



Document Type: National Instrument
Document N°: 41-101
Subject: *General Prospectus Requirements*
Publication Date: 17 March 2008
Effective Date: 17 March 2008

**NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

TABLE OF CONTENTS

PART 1 Definitions and Interpretations

- 1.1 Definitions
- 1.2 Interpretation of “prospectus”, “preliminary prospectus”, “final prospectus”, “long form prospectus”, and “short form prospectus”
- 1.3 Interpretation of “business”
- 1.4 Interpretation of “affiliate”
- 1.5 Interpretation of “payments to be made”

PART 2 Requirements for All Prospectus Distributions

- 2.1 Application of the Instrument
- 2.2 Language
- 2.3 General requirements
- 2.4 Special warrants

PART 3 Form of Prospectus

- 3.1 Form of prospectus

PART 4 Financial Statements and Related Documents in a Long Form Prospectus

- 4.1 Application
- 4.2 Audit of financial statements
- 4.3 Review of unaudited financial statements
- 4.4 Approval of financial statements and related documents

PART 5 Certificates

- 5.1 Interpretation
- 5.2 Date of certificates
- 5.3 Certificate of issuer
- 5.4 Corporate issuer
- 5.5 Trust issuer
- 5.6 Limited partnership issuer
- 5.7 Other issuer
- 5.8 Reverse takeovers
- 5.9 Certificate of underwriter
- 5.10 Certificate of investment fund manager

- 5.11 Certificate of promoter
- 5.12 Certificate of credit supporter
- 5.13 Certificate of selling securityholders
- 5.14 Certificate of operating entity
- 5.15 Certificate of other persons

PART 6 Amendments

- 6.1 Form of amendment
- 6.2 Required documents for filing an amendment
- 6.3 Auditor's comfort letter
- 6.4 Delivery of amendments
- 6.5 Amendment to a preliminary prospectus
- 6.6 Amendment to a final prospectus

PART 7 Non-fixed Price Offerings and Reduction of Offering Price under a Final Prospectus

- 7.1 Application
- 7.2 Non-fixed price offerings and reduction of offering price

PART 8 Best Efforts Distributions

- 8.1 Application
- 8.2 Distribution period
- 8.3 Minimum amount of funds

PART 9 Requirements for Filing a Long Form Prospectus

- 9.1 Required documents for filing a preliminary or pro forma long form prospectus
- 9.2 Required documents for filing a final long form prospectus
- 9.3 Material contracts

PART 10 Consents and Licenses, Registrations and Approvals

- 10.1 Consents of experts
- 10.2 Licences, registrations and approvals

PART 11 Over-Allocation and Underwriters

- 11.1 Over-allocation
- 11.2 Distribution of securities under a prospectus to an underwriter
- 11.3 Take-up by underwriter

PART 12 Restricted Securities

- 12.1 Application
- 12.2 Use of restricted security term
- 12.3 Prospectus filing eligibility

PART 13 Advertising and Marketing in Connection with Prospectus Offerings

- 13.1 Legend for communications during the waiting period
- 13.2 Legend for communications following receipt for the final prospectus
- 13.3 Advertising for investment funds during the waiting period

PART 14 Custodianship of Portfolio Assets of an Investment Fund

- 14.1 General
- 14.2 Who may act as custodian or sub-custodian
- 14.3 Standard of care
- 14.4 Appointment of sub-custodian

- 14.5 Content of agreements
- 14.6 Review and compliance reports
- 14.7 Holding of portfolio assets and payment of fees
- 14.8 Custodian provisions relating to derivatives and securities lending, repurchases and reverse repurchase agreements
- 14.9 Separate account for paying expenses

PART 15 Documents Incorporated by Reference by Investment Funds

- 15.1 Application
- 15.2 Incorporation by reference

PART 16 Distribution of Preliminary Prospectus and Distribution List

- 16.1 Distribution of preliminary prospectus and distribution list

PART 17 Lapse Date

- 17.1 Pro forma prospectus
- 17.2 Refiling of prospectus

PART 18 Statement of Rights

- 18.1 Statement of rights

PART 19 Exemption

- 19.1 Exemption
- 19.2 Application for exemption
- 19.3 Evidence of exemption

PART 20 Transition, Effective Date, and Repeal

- 20.1 Transition
- 20.2 Effective date
- 20.3 Repeal

APPENDIX A PERSONAL INFORMATION FORM AND AUTHORIZATION OF INDIRECT COLLECTION, USE AND DISCLOSURE OF PERSONAL INFORMATION

APPENDIX B ISSUER FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS

APPENDIX C NON-ISSUER FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS

**NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

PART 1: Definitions and Interpretations

Definitions

1.1 In this Instrument:

"acquisition" has the same meaning as in Part 8 of NI 51-102; (*acquisition*)

"acquisition of related businesses" has the same meaning as in Part 8 of NI 51-102; (*acquisition d'entreprises reliées*)

"alternative credit support" has the same meaning as in section 13.4 of NI 51-102; (*soutien au crédit de remplacement*)

"approved rating organization" has the same meaning as in section 1.1 of NI 51-102; (*agence de notation agréée*)

"asset-backed security" has the same meaning as in section 1.1 of NI 51-102; (*titre adossé à des créances*)

"base offering" means the number or principal amount of the securities distributed under a prospectus by an issuer or selling securityholder, excluding

- (a) any over-allotment option granted in connection with the distribution, or the securities issuable on the exercise of any such over-allotment option, and
- (b) securities issued or paid as compensation to a person or company for acting as an underwriter in respect of securities that are distributed under the prospectus, on an "as-if-converted" basis if these securities include securities that are convertible or exchangeable securities;

(*placement de base*)

"board of directors" has the same meaning as in section 1.1 of NI 51-102; (*conseil d'administration*)

"business acquisition report" has the same meaning as in section 1.1 of NI 51-102; (*déclaration d'acquisition d'entreprise*)

"business day" means any day other than a Saturday, a Sunday or a statutory holiday; (*jour ouvrable*)

"class" has the same meaning as in section 1.1 of NI 51-102; (*catégorie*)

"credit supporter" has the same meaning as in section 13.4 of NI 51-102; (*garant*)

"custodian" means the institution appointed by an investment fund to act as custodian of the portfolio assets of the investment fund; (*dépositaire*)

"date of acquisition" has the same meaning as in section 1.1 of NI 51-102; (*date d'acquisition*)

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

"designated foreign jurisdiction" has the same meaning as in section 1.1 of NI 52-107; (*territoire étranger visé*)

"equity investee" has the same meaning as in section 1.1 of NI 51-102; (*entité émettrice comptabilisée à la valeur de consolidation*)

"equity security" means a security of an issuer that carries a residual right to participate in the earnings of the issuer and, on the liquidation or winding up of the issuer, in its assets; (*titre de participation*)

"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;
(*membre de la haute direction*)

"foreign disclosure requirements" has the same meaning as in section 1.1 of NI 52-107; (*règles d'information étrangères*)

"Form 41-101F1" means Form 41-101F1 *Information Required in a Prospectus* of this Instrument; (*Annexe 41-101A1*)

"Form 41-101F2" means Form 41-101F2 *Information Required in an Investment Fund Prospectus* of this Instrument; (*Annexe 41-101A2*)

"Form 44-101F1" means Form 44-101F1 *Short Form Prospectus* of NI 44-101; (*Annexe 44-101A1*)

"Form 51-101F1" means Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* of NI 51-101; (*Annexe 51-101A1*)

"Form 51-101F2" means Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor* of NI 51-101; (*Annexe 51-101A2*)

"Form 51-101F3" means Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure* of NI 51-101; (*Annexe 51-101A3*)

"Form 51-102F1" means Form 51-102F1 *Management's Discussion & Analysis* of NI 51-102; (*Annexe 51-102A1*)

"Form 51-102F2" means Form 51-102F2 *Annual Information Form* of NI 51-102; (*Annexe 51-102A2*)

"Form 51-102F4" means Form 51-102F4 *Business Acquisition Report* of NI 51-102; (*Annexe 51-102A4*)

"Form 51-102F5" means Form 51-102F5 *Information Circular* of NI 51-102; (*Annexe 51-102A5*)

"Form 51-102F6" means Form 51-102F6 *Statement of Executive Compensation* of NI 51-102; (*Annexe 51-102A6*)

"Form 52-110F1" means Form 52-110F1 *Audit Committee Information Required in an AIF* of MI 52-110; (*Annexe 52-110A1*)

"Form 52-110F2" means Form 52-110F2 *Disclosure by Venture Issuers* of MI 52-110; (*Annexe 52-110A2*)

"Form 58-101F1" means Form 58-101F1 *Corporate Governance Disclosure* of NI 58-101; (*Annexe 58-101A1*)

"Form 58-101F2" means Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)* of NI 58-101; (*Annexe 58-101A2*)

"full and unconditional credit support" means

- (a) 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 issuer, within 15 days of any failure by the 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
- (b) a full and unconditional guarantee of the payments to be made, as interpreted in section 1.5, by the issuer of securities, as stipulated in the terms of the securities or in an agreement governing 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 issuer to make a payment;

(*soutien au crédit entier et sans condition*)

"income from continuing operations" has the same meaning as in section 1.1 of NI 51-102; (*résultat tiré des activités poursuivies*)

"independent review committee" means an independent review committee under NI 81-107; (*comité d'examen indépendant*)

"information circular" has the same meaning as in section 1.1 of NI 51-102; (*circulaire*)

“interim period” has the same meaning as in

- (a) section 1.1 of NI 51-102 for an issuer other than an investment fund, or
- (b) section 1.1 of NI 81-106 for an investment fund;
(*période intermédiaire*)

“IPO venture issuer” means an issuer that

- (a) files a long form prospectus,
- (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus, and
- (c) at the date of the long form prospectus, does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on
 - (i) the Toronto Stock Exchange,
 - (ii) a U.S. marketplace, or
 - (iii) 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;
(*émetteur émergent au stade du premier appel public à l'épargne*)

“issuer’s GAAP” has the same meaning as in section 1.1 of NI 52-107; (*PCGR de l'émetteur*)

“junior issuer” means an issuer

- (a) that files a preliminary prospectus,
- (b) that is not a reporting issuer in any jurisdiction,
- (c) whose total consolidated assets as at the date of the most recent balance sheet of the issuer included in the preliminary prospectus are less than \$10,000,000,
- (d) whose consolidated revenue as shown in the most recent annual income statement of the issuer included in the preliminary prospectus is less than \$10,000,000, and
- (e) whose shareholders' equity as at the date of the most recent balance sheet of the issuer included in the preliminary prospectus is less than \$10,000,000,

taking into account all adjustments to asset, revenue and shareholders' equity calculations necessary to reflect each significant proposed acquisition of a business or related business by an issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high, and each completed significant acquisition of a business or related business that was completed,

- (f) for paragraphs (c) and (e), before the date of the preliminary prospectus and after the date of the issuer's most recent balance sheet included in the preliminary prospectus as if each acquisition had taken place as at the date of the issuer's most recent balance sheet included in the preliminary prospectus, and
- (g) for paragraph (d), after the last day of the most recent annual income statement of the issuer included in the preliminary prospectus as if each acquisition had taken place at the beginning of the issuer's most recently completed financial year for which an income statement is included in the preliminary prospectus;
- (petit émetteur)*

"labour sponsored or venture capital fund" has the same meaning as in section 1.1 of NI 81-106; *(fonds de travailleurs ou de capital de risque)*

"long form prospectus" means a prospectus filed in the form of Form 41-101F1 or Form 41-101F2; *(prospectus ordinaire)*

"marketplace" has the same meaning as in section 1.1 of NI 51-102; *(marché)*

"material contract" means any contract that an issuer or any of its subsidiaries is a party to, that is material to the issuer; *(contrat important)*

"mineral project" has the same meaning as in section 1.1 of NI 43-101; *(projet minier)*

