 22 of Form 43-101F1.

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

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INSTRUCTIONS

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

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

5.5 Companies with Oil and Gas Activities

If your company is engaged in oil and gas activities as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, disclose the following information:

(1) Reserves Data and Other Information

(a) In the case of information that, for purposes of Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*, is to be prepared as at the end of a financial year, disclose that information as at your company's most recently completed financial year-end.

(b) In the case of information that, for purposes of Form 51-101F1, is to be prepared for a financial year, disclose that information for your company's most recently completed financial year.

(c) [Repealed]

(2) Report of Independent Qualified Reserves Evaluator or Auditor

- Include with the disclosure under subsection (1) a report in the form of Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor*, on the reserves data included in the disclosure required under subsection (1).

(3) Report of Management - Include with the disclosure under subsection (1) a report in the form of Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure* that refers to the information disclosed under subsection (1).

(4) Material Changes - To the extent not reflected in the information disclosed in response to subsection (1), disclose the information contemplated by Part 6 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* in respect of material changes that occurred after your company's most recently completed financial year-end.

INSTRUCTION:

The information presented in response to section 5.5 must be in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

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Item 6 Dividends and Distributions

6.1 Dividends and Distributions

- (1) Disclose the amount of cash dividends or distributions declared per security for each class of your company's securities for each of the three most recently completed financial years.
- (2) Describe any restriction that could prevent your company from paying dividends or distributions.
- (3) Disclose your company's current dividend or distribution policy and any intended change in dividend or distribution policy.

Item 7 Description of Capital Structure

7.1 General Description of Capital Structure

Describe your company's capital structure. State the description or the designation of each class of authorized security, and describe the material characteristics of each class of authorized security, including voting rights, provisions for exchange, conversion, exercise, redemption and retraction, dividend rights and rights upon dissolution or winding-up.

INSTRUCTION:

This section requires only a brief summary of the provisions that are material from a securityholder's standpoint. The provisions attaching to different classes of securities do not need to be set out in full. This summary should include the disclosure required in subsection 10.1(1) of National Instrument 51-102.

7.2 Constraints

If there are constraints imposed on the ownership of securities of your company to ensure that your company has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities is or will be monitored and maintained.

7.3 Ratings

- (1) If you have asked for and received a credit rating, or if you are aware that you have received any other kind of rating, including a stability rating or a provisional rating, from one or more credit rating organizations for securities of your company that are outstanding, or will be outstanding, and the rating or ratings continue in effect, disclose:
 - (a) each rating received from a credit rating organization;
 - (b) for each rating disclosed under paragraph (a), the name of the credit rating organization that has assigned the rating;
 - (c) a definition or description of the category in which each credit rating organization rated the securities and the relative rank of each rating within the organization's overall classification system;
 - (d) an explanation of what the rating addresses and what attributes, if any, of the securities are not addressed by the rating;

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- (e) any factors or considerations identified by the credit rating organization as giving rise to unusual risks associated with the securities;
 - (f) a statement that a credit rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization; and
 - (g) any announcement made by, or any proposed announcement known to your company that is to be made by, a credit rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.
- (2) If payments were, or reasonably will be, made to a credit rating organization that provided a rating described in section (1), state that fact and state whether any payments were made to the credit rating organization in respect of any other service provided to your company by the credit rating organization during the last two years.

INSTRUCTIONS

There may be factors relating to a security that are not addressed by a credit rating organization when they give a rating. For example, in the case of cash settled derivative instruments, factors in addition to the creditworthiness of the issuer, such as the continued subsistence of the underlying interest or the volatility of the price, value or level of the underlying interest may be reflected in the rating analysis. Rather than being addressed in the rating itself, these factors may be described by a credit rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under section 7.3.

A provisional rating received before the company's most recently completed financial year is not required to be disclosed under section 7.3.

Item 8 Market for Securities

8.1 Trading Price and Volume

- (1) For each class of securities of your company that is traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation generally occurs.
- (2) If a class of securities of your company is not traded or quoted on a Canadian marketplace, but is traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume of trading or quotation generally occurs.
- (3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the most recently completed financial year.

8.2 Prior Sales

For each class of securities of your company that is outstanding but not listed or quoted on a marketplace, state the price at which securities of the class have been issued during the most recently completed financial year by your company, the number of securities of the class issued at that price, and the date on which the securities were issued.

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Item 9 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

9.1 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

(1) State, in substantially the following tabular form, the number of securities of each class of your company held, to your company's knowledge, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class for your company's most recently completed financial year.

**ESCROWED SECURITIES AND SECURITIES SUBJECT
TO CONTRACTUAL RESTRICTION ON TRANSFER**

| Designation of class | Number of securities held in escrow or that are subject to a contractual restriction on transfer | Percentage of class |
|-------------------------|---|------------------------|
|-------------------------|---|------------------------|

(2) In a note to the table disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow or the date the contractual restriction on transfer ends, as applicable.

INSTRUCTIONS:

- (i) *For the purposes of this section, escrow includes securities subject to a pooling agreement.*
- (ii) *For the purposes of this section, securities subject to contractual restrictions on transfer as a result of pledges made to lenders are not required to be disclosed.*

Item 10 Directors and Officers

10.1 Name, Occupation and Security Holding

- (1) List the name, province or state, and country of residence of each director and executive officer of your company and indicate their respective positions and offices held with your company and their respective principal occupations during the five preceding years.
- (2) State the period or periods during which each director has served as a director and when his or her term of office will expire.
- (3) State the number and percentage of securities of each class of voting securities of your company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by all directors and executive officers of your company as a group.
- (4) Identify the members of each committee of the board.
- (5) If the principal occupation of a director or executive officer of your company is acting as an officer of a person or company other than your company, disclose that fact and state the principal business of the person or company.

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INSTRUCTION:

For the purposes of subsection (3), securities of subsidiaries of your company that are beneficially owned, or controlled or directed, directly or indirectly, by directors or executive officers through ownership, or control or direction, directly or indirectly, over securities of your company, do not need to be included.

10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

(1) If a director or executive officer of your company is, as at the date of the AIF, or was within 10 years before the date of the AIF, a director, chief executive officer or chief financial officer of any company (including your company), that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

state the fact and describe the basis on which the order was made and whether the order is still in effect.

(1.1) For the purposes of subsection (1), “order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for a period of more than 30 consecutive days.

(1.2) If a director or executive officer of your company, or a shareholder holding a sufficient number of securities of your company to affect materially the control of your company:

- (a) is, as at the date of the AIF, or has been within the 10 years before the date of the AIF, a director or executive officer of any company (including your company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
- (b) has, within the 10 years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder, state the fact.

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(2) Describe the penalties or sanctions imposed and the grounds on which they were imposed, or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a director or executive officer of your company, or a shareholder holding a sufficient number of securities of your company to affect materially the control of your company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

(3) Despite subsection (2), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable investor in making an investment decision.

INSTRUCTIONS:

(i) *The disclosure required by subsections (1), (1.2) and (2) also applies to any personal holding companies of any of the persons referred to in subsections (1), (1.2) and (2).*

(ii) *A management cease trade order which applies to directors or executive officers of a company is an "order" for the purposes of paragraph 10.2(1)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

(iii) *A late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a "penalty or sanction" for the purposes of section 10.2.*

(iv) *The disclosure in paragraph 10.2(1)(a) only applies if the director or executive officer was a director, chief executive officer or chief financial officer when the order was issued against the company. You do not have to provide disclosure if the director or executive officer became a director, chief executive officer or chief financial officer after the order was issued.*

10.3 Conflicts of Interest

Disclose particulars of existing or potential material conflicts of interest between your company or a subsidiary of your company and any director or officer of your company or of a subsidiary of your company.

Item 11 Promoters

11.1 Promoters

For a person or company that has been, within the two most recently completed financial years or during the current financial year, a promoter of your company or of a subsidiary of your company, state:

(a) the person or company's name;

(b) the number and percentage of each class of voting securities and equity securities of your company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly;

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- (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from your company or from a subsidiary of your company, and the nature and amount of any assets, services or other consideration received or to be received by your company or a subsidiary of your company in return; and
- (d) for an asset acquired within the two most recently completed financial years or during the current financial year, or an asset to be acquired, by your company or by a subsidiary of your company from a promoter:
 - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined;
 - (ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with your company, the promoter, or an associate or affiliate of your company or of the promoter; and
 - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

Item 12 Legal Proceedings and Regulatory Actions

12.1 Legal Proceedings

- (1) Describe any legal proceedings your company is or was a party to, or that any of its property is or was the subject of, during your company's financial year.
- (2) Describe any such legal proceedings your company knows to be contemplated.
- (3) For each proceeding described in subsections (1) and (2), include the name of the court or agency, the date instituted, the principal parties to the proceeding, the nature of the claim, the amount claimed, if any, whether the proceeding is being contested, and the present status of the proceeding.

INSTRUCTION:

You do not need to give information with respect to any proceeding that involves a claim for damages if the amount involved, exclusive of interest and costs, does not exceed ten per cent of the current assets of your company. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, you must include the amount involved in the other proceedings in computing the percentage.

12.2 Regulatory Actions

Describe any:

- (a) penalties or sanctions imposed against your company by a court relating to securities legislation or by a securities regulatory authority during your financial year;
- (b) any other penalties or sanctions imposed by a court or regulatory body against your company that would likely be considered important to a reasonable investor in making an investment decision; and
- (c) settlement agreements your company entered into before a court relating to securities legislation or with a securities regulatory authority during your financial year.

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Item 13 Interest of Management and Others in Material Transactions

13.1 Interest of Management and Others in Material Transactions

Describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect your company:

- (a) a director or executive officer of your company;
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of your outstanding voting securities; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

INSTRUCTIONS:

(i) *The materiality of the interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to securityholders.*

(ii) *This Item does not apply to any interest arising from the ownership of securities of your company if the securityholder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.*

(iii) *Give a brief description of the material transactions. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to your company.*

(iv) *For any transaction involving the purchase of assets by or sale of assets to your company or a subsidiary of your company, state the cost of the assets to the purchaser, and the cost of the assets to the seller if acquired by the seller within three years before the transaction.*

(v) *You do not need to give information under this Item for a transaction if:*

(A) *the rates or charges involved in the transaction are fixed by law or determined by competitive bids;*

(B) *the interest of a specified person or company in the transaction is solely that of a director of another company that is a party to the transaction;*

(C) *the transaction involves services as a bank or other depository of funds, a transfer agent, registrar, trustee under a trust indenture or other similar services; or*

(D) *the transaction does not involve remuneration for services and the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than ten per cent of any class of equity securities of another company that is party to the transaction and the transaction is in the ordinary course of business of your company or your company's subsidiaries.*

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(vi) Describe all transactions not excluded above that involve remuneration (including an issuance of securities), directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than ten per cent of any class of equity securities of another company furnishing the services to your company or your company's subsidiaries.

Item 14 Transfer Agents and Registrars

14.1 Transfer Agents and Registrars

State the name of your company's transfer agent(s) and registrar(s) and the location (by municipalities) of the register(s) of transfers of each class of securities.

Item 15 Material Contracts

15.1 Material Contracts

Give particulars of any material contract:

- (a) required to be filed under section 12.2 of the Instrument at the time this AIF is filed, as required under section 12.3 of the Instrument; or
- (b) that would be required to be filed under section 12.2 of the Instrument at the time this AIF is filed, as required under section 12.3 of the Instrument, but for the fact that it was previously filed.

INSTRUCTIONS:

- (i) You must give particulars of any material contract that was entered into within the last financial year or before the last financial year but is still in effect, and that is required to be filed under section 12.2 of the Instrument or would be required to be filed under section 12.2 of the Instrument but for the fact that it was previously filed. You do not need to give particulars of a material contract that was entered into before January 1, 2002 because these material contracts are not required to be filed under section 12.2 of the Instrument.*
- (ii) Set out a complete list of all contracts for which particulars must be given under this section, indicating those that are disclosed elsewhere in the AIF. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the AIF.*
- (iii) Particulars of contracts must include the dates of, parties to, consideration provided for in, and general nature and key terms of, the contracts.*

Item 16 Interests of Experts

16.1 Names of Experts

Name each person or company:

- (a) who is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by your company during, or relating to, your company's most recently completed financial year; and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

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16.2 Interests of Experts

(1) Disclose all registered or beneficial interests, direct or indirect, in any securities or other property of your company or of one of your associates or affiliates:

(a) held by an expert named in section 16.1 and, if the expert is not an individual, by the designated professionals of that expert, when that expert prepared the report, valuation, statement or opinion referred to in paragraph 16.1(a);

(b) received by an expert named in section 16.1 and, if the expert is not an individual, by the designated professionals of that expert, after the time specified in paragraph 16.2(1)(a); or

(c) to be received by an expert named in section 16.1 and, if the expert is not an individual, by the designated professionals of that expert.

(1.1) For the purposes of subsection (1), a “designated professional” means, in relation to an expert named in section 16.1:

(a) each partner, employee or consultant of the expert who participated in and who was in a position to directly influence the preparation of the report, valuation, statement or opinion referred to in paragraph 16.1(a); and

(b) each partner, employee or consultant of the expert who was, at any time during the preparation of the report, valuation, statement or opinion referred to in paragraph 16.1(a), in a position to directly influence the outcome of the preparation of the report, valuation, statement or opinion, including, without limitation:

(i) any person who recommends the compensation of, or who provides direct supervisory, management or other oversight of, the partner, employee or consultant in the performance of the preparation of the report, valuation, statement or opinion referred to in paragraph 16.1(a), including those at all successively senior levels through to the expert’s chief executive officer;

(ii) any person who provides consultation regarding technical or industry-specific issues, transactions or events for the preparation of the report, valuation, statement or opinion referred to in paragraph 16.1(a); and

(iii) any person who provides quality control for the preparation of the report, valuation, statement or opinion referred to in paragraph 16.1(a).

(2) For the purposes of subsection (1), if the person’s or company’s interest in the securities represents less than one per cent of your outstanding securities of the same class, a general statement to that effect is sufficient.

(2.1) Despite subsection (1), an auditor who is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or who has performed an audit in accordance with U.S. PCAOB GAAS or U.S. AICPA GAAS is not required to provide the disclosure in subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC’s rules on auditor independence.

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- (3) If a person or a director, officer or employee of a person or company referred to in subsection (1) is or is expected to be elected, appointed or employed as a director, officer or employee of your company or of any associate or affiliate of your company, disclose the fact or expectation.

INSTRUCTIONS:

- (i) **Repealed.** 5 Aug 2011 SR 48/2011 s7.
- (ii) *Section 16.2 does not apply to:*
- (A) *auditors of a business acquired by your company provided they have not been or will not be appointed as your company's auditor subsequent to the acquisition; and*
- (B) *your company's predecessor auditors, if any, for periods when they were not your company's auditor.*
- (iii) *Section 16.2 does not apply to registered or beneficial interests, direct or indirect, held through mutual funds.*

Item 17 Additional Information

17.1 Additional Information

- (1) Disclose that additional information relating to your company may be found on SEDAR at www.sedar.com.
- (2) If your company is required to distribute a Form 51-102F5 to any of its securityholders, include a statement that additional information, including directors' and officers' remuneration and indebtedness, principal holders of your company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in your company's information circular for its most recent annual meeting of securityholders that involved the election of directors.
- (3) Include a statement that additional financial information is provided in your company's financial statements and MD&A for its most recently completed financial year.

INSTRUCTION:

Your company may also be required to provide additional information in its AIF as set out in Form 52-110F1 Audit Committee Information Required in an AIF.

Item 18 Additional Disclosure for Companies Not Sending Information Circulars

18.1 Additional Disclosure

For companies that are not required to send a Form 51-102F5 to any of their securityholders, disclose the information required under Items 6 to 10, 12 and 13 of Form 51-102F5, as modified below, if applicable:

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| <u>Form 51-102F5 Reference</u> | <u>Modification</u> |
|---|--|
| Item 6 - Voting Securities and Principal Holders of Voting Securities | Include the disclosure specified in section 6.1 without regard to the phrase “entitled to be voted at the meeting”. Do not include the disclosure specified in sections 6.2, 6.3 and 6.4. Include the disclosure specified in section 6.5. |
| Item 7 - Election of Directors | Disregard the preamble of section 7.1. Include the disclosure specified in section 7.1 without regard to the word “proposed” throughout. Do not include the disclosure specified in section 7.3. |
| Item 8 - Executive Compensation | Disregard the preamble and paragraphs (a), (b) and (c) of Item 8. A company that does not send a management information circular to its securityholders must provide the disclosure required by Form 51-102F6. |
| Item 9 - Securities Authorized for Issuance under Equity Compensation Plans | Disregard subsection 9.1(1). |
| Item 10 - Indebtedness of Directors and Executive Officers | Include the disclosure specified throughout; however, replace the phrase “date of the information circular” with “date of the AIF” throughout. Disregard paragraph 10.3(a). |
| Item 12 - Appointment of Auditor | Name the auditor. If the auditor was first appointed within the last five years, state the date when the auditor was first appointed. |

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**FORM 51-102F3
MATERIAL CHANGE REPORT**

PART 1 GENERAL PROVISIONS

(a) Confidentiality

If this Report is filed on a confidential basis, state in block capitals “CONFIDENTIAL” at the beginning of the Report.

(b) Use of “Company”

Wherever this Form uses the word “company” the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Numbering and Headings

The numbering, headings and ordering of the items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(d) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

(e) Plain Language

Write the Report so that readers are able to understand it. Consider both the level of detail provided and the language used in the document. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP. If you use technical terms, explain them in a clear and concise manner.

PART 2 CONTENT OF MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

Item 2 Date of Material Change

State the date of the material change.

Item 3 News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.

Item 4 Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

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Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Supplement the summary required under Item 4 with sufficient disclosure to enable a reader to appreciate the significance and impact of the material change without having to refer to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

Some examples of significant facts relating to the material change include: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the issuer or its subsidiaries. Specific financial forecasts would not normally be required.

Other additional disclosure may be appropriate depending on the particular situation.

5.2 Disclosure for Restructuring Transactions

This item applies to a material change report filed in respect of the closing of a restructuring transaction under which securities are to be changed, exchanged, issued or distributed. This item does not apply if, in respect of the transaction, your company sent an information circular to its securityholders or filed a prospectus or a securities exchange takeover bid circular.

Include the disclosure for each entity that resulted from the restructuring transaction, if your company has an interest in that entity, required by section 14.2 of Form 51-102F5. You may satisfy the requirement to include this disclosure by incorporating the information by reference to another document.

INSTRUCTIONS:

(i) If your company is engaged in oil and gas activities, the disclosure under Item 5 must also satisfy the requirements of Part 6 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

(ii) If you incorporate information by reference to another document, clearly identify the referenced document or any excerpt from it. Unless you have already filed the referenced document or excerpt, you must file it with the material change report. You must also disclose that the document is on SEDAR at www.sedar.com.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102, state the reasons for such reliance.

INSTRUCTION:

Refer to subsections 7.1 (5), (6) and (7) of National Instrument 51-102 concerning continuing obligations in respect of reports filed under subsection 7.1(2) of National Instrument 51-102.

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Item 7 Omitted Information

State whether any information has been omitted on the basis that it is confidential information.

In a separate letter to the applicable regulator or securities regulatory authority marked “Confidential” provide the reasons for your company’s omission of confidential significant facts in the Report in sufficient detail to permit the applicable regulator or securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.

INSTRUCTION:

In certain circumstances where a material change has occurred and a Report has been or is about to be filed but subsection 7.1(2) or (5) of National Instrument 51-102 is not or will no longer be relied upon, your company may nevertheless believe one or more significant facts otherwise required to be disclosed in the Report should remain confidential and not be disclosed or not be disclosed in full detail in the Report.

Item 8 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Item 9 Date of Report

Date the Report.

**FORM 51-102F4
BUSINESS ACQUISITION REPORT**

PART 1 GENERAL PROVISIONS

(a) What is a Business Acquisition Report?

Your company must file a Business Acquisition Report after completing a significant acquisition. See Part 8 of National Instrument 51-102. The Business Acquisition Report describes the significant businesses acquired by your company and the effect of the acquisition on your company.

(b) Use of “Company”

Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Focus on Relevant Information

When providing the disclosure required by this Form, focus your discussion on information that is relevant to an investor, analyst or other reader.

(d) Incorporating Material By Reference

You may incorporate information required by this Form by reference to another document. Clearly identify the referenced document, or any excerpt of it, that you incorporate into this Report. Unless you have already filed the referenced document or excerpt, including any documents incorporated by reference into the document or excerpt, you must file it with this Report. You must also disclose that the document is on SEDAR at www.sedar.com.

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(e) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP for further guidance.

This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Companion Policy 51-102CP.

(f) Plain Language

Write this Report so that readers are able to understand it. Consider both the level of detail provided and the language used in the document. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP for further guidance. If you use technical terms, explain them in a clear and concise manner.

(g) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere in the Report.

PART 2 CONTENT OF BUSINESS ACQUISITION REPORT

Item 1 Identity of Company

1.1 Name and Address of Company

State the full name of your company and the address of its principal office in Canada.

1.2 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the significant acquisition and the Report, or the name of an officer through whom such executive officer may be contacted.

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Describe the nature of the business acquired.

2.2 Acquisition Date

State the acquisition date used for accounting purposes.

2.3 Consideration

Disclose the type and amount of consideration, both monetary and non-monetary, paid or payable by your company in connection with the significant acquisition, including contingent consideration. Identify the source of funds used by your company for the acquisition, including a description of any financing associated with the acquisition.

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2.4 Effect on Financial Position

Describe any plans or proposals for material changes in your business affairs or the affairs of the acquired business which may have a significant effect on the financial performance and financial position of your company. Examples include any proposal to liquidate the business, to sell, lease or exchange all or a substantial part of its assets, to amalgamate the business with any other business organization or to make any material changes to your business or the business acquired such as changes in corporate structure, management or personnel.

2.5 Prior Valuations

Describe in sufficient detail any valuation opinion obtained within the last 12 months by the acquired business or your company required by securities legislation or a Canadian exchange or market to support the consideration paid by your company or any of its subsidiaries for the business, including the name of the author, the date of the opinion, the business to which the opinion relates, the value attributed to the business and the valuation methodologies used.

2.6 Parties to Transaction

State whether the transaction is with an informed person, associate or affiliate of your company and, if so, the identity and the relationship of the other parties to your company.

2.7 Date of Report

Date the Report.

Item 3 Financial Statements and Other Information

Include the financial statements or other information required by Part 8 of National Instrument 51-102. If applicable, disclose that the auditors have not given their consent to include their audit report in this Report.

FORM 51-102F5
INFORMATION CIRCULAR

PART 1 GENERAL PROVISIONS

(a) Timing of Information

The information required by this Form 51-102F5 must be given as of a specified date not more than thirty days prior to the date you first send the information circular to any securityholder of the company.

(b) Use of “Company”

Wherever this Form uses the word “company”, the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

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(c) Incorporating Information by Reference

You may incorporate information required to be included in your information circular by reference to another document. Clearly identify the referenced document or any excerpt of it that you incorporate into your information circular. Unless you have already filed the referenced document or excerpt, including any documents incorporated by reference into the document or excerpt, you must file it with your information circular. You must also disclose that the document is on SEDAR at www.sedar.com and that, upon request, you will promptly provide a copy of any such document free of charge to a securityholder of the company. However, you may not incorporate information required to be included in Form 51-102F6 Statement of Executive Compensation or Form 51-102F6V *Statement of Executive Compensation - Venture Issuers* by reference into your information circular.

(d) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51-102 and to National Instrument 14-101 Definitions. If a term is used in this Form and is defined in both the securities statute of the local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP for further guidance.

This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Companion Policy 51-102CP.

(e) Plain Language

Write this document so that readers are able to understand it. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP for further guidance. If you use technical terms, explain them in a clear and concise manner.

(f) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(g) Tables and Figures

Where it is practicable and appropriate, present information in tabular form. State all amounts in figures.

(h) Omitting Information

You do not need to respond to any item in this Form that is inapplicable. You may also omit information that is not known to the person or company on whose behalf the solicitation is made and that is not reasonably within the power of the person or company to obtain, if you briefly state the circumstances that render the information unavailable.

You may omit information that was contained in another information circular, notice of meeting or form of proxy sent to the same persons or companies whose proxies were solicited in connection with the same meeting, as long as you clearly identify the particular document containing the information.

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PART 2 CONTENT

Item 1 Date

Specify the date of the information circular.

Item 2 Revocability of Proxy

State whether the person or company giving the proxy has the power to revoke it. If any right of revocation is limited or is subject to compliance with any formal procedure, briefly describe the limitation or procedure.

Item 3 Persons Making the Solicitation

- 3.1** If a solicitation is made by or on behalf of management of the company, state this. Name any director of the company who has informed management in writing that he or she intends to oppose any action intended to be taken by management at the meeting and indicate the action that he or she intends to oppose.
- 3.2** If a solicitation is made other than by or on behalf of management of the company, state this and give the name of the person or company by whom, or on whose behalf, it is made.
- 3.3** If the solicitation is to be made other than by mail, describe the method to be employed. If the solicitation is to be made by specially engaged employees or soliciting agents, state:
- (a) the parties to and material features of any contract or arrangement for the solicitation; and
 - (b) the cost or anticipated cost thereof.
- 3.4** State who has borne or will bear, directly or indirectly, the cost of soliciting.

Item 4 Proxy Instructions

- 4.1** The information circular or the form of proxy to which the information circular relates must indicate in bold-face type that the securityholder has the right to appoint a person or company to represent the securityholder at the meeting other than the person or company, if any, designated in the form of proxy and must contain instructions as to the manner in which the securityholder may exercise the right.
- 4.2** The information circular or the form of proxy to which the information circular relates must state that the securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for and that, if the securityholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.
- 4.3** The information circular must include the following, if applicable:
- (a) a statement that the reporting issuer is sending proxy-related materials to registered holders or beneficial owners using notice-and-access and, if stratification will be used, a description of the types of registered holders or beneficial owners who will receive paper copies of the information circular and, if applicable, the documents in paragraph 9.1.1(2)(b);
 - (b) a statement that the reporting issuer is sending proxy-related materials directly to non-objecting beneficial owners under NI 54-101;

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- (c) a statement that management of the reporting issuer does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 - Request for Voting Instructions Made by Intermediary, and that in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

Item 5 Interest of Certain Persons or Companies in Matters to be Acted Upon

Briefly describe any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons or companies in any matter to be acted upon other than the election of directors or the appointment of auditors:

- (a) if the solicitation is made by or on behalf of management of the company, each person who has been a director or executive officer of the company at any time since the beginning of the company's last financial year;
- (b) if the solicitation is made other than by or on behalf of management of the company, each person or company by whom, or on whose behalf, directly or indirectly, the solicitation is made;
- (c) each proposed nominee for election as a director of the company; and
- (d) each associate or affiliate of any of the persons or companies listed in paragraphs (a) to (c).

INSTRUCTIONS:

- (i) *The following persons and companies are deemed to be persons or companies by whom or on whose behalf the solicitation is made (collectively, "solicitors" or individually a "solicitor"):*

- (A) *any member of a committee or group that solicits proxies, and any person or company whether or not named as a member who, acting alone or with one or more other persons or companies, directly or indirectly takes the initiative or engages in organizing, directing or financing any such committee or group;*
- (B) *any person or company who contributes, or joins with another to contribute, more than \$250 to finance the solicitation of proxies; or*
- (C) *any person or company who lends money, provides credit, or enters into any other arrangements, under any contract or understanding with a solicitor, for the purpose of financing or otherwise inducing the purchase, sale, holding or voting of securities of the company but not including a bank or other lending institution or a dealer that, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities.*

- (ii) *Subject to paragraph (i), the following persons and companies are deemed not to be solicitors:*

- (A) *any person or company retained or employed by a solicitor to solicit proxies or any person or company who merely transmits proxy-soliciting material or performs ministerial or clerical duties;*

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(B) any person or company employed or retained by a solicitor in the capacity of lawyer, accountant, or advertising, public relations, investor relations or financial advisor and whose activities are limited to the performance of their duties in the course of the employment or retainer;

(C) any person regularly employed as an officer or employee of the company or any of its affiliates; or

(D) any officer or director of, or any person regularly employed by, any solicitor.

Item 6 Voting Securities and Principal Holders of Voting Securities

- 6.1** For each class of voting securities of the company entitled to be voted at the meeting, state the number of securities outstanding and the particulars of voting rights for each class.
- 6.2** For each class of restricted securities, provide the information required in subsection 10.1(1) of National Instrument 51-102.
- 6.3** Give the record date as of which the securityholders entitled to vote at the meeting will be determined or particulars as to the closing of the security transfer register, as the case may be, and, if the right to vote is not limited to securityholders of record as of the specified record date, indicate the conditions under which securityholders are entitled to vote.
- 6.4** If action is to be taken with respect to the election of directors and if the securityholders or any class of securityholders have the right to elect a specified number of directors or have cumulative or similar voting rights, include a statement of such rights and state briefly the conditions precedent, if any, to the exercise thereof.
- 6.5** If, to the knowledge of the company's directors or executive officers, any person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10 per cent or more of the voting rights attached to any class of voting securities of the company, name each person or company and state:
- (a) the approximate number of securities beneficially owned, or controlled or directed, directly or indirectly, by each such person or company; and
 - (b) the percentage of the class of outstanding voting securities of the company represented by the number of voting securities so owned, controlled or directed, directly or indirectly.

Item 7 Election of Directors

- 7.1** If directors are to be elected, provide the following information, in tabular form to the extent practicable, for each person proposed to be nominated for election as a director (a "proposed director") and each other person whose term of office as a director will continue after the meeting:
- (a) State the name, province or state, and country of residence, of each director and proposed director.
 - (b) State the period or periods during which each director has served as a director and when the term of office for each director and proposed director will expire.
 - (c) Identify the members of each committee of the board.

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- (d) State the present principal occupation, business or employment of each director and proposed director. Give the name and principal business of any company in which any such employment is carried on. Furnish similar information as to all of the principal occupations, businesses or employments of each proposed director within the five preceding years, unless the proposed director is now a director and was elected to the present term of office by a vote of securityholders at a meeting, the notice of which was accompanied by an information circular.
- (e) if a director or proposed director has held more than one position in the company, or a parent or subsidiary, state only the first and last position held.
- (f) State the number of securities of each class of voting securities of the company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by each proposed director.
- (g) If securities carrying 10 per cent or more of the voting rights attached to all voting securities of the company or of any of its subsidiaries are beneficially owned, or controlled or directed, directly or indirectly, by any proposed director and the proposed director's associates or affiliates:
 - (i) state the number of securities of each class of voting securities beneficially owned, or controlled or directed, directly or indirectly, by the associates or affiliates; and
 - (ii) name each associate or affiliate whose security holdings are 10 per cent or more.

7.2 If a proposed director:

- (a) is, as at the date of the information circular, or has been, within 10 years before the date of the information circular, a director, chief executive officer or chief financial officer of any company (including the company in respect of which the information circular is being prepared) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

state the fact and describe the basis on which the order was made and whether the order is still in effect; or

- (b) is, as at the date of the information circular, or has been within 10 years before the date of the information circular, a director or executive officer of any company (including the company in respect of which the information circular is being prepared) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

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(c) has, within the 10 years before the date of the information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, state the fact.

7.2.1 Describe the penalties or sanctions imposed and the grounds on which they were imposed, or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a proposed director has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

7.2.2 Despite section 7.2.1, no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director.

INSTRUCTIONS:

(i) *The disclosure required by sections 7.2 and 7.2.1 also applies to any personal holding companies of the proposed director.*

(ii) *A management cease trade order which applies to directors or executive officers of a company is an "order" for the purposes of paragraph 7.2(a)(i) and must be disclosed, whether or not the proposed director was named in the order.*

(iii) *A late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a "penalty or sanction" for the purposes of section 7.2.1.*

(iv) *The disclosure in paragraph 7.2(a)(i) only applies if the proposed director was a director, chief executive officer or chief financial officer when the order was issued against the company. You do not have to provide disclosure if the proposed director became a director, chief executive officer or chief financial officer after the order was issued.*

7.2.3 For the purposes of subsection 7.2(a), "order" means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for a period of more than 30 consecutive days.

7.3 If any proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity, name the other person or company and describe briefly the arrangement or understanding.

Item 8 Executive Compensation

If you are sending this information circular in connection with a meeting:

(a) that is an annual general meeting;

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- (b) at which the company's directors are to be elected; or
- (c) at which the company's securityholders will be asked to vote on a matter relating to executive compensation;

include a completed Form 51-102F6 Statement of Executive Compensation or, in the case of a venture issuer, a completed Form 51-102F6 *Statement of Executive Compensation* or a completed Form 51-102F6V *Statement of Executive Compensation - Venture Issuers*.

Item 9 Securities Authorized for Issuance Under Equity Compensation Plans

9.1 Equity Compensation Plan Information

(1) Provide the information in subsection (2) if you are sending this information circular in connection with a meeting:

- (a) that is an annual general meeting;
- (b) at which the company's directors are to be elected; or
- (c) at which the company's securityholders will be asked to vote on a matter relating to executive compensation or a transaction that involves the company issuing securities.

