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IMPLEMENTING INSTRUMENT 71-802 ADOPTING

NATIONAL INSTRUMENT 71-101

THE MULTIJURISDICTIONAL DISCLOSURE SYSTEM

PART 1 -- DEFINITIONS

- 1.1 In this Rule, "NI 71-101" means "National Instrument 71-101- *The Multijurisdictional Disclosure System*".
- 1.2 In this Rule, "MJDS" means "Multijurisdictional Disclosure System".
- 1.3 Each term used in this Rule that is defined or interpreted in Part 1 of NI 71-101 has the meaning ascribed to it in that Part.

PART 2 -- MJDS PROSPECTUS DISTRIBUTIONS

2.1 PRELIMINARY MJDS PROSPECTUS AND MJDS PROSPECTUS

- 2.1.1 The following do not apply to a distribution of securities made by MJDS prospectus in compliance with NI 71-101 and otherwise in accordance with the *Securities Act* and the Regulation:
 - (a) sections 71, 72 and 74 of the *Act*, insofar as those sections concern the form and content of a preliminary prospectus or prospectus;
 - (b) subsections 76(1) and 77(1) of the *Act*, insofar as those subsections concern the form, content and circumstances of filing of an amendment to a preliminary prospectus or prospectus;
 - (c) clause 77(2)(b) of the *Act* insofar as that clause specifies the time period that must elapse before the distribution of additional securities may be proceeded with;

- (d) clauses 2.3(a)(i) and 2.3(c)(i) of Implementing Instrument 41-802 ("II 41-802") Adopting Ontario Local Rule 41-501 *General Prospectus Requirements*, Forms 41-501F1, 41-501F2, 41-501F3 and 41-501F4; and
- (e) section 78 of the *Act*, insofar as that section limits the duration of the distribution of securities under a MJDS prospectus in relation to a rule 415 offering.
- (f) Ontario Local Rule 41-501 *General Prospectus Requirements*, insofar as it was adopted in New Brunswick by II 41-802.

PART 3 -- BIDS FOR SECURITIES OF U.S. ISSUERS

3.1 APPLICATION OF THE *ACT* AND RULES TO OFFERORS IN TAKE-OVER BIDS AND ISSUER BIDS

- 3.1.1 Subject to sections 3.1.2 to 3.1.6, sections 115 to 123 and section 125 of the *Act* do not apply to a bid that is made in accordance with Part 12 of NI 71-101.
- 3.1.2 Subsection 118(1) of the *Act* applies if securityholders of the offeree issuer whose last address as shown on the books of the issuer is in Canada, as determined in accordance with subsections 12.1(2) through 12.1(4) of NI 71-101, hold 20 percent or more of a class of securities that is the subject of the bid.
- 3.1.3 Subsection 120(a) of the *Act* applies except the requirement that the offeror deliver the bid to all holders of securities that before the expiry of the bid are convertible into securities of the class that is subject to the bid in Ontario.
- 3.1.4 Subsections 123(1), 123(3), 123(7) and 125(1) of the *Act* apply.
- 3.1.5 The requirement in subsection 123(2) of the *Act* subject to subsection 122(3) of the *Act* to deliver a notice of change to every person to whom the circular was required to be delivered and whose securities were not taken up at the date of the occurrence of the change applies.
- 3.1.6 The requirement in subsection 123(4) of the *Act* to deliver a notice of variation to every person to whom the take-over bid circular or issuer bid circular was required to be delivered and whose securities were not taken up at the date of the variation applies.

3.2 APPLICATION OF THE *ACT* AND THE RULES TO MJDS DIRECTORS' CIRCULARS AND MJDS INDIVIDUAL DIRECTOR'S OR OFFICER'S CIRCULARS

- 3.2.1 Subject to sections 3.2.2 to 3.2.4, section 124 of the *Act* other than subsection 124(3), and section 125 other than subsection 125(2) of the *Act* do not apply to

the directors or the individual directors or officers of an offeree issuer, the securities of which are subject to a take-over bid made in accordance with Part 12 of NI 71-101.

- 3.2.2 Subsection 124(1) of the *Act* applies except for the requirement that the board of directors of the offeree issuer deliver the directors' circular to all holders of securities that before the expiry of the bid are convertible into securities of the class that is subject of the bid who are in New Brunswick.
- 3.2.3 The requirement in subsection 124(6) of the *Act* to deliver a notice of change to every person to whom the directors' circular was required to be delivered, in respect of holders of securities that were not taken up at the date of the occurrence of the change.
- 3.2.4 Subsection 124(7) of the *Act* applies except the requirement that the board of directors of the offeree issuer deliver the individual director's or officer's circular or notice of change thereto to all holders of securities that before the expiry of the bid convertible into securities of the class that is subject of the bid who are in New Brunswick.

PART 4 -- FINANCIAL REPORTING

4.1 CERTIFICATION OF FINANCIAL STATEMENTS

- 4.1.1 The obligations under sections 90 and 91 of the *Act* insofar as they relate to the requirement to certify financial statements as required by the Regulations do not apply to financial statements filed under section 15.1 of NI 71-101.

PART 5 -- EFFECTIVE DATE

- 5.1 This Rule comes into force on 19 September 2006.