"MI 52-110" means Multilateral Instrument 52-110 *Audit Committees*; *(NM 52-110)*

"NI 14-101" means National Instrument 14-101 *Definitions*; *(NC14-101)*

"NI 33-105" means National Instrument 33-105 *Underwriting Conflicts*; *(NC 33-105)*

"NI 43-101" means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*; *(NC 43-101)*

"NI 44-101" means National Instrument 44-101 *Short Form Prospectus Distributions*; *(NC 44-101)*

"NI 44-102" means National Instrument 44-102 *Shelf Distributions*; *(NC 44-102)*

"NI 44-103" means National Instrument 44-103 *Post-Receipt Pricing*; *(NC 44-103)*

"NI 45-106" means National Instrument 45-106 *Prospectus and Registration Exemptions*; *(NC 45-106)*

"NI 51-101" means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*; *(NC 51-101)*

"NI 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*; *(NC 51-102)*

"NI 52-107" means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*; *(NC 52-107)*

"NI 58-101" means National Instrument 58-101 *Disclosure of Corporate Governance Practices*; (NC 58-101)

"NI 81-101" means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*; (NC 81-101)

"NI 81-102" means National Instrument 81-102 *Mutual Funds*; (NC 81-102)

"NI 81-106" means National Instrument 81-106 *Investment Fund Continuous Disclosure*; (NC 81-106)

"NI 81-107" means National Instrument 81-107 *Independent Review Committee for Investment Funds*; (NC 81-107)

"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; (*titre sans droit de vote*)

"old financial year" means the financial year of an issuer that immediately precedes a transition year; (*ancien exercice*)

"over-allocation position" means the amount, determined as at the closing of a distribution, by which the aggregate number or principal amount of securities that are sold by one or more underwriters of the distribution exceeds the base offering; (*position de surallocation*)

"over-allotment option" means a right granted to one or more underwriters by an issuer or a selling securityholder of the issuer in connection with the distribution of securities under a prospectus to acquire, for the purposes of covering the underwriter's over-allocation position, a security of an issuer that has the same designation and attributes as a security that is distributed under such prospectus, and which

(a) expires not later than the 60th day after the date of the closing of the distribution, and

(b) is exercisable for a number or principal amount of securities that is limited to the lesser of

(i) the over-allocation position, and

(ii) 15% of the base offering;
(*option de surallocation*)

"principal securityholder" means a person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the issuer; (*porteur principal*)

"private issuer" has the same meaning as in section 2.4 of NI 45-106; (*émetteur fermé*)

"related credit supporter" of an issuer means a credit supporter of the issuer that is an affiliate of the issuer; (*garant apparenté*)

“restricted security” means an equity security that is not a preferred security of an issuer if any of the following apply:

- (a) there is another class of securities of the issuer that carries 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 issuer, or the issuer’s constating documents have provisions that nullify or significantly restrict the voting rights of the equity securities,
- (c) the issuer has issued another class of equity securities that entitle the owners of securities of that other class to participate in the earnings or assets of the issuer to a greater extent, on a per security basis, than the owners of the first class of equity securities, or
- (d) except in Ontario and British Columbia, the regulator determines that the equity security is a restricted security;
(titre subalterne)

“restricted security reorganization” means any event resulting in the creation of restricted securities, directly or through the creation of subject securities or securities that are, directly or indirectly, convertible, or exercisable or exchangeable for, restricted securities or subject securities or any change in the rights attaching to restricted securities, subject securities or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, restricted securities or subject securities, including

- (a) any
 - (i) amendment to an issuer’s constating documents,
 - (ii) resolution of the board of directors of an issuer setting the terms of a series of securities of the issuer, or
 - (iii) restructuring, recapitalization, reclassification, arrangement, amalgamation or merger, or
- (b) if the issuer has one or more classes of restricted securities outstanding, an amendment to an issuer’s constating documents to increase
 - (i) the per security voting rights attached to any class of securities without at the same time making a proportionate increase in the per security voting rights attached to any other securities of the issuer, or
 - (ii) the number of a class of securities authorized, other than a restricted security;

(réorganisation donnant lieu à la création de titres subalternes)

“restricted security term” means each of the terms “non-voting security”, “subordinate voting security”, and “restricted voting security”; *(désignation des titres subalternes)*

“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 or owned by one or more persons or companies, unless the restriction is

- (a) permitted or prescribed by statute or regulation, 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 issuer to be non-Canadians;
(*titre à droit de vote restreint*)

“restructuring transaction” has the same meaning as in section 1.1 of NI 51-102;
(*opération de restructuration*)

“reverse takeover” has the same meaning as in section 1.1 of NI 51-102; (*prise de contrôle inversée*)

“reverse takeover acquirer” has the same meaning as in section 1.1 of NI 51-102;
(*acquéreur par prise de contrôle inversée*)

“SEC issuer” has the same meaning as in section 1.1 of NI 52-107; (*émetteur inscrit auprès de la SEC*)

“short form prospectus” means a prospectus filed in the form of Form 44-101F1;
(*prospectus simplifié*)

“special warrant” means a security that, by its terms or the terms of an accompanying contractual obligation,

- (a) entitles or requires the holder to acquire another security without payment of material additional consideration and obliges the issuer of either security to undertake efforts to file a prospectus to qualify the distribution of the other security, or
- (b) entitles or requires the holder to acquire another security without payment of material additional consideration and the issuer files a prospectus to qualify the distribution of the other security;
(*bon de souscription spéciale*)

“subject security” means a security that results, or would result if and when issued, in an existing class of securities being considered restricted securities; (*titre visé*)

“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; (*titre à droit de vote subalterne*)

“transition year” means the financial year of an issuer or business in which the issuer or business changes its financial year-end; (*exercice de transition*)

“U.S. GAAP” has the same meaning as in section 1.1 of NI 52-107; (*PCGR américains*)

“U.S. GAAS” has the same meaning as in section 1.1 of NI 52-107; (*NVGR américaines*)

“U.S. marketplace” has the same meaning as in section 1.1 of NI 51-102; (*marché américain*)

“venture issuer” has the same meaning as in section 1.1 of NI 51-102 except the “applicable time” is the date the prospectus is filed; (*émetteur émergent*)

“waiting period” means the period of time between the issuance of a receipt by the regulator for a preliminary prospectus and the issuance of a receipt by the regulator for a final prospectus (*délai d’attente*).

Interpretation of “prospectus”, “preliminary prospectus”, “final prospectus”, “long form prospectus”, and “short form prospectus”

1.2(1) In this Instrument, a reference to a “prospectus” includes a preliminary long form prospectus, a final long form prospectus, a preliminary short form prospectus, and a final short form prospectus.

(2) In this Instrument, a reference to a “preliminary prospectus” includes a preliminary long form prospectus and a preliminary short form prospectus.

(3) In this Instrument, a reference to a “final prospectus” includes a final long form prospectus and a final short form prospectus.

(4) In this Instrument, a reference to a “long form prospectus” includes a preliminary long form prospectus and a final long form prospectus.

(5) In this Instrument, a reference to a “short form prospectus” includes a preliminary short form prospectus and a final short form prospectus.

(6) Despite subsections (1), (2), and (3), in Form 41-101F1 and Form 41-101F2,

(a) a reference to a “prospectus” only includes a preliminary long form prospectus and a final long form prospectus,

(b) a reference to a “preliminary prospectus” only includes a preliminary long form prospectus, and

(c) a reference to a “final prospectus” only includes a final long form prospectus.

Interpretation of “business”

1.3 In this Instrument, unless otherwise stated, a reference to a business includes an interest in an oil and gas property to which reserves, as defined in NI 51-101, have been specifically attributed.

Interpretation of “affiliate”

1.4 In this Instrument, an issuer is an affiliate of another issuer if the issuer would be an affiliate of the other issuer under subsection 1.1(2) of NI 51-102.

Interpretation of “payments to be made”

- 1.5 For the purposes of the definition of “full and unconditional credit support”, payments to be made by an issuer of securities as stipulated in the terms of the securities include
- (a) any amounts to be paid as dividends in accordance with, and on the dividend payment dates stipulated in, the provisions of the securities, whether or not the dividends have been declared, and
 - (b) any discretionary dividends, provided that the terms of the securities or an agreement governing rights of holders of the securities expressly provides that the holder of the securities will be entitled, once the discretionary dividend is declared, to receive payment from the credit supporter within 15 days of any failure by the issuer to pay the declared dividend.

PART 2: Requirements for All Prospectus Distributions

Application of the Instrument

- 2.1(1) Subject to subsection (2), this Instrument applies to a prospectus filed under securities legislation and a distribution of securities subject to the prospectus requirement.
- (2) This Instrument does not apply to a prospectus filed under NI 81-101 or a distribution of securities under such a prospectus.

Language

- 2.2(1) An issuer must file a prospectus and any other document required to be filed under this Instrument or NI 44-101 in French or in English.
- (2) In Québec, a prospectus and any document required to be incorporated by reference into a prospectus must be in French or in French and English.
- (3) Despite subsection (1), if an issuer files a document only in French or only in English but delivers to an investor or prospective investor a version of the document in the other language, the issuer must file that other version not later than when it is first delivered to the investor or prospective investor.
- (4) If an issuer files a document under this Instrument that is a translation of a document prepared in a language other than French or English, the issuer 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 on request.

General requirements

- 2.3(1) An issuer must not file a final prospectus more than 90 days after the date of the receipt for the preliminary prospectus that relates to the final prospectus.
- (2) An issuer must not file

- (a) a prospectus more than three business days after the date of the prospectus, and
- (b) an amendment to a prospectus more than three business days after the date of the amendment to the prospectus.

Special warrants

- 2.4(1)** An issuer must not file a prospectus or an amendment to a prospectus to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis unless holders of the special warrants or other securities have been provided with a contractual right of rescission.
- (2)** A contractual right of rescission under subsection (1) must provide that, if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation,
- (a) the holder is entitled to rescission of both the holder's exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired,
 - (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant, and
 - (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

PART 3: Form of Prospectus

Form of prospectus

- 3.1(1)** Subject to subsection (2) and (3), an issuer filing a prospectus must file the prospectus in the form of Form 41-101F1.
- (2)** An issuer that is an investment fund filing a prospectus must file the prospectus in the form of Form 41-101F2.
- (3)** An issuer that is qualified to file a short form prospectus may file a short form prospectus.

PART 4: Financial Statements and Related Documents in a Long Form Prospectus

Application

- 4.1(1)** An issuer, other than an investment fund, that files a long form prospectus must include in the long form prospectus the financial statements and the management's discussion and analysis required by this Instrument.

(2) Subject to Part 15, an investment fund that files a long form prospectus must include in the long form prospectus the financial statements and the management reports of fund performance required by this Instrument.

(3) For the purposes of this Part, “**financial statements**” do not include pro forma financial statements.

Audit of financial statements

4.2(1) Any financial statements included in a long form prospectus filed in the form of Form 41-101F1 must be audited in accordance with NI 52-107 unless an exception in section 32.5 or subsection 35.1(3) of Form 41-101F1 applies.

(2) Any financial statements, other than interim financial statements, included in or incorporated by reference into a long form prospectus of an investment fund filed in the form of Form of 41-101F2 must meet the audit requirements of Part 2 of NI 81-106.

Review of unaudited financial statements

4.3(1) Subject to subsection (2) and (3), any unaudited financial statements included in, or incorporated by reference into, a long form prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by the person or company's auditor or a review of financial statements by a public accountant.

(2) Subsection (1) does not apply to an investment fund's unaudited financial statements filed after the date of filing of the prospectus that are incorporated by reference into the prospectus under Part 15.