(2) In the tabular form under the caption set out, provide the information specified in section 9.2 as of the end of the company's most recently completed financial year with respect to compensation plans under which equity securities of the company are authorized for issuance, aggregated as follows:

- (a) all compensation plans previously approved by securityholders; and
- (b) all compensation plans not previously approved by securityholders.

Equity Compensation Plan Information

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|--|--|--|
| Equity compensation plans approved by securityholders | | | |
| Equity compensation plans not approved by securityholders | | | |
| Total | | | |

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9.2 Include in the table the following information as of the end of the company's most recently completed financial year for each category of compensation plan described in section 9.1:

- (a) the number of securities to be issued upon the exercise of outstanding options, warrants and rights (column (a));
- (b) the weighted-average exercise price of the outstanding options, warrants and rights disclosed under subsection 9.2(a) (column (b)); and
- (c) other than securities to be issued upon the exercise of the outstanding options, warrants and rights disclosed in subsection 9.2(a), the number of securities remaining available for future issuance under the plan (column (c)).

9.3 For each compensation plan under which equity securities of the company are authorized for issuance and that was adopted without the approval of securityholders, describe briefly, in narrative form, the material features of the plan.

INSTRUCTIONS:

- (i) *The disclosure under Item 9 relating to compensation plans must include individual compensation arrangements.*
- (ii) *Provide disclosure with respect to any compensation plan of the company (or parent, subsidiary or affiliate of the company) under which equity securities of the company are authorized for issuance to employees or non-employees (such as directors, consultants, advisors, vendors, customers, suppliers or lenders) in exchange for consideration in the form of goods or services. You do not have to provide disclosure regarding any plan, contract or arrangement for the issuance of warrants or rights to all securityholders of the company on a pro rata basis (such as a rights offering).*
- (iii) *If more than one class of equity security is issued under the company's compensation plans, disclose aggregate plan information for each class of security separately.*
- (iv) *You may aggregate information regarding individual compensation arrangements with the plan information required under subsections 9.1(a) and (b), as applicable.*
- (v) *You may aggregate information regarding a compensation plan assumed in connection with a merger, consolidation or other acquisition transaction pursuant to which the company may make subsequent grants or awards of its equity securities with the plan information required under subsections 9.1(a) and (b), as applicable. Disclose on an aggregated basis in a footnote to the table the information required under subsections 9.2(a) and (b) with respect to any individual options, warrants or rights outstanding under the compensation plan assumed in connection with a merger, consolidation or other acquisition transaction.*
- (vi) *To the extent that the number of securities remaining available for future issuance disclosed in column (c) includes securities available for future issuance under any compensation plan other than upon the exercise of an option, warrant or right, disclose the number of securities and type of plan separately for each such plan in a footnote to the table.*

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(vii) *If the description of a compensation plan set forth in the company's financial statements contains the disclosure required by section 9.3, a cross-reference to the description satisfies the requirements of section 9.3.*

(viii) *An equity compensation plan contains a formula for calculating the number of securities available for issuance under the plan, including, without limitation, a formula that automatically increases the number of securities available for issuance by a percentage of the number of outstanding securities of the company, describe this formula in a footnote to the table.*

Item 10 Indebtedness of Directors and Executive Officers

10.1 Aggregate Indebtedness

| AGGREGATE INDEBTEDNESS (\$) | | |
|-----------------------------|------------------------------------|-------------------|
| Purpose | To the Company or its Subsidiaries | To Another Entity |
| (a) | (b) | (c) |
| Share purchases | | |
| Other | | |

(1) Complete the above table for the aggregate indebtedness outstanding as at a date within thirty days before the date of the information circular entered into in connection with:

- (a) a purchase of securities; and
- (b) all other indebtedness.

(2) Report separately the indebtedness to:

- (a) the company or any of its subsidiaries (column (b)); and
- (b) another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the company or any of its subsidiaries (column (c));

of all executive officers, directors, employees and former executive officers, directors and employees of the company or any of its subsidiaries.

(3) "Support agreement" includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

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10.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

| INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS | | | | | | |
|---|--------------------------------------|---|---|---|---------------------------|--|
| Name and Principal Position | Involvement of Company or Subsidiary | Largest Amount Outstanding During [Most Recently Completed financial Year] (\$) | Amount Outstanding as at [Date within 30 days] (\$) | Financially Assisted Securities Purchases During [Most Recently Completed Financial Year] (#) | Security for Indebtedness | Amount Forgiven During [Most Recently Completed Financial Year] (\$) |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| Securities Purchase Programs | | | | | | |
| | | | | | | |
| | | | | | | |
| Other Programs | | | | | | |
| | | | | | | |
| | | | | | | |

(1) Complete the above table for each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the company, each proposed nominee for election as a director of the company, and each associate of any such director, executive officer or proposed nominee:

(a) who is, or at any time since the beginning of the most recently completed financial year of the company has been, indebted to the company or any of its subsidiaries; or

(b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the company or any of its subsidiaries;

and separately disclose the indebtedness for security purchase programs and all other programs.

(2) Note the following:

Column (a) - disclose the name and principal position of the borrower. If the borrower was, during the most recently completed financial year, but no longer is a director or executive officer, state that fact. If the borrower is a proposed nominee for election as a director, state that fact. If the borrower is included as an associate, describe briefly the relationship of the borrower to an individual who is or, during the financial year, was a director or executive officer or who is a proposed nominee for election as a director, name that individual and provide the information required by this subparagraph for that individual.

Column (b) - disclose whether the company or a subsidiary of the company is the lender or the provider of a guarantee, support agreement, letter of credit or similar arrangement or understanding.

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Column (c) - disclose the largest aggregate amount of the indebtedness outstanding at any time during the most recently completed financial year.

Column (d) - disclose the aggregate amount of indebtedness outstanding as at a date within thirty days before the date of the information circular.

Column (e) - disclose separately for each class or series of securities, the sum of the number of securities purchased during the most recently completed financial year with the financial assistance (security purchase programs only).

Column (f) - disclose the security for the indebtedness, if any, provided to the company, any of its subsidiaries or the other entity (security purchase programs only).

Column (g) - disclose the total amount of indebtedness that was forgiven at any time during the most recently completed financial year.

- (3) Supplement the above table with a summary discussion of:
- (a) the material terms of each incidence of indebtedness and, if applicable, of each guarantee, support agreement, letter of credit or other similar arrangement or understanding, including:
 - (i) the nature of the transaction in which the indebtedness was incurred;
 - (ii) the rate of interest;
 - (iii) the term to maturity;
 - (iv) any understanding, agreement or intention to limit recourse; and
 - (v) any security for the indebtedness;
 - (b) any material adjustment or amendment made during the most recently completed financial year to the terms of the indebtedness and, if applicable, the guarantee, support agreement, letter of credit or similar arrangement or understanding. Forgiveness of indebtedness reported in column (g) of the above table should be explained; and
 - (c) the class or series of the securities purchased with financial assistance or held as security for the indebtedness and, if the class or series of securities is not publicly traded, all material terms of the securities, including the provisions for exchange, conversion, exercise, redemption, retraction and dividends.

10.3 You do not need to disclose information required by this Item:

- (a) if you are not sending this information circular in connection with a meeting:
 - (i) that is an annual general meeting;
 - (ii) at which the company's directors are to be elected; or
 - (iii) at which the company's securityholders will be asked to vote on a matter relating to executive compensation;
- (b) for any indebtedness that has been entirely repaid on or before the date of the information circular; or
- (c) for routine indebtedness.

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“Routine indebtedness” means indebtedness described in any of the following clauses:

- (i) If the company or its subsidiary makes loans to employees generally:
 - (A) the loans are made on terms no more favourable than the terms on which loans are made by the company or its subsidiary to employees generally; and
 - (B) the amount, at any time during the last completed financial year, remaining unpaid under the loans to the director, executive officer or proposed nominee, together with his or her associates, does not exceed \$50,000.
- (ii) A loan to a person or company who is a full-time employee of the company:
 - (A) that is fully secured against the residence of the borrower; and
 - (B) the amount of which in total does not exceed the annual salary of the borrower.
- (iii) If the company or its subsidiary makes loans in the ordinary course of business, a loan made to a person or company other than a full-time employee of the company:
 - (A) on substantially the same terms, including those as to interest rate and security, as are available when a loan is made to other customers of the company or its subsidiary with comparable credit; and
 - (B) with no more than the usual risks of collectibility.
- (iv) A loan arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, or for similar reasons, if the repayment arrangements are in accord with usual commercial practice.

Item 11 Interest of Informed Persons in Material Transactions

Describe briefly and, where practicable, state the approximate amount of any material interest, direct or indirect, of any informed person of the company, any proposed director of the company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the company or any of its subsidiaries.

INSTRUCTIONS:

- (i) *Briefly describe the material transaction. State the name and address of each person or company whose interest in any transaction is described and the nature of the relationship giving rise to the interest.*
- (ii) *For any transaction involving the purchase or sale of assets by or to the company or any subsidiary, other than in the ordinary course of business, state the cost of the assets to the purchaser and the cost of the assets to the seller, if acquired by the seller within two years prior to the transaction.*
- (iii) *This Item does not apply to any interest arising from the ownership of securities of the company where the securityholder receives no extra or special benefit or advantage not shared on a proportionate basis by all holders of the same class of securities or by all holders of the same class of securities who are resident in Canada.*

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(iv) Include information as to any material underwriting discounts or commissions upon the sale of securities by the company where any of the specified persons or companies was or is to be an underwriter in a contractual relationship with the company with respect to securities or is an associate or affiliate of a person or company that was or is to be such an underwriter.

(v) You do not need to disclose the information required by this Item for any transaction or any interest in that transaction if:

(A) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(B) the interest of the specified person in the transaction is solely that of director of another company that is a party to the transaction;

(C) the transaction involves services as a bank or other depository of funds, transfer agent, registrar, trustee under a trust indenture or other similar services; or

(D) the transaction does not directly or indirectly, involve remuneration for services; and

(I) the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company that is a party to the transaction;

(II) the transaction is in the ordinary course of business of the company or its subsidiaries; and

(III) the amount of the transaction or series of transactions is less than 10 per cent of the total sales or purchases, as the case may be, of the company and its subsidiaries for the most recently completed financial year.

(vi) Provide information for transactions not excluded above which involve remuneration, directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person arises solely from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of voting securities of another company furnishing the services to the company or its subsidiaries.

Item 12 Appointment of Auditor

Name the auditor of the company. If the auditor was first appointed within the last five years, state the date when the auditor was first appointed.

If action is to be taken to replace an auditor, provide the information required under section 4.11 of National Instrument 51-102.

Item 13 Management Contracts

If management functions of the company or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the company or subsidiary:

(a) give details of the agreement or arrangement under which the management functions are performed, including the name and address of any person or company who is a party to the agreement or arrangement or who is responsible for performing the management functions;

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(b) give the names and provinces of residence of any person that was, during the most recently completed financial year, an informed person of any person or company with which the company or subsidiary has any such agreement or arrangement and, if the following information is known to the directors or executive officers of the company, give the names and provinces of residence of any person or company that would be an informed person of any person or company with which the company or subsidiary has any such agreement or arrangement if the person were an issuer;

(c) for any person or company named under paragraph (a) state the amounts paid or payable by the company and its subsidiaries to the person or company since the commencement of the most recently completed financial year and give particulars; and

(d) for any person or company named under paragraph (a) or (b) and their associates or affiliates, give particulars of:

(i) any indebtedness of the person, company, associate or affiliate to the company or its subsidiaries that was outstanding; and

(ii) any transaction or arrangement of the person, company, associate or affiliate with the company or subsidiary;

at any time since the start of the company's most recently completed financial year.

INSTRUCTIONS:

(i) *Do not refer to any matter that is relatively insignificant.*

(ii) *In giving particulars of indebtedness, state the largest aggregate amount of indebtedness outstanding at any time during the period, the nature of the indebtedness and of the transaction in which it was incurred, the amount of the indebtedness presently outstanding and the rate of interest paid or charged on the indebtedness.*

(iii) *Do not include as indebtedness amounts due from the particular person for purchases subject to usual trade terms, for ordinary travel and expense advances and for other similar transactions.*

Item 14 Particulars of Matters to be Acted Upon

14.1 If action is to be taken on any matter to be submitted to the meeting of securityholders other than the approval of annual financial statements, briefly describe the substance of the matter, or related groups of matters, except to the extent described under the foregoing items, in sufficient detail to enable reasonable securityholders to form a reasoned judgment concerning the matter. Without limiting the generality of the foregoing, such matters include alterations of share capital, charter amendments, property acquisitions or dispositions, reverse takeovers, amalgamations, mergers, arrangements or reorganizations and other similar transactions.

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14.2 If the action to be taken is in respect of a significant acquisition as determined under Part 8 of National Instrument 51-102 under which securities of the acquired business are being exchanged for the company's securities, or in respect of a restructuring transaction under which securities are to be changed, exchanged, issued or distributed, include disclosure for:

- (a) the company, if the company has not filed all documents required under National Instrument 51-102;
- (b) the business being acquired, if the matter is a significant acquisition;
- (c) each entity, other than the company, whose securities are being changed, exchanged, issued or distributed, if:
 - (i) the matter is a restructuring transaction; and
 - (ii) the company's current securityholders will have an interest in that entity after the restructuring transaction is completed; and
- (d) each entity that would result from the significant acquisition or restructuring transaction, if the company's securityholders will have an interest in that entity after the significant acquisition or restructuring transaction is completed.

The disclosure for the company, business or entity must be the disclosure (including financial statements) prescribed under securities legislation and described in the form of prospectus that the company, business or entity, respectively, would be eligible to use immediately prior to the sending and filing of the information circular in respect of the significant acquisition or restructuring transaction, for a distribution of securities in the jurisdiction.

14.3 If the matter is one that is not required to be submitted to a vote of securityholders, state the reasons for submitting it to securityholders and state what action management intends to take in the event of a negative vote by the securityholders.

14.4 Section 14.2 does not apply to an information circular that is sent to holders of voting securities of a reporting issuer soliciting proxies otherwise than on behalf of management of the reporting issuer (a "dissident circular"), unless the sender of the dissident circular is proposing a significant acquisition or restructuring transaction involving the reporting issuer and the sender, under which securities of the sender, or an affiliate of the sender, are to be distributed or transferred to securityholders of the reporting issuer. However, a sender of a dissident circular shall include in the dissident circular the disclosure required by section 14.2 if the sender of the dissident circular is proposing a significant acquisition or restructuring transaction under which securities of the sender or securities of an affiliate of the sender are to be changed, exchanged, issued or distributed.

14.5 A company satisfies section 14.2 if it prepares an information circular in connection with a Qualifying Transaction, for a company that is a CPC, or in connection with a Reverse Take-Over (as Qualifying Transaction, CPC and Reverse Take-Over are defined in the TSX Venture Exchange policies) provided that the company complies with the policies and requirements of the TSX Venture Exchange in respect of that Qualifying Transaction or Reverse Take-Over.

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INSTRUCTION:

For the purposes of section 14.2, a securityholder will not be considered to have an interest in an entity after an acquisition or restructuring transaction is completed if the securityholder will only hold a redeemable security that is immediately redeemed for cash.

Item 15 Restricted Securities

15.1 If the action to be taken involves a transaction that would have the effect of converting or subdividing, in whole or in part, existing securities into restricted securities, or creating new restricted securities, the information circular must also include, as part of the minimum disclosure required, a detailed description of:

(a) the voting rights attached to the restricted securities that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the company that are the same or greater on a per security basis than those attached to the restricted securities that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise;

(b) the percentage of the aggregate voting rights attached to the company's securities that are represented by the class of restricted securities;

(c) any significant provisions under applicable corporate and securities law, in particular whether the restricted securities may or may not be tendered in any takeover bid for securities of the reporting issuer having voting rights superior to those attached to the restricted securities, that do not apply to the holders of the restricted securities that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities; and

(d) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the transaction either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the company and to speak at the meetings to the same extent that holders of equity securities are entitled.

15.2 If holders of restricted securities do not have all of the rights referred to in section 15.1, the detailed description referred to in section 15.1 must include, in bold-face type, a statement of the rights the holders do not have.

Item 16 Additional Information

16.1 Disclose that additional information relating to the company is on SEDAR at www.sedar.com. Disclose how securityholders may contact the company to request copies of the company's financial statements and MD&A.

16.2 Include a statement that financial information is provided in the company's comparative annual financial statements and MD&A for its most recently completed financial year.

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FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
(in respect of financial years ending on or after December 31, 2008)

ITEM 1 - GENERAL PROVISIONS

1.1 Objective

All direct and indirect compensation provided to certain executive officers and directors for, or in connection with, services they have provided to the company or a subsidiary of the company must be disclosed in this form.

The objective of this disclosure is to communicate the compensation paid, made payable, awarded, granted, give or otherwise provided to each NEO and director for the financial year, and the decision-making process relating to compensation. This disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the company and will help investors understand how decisions about executive compensation are made.

A company's executive compensation disclosure under this form must satisfy this objective and subsections 9.3.1(1) or 11.6(1) of the Instrument.

1.2 Definitions

If a term is used in this form but is not defined in this section, refer to subsection 1.1(1) of the Instrument or to National Instrument 14-101 *Definitions*.

In this form:

"CEO" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"closing market price" means the price at which the company's security was last sold, on the applicable date:

- (a) in the security's principal marketplace in Canada; or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"company" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 Share-based Payment;

"external management company" includes a subsidiary, affiliate or associate of the external management company;

"grant date" means a date determined for financial statement reporting purposes under IFRS 2 Share-based Payment;

"incentive plan" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

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“incentive plan award” means compensation awarded, earned, paid, or payable under an incentive plan;

“NEO” or **“named executive officer”** means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, of the company, including any of its subsidiaries or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6), for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“non-equity incentive plan” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“plan” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“replacement grant” means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

“repricing” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

1.3 Preparing the form

(1) All compensation to be included

- (a) When completing this form, the company must disclose all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the company, or a subsidiary of the company, to each NEO and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the company or a subsidiary of the company.

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(b) Despite paragraph (a), in respect of the Canada Pension Plan, similar government plans, and group life, health, hospitalization, medical reimbursement and relocation plans that do not discriminate in scope, terms or operation and are generally available to all salaried employees, the company is not required to disclose as compensation:

- (i) any contributions or premiums paid or payable by the company on behalf of an NEO, or of a director, under these plans; and
- (ii) any cash, securities, similar instruments or any other property received by an NEO, or by a director, under these plans.

(c) For greater certainty, the plans described in paragraph (b) include plans that provide for such benefits after retirement.

(d) If an item of compensation is not specifically mentioned or described in this form, it is to be disclosed in column (h) ("All other compensation") of the summary compensation table in section 3.1.

(2) Departures from format

(a) Although the required disclosure must be made in accordance with this form, the disclosure may:

- (i) omit a table, column of a table, or other prescribed information, if it does not apply; and
- (ii) add a table, column, or other information if:
 - (A) necessary to satisfy the objective in section 1.1; and
 - (B) to a reasonable person, the table, column, or other information does not detract from the prescribed information in the summary compensation table in section 3.1.

(b) Despite paragraph (a), a company must not add a column in the summary compensation table in section 3.1.

(3) Information for full financial year

If an NEO acted in that capacity for the company during part of the financial year for which disclosure is required in the summary compensation table, provide details of all of the compensation that the NEO received from the company for that financial year. This includes compensation the NEO earned in any other position with the company during the financial year.

Do not annualize compensation in a table for any part of a year when an NEO was not in the service of the company. Annualized compensation may be disclosed in a footnote.

(4) External management companies

(a) If one or more individuals acting as an NEO of the company are not employees of the company, disclose the names of those individuals.

(b) If an external management company employs or retains one or more individuals acting as NEOs or directors of the company and the company has entered into an understanding, arrangement or agreement with the external management company to provide executive management services to the company directly or indirectly, disclose any compensation that:

- (i) **Repealed.** 17 Feb 2012 SR 4/2012 s3.
- (ii) the external management company paid to the individual that is attributable to the services they provided to the company directly or indirectly.

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(c) If an external management company provides the company's executive management services and also provides executive management services to another company, disclose the entire compensation the external management company paid to the individual acting as an NEO or director, or acting in a similar capacity, in connection with services the external management company provided to the company, or the parent or a subsidiary of the company. If the management company allocates the compensation paid to an NEO or director, disclose the basis or methodology used to allocate this compensation.

Commentary

An NEO may be employed by an external management company and provide services to the company under an understanding, arrangement or agreement. In this case, references in this form to the CEO or CFO are references to the individuals who performed similar functions to that of the CEO or CFO. They are generally the same individuals who signed and filed annual and interim certificates to comply with National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

(5) Director and NEO compensation

Disclose any compensation awarded to, earned by, paid to, or payable to each director and NEO, in any capacity with respect to the company. Compensation to directors and NEOs must include all compensation from the company and its subsidiaries.

Disclose any compensation awarded to, earned by, paid to, or payable to, an NEO, or director, in any capacity with respect to the company, by another person or company.

(6) Determining if an individual is an NEO

For the purpose of calculating total compensation awarded to, earned by, paid to, or payable to an individual under paragraph (c) of the definition of NEO:

- (a) use the total compensation that would be reported under column (i) of the summary compensation table required by section 3.1 for each executive officer, as if that executive officer were an NEO for the company's most recently completed financial year; and
- (b) exclude from the calculation:
 - (i) any compensation that would be reported under column (g) of the summary compensation table required by section 3.1;
 - (ii) any incremental payments, payables, and benefits to an executive officer that are triggered by, or result from, a scenario listed in section 6.1 that occurred during the most recently completed financial year; and
 - (iii) any cash compensation that relates to foreign assignments that is specifically intended to offset the impact of a higher cost of living in the foreign location, and is not otherwise related to the duties the executive officer performs for the company.

Commentary

The \$150,000 threshold in paragraph (c) of the definition of NEO only applies when determining who is an NEO in a company's most recently completed financial year. If an individual is an NEO in the most recently completed financial year, disclosure of compensation in prior years must be provided if otherwise required by this form even if total compensation in a prior year is less than \$150,000 in that year.

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(7) Compensation to associates

Disclose any awards, earnings, payments, or payables to an associate of an NEO, or of a director, as a result of compensation awarded to, earned by, paid to, or payable to the NEO or the director, in any capacity with respect to the company.

(8) New reporting issuers

(a) Subject to paragraph (b) and subsection 3.1(1), disclose information in the summary compensation table for the three most recently completed financial years since the company became a reporting issuer.

(b) Do not provide information for a completed financial year if the company was not a reporting issuer at any time during the most recently completed financial year, unless the company became a reporting issuer as a result of a restructuring transaction.

(c) If the company was not a reporting issuer at any time during the most recently completed financial year and the company is completing the form because it is preparing a prospectus, discuss all significant elements of the compensation to be awarded to, earned by, paid to, or payable to NEOs of the company once it becomes a reporting issuer, to the extent this compensation has been determined.

(9) Currencies

Companies must report amounts required by this form in Canadian dollars or in the same currency that the company uses for its financial statements. A company must use the same currency in the tables in sections 3.1, 4.1, 4.2, 5.1, 5.2 and 7.1 of this form.

If compensation awarded to, earned by, paid to, or payable to an NEO was in a currency other than the currency reported in the prescribed tables of this form, state the currency in which compensation was awarded, earned, paid, or payable, disclose the currency exchange rate and describe the methodology used to translate the compensation into Canadian dollars or the currency that the company uses in its financial statements.

(10) Plain language

Information required to be disclosed under this form must be clear, concise, and presented in such a way that it provides a reasonable person an understanding of:

- (a) how decisions about NEO and director compensation are made; and
- (b) how specific NEO and director compensation relates to the overall stewardship and governance of the company.

Commentary

Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP Continuous Disclosure Obligations for further guidance.

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ITEM 2 - COMPENSATION DISCUSSION AND ANALYSIS

2.1 Compensation discussion and analysis

(1) Describe and explain all significant elements of compensation awarded to, earned by, paid to, or payable to NEOs for the most recently completed financial year. Include the following:

- (a) the objectives of any compensation program or strategy;
- (b) what the compensation program is designed to reward;
- (c) each element of compensation;
- (d) why the company chooses to pay each element;
- (e) how the company determines the amount (and, where applicable, the formula) for each element; and
- (f) how each element of compensation and the company's decisions about that element fit into the company's overall compensation objectives and affect decisions about other elements.

(2) If applicable, describe any new actions, decisions or policies that were made after the end of the most recently completed financial year that could affect a reasonable person's understanding of an NEO's compensation for the most recently completed financial year.

(3) If applicable, clearly state the benchmark and explain its components, including the companies included in the benchmark group and the selection criteria.

(4) If applicable, disclose performance goals or similar conditions that are based on objective, identifiable measures, such as the company's share price or earnings per share. If performance goals or similar conditions are subjective, the company may describe the performance goal or similar condition without providing specific measures.

If the company discloses performance goals or similar conditions that are non-GAAP financial measures, explain how the company calculates these performance goals or similar conditions from its financial statements.

Exemption

The company is not required to disclose performance goals or similar conditions in respect of specific quantitative or qualitative performance-related factors if a reasonable person would consider that disclosing them would seriously prejudice the company's interests.

For the purposes of this exemption, a company's interest's are not considered to be seriously prejudiced solely by disclosing performance goals or similar conditions if those goals or conditions are based on broad corporate-level financial performance metrics which include earnings per share, revenue growth, and earnings before interest, taxes, depreciation and amortization.

This exemption does not apply if it has publicly disclosed the performance goals or similar conditions.

If the company is relying on this exemption, state this fact and explain why disclosing the performance goals or similar conditions would seriously prejudice the company's interests.

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If the company does not disclose specific performance goals or similar conditions, state what percentage of the NEO's total compensation relates to this undisclosed information and how difficult it could be for the NEO, or how likely it will be for the company, to achieve the undisclosed performance goal or similar condition.

(5) Disclose whether or not the board of directors, or a committee of the board, considered the implications of the risks associated with the company's compensation policies and practices. If the implications were considered, disclose the following:

- (a) the extent and nature of the board of directors' or committee's role in the risk oversight of the company's compensation policies and practices;
- (b) any practices the company uses to identify and mitigate compensation policies and practices that could encourage an NEO or individual at a principal business unit or division to take inappropriate or excessive risks;
- (c) any identified risks arising from the company's compensation policies and practices that are reasonably likely to have a material adverse effect on the company.

(6) Disclose whether or not an NEO or director is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Commentary

1. *The information disclosed under section 2.1 will depend on the facts. Provide enough analysis to allow a reasonable person to understand the disclosure elsewhere in this form. Describe the significant principles underlying policies and explain the decisions relating to compensation provided to an NEO. Disclosure that merely describes the process for determining compensation or compensation already awarded, earned, paid, or payable is not adequate. The information contained in this section should give readers a sense of how compensation is tied to the NEO's performance. Avoid boilerplate language.*

2. *If the company's process for determining executive compensation is very simple, for example, the company relies solely on board discussion without any formal objectives, criteria and analysis, then make this clear in the discussion.*

3. *If the company used any benchmarking in determining compensation or any element of compensation, include the benchmark group and describe why the benchmark group and selection criteria are considered by the company to be relevant.*

4. *The following are examples of items that will usually be significant elements of disclosure concerning compensation:*

- *contractual or non-contractual arrangements, plans, process changes or any other matters that might cause the amounts disclosed for the most recently completed financial year to be misleading if used as an indicator of expected compensation levels in future periods;*
- *the process for determining perquisites and personal benefits;*
- *policies and decisions about the adjustment or recovery of awards, earnings, payments, or payables if the performance goal or similar condition on which they are based is restated or adjusted to reduce the award, earning, payment, or payable;*

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- *the basis for selecting events that trigger payment for any arrangement that provides for payment at, following or in connection with any termination or change of control;*
 - *any waiver or change to any specified performance goal or similar condition to payout for any amount, including whether the waiver or change applied to one or more specified NEOs or to all compensation subject to the performance goal or similar condition;*
 - *whether the board of directors can exercise a discretion, either to award compensation absent attainment of the relevant performance goal or similar condition or to reduce or increase the size of any award or payout, including if they exercised discretion and whether it applied to one or more named executive officers;*
 - *whether the company will be making any significant changes to its compensation policies and practices in the next financial year;*
 - *the role of executive officers in determining executive compensation; and*
 - *performance goals or similar conditions in respect of specific quantitative or qualitative performance-related factors for NEOs.*
5. *The following are examples of situations that could potentially encourage an executive officer to expose the company to inappropriate or excessive risks:*
- *compensation policies and practices at a principal business unit of the company or a subsidiary of the company that are structured significantly differently than others within the company;*
 - *compensation policies and practices for certain executive officers that are structured significantly differently than other executive officers within the company;*
 - *compensation policies and practices that do not include effective risk management and regulatory compliance as part of the performance metrics used in determining compensation;*
 - *compensation policies and practices where the compensation expense to executive officers is a significant percentage of the company's revenue;*
 - *compensation policies and practices that vary significantly from the overall compensation structure of the company;*
 - *compensation policies and practices where incentive plan awards are awarded upon accomplishment of a task while the risk to the company from that task extends over a significantly longer period of time;*
 - *compensation policies and practices that contain performance goals or similar conditions that are heavily weighed to short-term rather than long-term objectives;*
 - *incentive plan awards that do not provide a maximum benefit or payout limit to executive officers.*

The examples above are not exhaustive and the situations to consider will vary depending upon the nature of the company's business and the company's compensation policies and practices.

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2.2 Performance graph

- (a) This section does not apply to:
- (i) venture issuers;
 - (ii) companies that have distributed only debt securities or non-convertible, non-participating preferred securities to the public; and
 - (iii) companies that were not reporting issuers in any jurisdiction in Canada for at least 12 calendar months before the end of their most recently completed financial year, other than companies that became new reporting issuers as a result of a restructuring transaction.
- (b) Provide a line graph showing the company's cumulative total shareholder return over the five most recently completed financial years. Assume that \$100 was invested on the first day of the five-year period. If the company has been a reporting issuer for less than five years, use the period that the company has been a reporting issuer.

Compare this to the cumulative total return of at least one broad equity market index that, to a reasonable person, would be an appropriate reference point for the company's return. If the company is included in the S&P/TSX Composite Total Return Index, use that index. In all cases, assume that dividends are reinvested.

Discuss how the trend shown by this graph compares to the trend in the company's compensation to executive officers reported under this form over the same period.

Commentary

For section 2.2, companies may also include other relevant performance goals or similar conditions.

2.3 Share-based and option-based awards

Describe the process the company uses to grant share-based or option-based awards to executive officers. Include the role of the compensation committee and executive officers in setting or amending any equity incentive plan under which a share-based or option-based award is granted. State whether previous grants are taken into account when considering new grants.

2.4 Compensation governance

- (1) Describe any policies and practices adopted by the board of directors to determine the compensation for the company's directors and executive officers.
- (2) If the company has established a compensation committee:
- (a) disclose the name of each committee member and, in respect of each member, state whether or not the member is independent or not independent;
 - (b) disclose whether or not one or more of the committee members has any direct experience that is relevant to his or her responsibilities in executive compensation;

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- (c) describe the skills and experience that enable the committee to make decisions on the suitability of the company's compensation policies and practices; and
 - (d) describe the responsibilities, powers and operation of the committee.
- (3) If a compensation consultant or advisor has, at any time since the company's most recently completed financial year, been retained to assist the board of directors or the compensation committee in determining compensation for any of the company's directors or executive officers:
- (a) state the name of the consultant or advisor and a summary of the mandate the consultant or advisor has been given;
 - (b) disclose when the consultant or advisor was originally retained; and
 - (c) if the consultant or advisor has provided any services to the company, or to its affiliated or subsidiary entities, or to any of its directors or members of management, other than or in addition to compensation services provided for any of the company's directors or executive officers:
 - (i) state this fact and briefly describe the nature of the work;
 - (ii) disclose whether the board of directors or compensation committee must pre-approve other services the consultant or advisor, or any of its affiliates, provides to the company at the request of management; and
 - (d) for each of the two most recently completed financial years, disclose:
 - (i) under the caption 'Executive Compensation-Related Fees', the aggregate fees billed by each consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the company's directors and executive officers; and
 - (ii) under the caption 'All Other Fees', the aggregate fees billed for all other services provided by each consultant or advisor, or any of its affiliates, that are not reported under subparagraph (i) and include a description of the nature of the services comprising the fees disclosed under this category.

Commentary

For section 2.4, a director is independent if he or she would be independent within the meaning of section 1.4 of NI 52-110 Audit Committees.

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ITEM 3 - SUMMARY COMPENSATION TABLE

3.1 Summary compensation table

(1) For each NEO in the most recently completed financial year, complete this table for each of the company's three most recently completed financial years that end on or after December 31, 2008.

| Name and Principal Position (a) | Year (b) | Salary (\$) (c) | Share-based Awards (\$) (d) | Option-based Awards (\$) (e) | Non-equity incentive plan compensation (\$) (f) | | Pension value (\$) (g) | All other compensation (\$) (h) | Total compensation (\$) (i) |
|------------------------------------|----------------|-----------------------|-----------------------------------|------------------------------------|---|-----------------------------------|------------------------------|---------------------------------------|-----------------------------------|
| | | | | | Annual incentive plans (f1) | Long-term incentive plans (f2) | | | |
| CEO | _____ _____ | | | | | | | | |
| CFO | _____ _____ | | | | | | | | |
| A | _____ _____ | | | | | | | | |
| B | _____ _____ | | | | | | | | |
| C | _____ _____ | | | | | | | | |

Commentary

Under subsection (1), a company is not required to disclose comparative period disclosure in accordance with the requirements of either Form 51-102F6 Statement of Executive Compensation, which came into force on March 30, 2004, as amended, or this form, in respect of a financial year ending before December 31, 2008.

(2) In column (c), include the dollar value of cash and non-cash base salary an NEO earned during a financial year covered in the table (a covered financial year). If the company cannot calculate the amount of salary earned in a financial year, disclose this in a footnote, along with the reason why it cannot be determined. Restate the salary figure the next time the company prepares this form, and explain what portion of the restated figure represents an amount that the company could not previously calculate.

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- (3) In column (d), disclose the dollar amount based on the fair value of the award on the grant date for a covered financial year.
- (4) In column (e), disclose the dollar amount based on the fair value of the award on the grant date for a covered financial year. Include option-based awards both with or without tandem share appreciation rights.
- (5) For an award disclosed in column (d) or (e), in a narrative after the table:
 - (a) describe the methodology used to calculate the fair value of the award on the grant date, disclose the key assumptions and estimates used for each calculation, and explain why the company chose that methodology; and
 - (b) if the fair value of the award on the grant date is different from the fair value determined in accordance with IFRS 2 Share-based Payment (accounting fair value), state the amount of the difference and explain the reasons for the difference.

Commentary

1. *This commentary applies to subsections (3), (4) and (5).*
2. *The value disclosed in columns (d) and (e) of the summary compensation table should reflect what the company paid, made payable, awarded, granted, gave or otherwise provided as compensation on the grant date (fair value of the award) as set out in comment 3, below. This value might differ from the value reported in the issuer's financial statements.*
3. *While compensation practices vary, there are generally two approaches that boards of directors use when setting compensation. A board of directors may decide the value in securities of the company to be awarded or paid as compensation. Alternatively, a board of directors may decide the portion of the potential ownership of the company to be transferred as compensation. A fair value ascribed to the award will normally result from these approaches.*

A company may calculate this value either in accordance with a valuation methodology identified in IFRS 2 Share-based Payment or in accordance with another methodology set out in comment 5 below.
4. *In some cases, the fair value of the award disclosed in columns (d) and (e) might differ from the accounting fair value. For financial statement purposes, the accounting fair value amount is amortized over the service period to obtain an accounting cost (accounting compensation expense), adjusted at year end as required.*
5. *While the most commonly used methodologies for calculating the value of most types of awards are the Black-Scholes-Merton model and the binomial lattice model, companies may choose to use another valuation methodology if it produces a more meaningful and reasonable estimate of fair value.*
6. *The summary compensation table requires disclosure of an amount even if the accounting compensation expense is zero. The amount disclosed in the table should reflect the fair value of the award following the principles described under comments 2 and 3, above.*
7. *Column (d) includes common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, stock, and similar instruments that do not have option-like features.*

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(6) In column (e), include the incremental fair value if, at any time during the covered financial year, the company has adjusted, amended, cancelled, replaced or significantly modified the exercise price of options previously awarded to, earned by, paid to, or payable to, an NEO. The repricing or modification date must be determined in accordance with IFRS 2 Share-based Payment. The methodology used to calculate the incremental fair value must be the same methodology used to calculate the initial grant.

This requirement does not apply to any repricing that equally affects all holders of the class of securities underlying the options and that occurs through a pre-existing formula or mechanism in the plan or award that results in the periodic adjustment of the option exercise or base price, an antidilution provision in a plan or award, or a recapitalization or similar transaction.

(7) Include a footnote to the table quantifying the incremental fair value of any adjusted, amended, cancelled, replaced or significantly modified options that are included in the table.

(8) In column (f), include the dollar value of all amounts earned for services performed during the covered financial year that are related to awards under non-equity incentive plans and all earnings on any such outstanding awards.

(a) If the relevant performance goal or similar condition was satisfied during a covered financial year (including for a single year in a plan with a multi-year performance goal or similar condition), report the amounts earned for that financial year, even if they are payable at a later date. The company is not required to report these amounts again in the summary compensation table when they are actually paid to an NEO.

(b) Include a footnote describing and quantifying all amounts earned on non-equity incentive plan compensation, whether they were paid during the financial year, were payable but deferred at the election of an NEO, or are payable by their terms at a later date.

(c) Include any discretionary cash awards, earnings, payments, or payables that were not based on pre-determined performance goals or similar conditions that were communicated to an NEO. Report any performance-based plan awards that include pre-determined performance goals or similar conditions in column (f).

(d) In column (f1), include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts. For column (f1), annual non-equity incentive plan compensation relates only to a single financial year. In column (f2), include all non-equity incentive plan compensation related to a period longer than one year.

(9) In column (g), include all compensation relating to defined benefit or defined contribution plans. These include service costs and other compensatory items such as plan changes and earnings that are different from the estimated earnings for defined benefit plans and above-market earnings for defined contribution plans.

This disclosure relates to all plans that provide for the payment of pension plan benefits. Use the same amounts included in column (e) of the defined benefit plan table required by Item 5 for the covered financial year and the amounts included in column (c) of the defined contribution plan table as required by Item 5 for the covered financial year.

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(10) In column (h), include all other compensation not reported in any other column of this table. Column (h) must include, but is not limited to:

(a) perquisites, including property or other personal benefits provided to an NEO that are not generally available to all employees, and that in aggregate are worth \$50,000 or more, or are worth 10% or more of an NEO's total salary for the financial year. Value these items on the basis of the aggregate incremental cost to the company and its subsidiaries. Describe in a footnote the methodology used for computing the aggregate incremental cost to the company.

State the type and amount of each perquisite the value of which exceeds 25% of the total value of perquisites reported for an NEO in a footnote to the table. Provide the footnote information for the most recently completed financial year only;

(b) other post-retirement benefits such as health insurance or life insurance after retirement;

(c) all "gross-ups" or other amounts reimbursed during the covered financial year for the payment of taxes;

(d) the incremental payments, payables, and benefits to an NEO that are triggered by, or result from, a scenario listed in section 6.1 that occurred before the end of the covered financial year;

(e) the dollar value of any insurance premiums paid or payable by, or on behalf of, the company during the covered financial year for personal insurance for an NEO if the estate of the NEO is the beneficiary;

(f) the dollar value of any dividends or other earnings paid or payable on share-based or option-based awards that were not factored into the fair value of the award on the grant date required to be reported in columns (d) and (e);

(g) any compensation cost for any security that the NEO bought from the company or its subsidiaries at a discount from the market price of the security (through deferral of salary, bonus or otherwise). Calculate this cost at the date of purchase and in accordance with IFRS 2 Share-based Payment; and

(h) above-market or preferential earnings on compensation that is deferred on a basis that is not tax exempt other than for defined contribution plans covered in the defined contribution plan table in Item 5. Above-market or preferential applies to non-registered plans and means a rate greater than the rate ordinarily paid by the company or its subsidiary on securities or other obligations having the same or similar features issued to third parties.

(i) any company contribution to a personal savings plan like a registered retirement savings plan made on behalf of the NEO.

Commentary

1. Generally, there will be no incremental payments, payables, and benefits that are triggered by, or result from, a scenario described in section 6.1 that occurred before the end of a covered financial year for compensation that has been reported in the summary compensation table for the most recently completed financial year or for a financial year before the most recently completed financial year.

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If the vesting or payout of the previously reported compensation is accelerated, or a performance goal or similar condition in respect of the previously reported compensation is waived, as a result of a scenario described in section 6.1, the incremental payments, payables, and benefits should include the value of the accelerated benefit or of the waiver of the performance goal or similar condition.

2. Generally, an item is not a perquisite if it is integrally and directly related to the performance of an executive officer's duties. If something is necessary for a person to do his or her job, it is integrally and directly related to the job and is not a perquisite, even if it also provides some amount of personal benefit.

If the company concludes that an item is not integrally and directly related to performing the job, it may be a perquisite if the item provides an NEO with any direct or indirect personal benefit. If it does provide a personal benefit, the item is a perquisite, whether or not it is provided for a business reason or for the company's convenience, unless it is generally available on a non-discriminatory basis to all employees.

Companies must conduct their own analysis of whether a particular item is a perquisite. The following are examples of things that are often considered perquisites or personal benefits. This list is not exhaustive:

- Cars, car lease and car allowance;*
- Corporate aircraft or personal travel financed by the company;*
- Jewellery;*
- Clothing;*
- Artwork;*
- Housekeeping services;*
- Club membership;*
- Theatre tickets;*
- Financial assistance to provide education to children of executive officers;*
- Parking;*
- Personal financial or tax advice;*
- Security at personal residence or during personal travel; and*
- Reimbursements of taxes owed with respect to perquisites or other personal benefit.*

(11) In column (i), include the dollar value of total compensation for the covered financial year. For each NEO, this is the sum of the amounts reported in columns (c) through (h).

(12) Any deferred amounts must be included in the appropriate column for the covered financial year in which they are earned.

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(13) If an NEO elected to exchange any compensation awarded to, earned by, paid to, or payable to the NEO in a covered financial year under a program that allows the NEO to receive awards, earnings, payments, or payables in another form, the compensation the NEO elected to exchange must be reported as compensation in the column appropriate for the form of compensation exchanged: Do not report it in the form in which it was or will be received by the NEO. State in a footnote the form of awards, earnings, payments, or payables substituted for the compensation the NEO elected to exchange.

3.2 Narrative discussion

Describe and explain any significant factors necessary to understand the information disclosed in the summary compensation table required by section 3.1.

Commentary

The significant factors described in section 3.2 will vary depending on the circumstances of each award but may include:

- *the significant terms of each NEO's employment agreement or arrangement;*
- *any repricing or other significant changes to the terms of any share-based or option-based award program during the most recently completed financial year; and*
- *the significant terms of any award reported in the summary compensation table, including a general description of the formula or criterion to be applied in determining the amounts payable and the vesting schedule. For example, if dividends will be paid on shares, state this, the applicable dividend rate and whether that rate is preferential.*

3.3 Repealed. 17 Feb 2012 SR 4/2012 s3.

3.4 Officers who also act as directors

If an NEO is also a director who receives compensation for services as a director, include that compensation in the summary compensation table and include a footnote explaining which amounts relate to the director role. Do not provide disclosure for that NEO under Item 7.

ITEM 4 - INCENTIVE PLAN AWARDS

4.1 Outstanding share-based awards and option-based awards

(1) Complete this table for each NEO for all awards outstanding at the end of the most recently completed financial year. This includes awards granted before the most recently completed financial year. For all awards in this table, disclose the awards that have been transferred at other than fair market value.

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| Name | Option-based Awards | | | | Share-based Awards | | |
|------|---|-----------------------|------------------------|--|--|--|---|
| | Number of securities underlying unexercised options | Option exercise price | Option expiration date | Value of unexercised in-the-money options vested | Number of shares or units of shares that have not vested | Market or payout value of share-based awards that have not distributed | Market or payout value of vested share-based awards not paid out or |
| (a) | (#) (b) | (\$) (c) | (d) | (\$) (e) | (#) (f) | (\$) (g) | (\$) (h) |
| CEO | | | | | | | |
| CFO | | | | | | | |
| A | | | | | | | |
| B | | | | | | | |
| C | | | | | | | |

(2) In column (b), for each award, disclose the number of securities underlying unexercised options.

(3) In column (c), disclose the exercise or base price for each option under each award reported in column (b). If the option was granted in a different currency than that reported in the table, include a footnote describing the currency and the exercise or base price.

(4) In column (d), disclose the expiration date for each option under each award reported in column (b).

(5) In column (e), disclose the aggregate dollar amount of in-the-money unexercised options held at the end of the year. Calculate this amount based on the difference between the market value of the securities underlying the instruments at the end of the year, and the exercise or base price of the option.

(6) In column (f), disclose the total number of shares or units that have not vested.

(7) In column (g), disclose the aggregate market value or payout value of share-based awards that have not vested.

If the share-based award provides only for a single payout on vesting, calculate this value based on that payout.

If the share-based award provides for different payouts depending on the achievement of different performance goals or similar conditions, calculate this value based on the minimum payout. However, if the NEO achieved a performance goal or similar condition in a financial year covered by the share-based award that on vesting could provide for a payout greater than the minimum payout, calculate this value based on the payout expected as a result of the NEO achieving this performance goal or similar condition.

(8) In column (h), disclose the aggregate market value or payout value of vested share-based awards that have not yet been paid out or distributed.

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4.2 Incentive plan awards - value vested or earned during the year

(1) Complete this table for each NEO for the most recently completed financial year.

| Name | Option-based awards -Value vested during the year | Share-based awards-Value vested during the year | Non-equity incentive plan compensation - Value earned during the year |
|------|---|---|--|
| | (\$) | (\$) | (\$) |
| (a) | (b) | (c) | (d) |
| CEO | | | |
| CFO | | | |
| A | | | |
| B | | | |
| C | | | |

(2) In column (b), disclose the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. Compute the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date. Do not include the value of any related payment or other consideration provided (or to be provided) by the company to or on behalf of an NEO.

(3) In column (c), disclose the aggregate dollar value realized upon vesting of share-based awards. Compute the dollar value realized by multiplying the number of shares or units by the market value of the underlying shares on the vesting date. For any amount realized upon vesting for which receipt has been deferred, include a footnote that states the amount and the terms of the deferral.

4.3 Narrative discussion

Describe and explain the significant terms of all plan-based awards, including non-equity incentive plan awards, issued or vested, or under which options have been exercised, during the year, or outstanding at the year end, to the extent not already discussed under sections 2.1, 2.3 and 3.2. The company may aggregate information for different awards, if separate disclosure of each award is not necessary to communicate their significant terms.

Commentary

The items included in the narrative required by section 4.3 will vary depending on the terms of each plan, but may include:

- *the number of securities underlying each award or received on vesting or exercise;*
- *general descriptions of formulae or criteria that are used to determine amounts payable;*
- *exercise prices and expiry dates;*
- *dividend rates on share-based awards;*
- *whether awards are vested or unvested;*

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- *performance goals or similar conditions, or other significant conditions;*
- *information on estimated future payouts for non-equity incentive plan awards (performance goals or similar conditions and maximum amounts); and*
- *the closing market price on the grant date, if the exercise or base price is less than the closing market price of the underlying security on the grant date.*

ITEM 5 - PENSION PLAN BENEFITS

5.1 Defined benefit plans table

(1) Complete this table for all pension plans that provide for payments or benefits at, following, or in connection with retirement, excluding defined contribution plans. For all disclosure in this table, use the same assumptions and methods used for financial statement reporting purposes under the accounting principles used to prepare the company's financial statements, as permitted by National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

(2) In columns (b) and (c), the disclosure must be as of the end of the company's most recently completed financial year. In columns (d) through (g), the disclosure must be as of the reporting date used in the company's audited annual financial statements for the most recently completed financial year.

(3) In column (b), disclose the number of years of service credited to an NEO under the plan. If the number of years of credited service in any plan is different from the NEO's number of actual years of service with the company, include a footnote that states the amount of the difference and any resulting benefit augmentation, such as the number of additional years the NEO received.

(4) In column (c), disclose:

(a) the annual lifetime benefit payable at the end of the most recently completed financial year in column (c1) based on years of credited service reported in column (b) and actual pensionable earnings as at the end of the most recently completed financial year. For purposes of this calculation, the company must assume that the NEO is eligible to receive payments or benefits at year end; and

(b) the annual lifetime benefit payable at age 65 in column (c2) based on years of credited service as of age 65 and actual pensionable earnings through the end of the most recently completed financial year, as per column (c1).

Commentary

For purposes of quantifying the annual lifetime benefit payable at the end of the most recently completed financial year in column (c1), the company may calculate the annual lifetime benefit payable as follows:

annual benefits payable at the presumed retirement age used to calculate the closing present value of the defined benefit obligation

X

years of credited service at year end

years of credited service at the presumed retirement age

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The company may calculate the annual lifetime benefit payable in accordance with another formula if the company reasonably believes that it produces a more meaningful calculation of the annual lifetime benefit payable at year end

(5) In column (d), disclose the present value of the defined benefit obligation at the start of the most recently completed financial year.

(6) In column (e), disclose the compensatory change in the present value of the defined benefit obligation for the most recently completed financial year. This includes service cost net of employee contributions plus plan changes and differences between actual and estimated earnings, and any additional changes that have retroactive impact, including, for greater certainty, a change in valuation assumptions as a consequence of an amendment to benefit terms.

Disclose the valuation method and all significant assumptions the company applied in quantifying the closing present value of the defined benefit obligation. The company may satisfy all or part of this disclosure by referring to the disclosure of assumptions in its financial statements, footnotes to the financial statements or discussion in its management's discussion and analysis.

(7) In column (f), disclose the non-compensatory changes in the present value of the defined benefit obligation for the company's most recently completed financial year. Include all items that are not compensatory, such as changes in assumptions other than those already included in column (e) because they were made as a consequence of an amendment to benefit terms, employee contributions and interest on the present value of the defined benefit obligation at the start of the most recently completed financial year.

(8) In column (g), disclose the present value of the defined benefit obligation at the end of the most recently completed financial year.

5.2 Defined contribution plans table

(1) Complete this table for all pension plans that provide for payments or benefits at, following or in connection with retirement, excluding defined benefit plans. For all disclosure in this table, use the same assumptions and methods used for financial statement reporting purposes under the accounting principles used to prepare the company's financial statements, as permitted by National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

| Name | Accumulated Value at start of year | Compensatory | Accumulated value year at year end |
|------|---------------------------------------|--------------|---------------------------------------|
| | (\$) | (\$) | (\$) |
| (a) | (b) | (c) | (d) |
| CEO | | | |
| CFO | | | |
| A | | | |
| B | | | |
| C | | | |

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(2) In column (c), disclose the employer contribution and above-market or preferential earnings credited on employer and employee contributions. Above-market or preferential earnings applies to non-registered plans and means a rate greater than the rate ordinarily paid by the company or its subsidiary on securities or other obligations having the same or similar features issued to third parties.

(3) **Repealed.** 17 Feb 2012 SR 4/2012 s3.

(4) In column (d), disclose the accumulated value at the end of the most recently completed financial year.

1. *For pension plans that provide the maximum of:*

- (i) the value of a defined benefit pension; and
- (ii) *the accumulated value of a defined contribution pension, companies should disclose the global value of the pension plan in the defined benefit plans table under section 5.1.*

For pension plans that provide the sum of a defined benefit component and a defined contribution component, companies should disclose the respective components of the pension plan. The defined benefit component should be disclosed in the defined benefit plans table under section 5.1 and the defined contribution component should be disclosed in the defined contribution plans table under section 5.2.

2. *Any contributions by the company or a subsidiary of the company to a personal savings plan like a registered retirement savings plan made on behalf of the NEO must still be disclosed in column (h) of the summary compensation table, as required by paragraph 3.1(10)(i).*

5.3 Narrative discussion

Describe and explain for each retirement plan in which an NEO participates, any significant factors necessary to understand the information disclosed in the defined benefit plan table in section 5.1 and the defined contribution plan table in section 5.2.

Commentary

Significant factors described in the narrative required by section 5.3 will vary, but may include:

- the significant terms and conditions of payments and benefits available under the plan, including the plan's normal and early retirement payment, benefit formula, contribution formula, calculation of interest credited under the defined contribution plan and eligibility standards;*
- provisions for early retirement, if applicable, including the name of the NEO and the plan, the early retirement payment and benefit formula and eligibility standards. Early retirement means retirement before the normal retirement age as defined in the plan or otherwise available under the plan;*
- the specific elements of compensation (e.g., salary, bonus) included in applying the payment and benefit formula. If a company provides this information, identify each element separately; and*
- company policies on topics such as granting extra years of credited service, including an explanation of who these arrangements relate to and why they are considered appropriate.*

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5.4 Deferred compensation plans

Describe the significant terms of any deferred compensation plan relating to each NEO, including:

- (a) the types of compensation that can be deferred and any limitations on the extent to which deferral is permitted (by percentage of compensation or otherwise);
- (b) significant terms of payouts, withdrawals and other distributions; and
- (c) measures for calculating interest or other earnings, how and when these measures may be changed, and whether an NEO or the company chose these measures. Quantify these measures wherever possible.

ITEM 6 - TERMINATION AND CHANGE OF CONTROL BENEFITS

6.1 Termination and change of control benefits

(1) For each contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an NEO's responsibilities, describe, explain, and where appropriate, quantify the following items:

- (a) the circumstances that trigger payments or the provision of other benefits, including perquisites and pension plan benefits;
- (b) the estimated incremental payments, payables, and benefits that are triggered by, or result from, each circumstance, including timing, duration and who provides the payments and benefits;
- (c) how the payment and benefit levels are determined under the various circumstances that trigger payments or provision of benefits;
- (d) any significant conditions or obligations that apply to receiving payments or benefits. This includes but is not limited to, non-compete, non-solicitation, non-disparagement or confidentiality agreements. Include the term of these agreements and provisions for waiver or breach; and
- (e) any other significant factors for each written contract, agreement, plan or arrangement.

(2) Disclose the estimated incremental payments, payables, and benefits even if it is uncertain what amounts might be paid in given circumstances under the various plans and arrangements, assuming that the triggering event took place on the last business day of the company's most recently completed financial year. For valuing share-based awards or option-based awards, use the closing market price of the company's securities on that date.

If the company is unsure about the provision or amount of payments or benefits, make a reasonable estimate (or a reasonable estimate of the range of amounts) and disclose the significant assumptions underlying these estimates.

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- (3) Despite subsection (1), the company is not required to disclose the following:
- (a) Perquisites and other personal benefits if the aggregate of this compensation is less than \$50,000. State the individual perquisites and personal benefits as required by paragraph 3.1(10)(a).
 - (b) Information about possible termination scenarios for an NEO whose employment terminated in the past year. The company must only disclose the consequences of the actual termination.
 - (c) Information in respect of a scenario described in subsection (1) if there will be no incremental payments, payables, and benefits that are triggered by, or result from, that scenario.

Commentary

1. Subsection (1) does not require the company to disclose notice of termination without cause, or compensation in lieu thereof, which are implied as a term of an employment contract under common law or civil law.

2. Item 6 applies to changes of control regardless of whether the change of control results in termination of employment.

3. Generally, there will be no incremental payments, payables, and benefits that are triggered by, or result from, a scenario described in subsection (1) for compensation that has been reported in the summary compensation table for the most recently completed financial year or for a financial year before the most recently completed financial year.

If the vesting or payout of the previously reported compensation is accelerated, or a performance goal or similar condition in respect of the previously reported compensation is waived, as a result of a scenario described in subsection (1), the incremental payments, payables, and benefits should include the value of the accelerated benefit or of the waiver of the performance goal or similar condition.

4. A company may disclose estimated incremental payments, payables and benefits that are triggered by, or result from, a scenario described in subsection (1), in a tabular format.

ITEM 7 - DIRECTOR COMPENSATION

7.1 Director compensation table

- (1) Complete this table for all amounts of compensation provided to the directors for the company's most recently completed financial year.
- (2) All forms of compensation must be included in this table.
- (3) Complete each column in the manner required for the corresponding column in the summary compensation table in section 3.1, in accordance with the requirements of Item 3, as supplemented by the commentary to Item 3, except as follows:
 - (a) In column (a), do not include a director who is also an NEO if his or her compensation for service as a director is fully reflected in the summary compensation table and elsewhere in this form. If an NEO is also a director who receives compensation for his or her services as a director, reflect the director compensation in the summary compensation table required by section 3.1 and provide a footnote to this table indicating that the relevant disclosure has been provided under section 3.4.

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(b) In column (b), include all fees awarded, earned, paid, or payable in cash for services as a director, including annual retainer fees, committee, chair, and meeting fees.

(c) In column (g), include all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the company, or a subsidiary of the company, to a director in any capacity, under any other arrangement. This includes, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the director for services provided, directly or indirectly, to the company or a subsidiary of the company. In a footnote to the table, disclose these amounts and describe the nature of the services provided by the director that are associated with these amounts.

(d) In column (g), include programs where the company agrees to make donations to one or more charitable institutions in a director's name, payable currently or upon a designated event such as the retirement or death of the director. Include a footnote to the table disclosing the total dollar amount payable under the program.

7.2 Narrative discussion

Describe and explain any factors necessary to understand the director compensation disclosed in section 7.1.

Commentary

Significant factors described in the narrative required by section 7.2 will vary, but may include:

- *disclosure for each director who served in that capacity for any part of the most recently completed financial year;*
- *standard compensation arrangements, such as fees for retainer, committee service, service as chair of the board or a committee, and meeting attendance;*
- *any compensation arrangements for a director that are different from the standard arrangements, including the name of the director and a description of the terms of the arrangement; and*
- *any matters discussed in the compensation discussion and analysis that do not apply to directors in the same way that they apply to NEOs such as practices for granting option-based awards.*

7.3 Share-based awards, option-based awards and non-equity incentive plan compensation

Provide the same disclosure for directors that is required under Item 4 for NEOs.

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ITEM 8 - COMPANIES REPORTING IN THE UNITED STATES

8.1 Companies reporting in the United States

- (1) Except as provided in subsection (2), SEC issuers may satisfy the requirements of this form by providing the information they are required to disclose in the United States under Item 402 “Executive compensation” of Regulation S-K under the 1934 Act.
- (2) Subsection (1) does not apply to a company that, as a foreign private issuer, satisfies Item 402 of Regulation S-K by providing the information required by Items 6.B “Compensation” and 6.E.2 “Share Ownership” of Form 20-F under the 1934 Act.

ITEM 9 - EFFECTIVE DATE AND TRANSITION

9.1 Effective date

- (1) This form comes into force on December 31, 2008.
- (2) This form applies to a company in respect of a financial year ending on or after December 31, 2008.

9.2 Transition

- (1) The form entitled Form 51-102F6 *Statement of Executive Compensation*, which came into force on March 30, 2004, as amended:
 - (a) does not apply to a company in respect of a financial year ending on or after December 31, 2008, and
 - (b) for greater certainty, applies to a company that is required to prepare and file executive compensation disclosure because:
 - (i) the company is sending an information circular to a securityholder under paragraph 9.1(2)(a) of National Instrument 51-102 *Continuous Disclosure Obligations*, the information circular includes the disclosure required by Item 8 of Form 51-102F5, and the information circular is in respect of a financial year ending before December 31, 2008; or
 - (ii) the company is filing an AIF that includes the disclosure required by Item 8 of Form 51-102F5, in accordance with Item 18 of Form 51-102F2, and the AIF is in respect of a financial year ending before December 31, 2008.
- (2) A company that is required to prepare and file executive compensation disclosure for a reason set out in paragraph (1)(b) may satisfy that requirement by preparing and filing the disclosure required by this form.

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Form 51-102F6V
Statement of Executive Compensation - Venture Issuers
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Item 3 Effective Date and Transition

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Form 51-102F6V
Statement of Executive Compensation - Venture Issuers

ITEM 1 - GENERAL PROVISIONS

1.1 Objective

All direct and indirect compensation provided to certain executive officers and directors for, or in connection with, services they have provided to the company or a subsidiary of the company must be disclosed in this form.

The objective of this disclosure is to communicate the compensation the company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. This disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the company and will help investors understand how decisions about executive compensation are made.

A company's executive compensation disclosure under this form must satisfy this objective and subsections 9.3.1(1) or 11.6(1) of the Instrument.

While the objective of this disclosure is the same as the objective in section 1.1 of Form 51-102F6, this form is to be used by venture issuers only. Reporting issuers that are not venture issuers must complete Form 51-102F6.

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1.2 Definitions

If a term is used in this form but is not defined in this section, refer to subsection 1.1(1) of the Instrument or to National Instrument 14-101 *Definitions*.

In this form,

“company” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“external management company” includes a subsidiary, affiliate or associate of the external management company;

“named executive officer” or **“NEO”** means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

“plan” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

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1.3 Preparing the form

(1) All compensation to be included

(a) When completing this form, the company must disclose all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the company, or a subsidiary of the company, to each named executive officer and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the named executive officer or director for services provided and for services to be provided, directly or indirectly, to the company or a subsidiary of the company.

(b) If an item of compensation is not specifically mentioned or described in this form, disclose it in the column “Value of all other compensation” of the table in section 2.1.

Commentary

1. *Unless otherwise specified, information required to be disclosed under this form may be prepared in accordance with the accounting principles the company uses to prepare its financial statements, as permitted by National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.*

2. *The definition of “director” under securities legislation includes an individual who acts in a capacity similar to that of a director.*

(2) Departures from format

(a) Although the required disclosure must be made in accordance with this form, the disclosure may

(i) omit a table, column of a table, or other prescribed information, if it does not apply, and

(ii) add a table, column, or other information if

(A) necessary to satisfy the objective in section 1.1, and

(B) to a reasonable person, the table, column, or other information does not detract from the prescribed information in the table in section 2.1.

(b) Despite paragraph (a), a company must not add a column to the table in section 2.1.

(3) Information for full financial year

(a) If a named executive officer acted in that capacity for the company during part of a financial year for which disclosure is required in the table in section 2.1, provide details of all of the compensation that the named executive officer received from the company for that financial year. This includes compensation the named executive officer earned in any other position with the company during the financial year.

(b) Do not annualize compensation in a table for any part of a year when a named executive officer was not in the service of the company. Annualized compensation may be disclosed in a footnote.

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(4) Director and named executive officer compensation

(a) Disclose any compensation awarded to, earned by, paid to, or payable to each director and named executive officer, in any capacity with respect to the company. Compensation to directors and named executive officers must include all compensation from the company and its subsidiaries.

(b) Disclose any compensation awarded to, earned by, paid to, or payable to, a named executive officer, or director, in any capacity with respect to the company, by another person or company.

(5) Determining if an individual is a named executive officer

For the purpose of calculating total compensation awarded to, earned by, paid to, or payable to an executive officer under paragraph (c) of the definition of named executive officer,

(a) use the total compensation that would be reported for that executive officer in the table in section 2.1, as if the executive officer were a named executive officer for the company's most recently completed financial year, and

(b) exclude any compensation disclosed in the column "Value of all other compensation" of the table in section 2.1.

Commentary

The \$150,000 threshold in paragraph (c) of the definition of named executive officer only applies when determining who is a named executive officer in a company's most recently completed financial year. If an individual is a named executive officer in the most recently completed financial year, disclosure of compensation in the prior years must be provided even if total compensation in a prior year is less than \$150,000.

(6) Compensation to associates

Disclose any awards, earnings, payments, or payables to an associate of a named executive officer, or of a director, as a result of compensation awarded to, earned by, paid to, or payable to the named executive officer or the director, in any capacity with respect to the company.

(7) Currencies

(a) Companies must report amounts required by this form in Canadian dollars or in the same currency that the company uses for its financial statements. A company must use the same currency in all of the tables of this form.

(b) If compensation awarded to, earned by, paid to, or payable to a named executive officer or director was in a currency other than the currency reported in the prescribed tables of this form, state the currency in which compensation was awarded, earned, paid, or payable, disclose the currency exchange rate and describe the methodology used to translate the compensation into Canadian dollars or the currency that the company uses in its financial statements.

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(8) New reporting issuers

(a) A company is not required to provide information for a completed financial year if the company was not a reporting issuer at any time during the most recently completed financial year, unless the company became a reporting issuer as a result of a restructuring transaction.

(b) If the company was not a reporting issuer at any time during the most recently completed financial year and the company is completing this form because it is preparing a prospectus, discuss all significant elements of the compensation to be awarded to, earned by, paid to, or payable to named executive officers and directors of the company once it becomes a reporting issuer, to the extent this compensation has been determined.

(9) Plain language

Information required to be disclosed under this form must be clear, concise, and presented in such a way that it provides a person, applying reasonable effort, an understanding of

(a) how decisions about named executive officer and director compensation are made, and

(b) how specific named executive officer and director compensation relates to the overall stewardship and governance of the company.

Commentary

Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP Continuous Disclosure Obligations for further guidance.

ITEM 2 - DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

2.1 Director and named executive officer compensation, excluding compensation securities

(1) Using the following table, disclose all compensation referred to in subsection 1.3(1) of this form for each of the two most recently completed financial years, other than compensation disclosed under section 2.3.

Commentary

For venture issuers, compensation includes payments, grants, awards, gifts and benefits including, but not limited to,

- *salaries,*
- *consulting fees,*
- *management fees,*
- *retainer fees,*
- *bonuses,*
- *committee and meeting fees,*
- *special assignment fees,*
- *pensions and employer paid RRSP contributions,*

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- *perquisites such as*
 - *car, car lease, car allowance or car loan,*
 - *personal insurance,*
 - *parking,*
 - *accommodation, including use of vacation accommodation,*
 - *financial assistance,*
 - *club memberships,*
 - *use of corporate motor vehicle or aircraft,*
 - *reimbursement for tax on perquisites or other benefits, and*
 - *investment-related advice and expenses.*

| Table of compensation excluding compensation securities | | | | | | | |
|---|------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
| | | | | | | | |
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(2) In the table required under subsection (1), disclose compensation of each named executive officer first, followed by compensation of any director who is not a named executive officer.

(3) If the individual is a named executive officer and a director, state both positions in the column entitled "Name and position". In a footnote to the table, identify how much compensation the NEO received for each position.