(3) If NI 52-107 permits the financial statements of the person or company in subsection (1) to be audited in accordance with

(a) U.S. GAAS, the unaudited financial statements may be reviewed in accordance with U.S. review standards,

(b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board, or

(c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the person or company is subject, the unaudited financial statements

(i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction, or

(ii) do not have to be reviewed if

(A) the designated foreign jurisdiction does not have review standards for unaudited financial statements, and

- (B) the long form prospectus includes disclosure that the unaudited financial statements have not been reviewed.

Approval of financial statements and related documents

- 4.4(1) An issuer must not file a long form prospectus unless each financial statement, each management's discussion and analysis, and each management report of fund performance, as applicable, of a person or company included in, or incorporated by reference into, the long form prospectus has been approved by the board of directors of the person or company.
- (2) An investment fund that is a trust must not file a long form prospectus unless each financial statement and each management report of fund performance of the investment fund included in, or incorporated by reference into, the long form prospectus has been approved by the trustee or trustees of the investment fund or another person or company authorized to do so by the constating documents of the investment fund.

PART 5: Certificates

Interpretation

5.1 For the purposes of this Part,

- (a) **"issuer certificate form"** means a certificate in the form set out in
 - (i) section 37.2 of Form 41-101F1,
 - (ii) section 39.1 of Form 41-101F2,
 - (iii) section 21.2 of Form 44-101F1,
 - (iv) NI 44-102 in
 - (A) section 1.1 of Appendix A,
 - (B) section 2.1 of Appendix A,
 - (C) section 1.1 of Appendix B, or
 - (D) section 2.1 of Appendix B, or
 - (v) NI 44-103 in
 - (A) paragraph 7 of subsection 3.2(1), or
 - (B) paragraph 3 of subsection 4.5(2), and
- (b) **"underwriter certificate form"** means a certificate in the form set out in
 - (i) section 37.3 of Form 41-101F1,
 - (ii) section 39.3 of Form 41-101F2,

- (iii) section 21.3 of Form 44-101F1,
- (iv) NI 44-102 in
 - (A) section 1.2 of Appendix A,
 - (B) section 2.2 of Appendix A,
 - (C) section 1.2 of Appendix B, or
 - (D) section 2.2 of Appendix B, or
- (v) NI 44-103 in
 - (A) paragraph 8 of subsection 3.2(1), or
 - (B) paragraph 4 of subsection 4.5(2).

Date of certificates

5.2 The date of the certificates in a prospectus or an amendment to a prospectus must be the same as the date of the prospectus or the amendment to the prospectus, as applicable.

Certificate of issuer

5.3(1) Except in Ontario, a prospectus must contain a certificate signed by the issuer.

[Note: In Ontario, section 58 of the *Securities Act* (Ontario) imposes a similar requirement that a prospectus contain a certificate of the issuer.]¹

(2) A prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be in the applicable issuer certificate form.

Corporate issuer

5.4(1) Except in Ontario, if the issuer is a company, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed

- (a) by the chief executive officer and the chief financial officer of the issuer, and
- (b) on behalf of the board of directors, by
 - (i) any two directors of the issuer, other than the persons referred to in paragraph (a) above, or

¹ In Ontario, a number of prospectus related requirements in this Instrument are either set out in the *Securities Act* (Ontario) or Ontario does not have a similar requirement. We have identified carve-outs from the Instrument where a similar requirement is set out in the *Securities Act* (Ontario). Where no corresponding statutory provision has been identified for an Ontario carve-out, Ontario has generally not adopted a similar requirement. Notes included in this Instrument have been inserted for convenience of reference only and do not form part of this Instrument or have any force or effect as a rule or policy.

- (ii) if the issuer has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the issuer.
- (2) Except in Ontario, if the regulator is satisfied that either or both of the chief executive officer or chief financial officer cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another officer.

[Note: In Ontario, section 58 of the *Securities Act* (Ontario) imposes similar requirements regarding who must sign the issuer certificate.]

Trust issuer

- 5.5(1) If the issuer is a trust, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed by
- (a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company, and
 - (b) two trustees of the issuer, on behalf of the trustees of the issuer.
- (2) If a trustee that is signing the certificate of the issuer is
- (a) an individual, the individual must sign the certificate,
 - (b) a company, the certificate must be signed
 - (i) by the chief executive officer and the chief financial officer of the trustee, and
 - (ii) on behalf of the board of directors of the trustee, by
 - (A) any two directors of the trustee, other than the persons referred to in subparagraph (i), or
 - (B) if the trustee has only three directors, two of whom are the persons referred to in subparagraph (i), all of the directors of the trustee,
 - (c) a limited partnership, the certificate must be signed by each general partner of the limited partnership as described in subsection 5.6(2) in relation to an issuer that is a limited partnership, or
 - (d) not referred to in paragraphs (a), (b) or (c), the certificate may be signed by any person or company with authority to bind the trustee.
- (3) Despite subsections (1) and (2), if the issuer is an investment fund and the declaration of trust, trust indenture or trust agreement establishing the investment fund delegates the authority to do so, or otherwise authorizes an individual or company to do so, the certificate may be signed by the individual or company to whom the authority is delegated or that is authorized to sign the certificate.

- (4) Despite subsections (1) and (2), if the trustees of an issuer, other than an investment fund, do not perform functions for the issuer similar to those performed by the directors of a company, the trustees are not required to sign the prospectus certificate of the issuer provided that at least two individuals who do perform functions for the issuer similar to those performed by the directors of a company sign the certificate.
- (5) If the regulator is satisfied that an individual who performs functions for the issuer similar to those performed by either the chief executive officer or the chief financial officer of a company cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another individual.

Limited partnership issuer

- 5.6(1) If the issuer is a limited partnership, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed by
- (a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company, and
 - (b) each general partner of the issuer.
- (2) If a general partner of the issuer is
- (a) an individual, the individual must sign the certificate,
 - (b) a company, the certificate must be signed
 - (i) by the chief executive officer and the chief financial officer of the general partner, and
 - (ii) on behalf of the board of directors of the general partner, by
 - (A) any two directors of the general partner, other than the persons referred to in subparagraph (i), or
 - (B) if the general partner has only three directors, two of whom are the persons referred to in subparagraph (i), all of the directors of the general partner,
 - (c) a limited partnership, the certificate must be signed by each general partner of the limited partnership and, for greater certainty, this subsection applies to each general partner required to sign,
 - (d) a trust, the certificate must be signed by the trustees of the general partner as described in subsection 5.5(2) in relation to an issuer that is a trust, or
 - (e) not referred to in paragraphs (a) to (d), the certificate may be signed by any person or company with authority to bind the general partner.
- (3) If the regulator is satisfied that an individual who performs functions for the issuer similar to those performed by either the chief executive officer or the chief financial officer of a

company cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another individual.

Other issuer

5.7 If an issuer is not a company, trust or limited partnership, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed by the persons or companies that, in relation to the issuer, are in a similar position or perform a similar function to the persons or companies required to sign under sections 5.4, 5.5 and 5.6.

Reverse takeovers

5.8 Except in Ontario, if an issuer is involved in a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high, a prospectus must contain a certificate, in the applicable issuer certificate form, signed

- (a) by the chief executive officer and the chief financial officer of the reverse takeover acquirer, and
- (b) on behalf of the board of directors of the reverse takeover acquirer, by
 - (i) any two directors of the reverse takeover acquirer, other than the persons referred to in paragraph (a) above, or
 - (ii) if the reverse takeover acquirer has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the reverse takeover acquirer.

Certificate of underwriter

5.9(1) Except in Ontario, a prospectus must contain a certificate signed by each underwriter who, with respect to the securities offered by the prospectus, is in a contractual relationship with the issuer or a securityholder whose securities are being offered by the prospectus.

[Note: In Ontario, subsection 59(1) of the *Securities Act* (Ontario) imposes a similar requirement that a prospectus contain a certificate signed by each underwriter in a contractual relationship with the issuer.]

- (2) A prospectus certificate that is required to be signed by an underwriter under this Instrument or other securities legislation must be in the applicable underwriter certificate form.
- (3) Except in Ontario, with the consent of the regulator, a certificate in a prospectus may be signed by the underwriter's agent duly authorized in writing by the underwriter.

[Note: In Ontario, subsection 59(2) of the *Securities Act* (Ontario) provides a similar discretion to the Director to permit the certificate to be signed by an underwriter's agent.]

Certificate of investment fund manager

- 5.10(1)** If the issuer has an investment fund manager, a prospectus must contain a certificate, in the applicable issuer certificate form, signed by the investment fund manager.
- (2) If the investment fund manager is a company, the certificate must be signed
- (a) by the chief executive officer and the chief financial officer of the investment fund manager, and
 - (b) on behalf of the board of directors, by
 - (i) any two directors of the investment fund manager, other than the persons referred to in paragraph (a) above, or
 - (ii) if the investment fund manager has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the investment fund manager.
- (3) If the investment fund manager is a limited partnership, the certificate must be signed by the general partner of such limited partnership as described in subsection 5.6(2) in relation to an issuer that is a limited partnership.

Certificate of promoter

- 5.11(1)** Except in Ontario, a prospectus must contain a certificate signed by each promoter of the issuer.

[**Note:** In Ontario, subsection 58(1) of the *Securities Act* (Ontario) imposes a similar requirement that a prospectus shall contain a certificate signed by each promoter of the issuer.]

- (2) A prospectus certificate required to be signed by a promoter under this Instrument or other securities legislation must be in the applicable issuer certificate form.
- (3) Except in Ontario, the regulator may require any person or company who was a promoter of the issuer within the two preceding years to sign a certificate to the prospectus, in the applicable issuer certificate form.

[**Note:** In Ontario, subsection 58(6) of the *Securities Act* (Ontario) provides the Director with similar discretion to require a person or company who was a promoter of the issuer within the two preceding years to sign a prospectus certificate, subject to such conditions as the Director considers proper.]

- (4) Despite subsection (3), in British Columbia, the powers of the regulator with respect to the matters described in subsection (3) are set out in the *Securities Act* (British Columbia).

- (5) Except in Ontario, with the consent of the regulator, a certificate of a promoter in a prospectus may be signed by an agent duly authorized in writing by the person or company required to sign the certificate.

[**Note:** In Ontario, subsection 58(7) of the *Securities Act* (Ontario) provides the Director with similar discretion to permit a certificate in a prospectus to be signed by an agent of a promoter.]

Certificate of credit supporter

5.12(1) If there is a related credit supporter of the issuer or a subsidiary of the issuer, a prospectus must contain a certificate of the related credit supporter, in the applicable issuer certificate form, signed

- (a) by the chief executive officer and the chief financial officer of the credit supporter, and
- (b) on behalf of the board of directors of the credit supporter, by
 - (i) any two directors of the credit supporter, other than the persons referred to in paragraph (a) above, or
 - (ii) if the credit supporter has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the credit supporter.

(2) With the consent of the regulator, a certificate in a prospectus may be signed by the credit supporter's agent duly authorized in writing by the credit supporter.

(3) Except in Ontario, the regulator may require any other person or company that is a credit supporter of either the issuer or a subsidiary of the issuer to sign a certificate to the prospectus, in the applicable issuer certificate form.

[**Note:** In Ontario, subsection 58(6) of the *Securities Act* (Ontario) provides the Director with similar discretion to require a person or company who is a guarantor of the securities being distributed to sign a prospectus certificate, subject to such conditions as the Director considers proper.]

(4) Despite subsection (3), in British Columbia, the powers of the regulator with respect to the matters described in subsection (3) are set out in the *Securities Act* (British Columbia).

Certificate of selling securityholders

5.13(1) Except in Ontario, the regulator may require any person or company that is a selling securityholder to sign a certificate to the prospectus, in the applicable issuer certificate form.

(2) Despite subsection (1), in British Columbia, the powers of the regulator with respect to the matters described in subsection (1) are set out in the *Securities Act* (British Columbia).