(4) In the column entitled "Value of perquisites", include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than

- (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less,
- (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or
- (c) \$50,000, if the NEO or director's total salary for the financial year is \$500,000 or greater.

Value these items on the basis of the aggregate incremental cost to the company and its subsidiaries. Describe in a footnote the methodology used for computing the aggregate incremental cost to the company.

Provide a note to the table to disclose the nature of each perquisite provided that equals or exceeds 25% of the total value of perquisites provided to that named executive officer or director, and how the value of the perquisite was calculated, if it is not provided in cash.

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Commentary

For the purposes of the column entitled “Value of perquisites”, an item is generally a perquisite if it is not integrally and directly related to the performance of the director or named executive officer’s duties. If something is necessary for a person to do his or her job, it is integrally and directly related to the job and is not a perquisite, even if it also provides some amount of personal benefit.

- (5) If non-cash compensation, other than compensation required to be disclosed in section 2.3, was provided or is payable, disclose the fair market value of the compensation at the time it was earned or, if it is not possible to calculate the fair market value, disclose that fact in a note to the table and the reasons why.
- (6) In the column entitled “Value of all other compensation”, include all of the following:
 - (a) any incremental payments, payables and benefits to a named executive officer or director that were triggered by, or resulted from, a scenario listed in subsection 2.5(2) that occurred before the end of the applicable financial year,
 - (b) all compensation relating to defined benefit or defined contribution plans including service costs and other compensatory items such as plan changes and earnings that are different from the estimated earnings for defined benefit plans and above market earnings for defined contribution plans.

Commentary

The disclosure of defined benefit or defined contribution plans relates to all plans that provide for the payment of pension plan benefits. Use the same amounts indicated in column (e) of the defined benefit plan table required by section 2.7 for the applicable financial year and the amounts included in column (c) of the defined contribution plan table required by section 2.7 for the applicable financial year.

- (7) Despite subsection (1), it is not necessary to disclose Canada Pension Plan, similar government plans and group life, health, hospitalization, medical reimbursement and relocation plans that do not discriminate in scope, terms or operation that are generally available to all salaried employees.
- (8) If a director or named executive officer has served in that capacity for only part of a year, indicate the number of months he or she has served; do not annualize the compensation.
- (9) Provide notes to the table to disclose each of the following for the most recently completed financial year only:
 - (a) compensation paid or payable by any person or company other than the company in respect of services provided to the company or its subsidiaries, including the identity of that other person or company;
 - (b) compensation paid or payable indirectly to the director or named executive officer and, in such case, the amount of compensation, to whom it is paid or payable and the relationship between the director or named executive officer and such other person or company;

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(c) for the column entitled “Value of all other compensation”, the nature of each form of other compensation paid or payable that equals or exceeds 25% of the total value of other compensation paid or payable to that director or named executive officer, and how the value of such other compensation was calculated, if it is not paid or payable in cash.

2.2 External management companies

- (1) If one or more individuals acting as named executive officers of the company are not employees of the company, disclose the names of those individuals.
- (2) If an external management company employs or retains one or more individuals acting as named executive officers or directors of the company and the company has entered into an understanding, arrangement or agreement with the external management company to provide executive management services to the company, directly or indirectly, disclose any compensation that
 - (a) the company paid directly to an individual employed, or retained by the external management company, who is acting as a named executive officer or director of the company;
 - (b) the external management company paid to the individual that is attributable to the services they provided to the company, directly or indirectly.
- (3) If an external management company provides the company’s executive management services and also provides executive management services to another company, disclose the entire compensation the external management company paid to the individual acting as a named executive officer or director, or acting in a similar capacity, in connection with services the external management company provided to the company, or the parent or a subsidiary of the company. If the management company allocates the compensation paid to a named executive officer or director, disclose the basis or methodology used to allocate this compensation.

Commentary

A named executive officer may be employed by an external management company and provide services to the company under an understanding, arrangement or agreement. In this case, references in this form to the chief executive officer or chief financial officer are references to the individuals who performed similar functions to that of the chief executive officer or chief financial officer. They are typically the same individuals who signed and filed annual and interim certificates to comply with National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings.

2.3 Stock options and other compensation securities

- (1) Using the following table, disclose all compensation securities granted or issued to each director and named executive officer by the company or one of its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

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| Compensation Securities | | | | | | | |
|-------------------------|-------------------------------|---|------------------------|--|--|---|-------------|
| Name and position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
| | | | | | | | |
| | | | | | | | |
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- (2) Position the tables prescribed in subsections (1) and (4) directly after the table prescribed in section 2.1.
- (3) Provide notes to the table to disclose each of the following:
 - (a) the total amount of compensation securities, and underlying securities, held by each named executive officer or director on the last day of the most recently completed financial year end;
 - (b) any compensation security that has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year, including the original and modified terms, the effective date, the reason for the modification, and the name of the holder;
 - (c) any vesting provisions of the compensation securities;
 - (d) any restrictions or conditions for converting, exercising or exchanging the compensation securities.
- (4) Using the following table, disclose each exercise by a director or named executive officer of compensation securities during the most recently completed financial year.

[illegible]

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- (5) For the tables prescribed in subsections (1) and (4), if the individual is a named executive officer and a director, state both positions in the columns entitled "Name and position".

Commentary

For the purposes of the column entitled "Total value on exercise date" multiply the number in the column entitled "Number of underlying securities exercised" by the number in the column entitled "Difference between exercise price and closing price on date of exercise".

2.4 Stock option plans and other incentive plans

- (1) Describe the material terms of each stock option plan, stock option agreement made outside of a stock option plan, plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units and any other incentive plan or portion of a plan under which awards are granted.

Commentary

Examples of material terms are vesting provisions, maximum term of options granted, whether or not a stock option plan is a rolling plan, the maximum number or percentage of options that can be granted, method of settlement.

- (2) Indicate for each such plan or agreement whether it has previously been approved by shareholders and, if applicable, when it is next required to be approved.
- (3) Disclosure is not required of plans, such as shareholder rights plans, that involve issuance of securities to all securityholders.

2.5 Employment, consulting and management agreements

- (1) Disclose the material terms of each agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the company or any of its subsidiaries that were
- (a) performed by a director or named executive officer, or
 - (b) performed by any other party but are services typically provided by a director or a named executive officer.
- (2) For each agreement or arrangement referred to in subsection (1), disclose each of the following:
- (a) the provisions, if any, with respect to change of control, severance, termination or constructive dismissal;
 - (b) the estimated incremental payments that are triggered by, or result from, change of control, severance, termination or constructive dismissal;
 - (c) any relationship between the other party to the agreement and a director or named executive officer of the company or any of its subsidiaries.

2.6 Oversight and description of director and named executive officer compensation

- (1) Disclose who determines director compensation and how and when it is determined.

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- (2) Disclose who determines named executive officer compensation and how and when it is determined.
- (3) For each named executive officer, disclose each of the following:
 - (a) a description of all significant elements of compensation awarded to, earned by, paid or payable to the named executive officer for the most recently completed financial year, including at a minimum each element of compensation that accounts for 10% or more of the named executive officer's total compensation;
 - (b) whether total compensation or any significant element of total compensation is tied to one or more performance criteria or goals, including for example, milestones, agreements or transactions and, if so,
 - (i) describe the performance criteria and goals, and
 - (ii) indicate the weight or approximate weight assigned to each performance criterion or goal;
 - (c) any significant events that have occurred during the most recently completed financial year that have significantly affected compensation including whether any performance criterion or goal was waived or changed and, if so, why;
 - (d) how the company determines the amount to be paid for each significant element of compensation referred to in paragraph (a), including whether the process is based on objective, identifiable measures or a subjective decision;
 - (e) whether a peer group is used to determine compensation and, if so, describe the peer group and why it is considered appropriate;
 - (f) any significant changes to the company's compensation policies that were made during or after the most recently completed financial year that could or will have an effect on director or named executive officer compensation.
- (4) Despite subsection (3), if a reasonable person would consider that disclosure of a previously undisclosed specific performance criterion or goal would seriously prejudice the company's interests, the company is not required to disclose the criterion or goal provided that the company does each of the following:
 - (a) discloses the percentage of the named executive officer's total compensation that relates to the undisclosed criterion or goal;
 - (b) discloses the anticipated difficulty in achieving the performance criterion or goal;
 - (c) states that it is relying on this exemption from the disclosure requirement;
 - (d) explains why disclosing the performance criterion or goal would seriously prejudice its interests.
- (5) For the purposes of subsection (4), a company's interests are considered not to be seriously prejudiced solely by disclosing a performance goal or criterion if that criterion or goal is based on broad corporate-level financial performance metrics such as earnings per share, revenue growth, or earnings before interest, taxes, depreciation and amortization (EBITDA).

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2.7 Pension disclosure

If the company provides a pension to a director or named executive officer, provide for each such individual the additional disclosure required by Item 5 of Form 51-102F6.

2.8 Companies reporting in the United States

(1) Except as provided in subsection (2), SEC issuers may satisfy the requirements of this form by providing the information that they disclose in the United States pursuant to item 402 “Executive compensation” of Regulation S-K under the 1934 Act.

(2) Subsection (1) does not apply to a company that, as a foreign private issuer, satisfies Item 402 of Regulation S-K by providing the information required by Items 6.B ‘Compensation’ and 6.E.2 ‘Share Ownership’ of Form 20-F under the 1934 Act.

8 Jly 2011 SR 41/2011 s17; 8 Jly 2011 SR
41/2011 s17; 5 Aug 2011 SR 48/2011 s8; 17 Feb
2012 SR 4/2012 s3; 21 Sep 2012 SR 60/2012 s6;
22 Mar 2013 SR 15/2013 s4; 17 May 2013 SR
32/2013 s8; 17 May 2013 SR 33/2013 s10; 15 Aug
2014 SR 71/2014 s5; 8 May 2015 SR 43/2015 s3
and 7; 3 Jly 2015 SR 61/2015 s5.

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PART XXXVII
[Clause 2(kk)]

NATIONAL INSTRUMENT 52-107
ACCEPTABLE ACCOUNTING PRINCIPLES AND AUDITING STANDARDS

PART 1: DEFINITIONS AND INTERPRETATION

1.1 Definitions — In this Instrument:

“accounting principles” means a body of principles relating to accounting that are generally accepted in a jurisdiction of Canada or a foreign jurisdiction and includes, without limitation, IFRS, Canadian GAAP and U.S. GAAP;

“acquisition statements” means financial statements of an acquired business or a business to be acquired, or an operating statement for an oil and gas property that is an acquired business or a business to be acquired, that are:

- (a) required to be filed under National Instrument 51-102 *Continuous Disclosure Obligations*;
- (b) included in a prospectus pursuant to Item 35 of Form 41-101F1 *Information Required in a Prospectus*;
- (c) required to be included in a prospectus under National Instrument 44-101 *Short Form Prospectus Distributions*; or
- (d) included in an offering memorandum required under National Instrument 45-106 *Prospectus Exemptions*;

“auditing standards” means a body of standards relating to auditing that are generally accepted in a jurisdiction of Canada or a foreign jurisdiction and includes, without limitation, Canadian GAAS, International Standards on Auditing, U.S. AICPA GAAS and U.S. PCAOB GAAS;

“business acquisition report” means a completed Form 51-102F4 *Business Acquisition Report*;

“convertible security” means a security of an issuer that is convertible into, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of the same issuer;

“credit support issuer” means an issuer of securities for which a credit supporter has provided a guarantee or alternative credit support;

“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;

“designated foreign issuer” means a foreign issuer:

- (a) that does not have a class of securities registered under section 12 of the 1934 Act and is not required to file reports under section 15(d) of the 1934 Act;
- (b) that is subject to foreign disclosure requirements in a designated foreign jurisdiction; and

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- (c) for which the total number of equity securities beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the issuer, calculated in accordance with sections 1.2 and 1.3;

“designated foreign jurisdiction” means Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland or the United Kingdom of Great Britain and Northern Ireland;

“exchangeable security” means a security of an issuer that is exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of another issuer;

“exchange-traded security” means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*;

“executive officer” means, for an issuer, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the issuer;

“financial statements” includes interim financial reports;

“foreign disclosure requirements” means the requirements to which a foreign issuer is subject concerning disclosure made to the public, to securityholders of the issuer or to a foreign regulatory authority:

- (a) relating to the foreign issuer and the trading in its securities; and
- (b) that is made publicly available in the foreign jurisdiction under:
 - (i) the securities laws of the foreign jurisdiction in which the principal trading market of the foreign issuer is located; or
 - (ii) the rules of the marketplace that is the principal trading market of the foreign issuer;

“foreign issuer” means an issuer that is incorporated or organized under the laws of a foreign jurisdiction, unless:

- (a) outstanding voting securities of the issuer carrying more than 50% of the votes for the election of directors are beneficially owned by residents of Canada; and
- (b) any of the following apply:
 - (i) the majority of the executive officers or directors of the issuer are residents of Canada;
 - (ii) more than 50% of the consolidated assets of the issuer are located in Canada; or
 - (iii) the business of the issuer is administered principally in Canada;

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“foreign registrant” means a registrant that is incorporated or organized under the laws of a foreign jurisdiction, unless:

- (a) outstanding voting securities of the registrant carrying more than 50% of the votes for the election of directors are beneficially owned by residents of Canada; and
- (b) any of the following apply:
 - (i) the majority of the executive officers or directors of the registrant are residents of Canada;
 - (ii) more than 50% of the consolidated assets of the registrant are located in Canada; or
 - (iii) the business of the registrant is administered principally in Canada;

“foreign regulatory authority” means a securities commission, exchange or other securities market regulatory authority in a designated foreign jurisdiction;

“IAS 27” means International Accounting Standard 27 *Consolidated and Separate Financial Statements*, as amended from time to time;

“IAS 34” means International Accounting Standard 34 *Interim Financial Reporting*, as amended from time to time;

“inter-dealer bond broker” means a person or company that is approved by the Investment Industry Regulatory Organization of Canada under its Rule No. 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its Rule No. 36 and its Rule 2100 *Inter-Dealer Bond Brokerage Systems*, as amended from time to time;

“IPO venture issuer” has the same meaning as in section 1.1 of National Instrument 41-101 *General Prospectus Requirements*;

“issuer’s GAAP” means the accounting principles used to prepare an issuer’s financial statements, as permitted by this Instrument;

“marketplace” means:

- (a) an exchange;
- (b) a quotation and trade reporting system;
- (c) a person or company not included in paragraph (a) or (b) that:
 - (i) constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities;
 - (ii) brings together the orders for securities of multiple buyers and sellers; and
 - (iii) uses established, non-discretionary methods under which the orders interact with each other, and the buyers and sellers entering the orders agree to the terms of a trade; or
- (d) a dealer that executes a trade of an exchange-traded security outside of a marketplace;

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but does not include an inter-dealer bond broker;

“multiple convertible security” means a security of an issuer that is convertible into, or exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a convertible security, an exchangeable security or another multiple convertible security;

“predecessor statements” mean the financial statements referred to in paragraph 32.1(1)(a) of Form 41-101F1 *Information Required in a Prospectus*;

“primary business statements” mean the financial statements referred to in paragraph 32.1(1)(b) of Form 41-101F1 *Information Required in a Prospectus*;

“principal trading market” means the published market on which the largest trading volume in the equity securities of the issuer occurred during the issuer’s most recently completed financial year that ended before the date the determination is being made;

“published market” means, for a class of securities, a marketplace on which the securities have traded that discloses, regularly in a publication of general and regular paid circulation or in a form that is broadly distributed by electronic means, the prices at which those securities have traded;

“recognized exchange” means:

- (a) in Ontario, an exchange recognized by the securities regulatory authority to carry on business as a stock exchange;
- (b) in Québec, a person or company authorized by the securities regulatory authority to carry on business as an exchange; and
- (c) in every other jurisdiction of Canada, an exchange recognized by the securities regulatory authority as an exchange, self-regulatory organization or self-regulatory body;

“recognized quotation and trade reporting system” means:

- (a) in every jurisdiction of Canada other than British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as a quotation and trade reporting system; and
- (b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange;

“SEC issuer” means an issuer that:

- (a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act; and
- (b) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America, as amended from time to time;

“SEC foreign issuer” means a foreign issuer that is also an SEC issuer;

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“underlying security” means a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security;

“U.S. GAAP” means generally accepted accounting principles in the United States of America that the SEC has identified as having substantial authoritative support, as supplemented by Regulation S-X under the 1934 Act, as amended from time to time;

“U.S. AICPA GAAS” means auditing standards of the American Institute of Certified Public Accountants, as amended from time to time;

“U.S. PCAOB GAAS” means auditing standards of the Public Company Accounting Oversight Board (United States of America), as amended from time to time;

“venture issuer”:

(a) in the case of acquisition statements required by National Instrument 51-102 *Continuous Disclosure Obligations*, has the same meaning as in subsection 1.1(1) of that Instrument; and

(b) in the case of acquisition statements referred to in paragraph (b), (c) or (d) of the definition of “acquisition statements”, has the same meaning as in section 1.1 of National Instrument 41-101 *General Prospectus Requirements*.

1.2 Determination of Canadian Shareholders for Calculation of Designated Foreign Issuer and Foreign Issuer —

(1) For the purposes of paragraph (c) of the definition of “designated foreign issuer” in section 1.1 and for the purposes of paragraphs 3.9(1)(c) and 4.9(c), a reference to equity securities beneficially owned by residents of Canada includes:

(a) any underlying securities that are equity securities of the foreign issuer; and

(b) the equity securities of the foreign issuer represented by an American depositary receipt or an American depositary share issued by a depositary holding equity securities of the foreign issuer.

(2) For the purposes of paragraph (a) of the definition of “foreign issuer” in section 1.1, securities represented by American depositary receipts or American depositary shares issued by a depositary holding voting securities of the foreign issuer must be included as outstanding in determining both the number of votes attached to securities beneficially owned by residents of Canada and the number of votes attached to all of the issuer’s outstanding voting securities.

1.3 Timing for Calculation of Designated Foreign Issuer, Foreign Issuer and Foreign Registrant — For the purposes of paragraph (c) of the definition of “designated foreign issuer” in section 1.1, paragraph (a) of the definition of “foreign issuer” in section 1.1, and paragraph (a) of the definition of “foreign registrant” in section 1.1, the calculation is made:

(a) if the issuer has not completed one financial year, on the earlier of:

(i) the date that is 90 days before the date of its prospectus; and

(ii) the date that it became a reporting issuer; and

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(b) for all other issuers and for registrants, on the first day of the most recent financial year or interim period for which financial performance is presented in the financial statements or interim financial information filed or delivered or included in a prospectus.

1.4 Interpretation —

(1) For the purposes of this Instrument, a reference to “prospectus” includes a preliminary prospectus, a prospectus, an amendment to a preliminary prospectus and an amendment to a prospectus.

(2) For the purposes of this Instrument, a reference to information being “included in” another document means information reproduced in the document or incorporated into the document by reference.

PART 2: APPLICATION

2.1 Application —

(1) This Instrument does not apply to investment funds, that are subject to National Instrument 81-106 *Investment Fund Continuous Disclosure* in respect of their reporting requirements as investment funds.

(2) This Instrument applies to:

(a) all financial statements and interim financial information delivered by registrants to the securities regulatory authority or regulator under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

(b) all financial statements filed, or included in a document that is filed, by an issuer under National Instrument 51-102 *Continuous Disclosure Obligations* or National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

(c) all financial statements included in:

(i) a prospectus, a take-over bid circular or any other document that is filed by or in connection with an issuer; or

(ii) an offering memorandum required to be delivered by an issuer under National Instrument 45-106 *Prospectus Exemptions*;

(d) any acquisition statements, predecessor statements, or primary business statements, that are an operating statement for an oil and gas property that is an acquired business or a business to be acquired, that is:

(i) filed by an issuer under National Instrument 51-102 *Continuous Disclosure Obligations*;

(ii) included in a prospectus, take-over bid circular or any other document that is filed by or in connection with an issuer; or

(iii) included in an offering memorandum required to be delivered by an issuer under National Instrument 45-106 *Prospectus Exemptions*;

(e) any other financial statements filed, or included in a document that is filed, by a reporting issuer;

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- (f) summary financial information for a credit supporter or credit support issuer that is:
 - (i) filed under National Instrument 51-102 *Continuous Disclosure Obligations*;
 - (ii) included in a prospectus, take-over bid circular or any other document that is filed by or in connection with an issuer; or
 - (iii) included in an offering memorandum required to be delivered by an issuer under National Instrument 45-106 *Prospectus Exemptions*;
- (g) summarized financial information of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method, that is:
 - (i) filed by an issuer under National Instrument 51-102 *Continuous Disclosure Obligations*;
 - (ii) included in a prospectus, take-over bid circular or any other document that is filed by or in connection with an issuer; or
 - (iii) included in an offering memorandum required to be delivered by an issuer under National Instrument 45-106 *Prospectus Exemptions*;
- (h) *pro forma* financial statements:
 - (i) filed, or included in a document that is filed, by an issuer under National Instrument 51-102 *Continuous Disclosure Obligations* or National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;
 - (ii) included in a prospectus, take-over bid circular or any other document that is filed by or in connection with an issuer; or
 - (iii) otherwise filed, or included in a document that is filed, by a reporting issuer; and
- (i) all financial statements
 - (i) filed by an issuer under subsection 2.9(17.4) of National Instrument 45-106 *Prospectus Exemptions*,
 - (ii) delivered by an issuer under subsection 2.9(17.5) of National Instrument 45-106 *Prospectus Exemptions*, or
 - (iii) made reasonably available by an issuer under subsection 2.9(17.6) of National Instrument 45-106 *Prospectus Exemptions*.

PART 3: RULES APPLYING TO FINANCIAL YEARS BEGINNING ON OR AFTER JANUARY 1, 2011

3.1 Definitions and Application —

- (1) In this Part:

“publicly accountable enterprise” means a publicly accountable enterprise as defined in the Handbook;

“private enterprise” means a private enterprise as defined in the Handbook.

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(2) This Part applies to financial statements, financial information, operating statements and *pro forma* financial statements for periods relating to financial years beginning on or after January 1, 2011.

3.2 Acceptable Accounting Principles – General Requirements —

(1) Financial statements referred to in paragraphs 2.1(2)(b), (c), (e) and (i), other than acquisition statements, must:

- (a) be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises; and
- (b) disclose:
 - (i) in the case of annual financial statements, an unreserved statement of compliance with IFRS; and
 - (ii) in the case of an interim financial report, an unreserved statement of compliance with IAS 34.

(2) Despite subsection (1), in the case of an interim financial report that is not required under securities legislation to provide comparative interim financial information:

- (a) the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes must be prepared in accordance with IAS 34 other than the requirement in IAS 34 to include comparative financial information; and
- (b) the interim financial report must disclose that:
 - (i) it does not comply with IAS 34 because it does not include comparative interim financial information; and
 - (ii) the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes have been prepared in accordance with IAS 34 other than the requirement in IAS 34 to include comparative financial information.

(3) Financial statements and interim financial information referred to in paragraph 2.1(2)(a) must:

- (a) be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises, except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27; and

- (b) in the case of annual financial statements:

- (i) include the following statement:

“These financial statements are prepared in accordance with the financial reporting framework specified in [insert “paragraph 3.2(3) (a)”, “subsection 3.2(4)” or “section 3.15” as applicable] of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants”;

and

- (ii) describe the financial reporting framework used to prepare the financial statements.

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(4) Despite paragraph (3)(a), financial statements and interim financial information referred to in paragraph 2.1(2)(a) for periods relating to a financial year beginning in 2011 may be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises, except that:

- (a) any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27;
- (b) comparative information relating to the preceding financial year must be excluded; and
- (c) the first day of the financial year to which the financial statements or interim financial information relates must be used as the date of transition to the financial reporting framework.

(5) Financial statements must be prepared in accordance with the same accounting principles for all periods presented in the financial statements.

(6) Financial information referred to in paragraphs 2.1(2)(f) and (g) must:

(a) present the line items for summary financial information or summarized financial information required by National Instrument 45-106 *Prospectus Exemptions* or National Instrument 51-102 *Continuous Disclosure Obligations*, as the case may be; and

(b) in the case of summarized financial information of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method:

(i) be prepared using accounting policies that:

(A) are permitted by one of Canadian GAAP applicable to publicly accountable enterprises, IFRS, U.S. GAAP or Canadian GAAP applicable to private enterprises; and

(B) would apply to the information if the information were presented as part of a complete set of financial statements;

(ii) include the following statement:

“This information is prepared in accordance with the financial reporting framework specified in subsection 3.2(6) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for summarized financial information of a business accounted for using the equity method”;

and

(iii) describe the accounting policies used to prepare the information.

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3.3 Acceptable Auditing Standards – General Requirements —

(1) Financial statements, other than acquisition statements, that are required by securities legislation to be audited must:

(a) be audited in accordance with Canadian GAAS and be accompanied by an auditor's report that:

(i) expresses an unmodified opinion;

(ii) identifies all financial periods presented for which the auditor has issued an auditor's report;

(iii) is in the form specified by Canadian GAAS for an audit of financial statements prepared in accordance with a fair presentation framework; and

(iv) refers to IFRS as the applicable fair presentation framework if the financial statements are prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises; and

(b) if the issuer or registrant has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by a predecessor auditor, be accompanied by the predecessor auditor's reports on the comparative periods.

(2) Paragraph (1)(b) does not apply to financial statements referred to in paragraphs 2.1(2)(a) and (b) if the auditor's report described in paragraph (1)(a) refers to the predecessor auditor's reports on the comparative periods.

3.4 Acceptable Auditors — An auditor's report filed by an issuer or delivered by a registrant must be prepared and signed by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

3.5 Presentation and Functional Currencies —

(1) The presentation currency must be prominently displayed in financial statements.

(2) Financial statements must disclose the functional currency if it is different than the presentation currency.

3.6 Credit Supporters —

(1) Unless subsection 3.2(1) applies, if a credit support issuer files, or includes in a prospectus, financial statements of a credit supporter, the credit supporter's financial statements must:

(a) be prepared in accordance with the accounting principles and audited in accordance with the auditing standards that would apply under this Instrument if the credit supporter were to file financial statements referred to in paragraph 2.1(2)(b); and

(b) identify the accounting principles used to prepare the financial statements.

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(2) If a credit support issuer files, or includes in a prospectus, summary financial information for the credit supporter or credit support issuer:

- (a) the summary financial information must, in addition to satisfying other requirements in this Instrument:
 - (i) prominently display the presentation currency; and
 - (ii) disclose the functional currency if it is different from the presentation currency; and
- (b) the amounts presented in the summary financial information must be derived from financial statements of the credit supporter or credit support issuer that, if required by securities legislation to be audited, are audited in accordance with the auditing standards that would apply under this Instrument if the credit supporter or credit support issuer, as the case may be, were to file financial statements referred to in paragraph 2.1(2)(b).

3.7 Acceptable Accounting Principles for SEC Issuers —

- (1) Despite subsection 3.2(1), an SEC issuer's financial statements referred to in paragraphs 2.1(2)(b), (c), (e) and (i) and financial information referred to in paragraphs 2.1(2)(f) and (g) that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, may be prepared in accordance with U.S. GAAP.
- (2) The notes to the financial statements referred to in subsection (1) must identify the accounting principles used to prepare the financial statements.

3.8 Acceptable Auditing Standards for SEC Issuers —

- (1) Despite subsection 3.3(1), an SEC issuer's financial statements referred to in paragraphs 2.1(2)(b), (c), (e) and (i) and financial information referred to in paragraphs 2.1(2)(f) and (g) that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, and that are required by securities legislation to be audited, may be audited in accordance with U.S. PCAOB GAAS if the financial statements are accompanied by:
 - (a) an auditor's report prepared in accordance with U.S. PCAOB GAAS that:
 - (i) expresses an unqualified opinion;
 - (ii) identifies all financial periods presented for which the auditor has issued an auditor's report; and
 - (iii) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements; and
 - (b) the predecessor auditor's reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor.
- (2) Paragraph (1)(b) does not apply to financial statements referred to in paragraph 2.1(2)(b) if the auditor's report described in paragraph (1)(a) refers to the predecessor auditor's reports on the comparative periods.

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3.9 Acceptable Accounting Principles for Foreign Issuers —

(1) Despite subsection 3.2(1), a foreign issuer's financial statements referred to in paragraphs 2.1(2)(b), (c), (e) and (i) that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, may be prepared in accordance with:

- (a) IFRS;
- (b) U.S. GAAP, if the issuer is an SEC foreign issuer;
- (c) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if:
 - (i) the issuer is an SEC foreign issuer;
 - (ii) on the last day of the most recently completed financial year the total number of equity securities of the issuer beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the issuer; and
 - (iii) the financial statements include any reconciliation to U.S. GAAP required by the SEC; or
- (d) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer.

(2) The notes to the financial statements must identify the accounting principles used to prepare the financial statements.

3.10 Acceptable Auditing Standards for Foreign Issuers —

(1) Despite subsection 3.3(1), a foreign issuer's financial statements referred to in paragraphs 2.1(2)(b), (c), (e) and (i) that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, that are required by securities legislation to be audited may be audited in accordance with:

- (a) International Standards on Auditing if the financial statements are accompanied by:
 - (i) an auditor's report that:
 - (A) expresses an unmodified opinion;
 - (B) identifies all financial periods presented for which the auditor has issued the auditor's report;
 - (C) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements; and
 - (D) is prepared in accordance with the same auditing standards used to conduct the audit; and

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- (ii) the predecessor auditor's reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor;
 - (b) U.S. PCAOB GAAS if the financial statements are accompanied by:
 - (i) an auditor's report that:
 - (A) expresses an unqualified opinion;
 - (B) identifies all financial periods presented for which the auditor has issued the auditor's report;
 - (C) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements; and
 - (D) is prepared in accordance with the same auditing standards used to conduct the audit; and
 - (ii) the predecessor auditor's reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor; or
 - (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject if:
 - (i) the issuer is a designated foreign issuer;
 - (ii) the financial statements are accompanied by an auditor's report prepared in accordance with the same auditing standards used to conduct the audit; and
 - (iii) the auditor's report identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements.
- (2) Subparagraph (1)(a)(ii) or (b)(ii) does not apply to financial statements referred to in paragraph 2.1(2)(b) if the auditor's report described in subparagraph (1)(a)(i) or (b)(i), as the case may be, refers to the predecessor auditor's reports on the comparative periods.

3.11 Acceptable Accounting Principles for Acquisition Statements —

- (1) Acquisition statements must be prepared in accordance with one of the following accounting principles:
 - (a) Canadian GAAP applicable to publicly accountable enterprises;
 - (b) IFRS;
 - (c) U.S. GAAP;
 - (d) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if:
 - (i) the issuer or the acquired business or business to be acquired is an SEC foreign issuer;

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- (ii) on the last day of the most recently completed financial year the total number of equity securities of the SEC foreign issuer beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the SEC foreign issuer; and
 - (iii) the financial statements include any reconciliation to U.S. GAAP required by the SEC;
- (e) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer or the acquired business or business to be acquired is subject, if:
- (i) the issuer or business is a designated foreign issuer; and
 - (ii) in the case where the issuer's GAAP differs from the accounting principles used to prepare the acquisition statements, for the most recently completed financial year and interim period presented, the notes to the acquisition statements:
 - (A) describe the material differences between the issuer's GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation; and
 - (B) quantify the effect of each difference referred to in clause (A) and include a tabular reconciliation between profit or loss reported in the acquisition statements and profit or loss computed in accordance with the issuer's GAAP;
- (f) Canadian GAAP applicable to private enterprises if:
- (i) the acquisition statements consolidate any subsidiaries and account for significantly influenced investees and joint ventures using the equity method;
 - (ii) financial statements for the acquired business or business to be acquired were not previously prepared in accordance with one of the accounting principles specified in paragraphs (a) to (e) for the periods presented in the acquisition statements;
 - (iii) the acquisition statements are accompanied by a notice stating:

These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

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The *pro forma* financial statements included in the document include adjustments relating to the [insert “acquired business” or “business to be acquired” as applicable] and present pro forma information prepared using principles that are consistent with the accounting principles used by the issuer;

and

(iv) in the case of acquisition statements included in a document filed by an issuer that is not a venture issuer, and is not an IPO venture issuer, for all financial years and the most recently completed interim period presented, the notes to the acquisition statements:

(A) describe the material differences between the issuer’s GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation;

(B) quantify the effect of each difference referred to in clause (A), and include a tabular reconciliation between profit or loss reported in the acquisition statements and profit or loss computed in accordance with the issuer’s GAAP; and

(C) for each difference referred to in clause (A) that relates to measurement, disclose and discuss the material inputs or assumptions underlying the measurement of the relevant amount computed in accordance with the issuer’s GAAP, consistent with the disclosure requirements of the issuer’s GAAP.

(2) Acquisition statements must be prepared in accordance with the same accounting principles for all periods presented.

(3) Acquisition statements to which paragraph (1)(a) applies must disclose:

(a) in the case of annual financial statements, an unreserved statement of compliance with IFRS; and

(b) in the case of interim financial reports, an unreserved statement of compliance with IAS 34.

(4) Unless paragraph (1)(a) applies, the notes to the acquisition statements must identify the accounting principles used to prepare the acquisition statements.

(5) Despite subsections (1) and (2), if acquisition statements are an operating statement for an oil and gas property that is an acquired business or business to be acquired:

(a) the operating statement must include at least the following line items:

(i) gross sales;

(ii) royalties;

(iii) production costs;

(iv) operating income;

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(b) the line items in the operating statement must be prepared using accounting policies that:

- (i) are permitted by one of Canadian GAAP applicable to publicly accountable enterprises, IFRS, U.S. GAAP or Canadian GAAP applicable to private enterprises; and
- (ii) would apply to those line items if those line items were presented as part of a complete set of financial statements; and

(c) the operating statement must:

- (i) include the following statement:

“This operating statement is prepared in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for an operating statement”.

and

- (ii) describe the accounting policies used to prepare the operating statement.

(6) **Repealed.** 17 May 2013 SR 32/2013 s9.

3.12 Acceptable Auditing Standards for Acquisition Statements —

(1) Acquisition statements that are required by securities legislation to be audited must be accompanied by an auditor’s report and audited in accordance with one of the following auditing standards:

- (a) Canadian GAAS;
- (b) International Standards on Auditing;
- (c) U.S. PCAOB GAAS;
- (d) U.S. AICPA GAAS, if the acquired business or business to be acquired is not an SEC issuer;
- (e) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer.

(2) The auditor’s report must:

- (a) if paragraph (1)(a) or (b) applies, express an unmodified opinion;
- (b) if paragraph (1)(c) or (d) applies, express an unqualified opinion;
- (c) unless paragraph (1)(e) applies, identify all financial periods presented for which the auditor’s report applies;
- (d) identify the auditing standards used to conduct the audit;
- (e) identify the accounting principles used or, if subsection 3.11(5) applies, the financial reporting framework used, to prepare the acquisition statements, unless the auditor’s report accompanies acquisition statements prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises and audited in accordance with Canadian GAAS; and

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- (f) if paragraph (1) (a) or (b) applies and subsection 3.11(5) does not:
 - (i) be in the form specified by the standards referred to in paragraph (1)(a) or (b), as applicable, for an audit of financial statements prepared in accordance with a fair presentation framework; and
 - (ii) refer to IFRS as the applicable fair presentation framework if the financial statements are prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises.
- (3) Despite paragraphs (2)(a) and (b), an auditor's report that accompanies acquisition statements may express a qualification of opinion relating to inventory if:
 - (a) the issuer includes in the business acquisition report, prospectus or other document containing the acquisition statements, a statement of financial position for the acquired business or business to be acquired that is for a date that is subsequent to the date to which the qualification relates; and
 - (b) the statement of financial position referred to in paragraph (a) is accompanied by an auditor's report that does not express a qualification of opinion relating to closing inventory.

3.13 Financial Information for Acquisitions Accounted for by the Issuer Using the Equity Method —

- (1) If an issuer files, or includes in a prospectus, summarized financial information of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method, the financial information must:
 - (a) meet the requirements in subsections 3.11(1), (2) and (4) if the term "acquisition statements" in those subsections is read as "summarized financial information"; and
 - (b) disclose the presentation currency for the financial information, and disclose the functional currency if it is different than the presentation currency.
- (2) If the financial information referred to in subsection (1) is required by securities legislation to be audited or derived from audited financial statements, the financial information must:
 - (a) either:
 - (i) meet the requirements in section 3.12 if the term "acquisition statements" in that section is read as "summarized financial information"; or
 - (ii) be derived from financial statements that meet the requirements in section 3.12 if the term "acquisition statements" in that section is read as "financial statements from which is derived summarized financial information"; and
 - (b) be audited, or derived from financial statements that are audited, by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

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3.14 Acceptable Accounting Policies for *Pro Forma* Financial Statements —

(1) An issuer's *pro forma* financial statements must be prepared using accounting policies that:

- (a) are permitted by the issuer's GAAP; and
- (b) would apply to the information presented in the *pro forma* financial statements if that information were included in the issuer's financial statements for the same period as that of the *pro forma* financial statements.

(2) Despite subsection (1), if an issuer's financial statements include, or are accompanied by, a reconciliation to U.S. GAAP, the issuer's *pro forma* financial statements for the same period as the issuer's financial statements may be prepared using accounting policies that:

- (a) are permitted by U.S. GAAP; and
- (b) would apply to the information presented in the *pro forma* financial statements if that information were included in the reconciliation.

(3) Despite subsection (1), if the accounting principles used to prepare an issuer's most recent annual financial statements differ from the accounting principles used to prepare the issuer's interim financial report for a subsequent period, the issuer may prepare a *pro forma* income statement for the same period as that of its most recent annual financial statements using accounting policies that:

- (a) are permitted by the accounting principles that were used to prepare the issuer's interim financial report; and
- (b) would apply to the information presented in the *pro forma* income statement if that information were included in the issuer's interim financial report.

3.15 Acceptable Accounting Principles for Foreign Registrants — Despite paragraph 3.2 (3)(a), financial statements and interim financial information delivered by a foreign registrant may be prepared in accordance with:

- (a) IFRS, except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27;
- (b) U.S. GAAP, except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27; or
- (c) accounting principles that meet the disclosure requirements of a foreign regulatory authority to which the registrant is subject, if it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction.

3.16 Acceptable Auditing Standards for Foreign Registrants —

(1) Despite subsection 3.3(1), financial statements referred to in paragraph 2.1(2)(a) that are delivered by a foreign registrant and required by securities legislation to be audited may be audited in accordance with:

- (a) International Standards on Auditing if the financial statements are accompanied by:
 - (i) an auditor's report that:

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- (A) expresses an unmodified opinion;
 - (B) identifies all financial periods presented for which the auditor has issued the auditor's report;
 - (C) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements; and
 - (D) is prepared in accordance with the same auditing standards used to conduct the audit; and
- (ii) the predecessor auditor's reports on the comparative periods, if the foreign registrant has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor;
- (b) U.S. PCAOB GAAS or U.S. AICPA GAAS if the financial statements are accompanied by:
- (i) an auditor's report that:
 - (A) expresses an unqualified opinion;
 - (B) identifies all financial periods presented for which the auditor has issued the auditor's report;
 - (C) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements; and
 - (D) is prepared in accordance with the same auditing standards used to conduct the audit; and
 - (ii) the predecessor auditor's reports on the comparative periods, if the foreign registrant has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor; or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the registrant is subject if:
- (i) it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction;
 - (ii) the financial statements are accompanied by an auditor's report prepared in accordance with the same auditing standards used to conduct the audit; and
 - (iii) the auditor's report identifies the accounting principles used to prepare the financial statements.
- (2) Subparagraph (1)(a)(ii) or (b)(ii) does not apply if the auditor's report described in subparagraph (1)(a)(i) or (b)(i), as the case may be, refers to the predecessor auditor's reports on the comparative periods.

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3.17 Acceptable Accounting Principles for Predecessor Statements or Primary Business Statements that are an Operating Statement

If predecessor statements or primary business statements are an operating statement for an oil and gas property:

- (a) the operating statement must include at least the following line items:
 - (i) gross sales;
 - (ii) royalties;
 - (iii) production costs;
 - (iv) operating income;
- (b) the line items in the operating statement must be prepared using accounting policies that:
 - (i) are permitted by one of:
 - (A) Canadian GAAP applicable to publicly accountable enterprises;
 - (B) U.S. GAAP if the issuer is an SEC issuer or an SEC foreign issuer;
 - (C) IFRS if the issuer is a foreign issuer; and
 - (ii) would apply to those line items if those line items were presented as part of a complete set of financial statements; and
- (c) the operating statement must:
 - (i) include the following statement:

This operating statement is prepared in accordance with the financial reporting framework specified in section 3.17 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for an operating statement; and
 - (ii) describe the accounting policies used to prepare the operating statement.

3.18 Acceptable Auditing Standards for Predecessor Statements or Primary Business Statements that are an Operating Statement -

- (1) If predecessor statements or primary business statements are an operating statement for an oil and gas property that are required by securities legislation to be audited, the operating statement must be accompanied by an auditor's report and audited in accordance with one of the following auditing standards:
 - (a) Canadian GAAS;
 - (b) U.S. PCAOB GAAS if the issuer is an SEC issuer or an SEC foreign issuer;
 - (c) International Standards on Auditing if the issuer is a foreign issuer.
- (2) The auditor's report must:
 - (a) if paragraph (1)(a) or (c) applies, express an unmodified opinion;
 - (b) if paragraph (1)(b) applies, express an unqualified opinion;

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- (c) identify all financial periods presented for which the auditor's report applies;
- (d) identify the auditing standards used to conduct the audit; and
- (e) identify the financial reporting framework used to prepare the operating statement.

PART 4: RULES APPLYING TO FINANCIAL YEARS BEGINNING BEFORE JANUARY 1, 2011

4.1 Definitions and Application —

- (1) In this Part:

“Canadian GAAP - Part V” means generally accepted accounting principles determined with reference to Part V of the Handbook applicable to public enterprises;

“public enterprise” means a public enterprise as defined in Part V of the Handbook.
- (2) This Part applies to financial statements, financial information, operating statements and *pro forma* financial statements for periods relating to financial years beginning before January 1, 2011.

4.2 Acceptable Accounting Principles – General Requirements —

- (1) Financial statements, other than financial statements delivered by registrants and acquisition statements, must be prepared in accordance with Canadian GAAP – Part V.
- (2) Financial statements and interim financial information delivered by a registrant to the securities regulatory authority, must be prepared in accordance with Canadian GAAP – Part V except that the financial statements and interim financial information must be prepared on a non-consolidated basis.
- (3) Financial statements must be prepared in accordance with the same accounting principles for all periods presented in the financial statements.
- (4) The notes to the financial statements must identify the accounting principles used to prepare the financial statements.

4.3 Acceptable Auditing Standards – General Requirements — Financial statements, other than acquisition statements, that are required by securities legislation to be audited must be audited in accordance with Canadian GAAS and be accompanied by an auditor's report that:

- (a) expresses an unmodified opinion;
- (b) identifies all financial periods presented for which the auditor has issued an auditor's report;
- (c) refers to the predecessor auditor's reports on the comparative periods, if the issuer or registrant has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor; and
- (d) identifies the accounting principles used to prepare the financial statements.

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4.4 Acceptable Auditors — An auditor's report filed by an issuer or delivered by a registrant must be prepared and signed by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

4.5 Measurement and Reporting Currencies —

(1) The reporting currency must be disclosed on the face page of the financial statements or in the notes to the financial statements unless the financial statements are prepared in accordance with Canadian GAAP – Part V and the reporting currency is the Canadian dollar.

(2) The notes to the financial statements must disclose the measurement currency if it is different than the reporting currency.

4.6 Credit Supporters —

(1) Unless subsection 4.2(1) applies, if a credit support issuer files, or includes in a prospectus, financial statements of a credit supporter, the credit supporter's financial statements must:

(a) be prepared in accordance with the accounting principles and audited in accordance with the auditing standards that apply under this Instrument if the credit supporter were to file financial statements referred to in paragraph 2.1(2)(b);

(b) identify the accounting principles used to prepare the financial statements; and

(c) disclose the reporting currency for the financial statements, and disclose the measurement currency if it is different than the reporting currency.

(2) If a credit support issuer files, or includes in a prospectus, summary financial information for the credit supporter or credit support issuer:

(a) the summary financial information must:

(i) be prepared in accordance with the accounting principles that this Instrument requires to be used in preparing financial statements if the credit supporter or credit support issuer, as the case may be, were to file financial statements referred to in paragraph 2.1(2)(b);

(ii) identify the accounting principles used to prepare the summary financial information; and

(iii) disclose the reporting currency for the financial information, and disclose the measurement currency if it is different than the reporting currency; and

(b) the amounts presented in the summary financial information must be derived from financial statements of the credit supporter or credit support issuer that, if required by securities legislation to be audited, are audited in accordance with the auditing standards that apply under this Instrument if the credit supporter or credit support issuer, as the case may be, were to file financial statements referred to in paragraph 2.1(2)(b).

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4.7 Acceptable Accounting Principles for SEC Issuers —

(1) Despite subsections 4.2(1) and (3), financial statements of an SEC issuer that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, may be prepared in accordance with U.S. GAAP provided that, if the SEC issuer previously filed or included in a prospectus financial statements prepared in accordance with Canadian GAAP – Part V, the SEC issuer complies with the following:

(a) the notes to the first two sets of the issuer's annual financial statements after the change from Canadian GAAP – Part V to U.S. GAAP and the notes to the issuer's interim financial statements for interim periods during those two years:

(i) explain the material differences between Canadian GAAP – Part V and U.S. GAAP that relate to recognition, measurement and presentation;

(ii) quantify the effect of material differences between Canadian GAAP – Part V and U.S. GAAP that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the financial statements and net income computed in accordance with Canadian GAAP – Part V; and

(iii) provide disclosure consistent with disclosure requirements of Canadian GAAP – Part V to the extent not already reflected in the financial statements;

(b) financial information for any comparative periods that were previously reported in accordance with Canadian GAAP – Part V are presented:

(i) as previously reported in accordance with Canadian GAAP – Part V;

(ii) as restated and presented in accordance with U.S. GAAP; and

(iii) supported by an accompanying note that:

(A) explains the material differences between Canadian GAAP – Part V and U.S. GAAP that relate to recognition, measurement and presentation; and

(B) quantifies the effect of material differences between Canadian GAAP – Part V and U.S. GAAP that relate to recognition, measurement and presentation, including a tabular reconciliation between net income as previously reported in the financial statements in accordance with Canadian GAAP – Part V and net income as restated and presented in accordance with U.S. GAAP; and

(c) if the SEC issuer has filed financial statements prepared in accordance with Canadian GAAP – Part V for one or more interim periods of the current year, those interim financial statements are restated in accordance with U.S. GAAP and comply with paragraphs (a) and (b).

(2) The comparative information specified in subparagraph (1)(b)(i) may be presented on the face of the balance sheet and statements of income and cash flow or in the note to the financial statements required by subparagraph (1)(b)(iii).

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4.8 Acceptable Auditing Standards for SEC Issuers — Despite section 4.3, financial statements of an SEC issuer that are filed with or delivered to the securities regulatory authority or regulator, other than acquisition statements, and that are required by securities legislation to be audited, may be audited in accordance with U.S. PCAOB GAAS if the financial statements are accompanied by an auditor's report prepared in accordance with U.S. PCAOB GAAS that:

- (a) expresses an unqualified opinion;
- (b) identifies all financial periods presented for which the auditor has issued an auditor's report;
- (c) refers to the predecessor auditor's reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor; and
- (d) identifies the accounting principles used to prepare the financial statements.

4.9 Acceptable Accounting Principles for Foreign Issuers — Despite subsection 4.2(1), financial statements of a foreign issuer that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, may be prepared in accordance with one of the following accounting principles:

- (a) U.S. GAAP, if the issuer is an SEC foreign issuer;
- (b) IFRS;
- (c) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if:
 - (i) the issuer is an SEC foreign issuer;
 - (ii) on the last day of the most recently completed financial year the total number of equity securities of the issuer beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the issuer; and
 - (iii) the financial statements include any reconciliation to U.S. GAAP required by the SEC;
- (d) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer;
- (e) accounting principles that cover substantially the same core subject matter as Canadian GAAP – Part V, including recognition and measurement principles and disclosure requirements, if the notes to the financial statements:
 - (i) explain the material differences between Canadian GAAP – Part V and the accounting principles used that relate to recognition, measurement and presentation;

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- (ii) quantify the effect of material differences between Canadian GAAP – Part V and the accounting principles used that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the issuer’s financial statements and net income computed in accordance with Canadian GAAP – Part V; and
- (iii) provide disclosure consistent with Canadian GAAP – Part V requirements to the extent not already reflected in the financial statements.

4.10 Acceptable Auditing Standards for Foreign Issuers — Despite section 4.3, financial statements of a foreign issuer that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, that are required by securities legislation to be audited may, if the financial statements are accompanied by an auditor’s report prepared in accordance with the same auditing standards used to conduct the audit and the auditor’s report identifies the accounting principles used to prepare the financial statements, be audited in accordance with:

- (a) U.S. PCAOB GAAS, if the auditor’s report:
 - (i) expresses an unqualified opinion;
 - (ii) identifies all financial periods presented for which the auditor has issued an auditor’s report; and
 - (iii) refers to the predecessor auditor’s reports on the comparative periods, if the issuer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by the predecessor auditor;
- (b) International Standards on Auditing, if the auditor’s report is accompanied by a statement by the auditor that:
 - (i) describes any material differences in the form and content of the auditor’s report as compared to an auditor’s report prepared in accordance with Canadian GAAS; and
 - (ii) indicates that an auditor’s report prepared in accordance with Canadian GAAS would express an unmodified opinion; or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer.

4.11 Acceptable Accounting Principles for Acquisition Statements —

- (1) Acquisition statements must be prepared in accordance with one of the following accounting principles:
 - (a) Canadian GAAP – Part V;
 - (b) U.S. GAAP;
 - (c) IFRS;

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- (d) accounting principles that meet the disclosure requirements for foreign private issuers, as that term is defined for the purposes of the 1934 Act, if:
 - (i) the issuer or the acquired business or business to be acquired is an SEC foreign issuer;
 - (ii) on the last day of the most recently completed financial year the total number of equity securities of the SEC foreign issuer beneficially owned by residents of Canada does not exceed 10%, on a fully-diluted basis, of the total number of equity securities of the SEC foreign issuer; and
 - (iii) the financial statements include any reconciliation to U.S. GAAP required by the SEC;
 - (e) accounting principles that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer or the acquired business or business to be acquired is subject, if the issuer or business is a designated foreign issuer;
 - (f) accounting principles that cover substantially the same core subject matter as Canadian GAAP – Part V, including recognition and measurement principles and disclosure requirements.
- (2) Acquisition statements must be prepared in accordance with the same accounting principles for all periods presented.
- (3) The notes to the acquisition statements must identify the accounting principles used to prepare the acquisition statements.
- (4) If acquisition statements are prepared using accounting principles that are different from the issuer's GAAP, the acquisition statements for the most recently completed financial year and interim period that are required to be filed must be reconciled to the issuer's GAAP and the notes to the acquisition statements must:
- (a) explain the material differences between the issuer's GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement, and presentation;
 - (b) quantify the effect of material differences between the issuer's GAAP and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the acquisition statements and net income computed in accordance with the issuer's GAAP; and
 - (c) provide disclosure consistent with the issuer's GAAP to the extent not already reflected in the acquisition statements.
- (5) Despite subsections (1) and (4), if the issuer is required to reconcile its financial statements to Canadian GAAP – Part V, the acquisition statements for the most recently completed financial year and interim period that are required to be filed must be:
- (a) prepared in accordance with Canadian GAAP – Part V; or

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(b) reconciled to Canadian GAAP – Part V and the notes to the acquisition statements must:

- (i) explain the material differences between Canadian GAAP – Part V and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement, and presentation;
- (ii) quantify the effect of material differences between Canadian GAAP – Part V and the accounting principles used to prepare the acquisition statements that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the acquisition statements and net income computed in accordance with Canadian GAAP – Part V; and
- (iii) provide disclosure consistent with disclosure requirements of Canadian GAAP – Part V to the extent not already reflected in the acquisition statements.

4.12 Acceptable Auditing Standards for Acquisition Statements —

(1) Acquisition statements that are required by securities legislation to be audited must be audited in accordance with one of the following auditing standards:

- (a) Canadian GAAS;
- (b) U.S. PCAOB GAAS;
- (c) U.S. AICPA GAAS, if the acquired business or business to be acquired is not an SEC issuer.

(2) Despite subsection (1), acquisition statements filed by or included in a prospectus of a foreign issuer may be audited in accordance with:

- (a) International Standards on Auditing, if the auditor's report is accompanied by a statement by the auditor that:
 - (i) describes any material differences in the form and content of the auditor's report as compared to an auditor's report prepared in accordance with Canadian GAAS; and
 - (ii) indicates that an auditor's report prepared in accordance with Canadian GAAS would express an unmodified opinion; or

(b) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, if the issuer is a designated foreign issuer.

(3) Acquisition statements must be accompanied by an auditor's report prepared in accordance with the same auditing standards used to conduct the audit and the auditor's report must identify the accounting principles used to prepare the acquisition statements.

(4) If acquisition statements are audited in accordance with paragraph (1)(a), the auditor's report must express an unmodified opinion.

(5) If acquisition statements are audited in accordance with paragraph (1)(b) or (c), the auditor's report must express an unqualified opinion.

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(6) Despite paragraph (2)(a) and subsections (4) and (5) an auditor's report that accompanies acquisition statements may express a qualification of opinion relating to inventory if:

- (a) the issuer includes in the business acquisition report, prospectus or other document containing the acquisition statements, a balance sheet for the acquired business or business to be acquired that is for a date that is subsequent to the date to which the qualification relates; and
- (b) the balance sheet referred to in paragraph (a) is accompanied by an auditor's report that does not express a qualification of opinion relating to closing inventory.

4.13 Financial Information for Acquisitions Accounted for by the Issuer Using the Equity Method —

(1) If an issuer files, or includes in a prospectus, summarized financial information as to the assets, liabilities and results of operations of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method, the financial information must:

- (a) meet the requirements in section 4.11 if the term "acquisition statements" in that section is read as "summarized financial information"; and
- (b) disclose the reporting currency for the financial information, and disclose the measurement currency if it is different than the reporting currency.

(2) If the financial information referred to in subsection (1) is for any completed financial year, the financial information must:

- (a) either:
 - (i) meet the requirements in section 4.12 if the term "acquisition statements" in that section is read as "summarized financial information"; or
 - (ii) be derived from financial statements that meet the requirements in section 4.12 if the term "acquisition statements" in that section is read as "financial statements from which is derived summarized financial information"; and
- (b) be audited, or derived from financial statements that are audited, by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.

4.14 Acceptable Accounting Principles for *Pro Forma* Financial Statements

(1) *Pro forma* financial statements must be prepared in accordance with the issuer's GAAP.

(2) Despite subsection (1), if an issuer's financial statements have been reconciled to Canadian GAAP – Part V under subsection 4.7(1) or paragraph 4.9(e), the issuer's *pro forma* financial statements must be prepared in accordance with, or reconciled to, Canadian GAAP – Part V.

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(3) Despite subsection (1), if an issuer's financial statements have been prepared in accordance with the accounting principles referred to in paragraph 4.9(c) and those financial statements are reconciled to U.S. GAAP, the *pro forma* financial statements may be prepared in accordance with, or reconciled to, U.S. GAAP.

4.15 Acceptable Accounting Principles for Foreign Registrants —

(1) Despite subsection 4.2(2), and subject to subsection (2), financial statements delivered by a foreign registrant may be prepared in accordance with one of the following accounting principles:

- (a) U.S. GAAP;
- (b) IFRS;
- (c) accounting principles that meet the disclosure requirements of a foreign regulatory authority to which the registrant is subject, if it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction;
- (d) accounting principles that cover substantially the same core subject matter as Canadian GAAP – Part V, including recognition and measurement principles and disclosure requirements, if the notes to the financial statements, interim balance sheets, or interim income statements:
 - (i) explain the material differences between Canadian GAAP – Part V and the accounting principles used that relate to recognition, measurement and presentation;
 - (ii) quantify the effect of material differences between Canadian GAAP – Part V and the accounting principles used that relate to recognition, measurement, and presentation; and
 - (iii) provide disclosure consistent with disclosure requirements of Canadian GAAP – Part V to the extent not already reflected in the financial statements, interim balance sheets or interim income statements.

(2) Financial statements, interim balance sheets, and interim income statements delivered by a foreign registrant prepared in accordance with accounting principles specified in paragraph (1)(a), (b) or (d) must be prepared on a non-consolidated basis.

4.16 Acceptable Auditing Standards for Foreign Registrants — Despite section 4.3, financial statements delivered by a foreign registrant that are required by securities legislation to be audited may, if the financial statements are accompanied by an auditor's report prepared in accordance with the same auditing standards used to conduct the audit and the auditor's report identifies the accounting principles used to prepare the financial statements, be audited in accordance with:

- (a) U.S. PCAOB GAAS or U.S. AICPA GAAS if the auditor's report expresses an unqualified opinion;

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- (b) International Standards on Auditing, if the auditor's report is accompanied by a statement by the auditor that:
 - (i) describes any material differences in the form and content of the auditor's report as compared to an auditor's report prepared in accordance with Canadian GAAS; and
 - (ii) indicates that an auditor's report prepared in accordance with Canadian GAAS would express an unmodified opinion; or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the registrant is subject, if it is a foreign registrant incorporated or organized under the laws of that designated foreign jurisdiction.

PART 5: EXEMPTIONS

5.1 Exemptions —

- (1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 Definitions opposite the name of the local jurisdiction.

5.2 Certain Exemptions Evidenced by Receipt —

- (1) Subject to subsections (2) and (3), without limiting the manner in which an exemption may be evidenced, an exemption from this Instrument as it pertains to financial statements or auditor's reports included in a prospectus, may be evidenced by the issuance of a receipt for the prospectus or an amendment to the prospectus.
- (2) A person or company must not rely on a receipt as evidence of an exemption unless the person or company:
 - (a) sent to the regulator or securities regulatory authority, on or before the date the preliminary prospectus or the amendment to the preliminary prospectus or prospectus was filed, a letter or memorandum describing the matters relating to the exemption application, and indicating why consideration should be given to the granting of the exemption; or
 - (b) sent to the regulator or securities regulatory authority the letter or memorandum referred to in paragraph (a) after the date of the preliminary prospectus or the amendment to the preliminary prospectus or prospectus has been filed and receives a written acknowledgement from the securities regulatory authority or regulator that issuance of the receipt is evidence that the exemption is granted.
- (3) A person or company must not rely on a receipt as evidence of an exemption if the regulator or securities regulatory authority has before, or concurrently with, the issuance of the receipt for the prospectus, sent notice to the person or company that the issuance of a receipt does not evidence the granting of the exemption.
- (4) For the purpose of this section, a reference to a prospectus does not include a preliminary prospectus.

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5.3 Financial Years ending between December 21 and 31, 2010 — Despite subsections 3.1(2) and 4.1(2), Part 3 may be applied by an issuer or registrant to all financial statements, financial information, operating statements and *pro forma* financial statements for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010.

5.4 Rate-Regulated Activities —

- (1) Despite subsections 3.1(2) and 4.1(2):
 - (a) Part 3 may be applied by a qualifying entity to all financial statements, financial information, operating statements and *pro forma* financial statements as if the expression “January 1, 2011” in subsection 3.1(2) were read as “January 1, 2012”; and
 - (b) if the qualifying entity relies on paragraph (a) in respect of a period, Part 4 must be applied as if the expression “January 1, 2011” in subsection 4.1(2) were read as “January 1, 2012”.
- (2) For the purposes of subsection (1), a “qualifying entity” means a person or company that:
 - (a) has activities subject to rate regulation, as defined in Part V of the Handbook; and
 - (b) is permitted under Canadian GAAP to apply Part V of the Handbook.

PART 6: REPEAL, TRANSITION AND EFFECTIVE DATE

6.1 Repeal — National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, which came into force on March 30, 2004, is repealed.

6.2 Effective Date — This Instrument comes into force on January 1, 2011.

6.3 Existing Exemptions — A person or company that has obtained an exemption from National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, in whole or in part, is exempt from any substantially similar provision of this Instrument to the same extent and on the same conditions, if any, as contained in the exemption, unless the regulator or securities regulatory authority has revoked that exemption.

8 Jly 2011 SR 41/2011 s18; 17 May 2013 SR
32/2013 s9; 27 Feb 2015 SR 9/2015 s17; 8 May
2015 SR 43/2015 s7; 29 Apr 2016 SR 34/2016 s4.

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PART XXXVIII
[*clause 2(l)*]

NATIONAL INSTRUMENT 71-102
CONTINUOUS DISCLOSURE AND OTHER EXEMPTIONS
RELATING TO FOREIGN ISSUERS

PART 1 DEFINITIONS AND INTERPRETATION

1.1 **Definitions and Interpretation** – In this Instrument:

“**AIF**” means a completed Form 51-102F2 *Annual Information Form* or, in the case of an SEC foreign issuer, a completed Form 51-102F2 or an annual report or transition report under the 1934 Act on Form 10-K, or Form 20-F;

“**business acquisition report**” means a completed Form 51-102F4 *Business Acquisition Report*;

“**class**” includes a series of a class;

“**convertible security**” means a security of an issuer that is convertible into, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of the same issuer;

“**designated foreign issuer**” means a foreign reporting issuer:

- (a) that does not have a class of securities registered under section 12 of the 1934 Act and is not required to file reports under section 15(d) of the 1934 Act;
- (b) that is subject to foreign disclosure requirements in a designated foreign jurisdiction; and
- (c) for which the total number of equity securities owned, directly or indirectly, by residents of Canada does not exceed 10 per cent, on a fully-diluted basis, of the total number of equity securities of the issuer, calculated in accordance with sections 1.2 and 1.3;

“**designated foreign jurisdiction**” means Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland or the United Kingdom of Great Britain and Northern Ireland;

“**exchangeable security**” means a security of an issuer that is exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a security of another issuer;

“**exchange-traded security**” means a security that is listed on a recognized exchange or is quoted on a recognized quotation and trade reporting system or is listed on an exchange or quoted on a quotation and trade reporting system that is recognized for the purposes of National Instrument 21-101 *Marketplace Operation* and National Instrument 23-101 *Trading Rules*;

“**executive officer**” means, for a reporting issuer, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the issuer;

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“financial statements” has the same meaning as in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*;

“foreign disclosure requirements” means the requirements to which a foreign reporting issuer is subject concerning the disclosure made to the public, to securityholders of the issuer or to a foreign regulatory authority:

- (a) relating to the foreign reporting issuer and the trading in its securities; and
- (b) that is made publicly available in the foreign jurisdiction under:
 - (i) the securities laws of the foreign jurisdiction in which the principal trading market of the foreign reporting issuer is located; or
 - (ii) the rules of the marketplace that is the principal trading market of the foreign reporting issuer;

“foreign regulatory authority” means a securities commission, exchange or other securities market regulatory authority in a designated foreign jurisdiction;

“foreign reporting issuer” means a reporting issuer, other than an investment fund, that is incorporated or organized under the laws of a foreign jurisdiction, unless:

- (a) outstanding voting securities carrying more than 50 per cent of the votes for the election of directors are owned, directly or indirectly, by residents of Canada; and
- (b) any one or more of the following is true:
 - (i) the majority of the executive officers or directors of the issuer are residents of Canada;
 - (ii) more than 50 per cent of the consolidated assets of the issuer are located in Canada; or
 - (iii) the business of the issuer is administered principally in Canada;

“inter-dealer bond broker” means a person or company that is approved by the Investment Industry Regulatory Organization of Canada under its Rule 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its Rule 36 and its Rule 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;

“interim period” means:

- (a) in the case of a year other than a non-standard year or a transition year, a period commencing on the first day of the financial year and ending nine, six or three months before the end of the financial year;
- (a.1) in the case of a non-standard year, a period commencing on the first day of the financial year and ending within 22 days of the date that is nine, six or three months before the end of the financial year; or
- (b) in the case of a transition year, a period commencing on the first day of the transition year and ending:
 - (i) three, six, nine or twelve months, if applicable, after the end of the old financial year; or
 - (ii) twelve, nine, six or three months, if applicable, before the end of the transition year;

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“marketplace” has the same meaning as in National Instrument 21-101 Marketplace Operation;

“MD&A” means a completed Form 51-102F1 *Management’s Discussion & Analysis* or, in the case of an SEC foreign issuer, a completed Form 51-102F1 or management’s discussion and analysis prepared in accordance with Item 303 of Regulation S-K under the 1934 Act;

“multiple convertible security” means a security of an issuer that is convertible into, or exchangeable for, or carries the right of the holder to acquire, or of the issuer to cause the acquisition of, a convertible security, an exchangeable security or another multiple convertible security;

“Nasdaq” means Nasdaq National Market and Nasdaq SmallCap Market;

“NI 52-107” means National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“non-standard year” means a financial year, other than a transition year, that does not have 365 days, or 366 days if it includes February 29;

“old financial year” means the financial year of a reporting issuer that immediately precedes its transition year;

“principal trading market” means the published market on which the largest trading volume in the equity securities of the issuer occurred during the issuer’s most recent financial year that ended before the date the determination is being made;

“published market” means, for a class of securities, a marketplace on which the securities have traded that discloses regularly in a publication of general and regular paid circulation or in a form that is broadly distributed by electronic means the prices at which those securities have traded;

“recognized exchange” means:

- (a) in Ontario, an exchange recognized by the securities regulatory authority to carry on business as a stock exchange;
- (a.1) in Québec, a person or company authorized by the securities regulatory authority to carry on business as an exchange; and
- (b) in every other jurisdiction, an exchange recognized by the securities regulatory authority as an exchange, self-regulatory organization or self-regulatory body;

“recognized quotation and trade reporting system” means:

- (a) in every jurisdiction other than British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation to carry on business as a quotation and trade reporting system; and
- (b) in British Columbia, a quotation and trade reporting system recognized by the securities regulatory authority under securities legislation as a quotation and trade reporting system or as an exchange;

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“SEC foreign issuer” means a foreign reporting issuer that:

- (a) has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act; and
- (b) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America, as amended;

“transition year” means the financial year of a reporting issuer in which the issuer changes its financial year-end;

“TSX” means the Toronto Stock Exchange;

“underlying security” means a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security;

“U.S. market” means an exchange in the United States of America or Nasdaq; and

“U.S. market requirements” means the requirements of the U.S. market on which the reporting issuer’s securities are listed or quoted.