Certificate of operating entity

- 5.14(1)** For the purposes of this section, the term “operating entity” means, in relation to an issuer, a person or company through which the business of the issuer, or a material part of the business of the issuer, is conducted and for which the issuer is required under securities legislation, or has undertaken, to provide to its securityholders separate financial statements of the person or company if the issuer’s financial statements do not include consolidated information concerning the person or company.
- (2)** A prospectus of an issuer that is a trust must contain a certificate, in the applicable issuer certificate form, signed
- (a) by the chief executive officer and the chief financial officer of the operating entity, and
 - (b) on behalf of the board of directors of the operating entity, by
 - (i) any two directors of the operating entity, other than the persons referred to in paragraph (a) above, or
 - (ii) if the operating entity has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the operating entity.

Certificate of other persons

- 5.15(1)** Except in Ontario, the regulator may, in its discretion, require any person or company to sign a certificate to the prospectus, in the form that the regulator considers appropriate.
- (2)** Despite subsection (1), in British Columbia, the powers of the regulator with respect to the matters described in subsection (1) are set out in the *Securities Act* (British Columbia).

PART 6: Amendments

Form of amendment

- 6.1(1)** An amendment to a prospectus must be either
- (a) an amendment that does not fully restate the text of the prospectus, or
 - (b) an amended and restated prospectus.
- (2)** An amendment to a prospectus must be identified as follows:
- (a) for an amendment that does not restate the text of the prospectus:

“Amendment no. [insert amendment number] dated [insert date of amendment] to [identify prospectus] dated [insert date of prospectus being amended].”; or
 - (b) for an amended and restated prospectus:

“Amended and restated [identify prospectus] dated [insert date of amendment], amending and restating [identify prospectus] dated [insert date of prospectus being amended].”

Required documents for filing an amendment

- 6.2** An issuer that files an amendment to a prospectus must
- (a) file a signed copy of the amendment,
 - (b) deliver to the regulator a copy of the prospectus blacklined to show the changes made by the amendment, if the amendment is also a restatement of the prospectus,
 - (c) file or deliver any supporting documents required under this Instrument or other securities legislation to be filed or delivered with a prospectus, unless the documents originally filed or delivered with the prospectus are correct as of the date the amendment is filed, and
 - (d) in case of an amendment to a final prospectus, file any consent letter required to be filed with a final prospectus, dated as of the date of the amendment.

Auditor’s comfort letter

- 6.3** An issuer must deliver a new auditor’s comfort letter, if an amendment to
- (a) a preliminary long form prospectus materially affects, or relates to, an auditor’s comfort letter delivered under subparagraph 9.1 (b) (iii),
 - (b) a preliminary short form prospectus materially affects, or relates to, an auditor’s comfort letter delivered under subparagraph 4.1 (b) (ii) of NI 44-101.

Delivery of amendments

- 6.4** Except in Ontario, an issuer must deliver an amendment to a preliminary prospectus as soon as practicable to each recipient of the preliminary prospectus according to the record of recipients required to be maintained under securities legislation.

[Note: In Ontario, subsection 57(3) of the *Securities Act* (Ontario) imposes a similar requirement regarding the delivery of amendments to a preliminary prospectus.]

Amendment to a preliminary prospectus

- 6.5(1)** Except in Ontario, if, after a receipt for a preliminary prospectus is issued but before a receipt for the final prospectus is issued, a material adverse change occurs, an amendment to the preliminary prospectus must be filed as soon as practicable, but in any event within 10 days after the day the change occurs.

[Note: In Ontario, subsection 57(1) of the *Securities Act* (Ontario) imposes a similar requirement to file an amendment to a preliminary prospectus where there has been a material adverse change.]

- (2) The regulator must issue a receipt for an amendment to a preliminary prospectus as soon as practicable after the amendment is filed.

Amendment to a final prospectus

- 6.6(1) Except in Ontario, if, after a receipt for a final prospectus is issued but before the completion of the distribution under the final prospectus, a material change occurs, an issuer must file an amendment to the final prospectus as soon as practicable, but in any event within 10 days after the day the change occurs.

[**Note:** In Ontario, subsection 57(1) of the *Securities Act* (Ontario) imposes a similar requirement to file an amendment to a final prospectus where there has been a material change.]

- (2) Except in Ontario, if, after a receipt for a final prospectus or an amendment to the final prospectus is issued but before the completion of the distribution under the final prospectus or the amendment to the final prospectus, securities in addition to the securities previously disclosed in the final prospectus or the amendment to the final prospectus are to be distributed, an amendment to the final prospectus disclosing the additional securities must be filed, as soon as practicable, but in any event within 10 days after the decision to increase the number of securities offered.

[**Note:** In Ontario, subsection 57(2) of the *Securities Act* (Ontario) imposes a similar requirement to file an amendment to a prospectus any time there is a proposed distribution of securities in addition to that disclosed under the prospectus.]

- (3) Except in Ontario, the regulator must issue a receipt for an amendment to a final prospectus filed under this section unless the regulator considers that there are grounds set out in securities legislation that would cause the regulator not to issue the receipt for a prospectus.

[**Note:** In Ontario, subsection 57(2.1) of the *Securities Act* (Ontario) imposes a similar obligation for the Director to issue a receipt for an amendment to a prospectus unless there are proper grounds for refusing the receipt.]

- (4) Except in Ontario, the regulator must not refuse to issue a receipt under subsection (3) without giving the issuer who filed the prospectus an opportunity to be heard.

[**Note:** In Ontario, subsections 57(2.1) and 61(3) of the *Securities Act* (Ontario) impose a similar restriction on the Director to refuse to issue a receipt for a prospectus without first giving an issuer an opportunity to be heard.]

- (5) Except in Ontario, an issuer must not proceed with a distribution or additional distribution if an amendment to a final prospectus is required to be filed until a receipt for the amendment to the final prospectus is issued by the regulator.

[**Note:** In Ontario, subsection 57(2.2) of the *Securities Act* (Ontario) imposes a similar restriction in respect of a distribution or additional distribution before a receipt is issued for an amendment to the final prospectus.]

- (6) Subsection (5) does not apply to an investment fund in continuous distribution.

[**Note:** In Ontario, section 2.2 of OSC Rule 41-801 *Implementing National Instrument 41-101 General Prospectus Requirements and Consequential Amendments* provides a similar exemption for an investment fund in continuous distribution from the requirement to obtain a receipt prior to making a distribution or additional distribution under an amendment to a final prospectus.]

PART 7: Non-fixed Price Offerings and Reduction of Offering Price under a Final Prospectus

Application

7.1 This Part does not apply to an investment fund in continuous distribution.

Non-fixed price offerings and reduction of offering price

- 7.2(1) A person or company distributing a security under a prospectus must do so at a fixed price.
- (2) Despite subsection (1), securities may be distributed for cash at non-fixed prices under a prospectus if the securities have received a rating, on a provisional or final basis, from at least one approved rating organization at the time of
- (a) the filing of the preliminary short form prospectus, if the issuer is filing a prospectus in the form of a short form prospectus under NI 44-101, or
 - (b) the filing of the long form prospectus.
- (3) Despite subsection (1), if securities are distributed for cash under a prospectus, the price of the securities may be decreased from the initial offering price disclosed in the prospectus and, after such a decrease, changed from time to time to an amount not greater than the initial offering price, without filing an amendment to the prospectus to reflect the change, if
- (a) the securities are distributed through one or more underwriters that have agreed to purchase all of the securities at a specified price,
 - (b) the proceeds to be received by the issuer or selling securityholders are disclosed in the prospectus as being fixed, and
 - (c) the underwriters have made a reasonable effort to sell all of the securities distributed under the prospectus at the initial offering price disclosed in the final prospectus.
- (4) Despite subsections (2) and (3), the price at which securities may be acquired on exercise of rights must be fixed.

PART 8: Best Efforts Distributions

Application

8.1 This Part does not apply to an investment fund in continuous distribution.

Distribution period

- 8.2(1) Unless an amendment to the final prospectus is filed and the regulator has issued a receipt for the amendment, if securities are being distributed on a best efforts basis, the distribution must cease within 90 days after the date of the receipt for the final prospectus.
- (2) Unless a further amendment to the final prospectus is filed and the regulator has issued a receipt for the further amendment, if an amendment to a final prospectus is filed and the regulator has issued a receipt for the amendment under subsection (1), the distribution must cease within 90 days after the date of the receipt for the amendment to the final prospectus.
- (3) The total period of the distribution under subsections (1) and (2) must not end more than 180 days from the date of receipt for the final prospectus.

Minimum amount of funds

- 8.3 If securities are being distributed on a best efforts basis, other than an offering of securities to be distributed continuously, and the prospectus discloses that a minimum amount of funds must be raised,
- (a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in the final prospectus has been raised, and
- (b) if the minimum amount of funds is not raised within the appropriate period of the distribution prescribed by section 8.2, the person or company holding the funds in trust referred to in paragraph (a) must return the funds to the subscribers without any deductions.

PART 9: Requirements for Filing a Long Form Prospectus

Required documents for filing a preliminary or pro forma long form prospectus

- 9.1 An issuer that files a preliminary or pro forma long form prospectus must
- (a) file the following with the preliminary or pro forma long form prospectus
- (i) **Signed Copy** – in the case of a preliminary long form prospectus, a signed copy of the preliminary long form prospectus;

- (ii) **Documents Affecting the Rights of Securityholders** – a copy of the following documents, and any amendments to the following documents, that have not previously been 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 issuer has access to and that can reasonably be regarded as material to an investor in securities of the 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 the issuer's securityholders generally;
- (iii) **Material Contracts** – a copy of any material contract required to be filed under section 9.3;
- (iv) **Investment Fund Documents** – if the issuer is an investment fund, the documents filed under subparagraphs (ii) and (iii) must include a copy of
 - (A) any declaration of trust or trust agreement of the investment fund, limited partnership agreement, or any other constating or establishing documents of the investment fund,
 - (B) any agreement of the investment fund or the trustee with the manager of the investment fund,
 - (C) any agreement of the investment fund, the manager or trustee with the portfolio advisers of the investment fund,
 - (D) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund, and
 - (E) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund;
- (v) **Mining Reports** – if the issuer has a mineral project, the technical reports required to be filed with a preliminary long form prospectus under NI 43-101; and
- (vi) **Reports and Valuations** – a copy of each report or valuation referred to in the preliminary long form prospectus for which a consent is required to be filed under section 10.1 and that has not previously been filed, other than a technical report that

- (A) deals with a mineral project or oil and gas activities, and
 - (B) is not otherwise required to be filed under subparagraph (v); and
- (b) deliver to the regulator, concurrently with the filing of the preliminary or pro forma long form prospectus, the following:
- (i) **Blacklined Copy** – in the case of a pro forma prospectus, a copy of the pro forma prospectus blacklined to show changes and the text of deletions from the latest prospectus previously filed;
 - (ii) **Personal Information Form and Authorization to Collect, Use and Disclose Personal Information** – a completed Appendix A for,
 - (A) each director and executive officer of an issuer,
 - (B) if the issuer is an investment fund, each director and executive officer of the manager of the issuer,
 - (C) each promoter of the issuer, and
 - (D) if the promoter is not an individual, each director and executive officer of the promoter,

for whom the issuer has not previously filed or delivered,

 - (E) a completed personal information form and authorization in the form set out in Appendix A,
 - (F) before March 17, 2008, a completed authorization in
 - (I) the form set out in Appendix B of NI 44-101,
 - (II) the form set out in Ontario Form 41-501F2 *Authorization of Indirect Collection of Personal Information*, or
 - (III) the form set out in Appendix A of Québec Regulation Q-28 *Respecting General Prospectus Requirements*, or
 - (G) before March 17, 2008, a completed personal information form or authorization in a form substantially similar to a personal information form or authorization in clause (E) or (F), as permitted under securities legislation; and
 - (iii) **Auditor's Comfort Letter regarding Audited Financial Statements** – if a financial statement of an issuer or a business included in, or incorporated by reference into, a preliminary or pro forma long form prospectus is accompanied by an unsigned auditor's report, a signed letter addressed to the regulator from the auditor of the issuer or of the business, as applicable, prepared in accordance with the form suggested for this circumstance in the Handbook.