1.2 Determination of Canadian Shareholders

(1) For the purposes of section 4.14 and paragraph (c) of the definition of “designated foreign issuer”, a reference to equity securities owned, directly or indirectly, by residents of Canada, includes:

- (a) the underlying securities that are equity securities of the foreign reporting issuer; and
- (b) the equity securities of the foreign reporting issuer represented by an American depositary receipt or an American depositary share issued by a depositary holding equity securities of the foreign reporting issuer.

(2) For the purposes of paragraph (a) of the definition of “foreign reporting issuer”, securities represented by American depositary receipts or American depositary shares issued by a depositary holding voting securities of the foreign reporting issuer must be included as outstanding in determining both the number of votes attached to securities owned, directly or indirectly, by residents of Canada and the number of votes attached to all of the issuer’s outstanding voting securities.

1.3 Timing for Calculation of Designated Foreign Issuer and Foreign Reporting Issuer

For the purposes of paragraph (c) of the definition of “designated foreign issuer”, paragraph (a) of the definition of “foreign reporting issuer” and section 4.14, the calculation is made:

- (a) if the issuer has not completed a financial year since becoming a reporting issuer, at the date that the issuer became a reporting issuer; and
- (b) or all other issuers:
 - (i) for the purpose of financial statement and MD&A filings under this Instrument, on the first day of the most recent financial year or year-to-date interim period for which financial performance is presented in the financial statements or MD&A; and

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- (ii) for the purpose of other continuous disclosure filing obligations under this Instrument, on the first day of the issuer's current financial year.

PART 2 LANGUAGE OF DOCUMENTS

2.1 French or English

- (1) A person or company must file a document required to be filed under this Instrument in either French or English.
- (2) Notwithstanding subsection (1), if a person or company files a document only in French or only in English but delivers to securityholders of an issuer a version of the document in the other language, the person or company must file that other version not later than when it is first delivered to securityholders.
- (3) In Québec, a reporting issuer must comply with linguistic obligations and rights prescribed by Québec law.

2.2 Filings Prepared in a Language other than French or English

- (1) If a person or company files a document that is required to be filed under this Instrument that is a translation of a document prepared in a language other than French or English, the person or company must file the document upon which the translation was based.
- (2) A foreign reporting issuer filing a document upon which the translation was based under subsection (1) must attach to the document a certificate as to the accuracy of the translation.

PART 3 FILING AND SENDING OF DOCUMENTS

3.1 Timing of Filing of Documents

A person or company filing a document under this Instrument must file the document at the same time as, or as soon as practicable after, the filing or furnishing of the document to the SEC or to a foreign regulatory authority.

3.2 Sending of Documents to Canadian Securityholders

If a person or company sends a document to holders of securities of any class under U.S. federal securities law, or the laws or requirements of a designated foreign jurisdiction, and that document is required to be filed under this Instrument, then the document must be sent in the same manner and at the same time, or as soon as practicable after, to holders of securities of that class in the local jurisdiction.

PART 4 SEC FOREIGN ISSUERS

4.1 Amendments and Supplements

Any amendments or supplements to disclosure documents filed by an SEC foreign issuer under this Instrument must also be filed.

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4.2 Material Change Reporting

An SEC foreign issuer satisfies securities legislation requirements relating to disclosure of material changes if the issuer:

- (a) complies with the U.S. market requirements for making public disclosure of material information on a timely basis;
- (b) complies with foreign disclosure requirements for making public disclosure of material information on a timely basis, if securities of the issuer are not listed or quoted on a U.S. market;
- (c) promptly files each news release issued by it for the purpose of complying with the requirements referred to in paragraph (a) or (b);
- (d) complies with the requirements of U.S. federal securities law for filing or furnishing current reports to the SEC; and
- (e) files the current reports filed with or furnished to the SEC.

4.3 Financial Statements

An SEC foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of financial statements and auditor's reports on annual financial statements if it:

- (a) complies with the requirements of U.S. federal securities law relating to financial statements and auditor's reports on annual financial statements;
- (b) complies with the U.S. market requirements relating to financial statements, if securities of the issuer are listed or quoted on a U.S. market;
- (c) files the financial statements and auditor's reports on annual financial statements required to be filed with or furnished to the SEC or a U.S. market;
- (d) complies with section 3.2 of this Instrument;
- (e) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (c); and
- (f) complies with NI 52-108 *Auditor Oversight*.

4.4 AIFs and MD&A

An SEC foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of AIFs and MD&A if it:

- (a) complies with the requirements of U.S. federal securities law relating to annual reports, quarterly reports, current reports and management's discussion and analysis;
- (b) files each annual report, quarterly report, current report and management's discussion and analysis filed with or furnished to the SEC;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).

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4.5 Business Acquisition Reports

An SEC foreign issuer satisfies securities legislation requirements relating to the preparation and filing of business acquisition reports if it:

- (a) complies with the requirements of U.S. federal securities law relating to business acquisition reports;
- (b) files each business acquisition report filed with or furnished to the SEC;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements that are included in any documents specified in paragraph (b).

4.6 Proxies and Proxy Solicitation by the Issuer and Information Circulars

An SEC foreign issuer satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation if it:

- (a) complies with the requirements of U.S. federal securities law relating to proxy statements, proxies and proxy solicitation;
- (b) files all material relating to a meeting of securityholders that is filed with or furnished to the SEC;
- (c) sends each document filed under paragraph (b) to securityholders in the local jurisdiction in the manner and at the time required by U.S. federal securities laws and U.S. market requirements; and
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).

4.7 Proxy Solicitation by Another Person or Company

(1) A person or company, other than the SEC foreign issuer, satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation with respect to an SEC foreign issuer if the person or company complies with the requirements of subsection 4.6.

(2) If a proxy solicitation is made with respect to an SEC foreign issuer by a person or company other than the SEC foreign issuer and the person or company soliciting proxies lacks access to the relevant list of securityholders of the SEC foreign issuer, subsection (1) is not available, if:

- (a) the aggregate published trading volume of the class on the TSX, Aequitas NEO Exchange Inc., the Canadian Securities Exchange and the TSX Venture Exchange exceeded the aggregate published trading volume of the class on all U.S. markets:
 - (i) for the 12 calendar month period before commencement of the proxy solicitation, if there is no other proxy solicitation for securities of the same class in progress; or
 - (ii) for the 12 calendar month period before commencement of the first proxy solicitation, if another proxy solicitation for securities of the same class is already in progress;

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(b) the information disclosed by the SEC foreign issuer in its most recent Form 10-K or Form 20-F filed with the SEC under the 1934 Act demonstrated that paragraph (a) of the definition of “foreign reporting issuer” applied to the SEC foreign issuer; or

(c) the person or company soliciting proxies reasonably believes that paragraph (a) of the definition of “foreign reporting issuer” applies to the SEC foreign issuer.

4.8 Disclosure of Voting Results

An SEC foreign issuer satisfies securities legislation requirements relating to disclosure of securityholder voting results if the issuer:

(a) complies with the requirements of U.S. federal securities law relating to disclosure of securityholder voting results; and

(b) files a copy of all disclosure of securityholder voting results filed with or furnished to the SEC.

4.9 Filing of Certain News Releases

An SEC foreign issuer satisfies securities legislation requirements relating to the filing of news releases that disclose information regarding its financial performance or financial condition if the issuer:

(a) complies with the requirements of U.S. federal securities laws relating to the filing of news releases disclosing financial information; and

(b) files a copy of each news release disclosing financial information that is filed with or furnished to the SEC.

4.10 Filing of Certain Documents

Securities legislation requirements relating to the filing of documents affecting the rights of securityholders and the filing of material contracts do not apply to an SEC foreign issuer.

4.11 Early Warning

A person or company satisfies the early warning requirements and acquisition announcement provisions of securities legislation in respect of securities of an SEC foreign issuer that has a class of securities registered under section 12 of the 1934 Act if the person or company:

(a) complies with the requirements of U.S. federal securities law relating to the reporting of beneficial ownership of equity securities of the SEC foreign issuer; and

(b) files each report of beneficial ownership that is filed with or furnished to the SEC.

4.12 Insider Reporting

The insider reporting requirement does not apply to an insider of an SEC foreign issuer that has a class of securities registered under section 12 of the 1934 Act if the insider complies with the requirements of U.S. federal securities law relating to insider reporting.

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4.13 Communication with Beneficial Owners of Securities

An SEC foreign issuer that has a class of securities registered under section 12 of the 1934 Act satisfies securities legislation requirements relating to communications with, delivery of materials to and conferring voting rights upon non-registered holders of its securities who hold their interests in the securities through one or more intermediaries if the issuer:

- (a) complies with the requirements of Rule 14a-13 under the 1934 Act for any depositary and any intermediary whose last address as shown on the books of the issuer is in Canada; and
- (b) complies with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* with respect to fees payable to intermediaries, for any depositary and any intermediary whose last address as shown on the books of the issuer is in Canada.

4.14 Business Combinations and Related Party Transactions

Securities legislation requirements relating to business combinations and related party transactions in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* do not apply to an SEC foreign issuer carrying out a business combination or related party transaction if the total number of equity securities of the SEC foreign issuer owned, directly or indirectly, by residents of Canada, does not exceed 20 per cent, on a diluted basis, of the total number of equity securities of the SEC foreign issuer.

4.15 Change of Auditor

An SEC foreign issuer satisfies securities legislation requirements relating to a change of auditor if the issuer:

- (a) complies with the requirements of U.S. federal securities laws relating to a change of auditor; and
- (b) files a copy of all materials relating to a change of auditor that are filed with or furnished to the SEC.

4.16 Restricted Securities

- (1) Securities legislation continuous disclosure requirements relating to restricted securities do not apply in respect of SEC foreign issuers.
- (2) Securities legislation minority approval requirements relating to restricted securities do not apply in respect of SEC foreign issuers.

PART 5 DESIGNATED FOREIGN ISSUERS

5.1 Amendments and Supplements

Any amendments or supplements to disclosure documents filed by a designated foreign issuer under this Instrument must also be filed.

5.2 Mandatory Annual Disclosure by Designated Foreign Issuer

To rely on this Part, a designated foreign issuer must, at least once a year, disclose in, or as an appendix to, a document that it is required by foreign disclosure requirements to send to its securityholders and that it sends to its securityholders in Canada:

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- (a) that it is a designated foreign issuer as defined in this Instrument;
- (b) that it is subject to the foreign regulatory requirements of a foreign regulatory authority; and
- (c) the name of the foreign regulatory authority referred to in paragraph (b).

5.3 Material Change Reporting

A designated foreign issuer satisfies securities legislation requirements relating to disclosure of material changes if the issuer:

- (a) complies with foreign disclosure requirements for making public disclosure of material information on a timely basis;
- (b) promptly files each news release issued by it for the purpose of complying with the requirements referred to in paragraph (a); and
- (c) files the documents disclosing the material information filed with or furnished to the foreign regulatory authority or disseminated to the public or securityholders of the issuer.

5.4 Financial Statements

A designated foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of financial statements and auditor's reports on annual financial statements if it:

- (a) complies with the foreign disclosure requirements relating to financial statements and auditor's reports on annual financial statements;
- (b) files the financial statements and auditor's reports on annual financial statements required to be filed with or furnished to the foreign regulatory authority;
- (c) complies with section 3.2 of this Instrument;
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b); and
- (e) complies with NI 52-108 *Auditor Oversight*.

5.5 AIFs & MD&A

A designated foreign issuer satisfies securities legislation requirements relating to the preparation, approval, filing and delivery of AIFs and MD&A if it:

- (a) complies with the foreign disclosure requirements relating to annual reports, quarterly reports and management's discussion and analysis;
- (b) files each annual report, quarterly report and management's discussion and analysis required to be filed with or furnished to the foreign regulatory authority;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).

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5.6 Business Acquisition Reports

A designated foreign issuer satisfies securities legislation requirements relating to the preparation and filing of business acquisition reports if it:

- (a) complies with the foreign disclosure requirements relating to business acquisitions;
- (b) files each report in respect of a business acquisition required to be filed with or furnished to the foreign regulatory authority;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements that are included in any documents specified in paragraph (b).

5.7 Proxies and Proxy Solicitation by the Issuer and Information Circulars

A designated foreign issuer satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation if it:

- (a) complies with the foreign disclosure requirements relating to proxy statements, proxies and proxy solicitation;
- (b) files all material relating to a meeting of securityholders that is filed with or furnished to the foreign regulatory authority;
- (c) complies with section 3.2 of this Instrument; and
- (d) complies with NI 52-107 as it relates to financial statements of the issuer that are included in any documents specified in paragraph (b).

5.8 Proxy Solicitation by Another Person or Company

(1) A person or company, other than the designated foreign issuer, satisfies securities legislation requirements relating to information circulars, proxies and proxy solicitation with respect to a designated foreign issuer if the person or company satisfies the requirements of section 5.7.

(2) If a proxy solicitation is made with respect to a designated foreign issuer by a person or company other than the designated foreign issuer and the person or company soliciting proxies lacks access to the relevant list of securityholders of the designated foreign issuer, subsection (1) is not available, if:

- (a) the aggregate published trading volume of the class on the TSX, Aequitas NEO Exchange Inc., the Canadian Securities Exchange and the TSX Venture Exchange exceeded the aggregate trading volume on securities marketplaces outside Canada:
 - (i) for the 12 calendar months before commencement of the proxy solicitation, if there is no other proxy solicitation for securities of the same class in progress; or
 - (ii) for the 12 calendar month period before the commencement of the first proxy solicitation, if another proxy solicitation for securities of the same class is already in progress;
- (b) the information disclosed by the designated foreign issuer in a document filed within the previous 12 months with a foreign regulatory authority, demonstrated that paragraph (a) of the definition of “foreign reporting issuer” applied to the designated foreign issuer; or

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- (c) the person or company soliciting proxies reasonably believes that paragraph (a) of the definition of “foreign reporting issuer” applies to the designated foreign issuer.

5.9 Disclosure of Voting Results

A designated foreign issuer satisfies securities legislation requirements relating to disclosure of securityholder voting results if the issuer:

- (a) complies with the foreign disclosure requirements relating to disclosure of securityholder voting results; and
- (b) files each report disclosing securityholder voting results that is filed with or furnished to a foreign regulatory authority.

5.10 Filing of Certain News Releases

A designated foreign issuer satisfies securities legislation requirements relating to the filing of news releases that disclose information regarding its financial performance or financial condition if the issuer:

- (a) complies with the foreign disclosure requirements relating to the filing of news releases disclosing financial information; and
- (b) files a copy of each news release disclosing financial information that is filed with or furnished to a foreign regulatory authority.

5.11 Filing of Certain Documents

Securities legislation requirements relating to the filing of documents affecting the rights of securityholders and the filing of material contracts do not apply to a designated foreign issuer.

5.12 Early Warning

A person or company satisfies the early warning requirements and acquisition announcement provisions of securities legislation in respect of securities of a designated foreign issuer if the person or company:

- (a) complies with the foreign disclosure requirements relating to reporting of beneficial ownership of equity securities of the designated foreign issuer; and
- (b) files each report of beneficial ownership that is filed with or furnished to the foreign regulatory authority.

5.13 Insider Reporting

The insider reporting requirement does not apply to an insider of a designated foreign issuer if the insider complies with foreign disclosure requirements relating to insider reporting.

5.14 Communication with Beneficial Owners of Securities

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A designated foreign issuer satisfies securities legislation requirements relating to communications with, delivery of materials to and conferring voting rights upon non-registered holders of its securities who hold their interests in the securities through one or more intermediaries if the issuer:

- (a) complies with foreign disclosure requirements relating to communication with beneficial owners of securities; and
- (b) complies with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* with respect to fees payable to intermediaries, for any depository and any intermediary whose last address as shown on the books of the issuer is in Canada.

5.15 Business Combinations and Related Party Transactions

Securities legislation requirements relating to business combinations and related party transactions in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions do not apply to a designated foreign issuer carrying out a business combination or related party transaction.

5.16 Change in Year-End

A designated foreign issuer satisfies securities legislation requirements relating to a change in year-end if the issuer:

- (a) complies with foreign disclosure requirements relating to a change in year-end; and
- (b) files a copy of all filings made under foreign disclosure requirements relating to the change in year-end.

5.17 Change of Auditor

A designated foreign issuer satisfies securities legislation requirements relating to a change of auditor if the issuer:

- (a) complies with foreign disclosure requirements relating to a change of auditor; and
- (b) files a copy of all filings made under foreign disclosure requirements relating to the change of auditor.

5.18 Restricted Securities

- (1) Securities legislation continuous disclosure requirements relating to restricted securities do not apply in respect of designated foreign issuers.
- (2) Securities legislation minority approval requirements relating to restricted securities do not apply in respect of designated foreign issuers.

PART 6 Repealed. 8 Jly 2011 SR 41/2011 s19.

PART 7 EFFECTIVE DATE

7.1 Effective Date

This Instrument comes into force on March 30, 2004.

16 Apr 2004 SR 14/2004 s12; 10 Jne 2005
SR49/2005 s10; 5 Jan 2007 SR 115/2006 s6; 11
Jan 2008 SR 128/2007 s7; 8 Jly 2011 SR 41/2011
s19; 15 Aug 2014 SR 71/2014 s6; 27 Feb 2015 SR
9/2015 s17; 4 Dec 2015 SR 104/2015 s9.

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PART XXXIX
[*clause 2(mm)*]

NATIONAL INSTRUMENT 31-101
NATIONAL REGISTRATION SYSTEM

Repealed. 2 Oct 2009 SR 81/2009 s11.

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PART XL
[clause 2(nn)]

NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

PART I DEFINITIONS AND APPLICATIONS

1.1 Definitions - In this Instrument:

“annual management report of fund performance” means a document prepared in accordance with Part B of Form 81-106F1;

“current value” means, for an asset held by, or a liability of, an investment fund, the value calculated in accordance with Canadian GAAP;

“education savings plan” means an agreement between one or more persons and another person or organization, in which the other person or organization agrees to pay or cause to be paid, to or for one or more beneficiaries designated in connection with the agreement, scholarship awards;

“EVCC” means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;

“financial statements” includes interim financial reports;

“independent review committee” means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*;

“independent valuation” means a valuation of the assets and liabilities, or of the venture investments, of a labour sponsored or venture capital fund that contains the opinion of an independent valuator as to the current value of the assets and liabilities, or of the venture investments, and that is prepared in accordance with Part 8;

“independent valuator” means a valuator that is independent of the labour sponsored or venture capital fund and that has appropriate qualifications;

“interim management report of fund performance” means a document prepared in accordance with Part C of Form 81-106F1;

“interim period” means, in relation to an investment fund:

- (a) a period of at least three months that ends six months before the end of a financial year of the investment fund; or
- (b) in the case of a transition year of the investment fund, a period commencing on the first day of the transition year and ending six months after the end of its old financial year;

“investment fund” means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

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“labour sponsored or venture capital fund” means an investment fund that is:

- (a) a labour sponsored investment fund corporation or a labour sponsored venture capital corporation under provincial legislation;
- (b) a registered or prescribed labour sponsored venture capital corporation as defined in the ITA;
- (c) an EVCC; or
- (d) a VCC;

“management expense ratio” means the ratio, expressed as a percentage, of the expenses of an investment fund to its average net asset value, calculated in accordance with Part 15;

“management fees” means the total fees paid or payable by an investment fund to its manager or one or more portfolio advisers or sub-advisers, including incentive or performance fees, but excluding operating expenses of the investment fund;

“management report of fund performance” means an annual management report of fund performance or an interim management report of fund performance;

“material change” means, in relation to an investment fund:

- (a) a change in the business, operations or affairs of the investment fund that would be considered important by a reasonable investor in determining whether to purchase or continue to hold securities of the investment fund; or
- (b) a decision to implement a change referred to in paragraph (a) made:
 - (i) by the board of directors of the investment fund or the board of directors of the manager of the investment fund or other persons acting in a similar capacity;
 - (ii) by senior management of the investment fund who believe that confirmation of the decision by the board of directors or such other persons acting in a similar capacity is probable; or
 - (iii) by senior management of the manager of the investment fund who believe that confirmation of the decision by the board of directors of the manager or such other persons acting in a similar capacity is probable;

“material contract” means, for an investment fund, a document that the investment fund would be required to list in an annual information form under Item 16 of Form 81-101F2 if the investment fund filed a simplified prospectus under National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;

“mutual fund in the jurisdiction” means an incorporated or unincorporated mutual fund that is a reporting issuer in, or that is organized under the laws of, the local jurisdiction, but does not include a private mutual fund;

“National Instrument 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“National Instrument 81-107” means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

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“net asset value” means the value of the total assets of the investment fund less the value of the total liabilities, other than net assets attributable to securityholders, of the investment fund, as at a specific date, determined in accordance with Part 14;

“non-redeemable investment fund” means an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders;
- (b) that does not invest:
 - (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
 - (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
- (c) that is not a mutual fund;

“publicly accountable enterprise” means a publicly accountable enterprise as defined in the Handbook;

“quarterly portfolio disclosure” means the disclosure prepared in accordance with Part 6;

“scholarship award” means any amount, other than a refund of contributions, that is paid or payable directly or indirectly to further the education of a beneficiary designated under an education savings plan;

“scholarship plan” means an arrangement under which contributions to education savings plans are pooled to provide scholarship awards to designated beneficiaries;

“statement of changes in financial position” means a statement of changes in equity or a statement of changes in net assets attributable to securityholders;

“transition year” means the financial year of an investment fund in which a change of year end occurs;

“VCC” means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments; and

“venture investment” means an investment in a private company or an investment made in accordance with the requirements of provincial labour sponsored or venture capital fund legislation or the ITA.

1.2 Application

- (1) Except as otherwise provided in this Instrument, this Instrument applies to:
 - (a) an investment fund that is a reporting issuer; and
 - (b) subject to subsection (2), a mutual fund in the jurisdiction.
- (2) Despite paragraph (1)(b), in Alberta, British Columbia, Manitoba and Newfoundland and Labrador, this Instrument does not apply to a mutual fund that is not a reporting issuer.

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- (3) **Repealed.** 12 Sep 2014 SR 77/2014 s13.
- (4) In Québec, this Instrument does not apply to a reporting issuer organized under:
- (a) an Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) R.S.Q., chapter F-3.2.1;
 - (b) an Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (R.S.Q., chapter F-3.1.2); or
 - (c) an Act constituting Capital régional et coopératif Desjardins, Loi constituant Capital régional et coopératif Desjardins (R.S.Q., chapter C-6.1).

1.3 Interpretation

- (1) Each section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio of assets is considered to be a separate investment fund for the purposes of this Instrument.
- (2) Terms defined in National Instrument 81-102 *Investment Funds* and used in this Instrument have the respective meanings ascribed to them in that Instrument.
- (3) Terms defined in National Instrument 81-104 *Commodity Pools* or National Instrument 81-105 *Mutual Fund Sales Practices* and used in this Instrument have the respective meanings ascribed to them in those Instruments except that references in those definitions to 'mutual fund' must be read as references to "investment fund".

1.4 Language of Documents

- (1) A document that is required to be filed under this Instrument must be prepared in French or English.
- (2) If an investment fund files a document in French or in English, and a translation of the document into the other language is sent to a securityholder, the investment fund must file the translated document not later than when it is sent to the securityholder.
- (3) In Québec, the linguistic obligations and rights prescribed by Québec law must be complied with.

PART 2 FINANCIAL STATEMENTS

2.1 Comparative Annual Financial Statements and Auditor's Report

- (1) An investment fund must file annual financial statements for the investment fund's most recently completed financial year that include:
 - (a) a statement of financial position as at the end of that financial year and a statement of financial position as at the end of the immediately preceding financial year;
 - (b) a statement of comprehensive income for that financial year and a statement of comprehensive income for the immediately preceding financial year;

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- (c) statement of changes in financial position for that financial year and a statement of changes in financial position for the immediately preceding financial year;
- (d) for financial years beginning on or after January 1, 2014, a statement of cash flows for that financial year and a statement of cash flows for the immediately preceding financial year;
- (e) a statement of investment portfolio as at the end of that financial year;
- (f) a statement of financial position as at the beginning of the immediately preceding financial year if the investment fund discloses in its annual financial statements an unreserved statement of compliance with IFRS and the investment fund:
 - (i) applies an accounting policy retrospectively in its annual financial statements;
 - (ii) makes a retrospective restatement of items in its annual financial statements; or
 - (iii) reclassifies items in its annual financial statements; and
- (g) notes to the annual financial statement.

(2) Annual financial statements filed under subsection (1) must be accompanied by an auditor's report.

2.2 Filing Deadline for Annual Financial Statements - The annual financial statements and auditor's report required to be filed under section 2.1 must be filed on or before the 90th day after the investment fund's most recently completed financial year.

2.3 Interim Financial Report - An investment fund must file an interim financial report for the investment fund's most recently completed interim period that includes:

- (a) a statement of financial position as at the end of that interim period and a statement of financial position as at the end of the immediately preceding financial year;
- (b) a statement of comprehensive income for that interim period and a statement of comprehensive income for the corresponding period in the immediately preceding financial year;
- (c) a statement of changes in financial position for that interim period and a statement of changes in financial position for the corresponding period in the immediately preceding financial year;
- (d) for financial years beginning on or after January 1, 2014, a statement of cash flows for that interim period and a statement of cash flows for the corresponding period in the immediately preceding financial year;
- (e) a statement of investment portfolio as at the end of that interim period;

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(f) a statement of financial position as at the beginning of the immediately preceding financial year if the investment fund discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting* and the investment fund:

- (i) applies an accounting policy retrospectively in its interim financial report;
 - (ii) makes a retrospective restatement of items in its interim financial report; or
 - (iii) reclassifies items in its interim financial report; and
- (g) notes to the interim financial report.

2.4 Filing Deadline for Interim Financial Report - The interim financial report required to be filed under section 2.3 must be filed on or before the 60th day after the end of the most recent interim period of the investment fund.

2.5 Approval of Financial Statements

(1) The board of directors of an investment fund that is a corporation must approve the financial statements of the investment fund before those financial statements are filed or made available to securityholders or potential purchasers of securities of the investment fund.

(2) The trustee or trustees of an investment fund that is a trust, or another person or company authorized to do so by the constating documents of the investment fund, must approve the financial statements of the investment fund, before those financial statements are filed or made available to securityholders or potential purchasers of securities of the investment fund.

2.6 Acceptable Accounting Principles

(1) For financial years beginning before January 1, 2014, the financial statements of an investment fund must be prepared in accordance with Canadian GAAP applicable to public enterprises.

(2) For financial years beginning on or after January 1, 2014, the financial statements of an investment fund must be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises.

(3) Financial statements must be prepared in accordance with the same accounting principles for all periods presented in the financial statements.

2.7 Acceptable Auditing Standards

(1) Financial statements that are required to be audited must be audited in accordance with Canadian GAAS.

(2) For financial years beginning before January 1, 2014, audited financial statements must be accompanied by an auditor's report prepared in accordance with Canadian GAAS and the following requirements:

- 1. The auditor's report must not contain a reservation or express a modified opinion.
- 2. The auditor's report must identify all financial periods presented for which the auditor has issued an auditor's report.

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3. If the investment fund has changed its auditor and a comparative period presented in the financial statements was audited by a different auditor, the auditor's report must refer to the former auditor's report on the comparative period.
4. The auditor's report must identify the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements.

(3) For financial years beginning on or after January 1, 2014, audited financial statements must be accompanied by an auditor's report prepared in accordance with Canadian GAAS and the following requirements:

1. The auditor's report expresses an unmodified opinion.
2. The auditor's report identifies all financial periods presented for which the auditor has issued an auditor's report.
3. The auditor's report is in the form specified by Canadian GAAS for an audit of financial statements prepared in accordance with a fair presentation framework.
4. The auditor's report refers to IFRS as the applicable fair presentation framework.
5. If the investment fund has changed its auditor and a comparative period presented in the financial statements was audited by a predecessor auditor, the financial statements are accompanied by the predecessor auditor's report on the comparative period or the auditor's report refers to the predecessor auditor's report on the comparative period.

2.8 Acceptable Auditors - An auditor's report must be prepared and signed by a person or company that is authorized to sign an auditor's report by the laws of a jurisdiction of Canada, and that meets the professional standards of that jurisdiction.

2.9 Change in Year End

- (1) This section applies to an investment fund that is a reporting issuer.
- (2) Section 4.8 of National Instrument 51-102 applies to an investment fund that changes its financial year end, except that:
 - (a) a reference to "interim period" must be read as "interim period" as defined in this Instrument;
 - (b) a requirement under National Instrument 51-102 to include specified financial statements must be read as a requirement to include the financial statements required under this Part; and
 - (c) a reference to "filing deadline" in subsection 4.8(2) of National Instrument 51-102 must be read as a reference to the filing deadlines provided for under section 2.2 and 2.4 of this Instrument.
- (3) Despite section 2.4, an investment fund is not required to file an interim financial report for any period in a transition year if the transition year is less than nine months in length.

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(4) Despite paragraphs 4.8(7)(a) and (b) and (8)(a) and (b) of National Instrument 51-102:

- (a) for an interim financial report for an interim period in the transition year, the investment fund must include as comparative information:
 - (i) a statement of financial position as at the end of its old financial year; and
 - (ii) a statement of comprehensive income, a statement of changes in financial position, and a statement of cash flows, for the interim period of the old financial year;
- (b) for an interim financial report for an interim period in a new financial year, the investment fund must include as comparative information:
 - (i) a statement of financial position as at the end of the transition year; and
 - (ii) a statement of comprehensive income, a statement of changes in financial position, and a statement of cash flows, for the period that is one year earlier than the interim period in the new financial year.

2.10 Change in Legal Structure - If an investment fund that is a reporting issuer is party to an amalgamation, arrangement, merger, winding-up, reorganization or other transaction that will result in:

- (a) the investment fund terminating or ceasing to be a reporting issuer,
- (b) another entity becoming an investment fund,
- (c) a change in the investment fund's financial year end, or
- (d) a change in the name of the investment fund,

the investment fund must, as soon as practicable, and in any event not later than the deadline for the first filing required by this Instrument following the transaction, file a notice stating:

- (e) the names of the parties to the transaction;
- (f) a description of the transaction;
- (g) the effective date of the transaction;
- (h) if applicable, the names of each party that terminated or ceased to be a reporting issuer following the transaction and of each continuing entity;
- (i) if applicable, the date of the investment fund's first financial year end following the transaction; and
- (j) if applicable, the periods, including the comparative periods, if any, of the interim financial report and annual financial statements required to be filed for the investment fund's first financial year following the transaction.

2.11 Filing Exemption for Mutual Funds that are Non-Reporting Issuers - A mutual fund that is not a reporting issuer is exempt from the filing requirements of section 2.1 for a financial year or section 2.3 for an interim period if:

- (a) the mutual fund prepares the applicable financial statements in accordance with this Instrument;

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- (b) the mutual fund delivers the financial statements to its securityholders in accordance with Part 5 within the same time periods as if the financial statements were required to be filed;
- (c) the mutual fund has advised the regulator or securities regulatory authority that it is relying on this exemption not to file its financial statements; and
- (d) the mutual fund has included in a note to the financial statements that it is relying on this exemption not to file its financial statements.

2.12 Disclosure of Auditor Review of Interim Financial Report

- (1) This section applies to an investment fund that is a reporting issuer.
- (2) If an auditor has not performed a review of the interim financial report required to be filed, the interim financial report must be accompanied by a notice indicating that the interim financial report has not been reviewed by an auditor.
- (3) If an investment fund engaged an auditor to perform a review of the interim financial report required to be filed and the auditor was unable to complete the review, the interim financial report must be accompanied by a notice indicating that the auditor was unable to complete a review of the interim financial report and the reasons why.
- (4) If an auditor has performed a review of the interim financial report required to be filed and the auditor has expressed a reservation in the auditor's interim review report, the interim financial report must be accompanied by a written review report from the auditor.

PART 3 FINANCIAL DISCLOSURE REQUIREMENTS

3.1 Statement of Financial Position - The statement of financial position of an investment fund must disclose the following as separate line items, each shown at current value:

- 1. cash, term deposits and, if not included in the statement of investment portfolio, short term debt instruments
- 2. investments
- 3. accounts receivable relating to securities issued
- 4. accounts receivable relating to portfolio assets sold
- 5. accounts receivable relating to margin paid or deposited on futures or forward contracts.
- 6. amounts receivable or payable in respect of derivatives transactions, including premiums or discounts received or paid
- 7. deposits with brokers for portfolio securities sold short
- 8. accrued expenses
- 9. accrued incentive arrangements or performance compensation
- 10. portfolio securities sold short
- 11. liabilities for securities redeemed
- 12. liabilities for portfolio assets purchased

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13. income tax payable
14. total equity or net assets attributable to securityholders and, if applicable, for each class or series
15. total equity per security or net assets attributable to securityholders per security, or if applicable, per security of each class or series.