Required documents for filing a final long form prospectus

9.2 An issuer that files a final long form prospectus must

- (a) file the following with the final long form prospectus:
 - (i) **Signed Copy** – a signed copy of the final long form prospectus;
 - (ii) **Documents Affecting the Rights of Securityholders** – a copy of any document described under subparagraph 9.1(a)(ii) that has not previously been filed;
 - (iii) **Material Contracts** – a copy of each material contract required to be filed under section 9.3 that has not previously been filed under subparagraph 9.1(a)(iii);
 - (iv) **Investment Fund Documents** – a copy of any document described under subparagraph 9.1(a)(iv) that has not previously been filed;
 - (v) **Other Reports and Valuations** – a copy of any report or valuation referred to in the final long form prospectus, for which a consent is required to be filed under section 10.1 and that has not previously been filed, other than a technical report that
 - (A) deals with a mineral project or oil and gas activities of the issuer, and
 - (B) is not otherwise required to be filed under subparagraph 9.1(a)(v) or 9.1(a)(vi);
 - (vi) **Issuer's Submission to Jurisdiction** – a submission to jurisdiction and appointment of agent for service of process of the issuer in the form set out in Appendix B, if an issuer is incorporated or organized in a foreign jurisdiction and does not have an office in Canada;
 - (vii) **Non-Issuer's Submission to Jurisdiction** – a submission to jurisdiction and appointment of agent for service of process of
 - (A) each selling securityholder, and
 - (B) each person or company required to sign a certificate under Part 5 or other securities legislation, other than an issuer,in the form set out in Appendix C, if the person or company is incorporated or organized in a foreign jurisdiction and does not have an office in Canada or is an individual who resides outside of Canada;
 - (viii) **Expert's Consents** – the consents required to be filed under section 10.1;
 - (ix) **Credit Supporter's Consent** – the written consent of the credit supporter to the inclusion of its financial statements in the final long form prospectus, if financial statements of a credit supporter are required under Item 33 of Form 41-101F1 to be included in a final long form prospectus and a

certificate of the credit supporter is not required under section 5.12 to be included in the final long form prospectus;

- (x) **Undertaking in Respect of Credit Supporter Disclosure** – an undertaking of the issuer to file the periodic and timely disclosure of a credit supporter similar to the disclosure provided under section 12.1 of Form 44-101F1, so long as the securities being distributed are issued and outstanding;
 - (xi) **Undertaking in Respect of Continuous Disclosure** – An undertaking of the issuer to provide to its securityholders separate financial statements for an operating entity that investors need to make an informed decision about investing in the issuer's securities if
 - (A) the issuer is an income trust that is formed as a mutual fund trust as that term is used in the *Income Tax Act* (Canada), other than an "investment fund" as defined in section 1.1 of NI 81-106,
 - (B) the underlying business or income producing assets of the operating entity generate net cash flow available for distribution to the issuer's securityholders, and
 - (C) the issuer's performance and prospects depend primarily on the performance and operations of the operating entity;
 - (xii) **Undertaking to File Documents and Material Contracts** – if a document referred to in subparagraph (ii), (iii) or (iv) has not been executed or become effective before the filing of the final long form prospectus but will be executed or become effective on or before the completion of the distribution, the issuer must file with the securities regulatory authority, no later than the time of filing of the final long form prospectus, an undertaking of the issuer to the securities regulatory authority to file the document promptly and in any event within seven days after the completion of the distribution; and
 - (xiii) **Undertaking in Respect of Restricted Securities** – for distributions of non-voting securities, an undertaking of the issuer to give notice to holders of non-voting securities of a meeting of securityholders if a notice of such a meeting is given to its registered holders of voting securities; and
- (b) deliver to the regulator, no later than the filing of the final long form prospectus
- (i) **Blackline Copy** – a copy of the final long form prospectus blacklined to show changes from the preliminary or pro forma long form prospectus; and
 - (ii) **Communication with Exchange** – if the issuer has made an application to list the securities being distributed on an exchange in Canada, a copy of a communication in writing from the exchange stating that the application for listing has been made and has been accepted subject to the issuer meeting the requirements for listing of the exchange.

Material contracts

- 9.3(1)** Unless previously filed, an issuer that files a long form prospectus must file a material contract entered into
- (a) since the beginning of the last financial year ending before the date of the prospectus, or
 - (b) before the beginning of the last financial year ending before the date of the prospectus if that material contract is still in effect.
- (2)** Despite subsection (1), an 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, promoters, selling securityholders or underwriters are parties, other than a contract of employment,
 - (b) a continuing contract to sell the majority of the issuer's products or services or to purchase the majority of the 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 issuer's business is substantially dependent.
- (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 issuer reasonably believes that disclosure of that provision would be seriously prejudicial to the interests of the 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 issuer.
- (5)** If a provision is omitted or marked to be unreadable under subsection (3), the 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 issuer.
- (6)** Despite subsections (1) and (2), an issuer is not required to file a material contract entered into before January 1, 2002 if the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus.

PART 10: Consents and Licences, Registrations and Approvals

Consents of experts

- 10.1(1)** An issuer must file the written consent of
- (a) any solicitor, auditor, accountant, engineer, or appraiser,
 - (b) any notary in Québec, and
 - (c) any person or company whose profession or business gives authority to a statement made by that person or company
- if that person or company is named in a prospectus or an amendment to a prospectus, directly or, if applicable, in a document incorporated by reference,
- (d) as having prepared or certified any part of the prospectus or the amendment,
 - (e) as having opined on financial statements from which selected information included in the prospectus has been derived and which audit opinion is referred to in the prospectus directly or in a document incorporated by reference, or
 - (f) as having prepared or certified a report, valuation, statement or opinion referred to in the prospectus or the amendment, directly or in a document incorporated by reference.
- (2)** A consent referred to in subsection (1) must
- (a) be filed no later than the time the final prospectus or the amendment to the final prospectus is filed or, for the purposes of future financial statements that have been incorporated by reference in a prospectus under subsection 15.2(3), no later than the date that those financial statements are filed,
 - (b) state that the person or company being named consents
 - (i) to being named, and
 - (ii) to the use of that person or company's report, valuation, statement or opinion,
 - (c) refer to the report, valuation, statement or opinion stating the date of the report, valuation, statement or opinion, and
 - (d) contain a statement that the person or company referred to in subsection (1)
 - (i) has read the prospectus, and
 - (ii) has no reason to believe that there are any misrepresentations in the information contained in it that are

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

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

- (a) the dates of the financial statements on which the report of the person or company is made, and
- (b) that the person or company has no reason to believe that there are any misrepresentations in the information contained in the prospectus that are
 - (i) derived from the financial statements on which the person or company has reported, or
 - (ii) within the knowledge of the person or company as a result of the audit of the financial statements.

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

Licences, registrations and approvals

10.2 If the proceeds of the distribution will be used to substantially fund a material undertaking that would constitute a material departure from the business or operations of the issuer and the issuer has not obtained all material licences, registrations and approvals necessary for the stated principal use of proceeds,

- (a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until all material licences, registrations and approvals necessary for the stated principal use of proceeds have been obtained, and
- (b) if all material licences, registrations and approvals necessary for the operation of the stated principal use of proceeds have not been obtained within 90 days from the date of receipt of the final prospectus, the trustee must return the funds to subscribers.

PART 11: Over-Allocation and Underwriters

Over-allocation

11.1 Securities that are sold to create the over-allocation position in connection with a distribution under a prospectus must be distributed under the prospectus.

Distribution of securities under a prospectus to an underwriter

- 11.2** No person or company may distribute securities under a prospectus to any person or company acting as an underwriter in connection with the distribution of securities under the prospectus, other than
- (a) an over-allotment option granted to one or more persons or companies for acting as an underwriter in connection with the distribution of any security issuable or transferable on the exercise of such an over-allotment option; or
 - (b) securities issued or paid as compensation to one or more persons or companies for acting as an underwriter in respect of other securities that are distributed under the prospectus, where the number or principal amount of the securities issued as compensation, on an as-if-converted basis, does not in the aggregate exceed 10% of the total of the base offering plus any securities that would be acquired upon the exercise of an over-allotment option.

Take-up by underwriter

- 11.3** If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, the underwriter must take up the securities, if at all, within 42 days after the date of the receipt for the final prospectus.

PART 12: Restricted Securities

Application

- 12.1** This Part does not apply to
- (a) securities of mutual funds,
 - (b) 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 issuer to be non-Canadians, but only to the extent of the restriction, and
 - (c) securities that are subject to a restriction, imposed by any law governing the issuer, on the level of ownership of the securities by a person, company or combination of persons or companies, but only to the extent of the restriction.

Use of restricted security term

- 12.2(1)** An issuer must not refer to a security in a prospectus by a term or a defined term that includes the word "common" unless the security is 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 security of the issuer.
- (2)** An issuer must not refer in a prospectus to a term or defined term that includes the word "preference" or "preferred", unless the security is a security, other than an equity security, to which is attached a preference or right over any class of equity security of the issuer.

- (3) If restricted securities are referred to in the constating documents of the issuer by a term that is different from the appropriate restricted security term, the restricted securities may be described, in one place only in the prospectus, by the term used in the constating documents of the issuer; provided that, the description is not on the front page of the prospectus and is in the same type face and type size as that used generally in the body of the prospectus.
- (4) A class of securities that is or may become restricted securities must be referred to in a prospectus using a term or a defined term that includes the appropriate restricted security term.

Prospectus filing eligibility

12.3(1) Subject to subsection (3), an issuer must not file a prospectus under which restricted securities, subject securities or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, restricted securities or subject securities, are distributed unless

- (a) the distribution has received prior majority approval of the securityholders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer, or
 - (b) at the time of any restricted security reorganization related to the securities to be distributed
 - (i) the restricted security reorganization received prior majority approval of the securityholders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer,
 - (ii) the issuer was a reporting issuer in at least one jurisdiction, and
 - (iii) no purposes or business reasons for the creation of restricted securities were disclosed that are inconsistent with the purpose of the distribution.
- (2) Subject to subsection (3), for each approval referred to in subsection (1), the issuer must have provided prior written disclosure in an information circular or notice to its securityholders that included
- (a) the name of each affiliate of the issuer that was a beneficial owner of securities of the issuer and the number of securities beneficially owned, directly or indirectly, by the affiliate as of the date of the information circular or notice to the extent known to the issuer after reasonable inquiry,
 - (b) the name of each control person and the number of securities beneficially owned, directly or indirectly, by the control person as of the date of the information circular or notice, to the extent known to the issuer after reasonable inquiry,

- (c) a statement of the number of votes attaching to the securities that were excluded for the purpose of the approval to the extent known to the issuer after reasonable inquiry, and
 - (d) the purpose and business reasons for the creation of restricted securities.
- (3) Subsections (1) and (2) do not apply if
- (a) the securities offered by the prospectus are of an existing class of restricted securities that were created before December 21, 1984,
 - (b) the issuer was a private issuer immediately before filing the prospectus,
 - (c) the securities offered by the prospectus are of the same class as securities distributed under a previous prospectus that was filed by an issuer that was, at the time of filing the previous prospectus, a private issuer,
 - (d) the securities offered by the prospectus are previously unissued restricted securities distributed by way of stock dividend in the ordinary course to securityholders instead of a cash dividend if at the time of distribution there is a published market for the restricted securities,
 - (e) the securities offered by the prospectus are distributed as a stock split that takes the form of a distribution of previously unissued restricted securities by way of stock dividend to holders of the same class of restricted securities if at the time of distribution there is a published market for the restricted securities and the distribution is part of a concurrent distribution by way of stock dividend to holders of all equity securities under which all outstanding equity securities of the issuer are increased in the same proportion, or
 - (f) as of a date not more than seven days before the date of the prospectus, the issuer expects that in each local jurisdiction in which the prospectus will be filed the number of securities of each class of equity securities held by registered holders whose last address as shown on the books of the issuer is in the local jurisdiction, or beneficially owned by persons or companies in the local jurisdiction, will be less than two percent of the outstanding number of securities of the class after giving effect to the proposed distribution.