3.2 Statement of Comprehensive Income - The statement of comprehensive income of an investment fund must disclose the following information as separate line items:

1. dividend revenue
2. interest revenue
3. income from derivatives
4. revenue from securities lending
5. management fees, excluding incentive or performance fee
6. incentive or performance fees
7. audit fees
8. directors' or trustees' fees
- 8.1 independent review committee fees
9. custodial fees
10. legal fees
- 10.1 commissions and other portfolio transaction costs
11. securityholder reporting costs
12. **Repealed.** 24 Jan 2014 SR 1/2014 s6.
13. amounts that would otherwise have been payable by the investment fund that were waived or paid by the manager or a portfolio adviser of the investment fund.
14. income tax
15. **Repealed.** 24 Jan 2014 SR 1/2014 s6.
16. realized gains or losses
17. unrealized gains or losses
- 17.1. if recognized as an expense, distributions, showing separately the amount distributed out of net investment income and out of realized gains on portfolio assets sold
18. increase or decrease in total equity from operations, or in net assets attributable to securityholders from operations, excluding distributions, and, if applicable, for each class or series
19. increase or decrease in total equity from operations per security, or in net assets attributable to securityholders from operations, excluding distributions, per security or, if applicable, per security of each class or series.

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3.3 Statement of Changes in Financial Position - The statement of changes in financial position of an investment fund must disclose, for each class or series, the following as separate line items:

1. total equity or net assets attributable to securityholders at the beginning of the period
2. **Repealed.** 24 Jan 2014 SR 1/2014 s6.
3. proceeds from the issuance of securities of the investment fund
4. aggregate amounts paid on redemption of securities of the investment fund
5. securities issued on reinvestment of distributions
6. if not recognized as an expense, distributions, showing separately the amount distributed out of net investment income and out of realized gains on portfolio assets sold
 - 6.1 return of capital
7. total equity or net assets attributable to securityholders at the end of the period.

3.4 Statement of Cash Flows - The statement of cash flows of an investment fund must disclose the following as separate line items:

1. **Repealed.** 24 Jan 2014 SR 1/2014 s6.
2. proceeds of disposition of portfolio assets
3. payments for the purchase of portfolio assets
4. proceeds from the issuance of securities of the investment fund
5. aggregate amounts paid on redemption of securities of the investment fund
6. compensation paid in respect of the sale of securities of the investment fund

3.5 Statement of Investment Portfolio

(1) The statement of investment portfolio of an investment fund must disclose the following for each portfolio asset held or sold short:

1. the name of the issuer of the portfolio asset
2. a description of the portfolio asset, including:
 - (a) for an equity security, the name of the class of the security;
 - (b) for a debt instrument not included in paragraph (c), all characteristics commonly used commercially to identify the instrument, including the name of the instrument, the interest rate of the instrument, the maturity date of the instrument, whether the instrument is convertible or exchangeable and, if used to identify the instrument, the priority of the instrument;
 - (c) for a debt instrument referred to in the definition of “money market fund” in National Instrument 81-102 *Investment Funds*, the name, interest rate and maturity date of the instrument;

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- (d) for a portfolio asset not referred to in paragraph (a), (b) or (c), the name of the portfolio asset and the material terms and conditions of the portfolio asset commonly used commercially in describing the portfolio asset.
- 3. the number or aggregate face value of the portfolio asset.
- 4. the cost of the portfolio asset
- 5. the current value of the portfolio asset
- (2) For the purposes of subsection (1), disclosure for a long portfolio must be segregated from the disclosure for a short portfolio.
- (3) For the purposes of subsection (1) and subject to subsection (2), disclosure must be aggregated for portfolio assets having the same description and issuer.
- (4) **Repealed.** 29 Jne 2012 SR 43/2012 s6.
- (5) **Repealed.** 29 Jne 2012 SR 43/2012 s6.
- (6) If an investment fund holds positions in derivatives, the investment fund must disclose in the statement of investment portfolio or the notes to that statement:
 - (a) for long and short positions in options:
 - (i) the quantity of the underlying interest, the number of options, the underlying interest, the strike price, the expiration month and year, the cost and the current value; and
 - (ii) if the underlying interest is a future, information about the future in accordance with subparagraph (i);
 - (b) for positions in futures and forwards, the number of futures and forwards, the underlying interest, the price at which the contract was entered into, the delivery month and year and the current value;
 - (c) for positions in swaps, the number of swap contracts, the underlying interest, the principal or notional amount, the payment dates, and the current value; and
 - (d) if a rating of a counterparty has fallen below the designated rating level.
- (7) If applicable, the statement of investment portfolio included in the financial statements of the investment fund, or the notes to the statement of investment portfolio, must identify the underlying interest that is being hedged by each position taken by the investment fund in a derivative.
- (8) An investment fund may omit the information required by subsection (1) about mortgages from a statement of investment portfolio if the statement of investment portfolio discloses:
 - (a) the total number of mortgages held;
 - (b) the aggregate current value of mortgages held;
 - (c) a breakdown of mortgages, by reference to number and current value among mortgages insured under the *National Housing Act* (Canada), insured conventional mortgages and uninsured conventional mortgages;
 - (d) a breakdown of mortgages, by reference to number and current value, among mortgages that are pre-payable and those that are not pre-payable; and

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(e) a breakdown of mortgages, by reference to number, current value, amortized cost and outstanding principal value, among groups of mortgages having contractual interest rates varying by no more than one quarter of one percent.

(9) An investment fund must maintain records of all portfolio transactions undertaken by the investment fund.

3.6 Notes to Financial Statements

(1) The notes to the financial statements of an investment fund must disclose the following:

1. the basis for determining current value and cost of portfolio assets and, if a method of determining cost other than by reference to the average cost of the portfolio assets is used, the method used.

1.1 for financial years beginning on or after January 1, 2014, the basis for classifying the investment fund's outstanding securities, or each class or series of outstanding securities, as either equity instruments or financial liabilities.

2. if the investment fund has outstanding more than one class or series of securities ranking equally against its net assets, but differing in other respects:

- (a) the number of authorized securities of each class or series;
- (b) the number of securities of each class or series that have been issued and are outstanding;
- (c) the differences between the classes or series, including differences in sales charges, and management fees;
- (d) the method used to allocate income and expenses, and realized and unrealized capital gains and losses, to each class;
- (e) the fee arrangements for any class-level expenses paid to affiliates; and
- (f) transactions involving the issue or redemption of securities of the investment fund undertaken in the period for each class of securities to which the financial statements pertain.

3. to the extent the amount is ascertainable, the portion of the total client brokerage commissions, as defined in National Instrument 23-102 - *Use of Client Brokerage Commissions*, paid or payable to dealers by the investment fund for the provision of goods or services by the dealers or third parties, other than order execution.

4. the total cost of distribution of the investment fund's securities recorded in the statement of changes in financial position.

5. the net asset value per security as at the date of the financial statements compared to the total equity per security or net assets attributable to securityholders per security as shown on the statement of financial position, and an explanation of each of the differences between these amounts.

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(2) If not disclosed elsewhere in the financial statements, an investment fund that borrows money must, in a note to the financial statements, disclose the minimum and maximum amount borrowed during the period to which the financial statements or management report of fund performance pertain.

(3) For financial years beginning on or after January 1, 2014, the notes to the financial statements must disclose:

- (a) in the case of annual financial statements, an unreserved statement of compliance with IFRS; and
- (b) in the case of interim financial reports, an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*.

3.7 Inapplicable Line Items - Despite the requirements of this Part, an investment fund may omit a line item from the financial statements for any matter that does not apply to the investment fund or for which the investment fund has nothing to disclose.

3.8 Disclosure of Securities Lending Transactions

(1) An investment fund must disclose, in the statement of investment portfolio included in the financial statements of the investment fund, or in the notes to the financial statements:

- (a) the aggregate dollar value of portfolio securities that were lent in the securities lending transactions of the investment fund that are outstanding as at the date of the financial statements; and
- (b) the type and aggregate amount of collateral received by the investment fund under securities lending transactions of the investment fund that are outstanding as at the date of the financial statements.

(2) The statement of financial position of an investment fund that has received cash collateral from a securities lending transaction that is outstanding as of the date of the financial statements must disclose separately:

- (a) the cash collateral received by the investment fund; and
- (b) the obligation to repay the cash collateral.

(3) The statement of comprehensive income of an investment fund must disclose income from a securities lending transaction as revenue.

(4) An investment fund must include, in the notes to the financial statements, a reconciliation of the gross amount generated from the securities lending transactions of the investment fund to the revenue from securities lending disclosed in the statement of comprehensive income of the investment fund under item 4 of section 3.2.

(5) The disclosure referred to in subsection (4) must include each of the following:

- (a) the name of each person or company who was entitled to receive payments out of the gross amount generated from the securities lending transactions of the investment fund;
- (b) the amount each recipient named under paragraph (a) was entitled to receive;

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- (c) the aggregate of the amounts disclosed under paragraph (b) as a percentage of the gross amount generated from the securities lending transactions of the investment fund.

3.9 Disclosure of Repurchase Transactions

(1) An investment fund, in the statement of investment portfolio included in the financial statements of the investment fund, or in the notes to that statement, must, for a repurchase transaction of the investment fund that is outstanding as at the date of the statement, disclose:

- (a) the date of the transaction;
- (b) the expiration date of the transaction;
- (c) the nature and current value of the portfolio securities sold by the investment fund;
- (d) the amount of cash received and the repurchase price to be paid by the investment fund; and
- (e) the current value of the sold portfolio securities as at the date of the statement.

(2) The statement of financial position of an investment fund that has entered into a repurchase transaction that is outstanding as of the date of the statement of financial position must disclose separately the obligation of the investment fund to repay the collateral.

(3) The statement of comprehensive income of an investment fund must disclose income from the use of the cash received on a repurchase transaction as revenue.

(4) The information required by this section may be presented on an aggregate basis.

3.10 Disclosure of Reverse Repurchase Transactions

(1) An investment fund, in the statement of investment portfolio or in the notes to that statement, must, for a reverse repurchase transaction of the investment fund that is outstanding as at the date of the statement, disclose:

- (a) the date of the transaction;
- (b) the expiration date of the transaction;
- (c) the total dollar amount paid by the investment fund;
- (d) the nature and current value or principal amount of the portfolio securities received by the investment fund; and
- (e) the current value of the purchased portfolio securities as at the date of the statement.

(2) The statement of financial position of an investment fund that has entered into a reverse repurchase transaction that is outstanding as of the date of the financial statements must disclose separately the reverse repurchase agreement relating to the transaction at current value.

(3) The statement of comprehensive income of an investment fund must disclose income from a reverse repurchase transaction as revenue.

(4) The information required by this section may be presented on an aggregate basis.

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3.11 Scholarship Plans

(1) In addition to the requirements of this Part, an investment fund that is a scholarship plan must disclose, as of the end of its most recently completed financial year, a separate statement or schedule to the financial statements that provides:

- (a) a summary of education savings plans and units outstanding by year of eligibility, including:
 - (i) disclosure of the number of units by year of eligibility for the opening units, units purchased, units forfeited and the ending units;
 - (ii) disclosure of the principal amounts and the accumulated income per year of eligibility, and their total balances; and
 - (iii) a reconciliation of the total balances of the principal amounts and the accumulated income in the statement or schedule to the statement of financial position of the scholarship plan;
- (b) the total number of units outstanding; and
- (c) a statement of scholarship awards paid to beneficiaries, and a reconciliation of the amount of scholarship awards paid with the statement of comprehensive income.

(2) Despite sections 3.1 and 3.2, an investment fund that is a scholarship plan may omit the “total equity per security or net assets attributable to securityholders per security” and “increase or decrease in total equity from operations per security, or in net assets attributable to securityholders from operations, excluding distributions, per security” line items from its financial statements.

PART 4 MANAGEMENT REPORTS OF FUND PERFORMANCE

4.1 Application - This Part applies to an investment fund that is a reporting issuer.

4.2 Filing of Management Reports of Fund Performance - An investment fund, other than an investment fund that is a scholarship plan, must file an annual management report of fund performance for each financial year and an interim management report of fund performance for each interim period at the same time that it files its annual financial statements or its interim financial report for that financial period.

4.3 Filing of Annual Management Report of Fund Performance for an Investment Fund that is a Scholarship Plan - An investment fund that is a scholarship plan must file an annual management report of fund performance for each financial year at the same time that it files its annual financial statements.

4.4 Contents of Management Reports of Fund Performance - A management report of fund performance required by this Part must:

- (a) be prepared in accordance with Form 81-106F1; and
- (b) not incorporate by reference information from any other document that is required to be included in a management report of fund performance.

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4.5 Approval of Management Reports of Fund Performance

(1) The board of directors of an investment fund that is a corporation must approve the management report of fund performance of the investment fund before the report is filed or made available to a holder or potential purchaser of securities of the investment fund.

(2) The trustee or trustees of an investment fund that is a trust, or another person or company authorized to do so by the constating documents of the investment fund, must approve the management report of fund performance of the investment fund before the report is filed or made available to a holder or potential purchaser of securities of the investment fund.

PART 5 DELIVERY OF FINANCIAL STATEMENTS AND MANAGEMENT REPORTS OF FUND PERFORMANCE

5.1 Delivery of Certain Continuous Disclosure Documents

(1) In this Part, “**securityholder**” means a registered holder or beneficial owner of securities issued by an investment fund.

(2) Subject to section 5.2 or section 5.3, an investment fund must send to a securityholder, by the filing deadline for the document, the following:

- (a) annual financial statements;
- (b) the interim financial report;
- (c) if required to be prepared by the investment fund, the annual management report of fund performance;
- (d) if required to be prepared by the investment fund, the interim management report of fund performance.

(3) An investment fund must apply the procedures set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* when complying with this Part.

(4) Despite subsection (3), National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* does not apply to an investment fund with respect to a requirement under this Part if the investment fund has the necessary information to communicate directly with a beneficial owner of its securities.

5.2 Sending According to Standing Instructions

(1) Subsection 5.1(2) does not apply to an investment fund that requests standing instructions from a securityholder in accordance with this section and sends the documents listed in subsection 5.1(2) according to those instructions.

(2) An investment fund relying on subsection 5.2(1) must send, to each securityholder, a document that:

- (a) explains the choices a securityholder has to receive the documents listed in subsection 5.1(2);

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- (b) solicits instructions from the securityholder about delivery of those documents; and
 - (c) explains that the instructions provided by the securityholder will continue to be followed by the investment fund until they are changed by the securityholder.
- (3) If a person or company becomes a securityholder of an investment fund, the investment fund must solicit instructions in accordance with subsection (2) from the securityholder as soon as reasonably practicable after the investment fund accepts a purchase order from the securityholder.
- (4) An investment fund must rely on instructions given under this section until a securityholder changes them.
- (5) At least once a year, an investment fund must send each securityholder a reminder that:
- (a) the securityholder is entitled to receive the documents listed in subsection 5.1(2);
 - (b) the investment fund is relying on delivery instructions provided by the securityholder;
 - (c) explains how a securityholder can change the instructions it has given; and
 - (d) the securityholder can obtain the documents on the SEDAR website and on the investment fund's website, if applicable, and by contacting the investment fund.

5.3 Sending According to Annual Instructions

- (1) Subsection 5.1(2) does not apply to an investment fund that requests annual instructions from a securityholder in accordance with this section and sends the documents listed in subsection 5.1(2) according to those instructions.
- (2) Subsection (1) does not apply to an investment fund that has previously relied on subsection 5.2(1).
- (3) An investment fund relying on subsection 5.3(1) must send annually to each securityholder a request form the securityholder may use to instruct the investment fund as to which of the documents listed in subsection 5.1(2) the securityholder wishes to receive.
- (4) The request form described in subsection (3) must be accompanied by a notice explaining that:
- (a) the securityholder is providing delivery instructions for the current year only; and
 - (b) the documents are available on the SEDAR website and on the investment fund's website, if applicable, and by contacting the investment fund.

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5.4 General

(1) If a securityholder requests any of the documents listed in subsection 5.1(2), an investment fund must send a copy of the requested documents by the later of:

- (a) the filing deadline for the requested document; and
- (b) 10 calendar days after the investment fund receives the request.

(2) An investment fund must not charge a fee for sending the documents referred to in this Part and must ensure that securityholders can respond without cost to the solicitations of instructions required by this Part.

(3) Investment funds under common management may solicit one set of delivery instructions from a securityholder that will apply to all of the investment funds under common management held by that securityholder.

(4) Despite subsection 7.1(3), for the purposes of delivery to a securityholder, an investment fund may bind its management report of fund performance with the management report of fund performance for one or more other investment funds if the securityholder holds each investment fund.

5.5 Websites - An investment fund that is a reporting issuer and that has a website must post to the website any documents listed in subsection 5.1(2) no later than the date that those documents are filed.

PART 6 QUARTERLY PORTFOLIO DISCLOSURE

6.1 Application - This Part applies to an investment fund that is a reporting issuer, other than a scholarship plan or a labour sponsored or venture capital fund.

6.2 Preparation and Dissemination

(1) An investment fund must prepare quarterly portfolio disclosure that includes:

(a) a summary of investment portfolio prepared in accordance with Item 5 of Part B of Form 81-106F1 as at the end of:

- (i) each period of at least three months that ends three or nine months before the end of a financial year of the investment fund; or
- (ii) in the case of a transition year of the investment fund, each period commencing on the first day of the transition year and ending either three, nine or twelve months, if applicable, after the end of its old financial year; and

(b) the total net asset value of the investment fund as at the end of the periods specified in (a)(i) or (ii).

(2) An investment fund that has a website must post to the website the quarterly portfolio disclosure within 60 days of the end of the period for which the quarterly portfolio disclosure was prepared.

(3) An investment fund must promptly send the most recent quarterly portfolio disclosure, without charge, to any securityholder of the investment fund, upon a request made by the securityholder 60 days after the end of the period to which the quarterly portfolio disclosure pertains.

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PART 7 BINDING AND PRESENTATION

7.1 Binding of Financial Statements and Management Reports of Fund Performance

- (1) An investment fund must not bind its financial statements with the financial statements of another investment fund in a document unless all information relating to the investment fund is presented together and not intermingled with information relating to the other investment fund.
- (2) Despite subsection (1), if a document contains the financial statements of more than one investment fund, the notes to the financial statements may be combined and presented in a separate part of the document.
- (3) An investment fund must not bind its management report of fund performance with the management report of fund performance for another investment fund.

7.2 Multiple Class Investment Funds

- (1) An investment fund that has more than one class or series of securities outstanding that are referable to a single portfolio must prepare financial statements and management reports of fund performance that contain information concerning all of the classes or series.
- (2) If an investment fund has more than one class or series of securities outstanding, the distinctions between the classes or series must be disclosed in the financial statements and management reports of fund performance.

PART 8 INDEPENDENT VALUATIONS FOR LABOUR SPONSORED OR VENTURE CAPITAL FUNDS

8.1 Application - This Part applies to a labour sponsored or venture capital fund that is a reporting issuer.

8.2 Exemption from Requirement to Disclose Individual Current Values for Venture Investments - Despite item 5 of subsection 3.5(1), a labour sponsored or venture capital fund is exempt from the requirement to present separately in a statement of investment portfolio the current value of each venture investment that does not have a market value if:

- (a) the labour sponsored or venture capital fund discloses in the statement of investment portfolio:
 - (i) the cost amounts for each venture investment;
 - (ii) the total cost of the venture investments;
 - (iii) the total adjustment from cost to current value of the venture investments; and
 - (iv) the total current value of the venture investments;
- (b) the labour sponsored or venture capital fund discloses in the statement of investment portfolio tables showing the distribution of venture investments by stage of development and by industry classification including:
 - (i) the number of venture investments in each stage of development and industry class;

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- (ii) the total cost and aggregate current value of the venture investments for each stage of development and industry class; and
- (iii) the total cost and aggregate current value of venture investments for each stage of development and industry class as a percentage of total venture investments;
- (c) for a statement of investment portfolio contained in annual financial statements, the labour sponsored or venture capital fund has obtained an independent valuation relating to the value of the venture investments or to the net assets of the fund and has filed the independent valuation concurrently with the filing of the annual financial statements;
- (d) for a statement of investment portfolio contained in an interim financial report, the labour sponsored or venture capital fund obtained and filed the independent valuation referred to in paragraph (c) in connection with the preparation of the most recent annual financial statements of the labour sponsored or venture capital fund; and
- (e) the labour sponsored or venture capital fund has disclosed in the applicable financial statements that an independent valuation has been obtained as of the end of the applicable financial year.

8.3 Disclosure Concerning Independent Valuator - A labour sponsored or venture capital fund that obtains an independent valuation must include, in the statement of investment portfolio contained in its annual financial statements, or in the notes to the annual financial statements,

- (a) a description of the independent valuator's qualifications; and
- (b) a description of any past, present or anticipated relationship between the independent valuator and the labour sponsored or venture capital fund, its manager or portfolio adviser.

8.4 Content of Independent Valuation - An independent valuation must provide the aggregate current value of the venture investments or of the total equity or net assets attributable to securityholders of the labour sponsored or venture capital fund as at the fund's financial year end.

8.5 Independent Valuator's Consent - A labour sponsored or venture capital fund obtaining an independent valuation must:

- (a) obtain the independent valuator's consent to its filing; and
- (b) include a statement in the valuation report, signed by the independent valuator, in substantially the following form:

"We refer to the independent valuation of the [total equity/net assets attributable to securityholders/venture investments] of [name of labour sponsored or venture capital fund] as of [date of financial year end] dated. We consent to the filing of the independent valuation with the securities regulatory authorities."

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PART 9 ANNUAL INFORMATION FORM

9.1 Application - This Part applies to an investment fund that is a reporting issuer.

9.2 Requirement to File Annual Information Form- An investment fund must file an annual information form if the investment fund has not obtained a receipt for a prospectus during the last 12 months preceding its financial year end.

9.3 Filing Deadline for Annual Information Form - An investment fund required under section 9.2 to file an annual information form must file the annual information form no later than 90 days after the end of its most recently completed financial year.

9.4 Preparation and Content of Annual Information Form

(1) An annual information form required to be filed under section 9.2 must be prepared as of the end of the most recently completed financial year of the investment fund to which it pertains.

(2) An annual information form required to be filed must be prepared in accordance with Form 81-101F2, except that:

- (a) a reference to “mutual fund” must be read as a reference to “investment fund”;
- (b) General Instructions (3), (10) and (14) of Form 81-101F2 do not apply;
- (c) subsections (3), (4) and (6) of Item 1.1 of Form 81-101F2 do not apply;
- (d) subsections (3), (4) and (6) of Item 1.2 of Form 81-101F2 do not apply;
- (e) Item 5 of Form 81-101F2 must be completed in connection with all of the securities of the investment fund;
- (f) Item 15 of Form 81-101F2 does not apply to an investment fund that is a corporation, except for the disclosure in connection with the independent review committee; and
- (g) Items 19, 20, 21 and 22 of Form 81-101F2 do not apply.

(3) An investment fund required to file an annual information form must at the same time file copies of all material incorporated by reference in the annual information form that it has not previously filed.

PART 10 PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

10.1 Application - This Part applies to an investment fund that is a reporting issuer.

10.2 Requirement to Establish Policies and Procedures

(1) An investment fund must establish policies and procedures that it will follow to determine whether, and how, to vote on any matter for which the investment fund receives, in its capacity as securityholder, proxy materials for a meeting of securityholders of an issuer.

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- (2) The policies and procedures referred to in subsection (1) must include:
 - (a) a standing policy for dealing with routine matters on which the investment fund may vote;
 - (b) the circumstances under which the investment fund will deviate from the standing policy for routine matters;
 - (c) the policies under which, and the procedures by which, the investment fund will determine how to vote or refrain from voting on non-routine matters; and
 - (d) procedures to ensure that portfolio securities held by the investment fund are voted in accordance with the instructions of the investment fund.
- (3) An investment fund that has not prepared an annual information form in accordance with Part 9 or in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* must include a summary of the policies and procedures required by this section in its prospectus.

10.3 Proxy Voting Record - An investment fund must maintain a proxy voting record that includes, for each time that the investment fund receives, in its capacity as securityholder, materials relating to a meeting of securityholders of a reporting issuer or the equivalent of a reporting issuer in a foreign jurisdiction:

- (a) the name of the issuer;
- (b) the exchange ticker symbol of the portfolio securities, unless not readily available to the investment fund;
- (c) the CUSIP number for the portfolio securities;
- (d) the meeting date;
- (e) a brief identification of the matter or matters to be voted on at the meeting;
- (f) whether the matter or matters voted on were proposed by the issuer, its management or another person or company;
- (g) whether the investment fund voted on the matter or matters;
- (h) if applicable, how the investment fund voted on the matter or matters; and
- (i) whether votes cast by the investment fund were for or against the recommendations of management of the issuer.

10.4 Preparation and Availability of Proxy Voting Record

- (1) An investment fund must prepare a proxy voting record on an annual basis for the period ending on June 30 of each year.
- (2) An investment fund that has a website must post the proxy voting record to the website no later than August 31 of each year.
- (3) An investment fund must promptly send the most recent copy of the investment fund's proxy voting policies and procedures and proxy voting record, without charge, to any securityholder upon a request made by the securityholder after August 31.

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PART 11 MATERIAL CHANGE REPORTS

11.1 Application - This Part applies to an investment fund that is a reporting issuer.

11.2 Publication of Material Change

(1) If a material change occurs in the affairs of an investment fund, the investment fund must:

(a) promptly issue and file a news release that is authorized by an executive officer of the manager of the investment fund and that discloses the nature and substance of the material change;

(b) post all disclosure made under paragraph (a) on the website of the investment fund or the investment fund manager;

(c) as soon as practicable, but in any event no later than 10 days after the date on which the change occurs, file a report containing the information required by Form 51-102F3, except that a reference in Form 51-102F3 to:

(i) the term “material change” must be read as “material change” under this Instrument;

(ii) “section 7.1 of National Instrument 51-102” in Item 3 of Part 2 must be read as a reference to “section 11.2 of National Instrument 81-106”;

(iii) “subsection 7.1(2) of National Instrument 51-102” in Item 6 of Part 2 must be read as a reference to “subsection 11.2(2) of National Instrument 81-106”;

(iv) “subsection 7.1(5) of National Instrument 51-102” in Items 6 and 7 of Part 2 must be read as a reference to “subsection 11.2(4) of National Instrument 81-106”; and

(v) “executive officer of your company” in Item 8 of Part 2 must be read as a reference to “officer of the investment fund or of the manager of the investment fund”; and

(d) file an amendment to its prospectus, simplified prospectus or fund facts document that discloses the material change in accordance with the requirements of securities legislation.

(2) If:

(a) in the opinion of the board of directors or trustee of an investment fund or the manager, and if that opinion is arrived at in a reasonable manner, the disclosure required by subsection (1) would be unduly detrimental to the investment fund’s interest; or

(b) the material change:

(i) consists of a decision to implement a change made by senior management of the investment fund or senior management of the manager of the investment fund who believe that confirmation of the decision by the board of directors or persons acting in a similar capacity is probable; and

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- (ii) senior management of the investment fund or senior management of the manager of the investment fund has no reason to believe that persons with knowledge of the material change have made use of that knowledge in purchasing or selling securities of the investment fund, the investment fund may, instead of complying with subsection (1), immediately file the report required under paragraph (1)(c) marked to indicate that it is confidential, together with written reasons for non-disclosure.
- (3) **Repealed.** 25 Jly 2008 SR 59/2008 s5.
- (4) If a report has been filed under subsection (2), the investment fund must advise the regulator or securities regulatory authority in writing within 10 days of the initial filing of the report if it believes the report should continue to remain confidential and every 10 days thereafter until the material change is generally disclosed in the manner referred to in subsection (1) or, if the material change consists of a decision of the type referred to in paragraph (2)(b), until that decision has been rejected by the board of directors of the investment fund or the board of directors of the manager of the investment fund.
- (5) Despite filing a report under subsection (2), an investment fund must promptly and generally disclose the material change in the manner referred to in subsection (1) upon the investment fund becoming aware, or having reasonable grounds to believe, that a person or company is purchasing or selling securities of the investment fund with knowledge of the material change that has not been generally disclosed.

PART 12 PROXY SOLICITATION AND INFORMATION CIRCULARS

12.1 Application - This Part applies to an investment fund that is a reporting issuer.

12.2 Sending of Proxies and Information Circulars

- (1) If management of an investment fund or the manager of an investment fund gives or intends to give notice of a meeting to registered holders of the investment fund, management or the manager must, at the same time as or before giving that notice, send to each registered holder who is entitled to notice of the meeting a form of proxy for use at the meeting.
- (2) A person or company that solicits proxies from registered holders of an investment fund must:
- (a) in the case of a solicitation by or on behalf of management of the investment fund, send with the notice of meeting to each registered holder whose proxy is solicited a completed Form 51-102F5; or
 - (b) in the case of a solicitation by or on behalf of any person or company other than management of the investment fund, at the same time as or before the solicitation, send a completed Form 51-102F5 and a form of proxy to each registered holder whose proxy is solicited.
- (3) **Repealed.** 25 Jly 2008 SR 59/2008 s5.

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12.3 Exemption

- (1) Subsection 12.2(2) does not apply to a solicitation by a person or company in respect of securities of which the person or company is the beneficial owner.
- (2) Paragraph 12.2(2)(b) does not apply to a solicitation if the total number of securityholders whose proxies are solicited is not more than 15.
- (3) For the purposes of subsection (2), two or more persons or companies who are joint registered owners of one or more securities are considered to be one securityholder.

12.4 Compliance with National Instrument 51-102 - A person or company that solicits proxies under section 12.2 must comply with sections 9.3 and 9.4 of National Instrument 51-102 as if those sections applied to the person or company.

PART 13 CHANGE OF AUDITOR DISCLOSURE

13.1 Application - This Part applies to an investment fund that is a reporting issuer.

13.2 Change of Auditor - Section 4.11 of National Instrument 51-102 applies to an investment fund that changes its auditor, except that references in that section to the “board of directors” are to be read as references to:

- (a) if the investment fund is a corporation, the “board of directors of the investment fund”, or
- (b) if the investment fund is a trust, the “trustee or trustees or another person or company authorized by the constating documents of the investment fund”.

PART 14 CALCULATION OF NET ASSET VALUE

14.1 Application - This Part applies to an investment fund that is a reporting issuer.

14.2 Calculation, Frequency and Currency

- (1) The net asset value of an investment fund must be calculated using the fair value of the investment fund’s assets and liabilities.
 - (1.1) The net asset value of an investment fund must include the income and expenses of the investment fund accrued up to the date of calculation of the net asset value.
 - (1.2) For the purposes of subsection (1), fair value means:
 - (a) the market value based on reported prices and quotations in an active market; or
 - (b) if the market value is not available, or the manager of the investment fund believes that it is unreliable, a value that is fair and reasonable in all the relevant circumstances.
 - (1.3) The manager of an investment fund must:
 - (a) establish and maintain appropriate written policies and procedures for determining the fair value of the investment fund’s assets and liabilities; and
 - (b) consistently follow those policies and procedures.
 - (1.4) The manager of an investment fund must maintain a record of the determination of fair value and the reasons supporting that determination.

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(2) For the purposes of calculating net asset value for purchases and redemptions of its securities as required by Parts 9 and 10 of National Instrument 81-102 *Investment Funds*, a labour sponsored or venture capital fund that has included a deferred charge for sales commissions in the calculation may continue to do so, provided that:

- (a) the calculation reflects the amortization of this deferred charge over the remaining amortization period; and
- (b) the labour sponsored or venture capital fund ceased adding to this deferred charge by December 31, 2003.

(3) An investment fund must calculate its net asset value at least as frequently as the following:

- (a) if the investment fund does not use specified derivatives or sell securities short, once a week;
- (b) if the investment fund uses specified derivatives or sells securities short, once every business day.

(4) A mutual fund that holds securities of other mutual funds must have dates for the calculation of net asset value that are compatible with those of the other mutual funds.

(5) Despite paragraph 3(a), an investment fund that, at the date that this Instrument comes into force, calculates net asset value no less frequently than once a month may continue to calculate net asset value at least as frequently as it does at that date.

(6) The net asset value of an investment fund must be calculated in the currency of Canada or in the currency of the United States of America or both.

(6.1) An investment fund must, upon calculating the net asset value of the investment fund under this section, make the following information available to the public at no cost:

- (a) the net asset value of the investment fund;
- (b) the net asset value per security of the investment fund unless the investment fund is a scholarship plan.

(7) An investment fund that arranges for the publication of its net asset value or net asset value per security in the financial press must ensure that its current net asset value or net asset value per security is provided on a timely basis to the financial press.

14.3 Portfolio Transactions - The net asset value of an investment fund must include each purchase or sale of a portfolio asset no later than in the next calculation of the net asset value after the date the purchase or sale becomes binding.

14.4 Capital Transactions - The investment fund must include each issue or redemption of a security of the investment fund in the next calculation of net asset value the investment fund makes after the calculation of net asset value used to establish the issue or redemption price.