PART 13: Advertising and Marketing in Connection with Prospectus Offerings

Legend for communications during the waiting period

- 13.1(1)** A notice, circular, advertisement, letter or other communication used in connection with a prospectus offering during the waiting period must contain the following legend or words to the same effect:

“A preliminary prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in certain jurisdictions of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from [insert name and contact information for dealer or other relevant person or entity.] There

will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued."

- (2) If the notice, circular, advertisement, letter or other communication is in writing, set out the language in subsection (1) in boldface type that is at least as large as that used generally in the body of the text.

Legend for communications following receipt for the final prospectus

- 13.2(1)** A notice, circular, advertisement, letter or other communication used in connection with a prospectus offering following the issuance of a receipt for the final prospectus must contain the following legend or words to the same effect:

"This offering is only made by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained from [insert name and contact information for dealer or other relevant person or entity.] Investors should read the prospectus before making an investment decision."

- (2) If the notice, circular, advertisement, letter or other communication is in writing, set out the language in subsection (1) in boldface type that is at least as large as that used generally in the body of the text.

Advertising for investment funds during the waiting period

- 13.3** If the issuer is an investment fund, an advertisement used in connection with a prospectus offering during the waiting period may state only the following information:

- (a) whether the security represents a share in a company or an interest in a non-corporate entity such as a trust unit or a partnership interest;
- (b) the name of the issuer;
- (c) the price of the security;
- (d) the investment objective(s) of the investment fund;
- (e) the name of the manager of the investment fund;
- (f) the name of the portfolio adviser of the investment fund;
- (g) the name and address of a person or company from whom a preliminary prospectus may be obtained and purchases of securities may be made; and
- (h) how many securities will be made available.

Part 14: Custodianship of Portfolio Assets of an Investment Fund

General

- 14.1(1)** This Part applies to an investment fund that prepares a prospectus in accordance with this Instrument, other than an investment fund subject to NI 81-102.

- (2) Subject to sections 14.8 and 14.9, all portfolio assets of an investment fund must be held under the custodianship of one custodian that satisfies the requirements of section 14.2.
- (3) No manager of an investment fund may act as a custodian or sub-custodian of the investment fund.

Who may act as custodian or sub-custodian

14.2(1) If portfolio assets are held in Canada by a custodian or sub-custodian, the custodian or sub-custodian must be one of the following:

- (a) a bank listed in Schedule I, II or III of the *Bank Act* (Canada);
 - (b) a trust company that
 - (i) is incorporated and licenced or registered under the laws of Canada or a jurisdiction, and
 - (ii) has shareholders' equity, as reported in its most recent audited financial statement, of not less than \$10,000,000;
 - (c) a company that is incorporated under the laws of Canada or a jurisdiction and is an affiliate of a bank or trust company referred to in paragraph (a) or (b), if
 - (i) the company has shareholders' equity, as reported in its most recent audited financial statements that have been made public, of not less than \$10,000,000, or
 - (ii) the bank or trust company has assumed responsibility for all of the custodial obligations of the company for that investment fund.
- (2) If portfolio assets are held outside of Canada by a sub-custodian, the sub-custodian must be one of the following:
- (a) an entity referred to in subsection (1);
 - (b) an entity that
 - (i) is incorporated or organized under the law of a country, or a political subdivision of a country, other than Canada,
 - (ii) is regulated as a banking institution or trust company by the government, or an agency of the government of the country or political subdivision of the country under whose laws it is incorporated or organized, and
 - (iii) has shareholders' equity, as reported in its most recent audited financial statements of not less than the equivalent of \$100,000,000;
 - (c) an affiliate of an entity referred to in paragraph (a) or (b) if

- (i) the affiliate has shareholders' equity, as reported in its most recent audited financial statements that have been made public, of not less than the equivalent of \$100,000,000, or
- (ii) the entity referred to in paragraphs (a) or (b) has assumed responsibility for all of the custodial obligations of the affiliate for that investment fund.

Standard of care

- 14.3(1)** The custodian and each sub-custodian of an investment fund, in carrying out their duties concerning the safekeeping of, and dealing with, the portfolio assets of the investment fund, must exercise
- (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, or
 - (b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in paragraph (a).
- (2)** No investment fund may relieve the custodian or a sub-custodian of the investment fund from liability to the investment fund or to a securityholder of the investment fund for loss that arises out of the failure of the custodian or sub-custodian to exercise the standard of care imposed by subsection (1).
- (3)** An investment fund may indemnify a custodian or sub-custodian against legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by that entity in connection with custodial or sub-custodial services provided by that entity to the investment fund, if those fees, judgments and amounts were not incurred as a result of a breach of the standard of care described in subsection (1).
- (4)** No investment fund may incur the cost of any portion of liability insurance that insures a custodian or sub-custodian for a liability, except to the extent that the custodian or sub-custodian may be indemnified for that liability under this section.

Appointment of sub-custodian

- 14.4(1)** The custodian or a sub-custodian of an investment fund may appoint one or more sub-custodians to hold portfolio assets of the investment fund if,
- (a) in the case where the appointment is by the custodian, the investment fund gives written consent to each appointment,
 - (b) in the case where the appointment is by a sub-custodian, the investment fund and the custodian of the investment fund give written consent to each appointment,
 - (c) the sub-custodian is an entity described in subsection 14.2(1) or (2), as applicable,
 - (d) the arrangements under which a sub-custodian is appointed are such that the investment fund may enforce rights directly, or require the custodian or a sub-

custodian to enforce rights on behalf of the investment fund, to the portfolio assets held by the appointed sub-custodian, and

- (e) the appointment is otherwise in compliance with this Instrument.
- (2) Despite paragraphs (1)(a) and (b), a general consent to the appointment of persons or companies that are part of an international network of sub-custodians within the organization of the custodian appointed by the investment fund or the sub-custodian appointed by the custodian is sufficient if that general consent is part of an agreement governing the relationship between the investment fund and the appointed custodian or the custodian and the appointed sub-custodian.
- (3) A custodian or sub-custodian must provide to the investment fund a list of each person or company that is appointed sub-custodian under a general consent referred to in subsection (2).

Content of agreements

- 14.5(1)** All agreements between the investment fund and the custodian or the custodian and the sub-custodian of an investment fund must provide for
- (a) the location of portfolio assets,
 - (b) the appointment of a sub-custodian, if any,
 - (c) the provision of lists of sub-custodians,
 - (d) the method of holding portfolio assets,
 - (e) the standard of care and responsibility for loss,
 - (f) review and compliance reports, and
 - (g) the safekeeping of portfolio assets on terms consistent with the agreement between the investment fund and the custodian, for an agreement between a custodian and a sub-custodian,.
- (2) The provisions of an agreement referred to under subsection (1) must comply with the requirements of this Part.
 - (3) An agreement between an investment fund and a custodian or a custodian and a sub-custodian respecting the portfolio assets must not
 - (a) provide for the creation of any security interest on the portfolio assets except for a good faith claim for payment of the fees and expenses of the custodian or sub-custodian for acting in that capacity or to secure the obligations of the investment fund to repay borrowings by the investment fund from a custodian or sub-custodian for the purpose of settling portfolio transactions, or
 - (b) contain a provision that would require the payment of a fee to the custodian or sub-custodian for the transfer of the beneficial ownership of portfolio assets, other

than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

Review and compliance reports

- 14.6(1)** The custodian of an investment fund must, on a periodic basis and at least annually,
- (a) review the agreements referred to in section 14.5 to determine if those agreements are in compliance with this Part,
 - (b) make reasonable enquiries to ensure that each sub-custodian is an entity referred to in subsection 14.2(1) or (2), as applicable, and
 - (c) make or cause to be made any changes that may be necessary to ensure that
 - (i) the agreements are in compliance with this Part, and
 - (ii) each sub-custodian is an entity referred to in subsection 14.2(1) or (2), as applicable.
- (2)** The custodian of an investment fund must, within 60 days after the end of each financial year of the investment fund, advise the investment fund in writing
- (a) of the names and addresses of all sub-custodians of the investment fund,
 - (b) if the agreements are in compliance with this Part, and
 - (c) if, to the best of the knowledge and belief of the custodian, each sub-custodian is an entity that satisfies the requirements of subsection 14.2(1) or (2), as applicable.
- (3)** A copy of the report referred to in subsection (2) must be delivered by or on behalf of the investment fund to the securities regulatory authority within 30 days after the filing of the annual financial statements of the investment fund.

Holding of portfolio assets and payment of fees

- 14.7(1)** Except as provided in subsections (2) and (3) and sections 14.8 and 14.9, portfolio assets not registered in the name of the investment fund must be registered in the name of the custodian or a sub-custodian of the investment fund or any of their respective nominees with an account number or other designation in the records of the custodian sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.
- (2)** The custodian or a sub-custodian of the investment fund or the applicable nominee must segregate portfolio assets issued in bearer form to show that the beneficial ownership of the property is vested in the investment fund.
- (3)** A custodian or sub-custodian of an investment fund may deposit portfolio assets with a depository or a clearing agency that operates a book-based system.

- (4) The custodian or sub-custodian of an investment fund arranging for the deposit of portfolio assets with, and their delivery to, a depository, or clearing agency, that operates a book-based system must ensure that the records of any of the applicable participants in that book-based system or the custodian contain an account number or other designation sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.
- (5) No investment fund may pay a fee to a custodian or sub-custodian for the transfer of beneficial ownership of portfolio assets other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

Custodial provisions relating to derivatives and securities lending, repurchases and reverse repurchase agreements

- 14.8(1)** For the purposes of subsection (4), "specified derivative" has the same meaning as in NI 81-102.
- (2) An investment fund may deposit portfolio assets as margin for transactions in Canada involving clearing corporation options, options on futures or standardized futures with a dealer that is a member of an SRO that is a participating member of CIPF if the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10% of the net assets of the investment fund, taken at market value as at the time of deposit.
 - (3) An investment fund may deposit portfolio assets with a dealer as margin for transactions outside Canada involving clearing corporation options, options on futures or standardized futures if
 - (a) in the case of standardized futures and options on futures, the dealer is a member of a futures exchange or, in the case of clearing corporation options, is a member of a stock exchange, and, as a result in either case, is subject to a regulatory audit,
 - (b) the dealer has a net worth, determined from its most recent audited financial statements that have been made public, in excess of the equivalent of \$50 million, and
 - (c) the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10% of the net assets of the investment fund, taken at market value as at the time of deposit.
 - (4) An investment fund may deposit with its counterparty portfolio assets over which it has granted a security interest in connection with a particular specified derivatives transaction.
 - (5) The agreement by which portfolio assets are deposited in accordance with subsection (2), (3) or (4) must require the person or company holding the portfolio assets to ensure that its records show that the investment fund is the beneficial owner of the portfolio assets.

- (6) An investment fund may deliver portfolio assets to a person or company in satisfaction of its obligations under a securities lending, repurchase or reverse purchase agreement if the collateral, cash proceeds or purchased securities that are delivered to the investment fund in connection with the transaction are held under the custodianship of the custodian or a sub-custodian of the investment fund in compliance with this Part.

Separate account for paying expenses

- 14.9 An investment fund may deposit cash in Canada with an entity referred to in paragraph (a) or (b) of subsection 14.2(1) to facilitate the payment of regular operating expenses of the investment fund.

PART 15: Documents Incorporated by Reference by Investment Funds

Application

- 15.1 This Part applies only to an investment fund in continuous distribution, other than scholarship plans.

Incorporation by reference

- 15.2(1) An investment fund must incorporate by reference into its long form prospectus, by means of a statement to that effect, the filed documents listed in section 37.1 of Form 41-101F2.
- (2) If an investment fund does not incorporate by reference into its long form prospectus a document referred to in subsection (1), the document is deemed, for the purposes of securities legislation, to be incorporated by reference in the investment fund's long form prospectus as of the date of the long form prospectus.
- (3) An investment fund must incorporate by reference in its long form prospectus, by means of a statement to that effect, the subsequently filed documents referred to in section 37.2 of Form 41-101F2.
- (4) If an investment fund does not incorporate by reference into its long form prospectus a document referred to in subsection (3), the document is deemed, for the purposes of securities legislation, to be incorporated by reference in the investment fund's long form prospectus as of the date the investment fund filed the document.

PART 16: Distribution of Preliminary Prospectus and Distribution List

Distribution of preliminary prospectus and distribution list

- 16.1 Except in Ontario, any dealer distributing a security during the waiting period must
- (a) send a copy of the preliminary prospectus to each prospective purchaser who indicates an interest in purchasing the security and requests a copy of such preliminary prospectus, and

- (b) maintain a record of the names and addresses of all persons and companies to whom the preliminary prospectus has been forwarded.

[**Note:** In Ontario, sections 66 and 67 of the *Securities Act* (Ontario) impose similar requirements regarding the distribution of a preliminary prospectus and maintaining a distribution list.]

PART 17: Lapse Date

Pro forma prospectus

- 17.1(1) In this Part, “**pro forma prospectus**” means a long form prospectus that complies with the requirements described in subsection (2).
- (2) A pro forma prospectus must be prepared in the form of a long form prospectus in accordance with Form 41-101F1 or Form 41-101F2, as applicable, and other securities legislation, except that a pro forma prospectus is not required to contain prospectus certificates or to comply with sections 4.2, 4.3 and 4.4 of this Instrument.
- (3) This Part does not apply to a prospectus filed in accordance with NI 44-101, NI 44-102 or NI 44-103.

Refiling of prospectus

- 17.2(1) This section does not apply in Ontario.
- (2) In this section, “**lapse date**” means, with reference to the distribution of a security that has been qualified under a prospectus, the date that is 12 months after the date of the most recent final prospectus relating to the security.
- (3) An issuer must not continue the distribution of a security to which the prospectus requirement applies after the lapse date unless the issuer files a new prospectus that complies with securities legislation and a receipt for that new prospectus is issued by the regulator.
- (4) Despite subsection (3), a distribution may be continued for a further 12 months after a lapse date if,
- (a) the issuer delivers a pro forma prospectus not less than 30 days before the lapse date of the previous prospectus;
 - (b) the issuer files a new final prospectus no later than 10 days after the lapse date of the previous prospectus; and
 - (c) a receipt for the new final prospectus is issued by the regulator within 20 days after the lapse date of the previous prospectus.
- (5) The continued distribution of securities after the lapse date does not contravene subsection (3) unless and until any of the conditions of subsection (4) are not complied with.
- (6) Subject to any extension granted under subsection (7), if a condition in subsection (4) is not complied with, a purchaser may cancel a purchase made in a distribution after the

lapse date in reliance on subsection (4) within 90 days after the purchaser first became aware of the failure to comply with the condition.

- (7) The regulator may, on an application of a reporting issuer, extend, subject to such terms and conditions as it may impose, the times provided by subsection (4) where in its opinion it would not be prejudicial to the public interest to do so.

[**Note:** In Ontario, section 62 of the *Securities Act* (Ontario) imposes similar requirements and procedures regarding refiling of prospectuses.]

PART 18: Statement of Rights

Statement of rights

- 18.1 Except in Ontario, a prospectus must contain a statement of the rights given to a purchaser under securities legislation in case of a failure to deliver the prospectus or in case of a misrepresentation in a prospectus.

[**Note:** In Ontario, section 60 of the *Securities Act* (Ontario) imposes a similar requirement for the inclusion of a statement of rights in a prospectus.]

PART 19: Exemption

Exemption

- 19.1(1) The regulator or the securities regulatory authority may grant an exemption from the provisions of this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (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.

Application for exemption

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

Evidence of exemption

- 19.3(1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption from subsection 2.2(2), may be evidenced by the issuance of a receipt for a final prospectus or an amendment to a final prospectus.
- (2) The issuance of a receipt for a final prospectus or an amendment to a final prospectus is not evidence that the exemption has been granted unless
 - (a) the person or company that sought the exemption sent to the regulator

- (i) the letter or memorandum referred to in section 19.2 on or before the date of the filing of the preliminary prospectus, or
 - (ii) the letter or memorandum referred to in section 19.2 after the date of the filing of the preliminary prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1), and
- (b) the regulator has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

PART 20: Transition, Effective Date, and Repeal

Transition

- 20.1(1)** A final prospectus may, at the issuer's option, be prepared in accordance with securities legislation in effect
- (a) at the date of the issuance of a receipt for the preliminary prospectus or the date of filing the pro forma prospectus, as applicable, or
 - (b) at the date of issuance of a receipt for the final prospectus.
- (2)** Despite this Instrument, securities legislation in effect at the date of the issuance of a receipt for a preliminary prospectus or the filing of a pro forma prospectus, as applicable, applies to a distribution if the issuer prepared the final prospectus in accordance with paragraph (1)(a).

Effective date

20.2 This Instrument comes into force on March 17, 2008.

Repeal

20.3 National Instrument 41-101 *Prospectus Disclosure Requirements*, which came into force on December 31, 2000, is repealed.

**APPENDIX A TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**PERSONAL INFORMATION FORM AND
AUTHORIZATION OF INDIRECT COLLECTION,
USE AND DISCLOSURE OF PERSONAL INFORMATION**

In connection with an issuer's (the "Issuer") filing of a prospectus, the attached Schedule 1 contains information (the "Information") concerning every individual for whom the Issuer is required to provide the Information under Part 9 of this Instrument or Part 4 of NI 44-101. The Issuer is required by provincial and territorial securities legislation to deliver the Information to the regulators listed in Schedule 3.

The Issuer confirms that each individual who has completed a Schedule 1:

- (a) has been notified by the Issuer
 - (i) of the Issuer's delivery to the regulator of the Information in Schedule 1 pertaining to that individual,
 - (ii) that the Information is being collected indirectly by the regulator under the authority granted to it by provincial and territorial securities legislation or provincial legislation relating to documents held by public bodies and the protection of personal information,
 - (iii) that the Information collected from each director and executive officer of the investment fund manager may be used in connection with the prospectus filing of the Issuer and the prospectus filing of any other issuer managed by the investment fund manager,
 - (iv) that the Information is being collected and used for the purpose of enabling the regulator to administer and enforce provincial and territorial securities legislation, including those obligations that require or permit the regulator to refuse to issue a receipt for a prospectus if it appears to the regulator that the past conduct of management, an investment fund manager or promoter of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its securityholders, and
 - (v) of the contact, business address and business telephone number of the regulator in the local jurisdiction as set out in the attached Schedule 3, who can answer questions about the regulator's indirect collection of the Information;
- (b) has read and understands the Personal Information Collection Policy attached hereto as Schedule 2; and
- (c) has, by signing the certificate and consent in Schedule 1, authorized the indirect collection, use and disclosure of the Information by the regulator as described in Schedule 2.

Date: _____

Name of Issuer

Per: _____

Name

Official Capacity

(Please print the name of the person signing on behalf of the issuer)

**APPENDIX A TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**PERSONAL INFORMATION FORM
AND AUTHORIZATION OF INDIRECT COLLECTION,
USE AND DISCLOSURE OF PERSONAL INFORMATION**

Schedule 1

**Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of
Personal Information**

This Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information (the "Form") is to be completed by every individual who, in connection with an issuer filing a prospectus (the "Issuer"), is required to do so under Part 9 of National Instrument 41-101 *General Prospectus Requirements* or Part 4 of National Instrument 44-101 *Short Form Prospectus Distributions*. Where an individual has submitted a personal information form (an "Exchange Form") to the Toronto Stock Exchange or the TSX Venture Exchange and the information has not changed, the Exchange Form may be delivered in lieu of this Form; provided that the certificate and consent of this Form is completed and attached to the Exchange Form.

The securities regulatory authorities do not make any of the information provided in this Form public.

General Instructions:

All Questions **All questions must have a response.** The response of "N/A" or "Not Applicable" for any questions, except Questions 1(B), 2B(iii) and 5 will not be accepted.

Questions 6 to 9 Please check (√) in the appropriate space provided. If your answer to any of questions 6 to 9 is "YES", you must, in an attachment, provide complete details, including the circumstances, relevant dates, names of the parties involved and final disposition, if known. **Any attachment must be initialed by the person completing this Form.** Responses must consider all time periods.

Delivery **The issuer should deliver completed Forms electronically via the System for Electronic Document Analysis and Retrieval (SEDAR) under the document type "Personal Information Form and Authorization". Access to this document type is not available to the public.**

CAUTION

An individual who makes a false statement commits an offence under securities legislation. Steps may be taken to verify the answers you have given in this Form, including verification of information relating to any previous criminal record.

DEFINITIONS

“Offence” An offence includes:

- (a) a summary conviction or indictable offence under the *Criminal Code* (Canada);
- (b) a quasi-criminal offence (for example under the *Income Tax Act* (Canada), the *Immigration Act* (Canada) or the tax, immigration, drugs, firearms, money laundering or securities legislation of any jurisdiction);
- (c) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein; or
- (d) an offence under the criminal legislation of any foreign jurisdiction;

NOTE: If you have received a pardon under the *Criminal Records Act* (Canada) and it has not been revoked, you must disclose the pardoned offence in this Form. In such circumstances:

- (a) the appropriate written response would be “Yes, pardon granted on (date)”; and
- (b) you must provide complete details in an attachment to this Form.

“Proceedings” means:

- (a) a civil or criminal proceeding or inquiry before a court;
- (b) a proceeding before an arbitrator or umpire or a person or group of persons authorized by law to make an inquiry and take evidence under oath in the matter;
- (c) a proceeding before a tribunal in the exercise of a statutory power of decision making where the tribunal is required by law to hold or afford the parties to the proceeding an opportunity for a hearing before making a decision; or
- (d) a proceeding before a self-regulatory organization authorized by law to regulate the operations and the standards of practice and business conduct of its members and their representatives, in which the self-regulatory organization is required under its by-laws or rules to hold or afford the parties the opportunity for a hearing before making a decision, but does not apply to a proceeding in which one or more persons are required to make an investigation and to make a report, with or without recommendations, if the report is for the information or advice of the person to whom it is made and does not in any way bind or limit that person in any decision the person may have the power to make;

“securities regulatory authority” (or “SRA”) means a body created by statute in any jurisdiction or in any foreign jurisdiction to administer securities law, regulation and policy (e.g. securities commission), but does not include an exchange or other self regulatory or professional organization;

“self regulatory or professional organization” means:

- (a) a stock, commodities, futures or options exchange;
- (b) an association of investment, securities, mutual fund, commodities, or future dealers;

- (c) an association of investment counsel or portfolio managers;
- (d) an association of other professionals (e.g. legal, accounting, engineering); and
- (e) any other group, institution or self-regulatory entity, recognized by a securities regulatory authority, that is responsible for the enforcement of rules, disciplines or codes under any applicable legislation, or considered a self regulatory or professional organization in another country.