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PART 15 CALCULATION OF MANAGEMENT EXPENSE RATIO

15.1 Calculation of Management Expense Ratio

(1) An investment fund may disclose its management expense ratio only if the management expense ratio is calculated for the financial year or interim period of the investment fund and if it is calculated by:

(a) dividing:

(i) the aggregate of:

(A) total expenses of the investment fund, excluding distributions if recognized as an expense, commissions and other portfolio transaction costs, before income taxes, for the financial year or interim period, as shown on its statement of comprehensive income; and

(B) any other fee, charge or expense of the investment fund that has the effect of reducing the investment fund's net asset value;

by:

(ii) the average net asset value of the investment fund for the financial year or interim period, obtained by:

(A) adding together the net asset values of the investment fund as at the close of business of the investment fund on each day during the financial year or interim period on which the net asset value of the investment fund has been calculated, and

(B) dividing the amount obtained under clause (A) by the number of days during the financial year or interim period on which the net asset value of the investment fund has been calculated; and

(b) multiplying the result obtained under paragraph (a) by 100.

(2) If any fees and expenses otherwise payable by an investment fund in a financial year or interim period were waived or otherwise absorbed by a member of the organization of the investment fund, the investment fund must disclose, in a note to the disclosure of its management expense ratio, details of:

(a) what the management expense ratio would have been without any waivers or absorptions;

(b) the length of time that the waiver or absorption is expected to continue;

(c) whether the waiver or absorption can be terminated at any time by the member of the organization of the investment fund; and

(d) any other arrangements concerning the waiver or absorption.

(3) Investment fund expenses rebated by a manager or an investment fund to a securityholder must not be deducted from total expenses of the investment fund in determining the management expense ratio of the investment fund.

(4) An investment fund that has separate classes or series of securities must calculate a management expense ratio for each class or series, in the manner required by this section, modified as appropriate.

(5) The management expense ratio of an investment fund for a financial period of less than or greater than twelve months must be annualized.

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(6) If an investment fund provides its management expense ratio to a service provider that will arrange for public dissemination of the management expense ratio:

- (a) the investment fund must provide the management expense ratio calculated in accordance with this Part; and
- (b) the requirement to provide note disclosure contained in subsection (2) does not apply if the investment fund indicates, as applicable, that fees have been waived, expenses have been absorbed, or that fees or expenses were paid directly by investors during the period for which the management expense ratio was calculated.

15.2 Fund of Funds Calculation

(1) For the purposes of subparagraph 15.1(1)(a)(i), the total expenses for a financial year or interim period of an investment fund that invests in securities of other investment funds is equal to the sum of:

- (a) the total expenses incurred by the investment fund that are for the period for which the calculation of the management expense ratio is made and that are attributable to its investment in each underlying investment fund, as calculated by:
 - (i) multiplying the total expenses of each underlying investment fund, excluding distributions if recognized as an expense, commissions and other portfolio transaction costs, before income taxes, for the financial year or interim period, by;
 - (ii) the average proportion of securities of the underlying investment fund held by the investment fund during the financial year or interim period, calculated by:
 - (A) adding together the proportion of securities of the underlying investment fund held by the investment fund on each day in the period; and
 - (B) dividing the amount obtained under clause (A) by the number of days in the period; and
- (b) the total expenses of the investment fund, excluding distributions if recognized as an expense, commissions and other portfolio transaction costs, before income taxes, for the period.

(2) An investment fund that has exposure to one or more other investment funds through the use of derivatives in a financial year or interim period must calculate its management expense ratio for the financial year or interim period in the manner described in subsection (1), treating each investment fund to which it has exposure as an “underlying investment fund” under subsection (1).

(3) Subsection (2) does not apply if the derivatives do not expose the investment fund to expenses that would be incurred by a direct investment in the relevant investment funds.

(4) Management fees rebated by an underlying fund to an investment fund that invests in the underlying fund must be deducted from total expenses of the underlying fund if the rebate is made for the purpose of avoiding duplication of fees between the two investment funds.

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PART 16 ADDITIONAL FILING REQUIREMENTS

16.1 Application - This Part applies to an investment fund that is a reporting issuer.

16.2 Additional Filing Requirements - If an investment fund sends to its securityholders any disclosure document other than those required by this Instrument, the investment fund must file a copy of the document on the same date as, or as soon as practicable after, the date on which the document is sent to its securityholders.

16.3 Voting Results - An investment fund must, promptly following a meeting of securityholders at which a matter was submitted to a vote, file a report that discloses, for each matter voted upon:

- (a) a brief description of the matter voted upon and the outcome of the vote; and
- (b) if the vote was conducted by ballot, the number and percentage of votes cast, which includes votes cast in person and by proxy, for, against, or withheld from, each vote.

16.4 Filing of Material Contracts - An investment fund that is not subject to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, or securities legislation that imposes a similar requirement, must file a copy of any material contract of the investment fund not previously filed, or any amendment to any material contract of the investment fund not previously filed:

- (a) with the final prospectus of the investment fund; or
- (b) upon the execution of the material contract or amendment.

PART 17 EXEMPTIONS

17.1 Exemption

- (1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario only the regulator may grant an exemption from any part of this Instrument.

PART 18 EFFECTIVE DATE AND TRANSITION

18.1 Effective Date - This Instrument comes into force on June 1, 2005.

18.2 Repealed. 29 Aug 2008 SR 72/2008 s6.

18.3 Repealed. 29 Aug 2008 SR 72/2008 s6.

18.4 Repealed. 29 Aug 2008 SR 72/2008 s6.

18.5 Repealed. 29 Aug 2008 SR 72/2008 s6.

18.5.1 Transition to IFRS

- (1) For the first interim period in the financial year beginning on or after January 1, 2014, an investment fund must file, with its interim financial report for that interim period, an opening statement of financial position as at the date of transition to IFRS.

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(2) For the first financial year beginning on or after January 1, 2014, an investment fund must file, with its annual financial statements for that financial year, an audited opening statement of financial position as at the date of transition to IFRS.

(3) Despite sections 3.1, 3.2, 3.3, 3.4 and 3.6, for financial years beginning before January 1, 2014, an investment fund may present line items and use terminology in its financial statements consistent with the immediately preceding financial year.

18.5.2 Securities Lending - For financial years beginning before January 1, 2016, an investment fund is not required to comply with subsections 3.8(4) and (5).

18.6 Existing Exemptions

(1) An investment fund that has obtained an exemption or waiver from, or approval under, securities legislation, National Policy 39, National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, National Instrument 81-102 *Investment Funds*, National Instrument 81-104 *Commodity Pools* or National Instrument 81-105 *Mutual Fund Sales Practices* relating to its continuous disclosure obligations is exempt from any substantially similar provision of this Instrument to the same extent and on the same conditions, if any, as contained in the exemption, waiver or approval, unless the regulator or securities regulatory authority has revoked that exemption, waiver or approval under authority provided to it in securities legislation.

(2) An investment fund must, at the time that it first intends to rely on subsection (1) in connection with a filing requirement under this Instrument, inform the securities regulatory authority in writing of:

- (a) the general nature of the prior exemption, waiver or approval and the date on which it was granted; and
- (b) the provision in respect of which the prior exemption, waiver or approval applied and the substantially similar provision of this Instrument.

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**NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE**

**FORM 81-106F1
CONTENTS OF ANNUAL AND INTERIM MANAGEMENT
REPORT OF FUND PERFORMANCE**

PART A INSTRUCTIONS AND INTERPRETATION

Item 1 General

(a) The Form

The Form describes the disclosure required in an annual or interim management report of fund performance (MRFP) of an investment fund. Each item of the Form outlines disclosure or format requirements. Instructions to help you comply with these requirements are printed in *italic type*.

(b) Plain Language

An MRFP must state the required information concisely and in plain language (as defined in National Instrument 81-101 *Mutual Fund Prospectus Disclosure*). Refer to Part 1 of Companion Policy 81-106CP for a discussion concerning plain language and presentation.

When preparing an MRFP, respond as simply and directly as is reasonably possible and include only as much information as is necessary for readers to understand the matters for which you are providing disclosure.

(c) Format

Present the MRFP in a format that assists readability and comprehension. The Form generally does not mandate the use of a specific format to achieve these goals, except in the case of disclosure of financial highlights and past performance as required by Items 3 and 4 of each of Parts B and C of the Form; that disclosure must be presented in the format specified in the Form.

An MRFP must use the headings and sub-headings shown in the Form. Within this framework, investment funds are encouraged to use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely. Disclosure provided in response to any item does not need to be repeated elsewhere. The interim MRFP must use the same headings as used in the annual MRFP.

The Form does not prohibit including information beyond what the Form requires. An investment fund may include artwork and educational material (as defined in National Instrument 81-101 *Mutual Fund Prospectus Disclosure*) in its annual and interim MRFP. However, an investment fund must take reasonable care to ensure that including such material does not obscure the required information and does not lengthen the MRFP excessively.

(d) Focus on Material Information

You do not need to disclose information that is not material. You do not need to respond to any item in this Form that is inapplicable and you may omit negative answers.

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(e) What is Material?

Would a reasonable investor's decision to buy, sell or hold securities of an investment fund likely be influenced or changed if the information in question was omitted or misstated? If so, the information is material. In determining whether information is material, take into account both quantitative and qualitative factors.

(f) Terminology

All references to "net assets" or "net assets per security" in this Form are references to total equity or net assets attributable to securityholders determined in accordance with Canadian GAAP as presented in the financial statements of the investment fund.

Investment funds must use net assets as shown on the financial statements in the "The Fund's Net Assets per [Unit/Share]" table. All other calculations for the purposes of the MRFP must be made using net asset value.

Item 2 Management Discussion of Fund Performance

The management discussion of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. The discussion is the equivalent to the corporate management discussion and analysis (MD&A) with specific modifications for investment funds. It provides the manager of an investment fund with the opportunity to discuss the investment fund's position and financial results for the relevant period. The discussion is intended to give a reader the ability to look at the investment fund through the eyes of management by providing both a historical and prospective analysis of the investment activities and operations of the investment fund. Coupled with the financial highlights, this information should enable readers to better assess the investment fund's performance and future prospects.

Focus the management discussion on material information about the performance of the investment fund, with particular emphasis on known material trends, commitments, events, risks or uncertainties that the manager reasonably expects to have a material effect on the investment fund's future performance or investment activities.

The description of the disclosure requirements is intentionally general. This Form contains a minimum number of specific instructions in order to allow, as well as encourage, investment funds to discuss their activities in the most appropriate manner and to tailor their comments to their individual circumstances.

S-42.2 REG 3 **SECURITIES COMMISSION**
(ADOPTION OF NATIONAL INSTRUMENTS)

**PART B CONTENT REQUIREMENTS FOR ANNUAL MANAGEMENT
REPORT OF FUND PERFORMANCE**

Item 1 First Page Disclosure

The first page of an annual MRFP must contain disclosure in substantially the following words:

“This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling [toll-free/collect call telephone number], by writing to us at [insert address] or by visiting our website at [insert address] or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund’s interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.”

INSTRUCTION:

If the MRFP is bound with the financial statements of the investment fund, modify the first page wording appropriately.

Item 2 Management Discussion of Fund Performance

2.1 Investment Objective and Strategies

Disclose under the heading “Investment Objective and Strategies” a brief summary of the fundamental investment objective and strategies of the investment fund.

INSTRUCTION:

Disclosing the fundamental investment objective provides investors with a reference point for assessing the information contained in the MRFP. It must be a concise summary of the fundamental investment objective and strategies of the investment fund, and not merely copied from the prospectus.

2.2 Risk

Disclose under the heading “Risk” a discussion of how changes to the investment fund over the financial year affected the overall level of risk associated with an investment in the investment fund.

INSTRUCTION:

Ensure that the discussion is not merely a repeat of information contained in the prospectus of the investment fund, but rather a discussion that reflects any changes in risk level of the investment fund over the financial year.

Consider how the changes in the risks associated with an investment in the investment fund affect the suitability or investor risk tolerance stated in the prospectus or offering document. All investment funds should refer to Items 9 and 10 of Part B of Form 81-101F1 as if those sections applied to them.

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2.3 Results of Operations

(1) Under the heading “Results of Operations” provide a summary of the results of operations of the investment fund for the financial year to which the MDFP pertains, including a discussion of:

- (a) any material changes in investments in specific portfolio assets and overall asset mix from the previous period;
- (b) how the composition and changes to the composition of the investment portfolio relate to the investment fund’s fundamental investment objective and strategies or to changes in the economy, markets or unusual events;
- (c) unusual trends in redemptions or sales and the effect of these on the investment fund;
- (d) significant components and changes to the components of revenue and expenses;
- (e) risks, events, trends and commitments that had a material effect on past performance; and
- (f) unusual or infrequent events or transactions, economic changes and market conditions that affected performance.

(2) An investment fund that borrows money, other than immaterial operating overdrafts, must disclose:

- (a) the minimum and maximum amount borrowed during the period;
- (b) the percentage of net assets of the investment fund that the borrowing represented as of the end of the period;
- (c) how the borrowed money was used; and
- (d) the terms of the borrowing arrangements.

INSTRUCTION:

Explain the nature of and reasons for changes in your investment fund’s performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid the use of boilerplate language. Your discussion should assist the reader to understand the significant factors that have affected the performance of the investment fund.

2.4 Recent Developments

Under the heading “Recent Developments” discuss the developments affecting the investment fund, including:

- (a) known changes to the strategic position of the investment fund;
- (b) known material trends, commitments, events or uncertainties that might reasonably be expected to affect the investment fund;
- (c) changes to the manager or portfolio adviser, or change of control of the manager, of the investment fund;
- (d) the effects of any actual or planned reorganizations, mergers or similar transactions;

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- (e) the estimated effects of changes in accounting policies adopted subsequent to year end; and
- (f) changes to the composition or members of the independent review committee of the investment fund.

INSTRUCTIONS:

(1) *Preparing the management discussion necessarily involves some degree of prediction or projection. The discussion must describe anticipated events, decisions, circumstances, opportunities and risks that management considers reasonably likely to materially impact performance. It must also describe management's vision, strategy and targets.*

(2) *There is no requirement to provide forward-looking information. If any forward-looking information is provided, it must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, your material assumptions and appropriate risk disclosure and cautionary language. You must also discuss any forward-looking information disclosed for a prior period which, in light of intervening events and absent further explanations, may be misleading.*

2.5 Related Party Transactions

Under the heading "Related Party Transactions" discuss any transactions involving related parties to the investment fund.

INSTRUCTIONS:

(1) *In determining who is a related party, investment funds should look to the Handbook. In addition, related parties include the manager and portfolio adviser (or their affiliates) and a broker or dealer related to any of the investment fund, its manager or portfolio adviser.*

(2) *When discussing related party transactions, include the identity of the related party, the relationship to the investment fund, the purpose of the transaction, the measurement basis used to determine the recorded amount and any ongoing commitments to the related party.*

(3) *Related party transactions include portfolio transactions with related parties of the investment fund. When discussing these transactions, include the dollar amount of commission, spread or any other fee that the investment fund paid to any related party in connection with a portfolio transaction.*

(4) *If the investment fund has an independent review committee, state whether the investment fund has relied on the positive recommendation or approval of the independent review committee to proceed with the transaction, and provide details of any conditions or parameters surrounding the transaction imposed by the independent review committee in its positive recommendation or approval.*

Item 3 Financial Highlights

3.1 Financial Highlights

(1) Provide selected financial highlights for the investment fund under the heading "Financial Highlights" in the form of the following tables, appropriately completed, and introduced using the following words:

"The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past [insert number] years.

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The Fund's Net Assets per [Unit/Share]⁽¹⁾

| | [insert year] | [insert year] | [insert year] | [insert year] | [insert year] |
|---|---------------|---------------|---------------|---------------|---------------|
| Net Asset Value, beginning of year | \$ | \$ | \$ | \$ | \$ |
| Increase (decrease) from operations: | | | | | |
| total revenue | \$ | \$ | \$ | \$ | \$ |
| total expenses [excluding distributions] | \$ | \$ | \$ | \$ | \$ |
| realized gains (losses) for the period | \$ | \$ | \$ | \$ | \$ |
| unrealized gains (losses) for the period | \$ | \$ | \$ | \$ | \$ |
| Total increase (decrease) from operations ⁽²⁾ | \$ | \$ | \$ | \$ | \$ |
| Distributions: | | | | | |
| From net investment income (excluding dividends) | \$ | \$ | \$ | \$ | \$ |
| From dividends | \$ | \$ | \$ | \$ | \$ |
| From capital gains | \$ | \$ | \$ | \$ | \$ |
| Return of capital | \$ | \$ | \$ | \$ | \$ |
| Total Annual Distributions ⁽³⁾ | \$ | \$ | \$ | \$ | \$ |
| Net asset value at [insert last day of financial year] of year shown | \$ | \$ | \$ | \$ | \$ |

(1) This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements differs from the net asset value calculated for fund pricing purposes. [An explanation of these differences can be found in the notes to the financial statements./This difference is due to [explain].]

(2) Net assets and distributions are based on the actual number of [units/shares] outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of [units/shares] outstanding over the financial period.

(3) Distributions were [paid in cash/reinvested in additional [units/shares] of the Fund, or both].

Ratios and Supplemental Data

| | [insert year] | [insert year] | [insert year] | [insert year] | [insert year] |
|--|---------------|---------------|---------------|---------------|---------------|
| Total net assets (000's) ⁽¹⁾ | \$ | \$ | \$ | \$ | \$ |
| Number of [units/shares] outstanding ¹ | | | | | |
| Management expense ratio ⁽²⁾ | % | % | % | % | % |
| Management expense ratio before waivers or absorptions | % | % | % | % | % |
| Trading expense ratio ⁽³⁾ | % | % | % | % | % |
| Portfolio turnover rate ⁽⁴⁾ | % | % | % | % | % |
| Net asset value per [unit/share] | % | % | % | % | % |
| Closing market price [if applicable] | \$ | \$ | \$ | \$ | \$ |

(1) This information is provided as at [insert date of end of financial year] of the year shown.

(2) Management expense ratio is based on total expenses (excluding [distributions], commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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- (2) **Repealed.** 29 Aug 2008 SR 72/2008 s6.
- (3) Modify the table appropriately for corporate investment funds.
- (4) Show the financial highlights individually for each class or series, if a multi-class fund.
- (5) Provide per unit or per share amounts to the nearest cent, and provide percentage amounts to two decimal places.
- (6) Except for net assets, net value and distributions, calculate per unit/share values on the basis of the weighted average number of unit/shares outstanding over the financial period.
- (7) Provide the selected financial information required by this Item in chronological order for each of the five most recently completed financial years of the investment fund for which audited financial statements have been filed, with the information for the most recent financial year in the first column on the left of the table.
- (7.1)(a) For financial years beginning before January 1, 2014, the financial highlights may be derived from the investment fund's financial statements prepared in accordance with subsection 2.6(1) of the Instrument.
 - (b) For financial periods beginning on or after January 1, 2014, derive the financial highlights from the investment fund's financial statements prepared in accordance with subsection 2.6(2) of the Instrument.
 - (c) Despite paragraph (a), in an annual MRFP for a financial year beginning on or after January 1, 2014, derive the financial highlights for the immediately preceding financial year from financial statements prepared in accordance with subsection 2.6(2) of the Instrument.
 - (d) If the financial highlights relate to financial periods beginning both before and on or after January 1, 2014, disclose, in a note to the table, the accounting principles applicable to each period.
- (8) If the investment fund has merged with another investment fund, include in the table only the financial information of the continuing investment fund.
- (9) Calculate the management expense ratio of the investment fund as required by Part 15 of the Instrument. Include a brief description of the method of calculating the management expense ratio in a note to the table.
- (10) If the investment fund:
 - (a) changed, or proposes to change, the basis of the calculation of the management fees or of the other fees, charges or expenses that are charged to the investment fund; or
 - (b) introduces or proposes to introduce a new fee,
 and if the change would have had an effect on the management expense ratio for the last completed financial year of the investment fund if the change had been in effect throughout that financial year, disclose the effect of the change on the management expense ratio in a note to the "Ratios and Supplemental Data" table.
- (11) Do not include disclosure concerning portfolio turnover rate for a money market fund.

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- (12)(a) Calculate the trading expense ratio by dividing:
- (i) the total commissions and other portfolio transaction costs disclosed in the statement of operations, by;
 - (ii) the same denominator used to calculate the management expense ratio.
- (b) If an investment fund invests in securities of other investment funds, calculate the trading expense ratio using the methodology required for the calculation of the management expense ratio in section 15.2 of the Instrument, making reasonable assumptions or estimates when necessary.
- (13) Provide the closing market price only if the investment fund is traded on an exchange.

INSTRUCTIONS:

- (1) *Calculate the investment fund's portfolio turnover rate by dividing the lesser of the amounts of the cost of purchases and proceeds of sales of portfolio securities for the financial year by the average of the value of the portfolio securities owned by the investment fund in the financial year. Calculate the monthly average by totalling the values of portfolio securities as at the beginning and end of the first month of the financial year and as at the end of each of the succeeding 11 months and dividing the sum by 13. Exclude from both numerator and denominator amounts relating to all portfolio securities having a remaining term to maturity on the date of acquisition by the investment fund of one year or less.*
- (2) *Further to instruction (1), include:*
- (a) *proceeds from a short sale in the value of the portfolio securities sold during the period;*
 - (b) *the cost of covering a short sale in the value of portfolio securities purchased during the period;*
 - (c) *premiums paid to purchase options in the value of portfolio securities purchased during the period; and*
 - (d) *premiums received from the sale of options in the value of the portfolio securities sold during the period.*
- (3) *If the investment fund acquired the assets of another investment fund in exchange for its own shares during the financial year in a purchase-of-assets transaction, exclude from the calculation of portfolio turnover rate the value of securities acquired and sold to realign the fund's portfolio. Adjust the denominator of the portfolio turnover computation to reflect these excluded purchases and sales and disclose them in a footnote*

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3.2 Scholarship Plans

An investment fund that is a scholarship plan must comply with Item 3.1, except that the following table must replace “The Fund’s Net Assets per [Unit/Share]” table and the “Ratios and Supplemental Data” table.

Financial & Operating Highlights (with comparative figures)

| | [insert year] | [insert year] | [insert year] | [insert year] | [insert year] |
|---|---------------|---------------|---------------|---------------|---------------|
| Statement of Financial Position | | | | | |
| Total Assets | \$ | \$ | \$ | \$ | \$ |
| Net Assets | \$ | \$ | \$ | \$ | \$ |
| % change of Net Assets | % | % | % | % | % |
| Statement of Comprehensive Income | | | | | |
| Scholarship Awards | \$ | \$ | \$ | \$ | \$ |
| Canadian Education Savings Grant | \$ | \$ | \$ | \$ | \$ |
| Net investment income | \$ | \$ | \$ | \$ | \$ |
| Other | | | | | |
| Total number of [agreements/units] in plans | | | | | |
| % change in the total number of agreements | % | % | % | % | % |

3.3 Management Fees

Disclose the basis for calculating the management fees paid by the investment fund and a breakdown of the services received in consideration of the management fees, as a percentage of management fees.

INSTRUCTION:

The disclosure must list the major services paid for out of the management fees, including portfolio adviser compensation, waived or absorbed expenses, trailing commissions and sales commissions, if applicable. Services may be grouped together so that commercially sensitive information, such as the specific compensation paid to a portfolio adviser or the manager’s profit, is not determinable.

Item 4 Past Performance

4.1 General

(1) In responding to the requirements of this Item, an investment fund must comply with sections 15.2, 15.3, 15.9, 15.10, 15.11 and 15.14 of National Instrument 81-102 *Investment Funds* as if those sections applied to the annual MRF.

(2) Despite the specific requirements of this Item, do not provide performance data for any period if the investment fund was not a reporting issuer at all times during the period.

(3) Set out in the footnotes to the chart or table required by this Item the assumptions relevant to the calculation of the performance information, including any assumptions or estimates made in order to calculate the return on the short portfolio, if applicable. Include a statement of the significance of the assumption that distributions are reinvested for taxable investments.

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- (4) In a general introduction to the “Past Performance” section, indicate, as applicable, that:
- (a) the performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund;
 - (b) the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance; and
 - (c) how the investment fund has performed in the past does not necessarily indicate how it will perform in the future.
- (5) Use a linear scale for each axis of the bar chart required by this Item.
- (6) The x-axis must intersect the y-axis at 0 for the “Year-by-Year Returns” bar chart.

4.2 Year-by-Year Returns

- (1) Provide a bar chart, under the heading “Past Performance” and under the sub-heading “Year-by-Year Returns”, that shows, in chronological order with the most recent year on the right of the bar chart, the annual total return of the investment fund for the lesser of:
- (a) each of the 10 most recently completed financial years; and
 - (b) each of the completed financial years in which the investment fund has been in existence and which the investment fund was a reporting issuer.
- (2) Provide an introduction to the bar chart that:
- (a) indicates that the bar chart shows the investment fund’s annual performance for each of the years shown, and illustrates how the investment fund’s performance has changed from year to year; and
 - (b) indicates that the bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.
- (3) If the investment fund holds short portfolio positions, show separately the annual total return for both the long portfolio positions and the short portfolio positions in addition to the overall total return.

4.3 Annual Compound Returns

- (1) If the investment fund is not a money market fund, disclose, in the form of a table, under the sub-heading “Annual Compound Returns”:
- (a) the investment fund’s past performance for the ten, five, three and one year periods ended on the last day of the investment fund’s financial year; and
 - (b) if the investment fund was a reporting issuer for more than one and less than 10 years, the investment fund’s past performance since the inception of the investment fund.

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(2) Include in the table, for the same periods for which the annual compound returns of the investment fund are provided, the historical annual compound total returns or changes of:

- (a) one or more appropriate broad-based securities market indices; and
- (b) at the option of the investment fund, one or more non-securities indices or narrowly-based market indices that reflect the market sectors in which the investment fund invests.

(3) Include a brief description of the broad-based securities market index (or indices) and provide a discussion of the relative performance of the investment fund as compared to that index.

(4) If the investment fund includes in the table an index that is different from the one included in the most recently filed MRFP, explain the reasons for the change and include the disclosure required by this Item for both the new and former indices.

(5) Calculate the annual compound return in accordance with the requirements of Part 15 of National Instrument 81-102 *Investment Funds*.

(6) If the investment fund holds short portfolio positions, show separately the annual compound returns for both the long and the short portfolio positions in addition to the overall annual compound returns.

INSTRUCTIONS:

(1) An “appropriate broad-based securities market index” is one that:

- (a) is administered by an organization that is not affiliated with any of the mutual fund, its manager, portfolio adviser or principal distributor, unless the index is widely recognized and used; and
- (b) has been adjusted by its administrator to reflect the reinvestment of dividends on securities in the index or interest on debt.

(2) It may be appropriate for an investment fund that invests in more than one type of security to compare its performance to more than one relevant index. For example, a balanced fund may wish to compare its performance to both a bond index and an equity index.

(3) In addition to the appropriate broad-based securities market index, the investment fund may compare its performance to other financial or narrowly-based securities indices (or a blend of indices) that reflect the market sectors in which the investment fund invests or that provide useful comparatives to the performance of the investment fund. For example, an investment fund could compare its performance to an index that measured the performance of certain sectors of the stock market (e.g. communications companies, financial sector companies, etc.) or to a non-securities index, such as the Consumer Price Index, so long as the comparison is not misleading.

4.4 Scholarship Plans

An investment fund that is a scholarship plan must comply with this Item, except that year-by-year returns and annual compound returns must be calculated based on the scholarship plan’s total portfolio adjusted for cash flows.

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Item 5 Summary of Investment Portfolio

- (1) Include, under the heading “Summary of Investment Portfolio”, a summary of the investment fund’s portfolio as at the end of the financial year of the investment fund to which the annual MRFP pertains.
- (2) The summary of investment portfolio:
 - (a) must break down the entire portfolio of the investment fund into appropriate subgroups, and must show the percentage of the aggregate net asset value of the investment fund constituted by each subgroup;
 - (b) must disclose the top 25 positions held by the investment fund, each expressed as a percentage of net asset value of the investment fund;
 - (c) must disclose long positions separately from short positions; and
 - (d) must disclose separately the total percentage of net asset value represented by the long positions and by the short positions.
- (3) Indicate that the summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund and a quarterly update is available.

INSTRUCTIONS:

- (1) *The summary of investment portfolio is designed to give the reader an easily accessible snapshot of the portfolio of the investment fund as at the end of the financial year for which the annual MRFP pertains. As with the other components of the annual MRFP, care should be taken to ensure that the information in the summary of investment portfolio is presented in an easily accessible and understandable way.*
- (2) *The Canadian securities regulatory authorities have not prescribed the names of the categories into which the portfolio should be broken down. An investment fund should use the most appropriate categories given the nature of the fund. If appropriate, an investment fund may use more than one breakdown, for instance showing the portfolio of the investment fund broken down according to security type, industry, geographical locations, etc.*
- (3) *Instead of a table, the disclosure required by (2)(a) of this Item may be presented in the form of a pie chart.*
- (4) *If the investment fund owns more than one class of securities of an issuer, those classes should be aggregated for the purposes of this Item, however, debt and equity securities of an issuer must not be aggregated.*
- (5) *Portfolio assets other than securities should be aggregated if they have substantially similar investment risks and profiles. For instance, gold certificates should be aggregated, even if they are issued by different financial institutions.*
- (6) *Treat cash and cash equivalents as one separate discrete category.*
- (7) *In determining its holdings for purposes of the disclosure required by this Item, an investment fund should, for each long position in a derivative that is held by the investment fund for purposes other than hedging and for each index participation unit held by the investment fund, consider that it holds directly the underlying interest of that derivative or its proportionate share of the securities held by the issuer of the index participation unit.*

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(8) *If an investment fund invests substantially all of its assets directly or indirectly (through the use of derivatives) in securities of one other fund, list only the 25 largest holdings of the other investment fund by percentage of net asset value of the other investment fund, as disclosed by the other investment fund as at the most recent quarter end.*

(9) *If the investment fund invests in other investment funds, include a statement to the effect that the prospectus and other information about the underlying investment funds are available on the internet at www.sedar.com.*

(10) *A labour sponsored or venture capital fund must disclose its top 25 positions, but is not required to express any of its venture investments as a percentage of the fund's net asset value if it complies with the conditions in Part 8 of the Instrument to be exempt from disclosing the individual current values of venture investments in its statement of investment portfolio.*

Item 6 Other Material Information

Provide any other material information relating to the investment fund not otherwise required to be disclosed by this Part, including information required to be disclosed pursuant to an order or exemption received by the investment fund.

**PART C CONTENT REQUIREMENTS FOR INTERIM MANAGEMENT
REPORT OF FUND PERFORMANCE**

Item 1 First Page Disclosure

The first page of an interim MRFP must contain disclosure in substantially the following words:

“This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling [toll-free/collect call telephone number], by writing to us at [insert address] or by visiting our website at [insert address] or SEDAR at www.sedar.com.

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling [toll-free/collect call telephone number], by writing to us at [insert address] or by visiting our website at [insert address] or SEDAR at www.sedar.com.”

INSTRUCTION:

If the MRFP is bound with the financial statements of the investment fund, modify the first page wording appropriately.

Item 2 Management Discussion of Fund Performance

2.1 Results of Operations

Update the analysis of the investment fund's results of operations provided in the most recent annual MRFP. Discuss any material changes to any of the components listed in Item 2.3 of Part B.

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2.2 Recent Developments

If there have been any significant developments affecting the investment fund since the most recent annual MRFP, discuss those developments and their impact on the investment fund, in accordance with the requirements of Item 2.4 of Part B.

2.3 Related Party Transactions

Provide the disclosure required by Item 2.5 of Part B.

INSTRUCTIONS:

- (1) If the first MRFP you file in this Form is not an annual MRFP, you must provide all the disclosure required by Part B, except for Items 3 and 4, in the first MRFP.*
- (2) The discussion in an interim MRFP is intended to update the reader on material developments since the date of the most recent annual MRFP. You may assume the reader has access to your annual MRFP, so it is not necessary to restate all of the information contained in the most recent annual discussion.*
- (3) The discussion in an interim MRFP should deal with the financial period to which the interim MRFP pertains.*

Item 3 Financial Highlights

- (1) Provide the disclosure required by Item 3.1 of Part B, with an additional column on the left of the table representing the interim period.
- (2) Provide the disclosure required by Item 3.3 of Part B of the form.

INSTRUCTION:

If the distributions cannot be allocated by type at the end of the interim period, provide only total distributions by unit/share.

Item 4 Past Performance

Provide a bar chart prepared in accordance with Item 4.2 of Part B, and include the total return calculated for the interim period.

Item 5 Summary of Investment Portfolio

- (1) Include a summary of investment portfolio as at the end of the financial period to which the interim MRFP pertains.
- (2) The summary of investment portfolio must be prepared in accordance with Item 5 of Part B.

Item 6 Other Material Information

Provide any other material information relating to the investment fund not otherwise required to be disclosed by this Part including information required to be disclosed pursuant to an order or exemption received by the investment fund.

10 Jne 2005 SR 49/2005 s11; 10 Nov 2006 SR 104/2006 s8; 25 Jly 2008 SR 59/2008 s5; 29 Aug 2008 SR 72/2008 s6; 8 Jly 2011 SR 41/2011 s20; 29 Jne 2012 SR 43/2012 s6; 17 May 2013 SR 33/2013 s11; 24 Jan 2014 SR 1/2014 s7; 12 Sep 2014 SR 77/2014 s13.