1. A. IDENTIFICATION OF INDIVIDUAL COMPLETING FORM

LAST NAME(S)	FIRST NAME(S)	MIDDLE NAME(S) (If none, please state)			
NAME(S) MOST COMMONLY KNOWN BY:					
NAME OF ISSUER					
PRESENT or PROPOSED POSITION(S) WITH THE ISSUER – check (√) all positions below that are applicable.	(√)	IF DIRECTOR / OFFICER DISCLOSE THE DATE ELECTED / APPOINTED			IF OFFICER – PROVIDE TITLE IF OTHER – PROVIDE DETAILS
		Mont h	Day	Year	
Director					
Officer					
Other					

B. Other than the name given in Question 1A above, provide any legal names, assumed names or nicknames under which you have carried on business or have otherwise been known, including information regarding any name change(s) resulting from marriage, divorce, court order or any other process. Use an attachment if necessary.

	FROM		TO	
	MM	YY	MM	YY

C.

GENDER	DATE OF BIRTH			PLACE OF BIRTH		
	Month	Day	Year	City	Province/State	Country
Male						
Female						

D.

MARITAL STATUS	FULL NAME OF SPOUSE – include common-law	OCCUPATION OF SPOUSE

E. TELEPHONE AND FACSIMILE NUMBERS AND E-MAIL ADDRESS			
RESIDENTIAL	()	FACSIMILE	()
BUSINESS	()	E-MAIL	

F. RESIDENTIAL HISTORY – Provide all residential addresses for the past 10 YEARS starting with your current principal residential address. If you are unable to correctly identify the complete residential address for a period, which is beyond five years from the date of completion of this Form, the municipality and province or state and country must be identified. The regulator reserves the right to require the full address.							
STREET ADDRESS, CITY, PROVINCE/STATE, COUNTRY & POSTAL/ZIP CODE	FROM				TO		
	MM	YY	MM	YY	MM	YY	

2. CITIZENSHIP

A. CANADIAN CITIZENSHIP	YES	NO
(i) Are you a Canadian Citizen?		
(ii) Are you a person lawfully in Canada as an immigrant but are not yet a Canadian citizen?		
(iii) If "Yes" to Question 2A(ii), the number of years of continuous residence in Canada:		

B. OTHER CITIZENSHIP	YES	NO
(i) Do you hold citizenship in any country other than Canada?		
(ii) If "Yes" to Question 2B(i), the name of the country(s):		
(iii) Please provide U.S. Social Security number, where you have such a number		

3. EMPLOYMENT HISTORY

Provide your employment history for the **10 YEARS** immediately prior to the date of this Form starting with your current employment. Use an attachment if necessary.

EMPLOYER NAME	EMPLOYER ADDRESS	POSITION HELD	FROM		TO	
			M M	YY	M M	YY

--	--	--	--	--	--	--

4. POSITIONS WITH OTHER ISSUERS

		YES	NO
A.	While you were a director, officer or insider of an issuer, did any exchange or self-regulatory organization ever refuse approval for listing or quotation of that issuer (including a listing resulting from a qualifying		
B.	Has your employment in a sales, investment or advisory capacity with any firm or company engaged in the sale of real estate, insurance or		
C.	Has a firm or company registered under the securities laws of any jurisdiction or of any foreign jurisdiction as a securities dealer, broker, investment advisor or underwriter suspended or terminated your		
D.	Are you or have you during the last 10 years ever been a director, officer, promoter, insider or control person for any reporting issuer?		

E. If "YES" to 4D above, provide the names of each reporting issuer. State the position(s) held and the period(s) during which you held the position(s). Use an attachment if

NAME OF REPORTING ISSUER	POSITION(S) HELD	MARKET TRADED ON	FROM		TO	
			MM	YY	MM	YY

5. EDUCATIONAL HISTORY

A. PROFESSIONAL DESIGNATION(S) - Provide any professional designation held and professional associations to which you belong. For example, Barrister & Solicitor, C.A., C.M.A., C.G.A., P.Eng., P.Geol., and CFA, etc. and indicate which organization and the date the designations were granted.

PROFESSIONAL DESIGNATION And MEMBERSHIP NUMBER	GRANTOR OF DESIGNATION And JURISDICTION OR FOREIGN JURISDICTION	DATE GRANTED			ACTIVE?	
		M	DD	YY	YES	NO

B. Provide your post-secondary educational history starting with the most recent.

SCHOOL	LOCATION	DEGREE OR DIPLOMA	DATE OBTAINED							
			MM		DD		YY			

6. **OFFENCES** – If you answer “YES” to any item in Question 6, you must provide complete details in an attachment.

		YES	NO
A.	Have you ever pleaded guilty to or been found guilty of an offence?		
B.	Are you the subject of any current charge, indictment or proceeding for		
C.	To the best of your knowledge, are you or have you ever been a director, officer, promoter, insider, or control person of an issuer, in any jurisdiction or in any foreign jurisdiction, at the time of events where the		
	(i) has ever pleaded guilty to or been found guilty of an offence?		
	(ii) is the subject of any current charge, indictment or proceeding for		

7. **BANKRUPTCY** – If you answer “YES” to any item in Question 7, you must provide complete details in an attachment and attach a copy of any discharge, release or other applicable document.

		YES	NO
A.	Have you, in any jurisdiction or in any foreign jurisdiction, within the past 10 years had a petition in bankruptcy issued against you, made a voluntary assignment in bankruptcy, made a proposal under any		
B.	Are you now an undischarged bankrupt?		
C.	To the best of your knowledge, are you or have you ever been a director, officer, promoter, insider, or control person of an issuer, in any jurisdiction or in any foreign jurisdiction, at the time of events, or for a		
	(i) has made a petition in bankruptcy, a voluntary assignment in bankruptcy, a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or		
	(ii) is now an undischarged bankrupt?		

8. **PROCEEDINGS** – If you answer “YES” to any item in Question 8, you must provide complete details in an attachment.

		YES	NO
A.	CURRENT PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY OR PROFESSIONAL ORGANIZATION. Are you now, in any jurisdiction or in any foreign jurisdiction, the subject of:		
	(i) a notice of hearing or similar notice issued by a SRA?		
	(ii) a proceeding or to your knowledge, under investigation, by an exchange or other self regulatory or professional organization?		
	(iii) settlement discussions or negotiations for settlement of any nature or kind whatsoever with a SRA or any self regulatory or		

		YES	NO
B.	PRIOR PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY OR PROFESSIONAL ORGANIZATION. Have you ever:		
	(i) been reprimanded, suspended, fined, been the subject of an administrative penalty, or otherwise been the subject of any disciplinary proceedings of any kind whatsoever, in any		
	(ii) had a registration or licence for the trading of securities, exchange or commodity futures contracts, real estate, insurance or mutual fund products cancelled, refused, restricted or		
	(iii) been prohibited or disqualified under securities, corporate or any other legislation from acting as a director or officer of a reporting		
	(iv) had a cease trading or similar order issued against you or an order issued against you that denied you the right to use any		
	(v) had any other proceeding of any nature or kind taken against		

C.	SETTLEMENT AGREEMENT(S)		
	Have you ever entered into a settlement agreement with a SRA, self regulatory or professional organization, attorney general or comparable official or body, in any jurisdiction or in any foreign jurisdiction, in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct, or any other settlement agreement with respect to any other violation of securities legislation in a jurisdiction or in a foreign jurisdiction or the rules of any self regulatory or professional organization?		

D.	To the best of your knowledge, are you now or have you ever been a director, officer, promoter, insider, or control person of an issuer at the time of such event, in any jurisdiction or in any foreign jurisdiction, for		
	(i) refused, restricted, suspended or cancelled the registration or licensing of an issuer to trade securities, exchange or commodity futures contracts, or to sell or trade real estate, insurance or		
	(ii) issued a cease trade or similar order or imposed an administrative penalty of any nature or kind whatsoever against the issuer, other than an order for failure to file financial statements that was		
	(iii) refused a receipt for a prospectus or other offering document, denied any application for listing or quotation or any other similar application, or issued an order that denied the issuer the right to		
	(iv) issued a notice of hearing, notice as to a proceeding or similar		
	(v) taken any other proceeding of any nature or kind against the issuer, including a trading halt, suspension or delisting of the issuer (other than in the normal course for proper dissemination of		
	(vi) entered into a settlement agreement with the issuer in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or		

exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct by the issuer, or involved in any other violation of securities legislation in a jurisdiction or in a foreign jurisdiction or a self regulatory or professional organization's rules?		
--	--	--

9. **CIVIL PROCEEDINGS** – If you answer “YES” to any item in Question 9, you must provide complete details in an attachment.

		YES	NO
A.	JUDGMENT, GARNISHMENT AND INJUNCTIONS		
	Has a court in any jurisdiction or in any foreign jurisdiction:		
	(i) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against <u>you</u> in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
	(ii) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against <u>an issuer</u> , for which you are currently or have ever been a director, officer, promoter, insider or control person, in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
B.	CURRENT CLAIMS		
	(i) Are <u>you</u> now subject, in any jurisdiction or in any foreign jurisdiction, of a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
	(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of <u>an issuer</u> now subject, in any jurisdiction or in any foreign jurisdiction, of a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
C.	SETTLEMENT AGREEMENT		

(i) Have <u>you</u> ever entered into a settlement agreement, in any jurisdiction or in any foreign jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		
(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of <u>an issuer</u> that has entered into a settlement agreement, in any jurisdiction or in any foreign jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?		

CERTIFICATE AND CONSENT

I, _____ hereby certify that:
(Please Print – Name of Individual)

- (a) I have read and understood the questions, cautions, acknowledgement and consent in this Form, and the answers I have given to the questions in this Form and in any attachments to it are true and correct, except where stated to be to the best of my knowledge, in which case I believe the answers to be true;
- (b) I have read and understand the Personal Information Collection Policy attached hereto as Schedule 2 (the “Personal Information Collection Policy”);
- (c) I consent to the collection, use and disclosure of the information in this Form and to the collection, use and disclosure of further personal information in accordance with the Personal Information Collection Policy; and
- (d) I understand that I am providing this Form to a regulator listed in Schedule 3 attached hereto and I am under the jurisdiction of the regulator to which I submit this Form, and it is a breach of securities legislation to provide false or misleading information to the regulator.

Date [within 30 days of the date of the preliminary prospectus]

Signature of Person Completing this Form

**APPENDIX A TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**PERSONAL INFORMATION FORM
AND AUTHORIZATION OF INDIRECT COLLECTION,
USE AND DISCLOSURE OF PERSONAL INFORMATION**

Schedule 2

Personal Information Collection Policy

The regulators listed in Schedule 3 Regulators collect the personal information in Schedule 1 *Personal Information Form* under the authority granted to them under provincial and territorial securities legislation. Under securities legislation, the regulators do not make any of the information provided in Schedule 1 public.

The regulators collect the personal information in Schedule 1 for the purpose of enabling the regulators to administer and enforce provincial and territorial securities legislation, including those provisions that require or permit the regulators to refuse to issue a receipt for a prospectus if it appears to the regulators that the past conduct of management or promoters of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its securityholders.

You understand that by signing the certificate and consent in Schedule 1, you are consenting to the Issuer submitting your personal information in Schedule 1 (the "Information") to the regulators and to the collection and use by the regulators of the Information, as well as any other information that may be necessary to administer and enforce provincial and territorial securities legislation. This may include the collection of information from law enforcement agencies, other government or non-governmental regulatory authorities, self-regulatory organizations, exchanges, and quotation and trade reporting systems in order to conduct background checks, verify the Information and perform investigations and conduct enforcement proceedings as required to ensure compliance with provincial and territorial securities legislation.

You understand that the Issuer is required to deliver the Information to the regulators because the Issuer has filed a prospectus under provincial and territorial securities legislation. You also understand that you have a right to be informed of the existence of personal information about you that is kept by regulators, that you have the right to request access to that information, and that you have the right to request that such information be corrected, subject to the applicable provisions of the freedom of information and protection of privacy legislation adopted by each province and territory.

You also understand and agree that the Information the regulators collect about you may also be disclosed, as permitted by law, where its use and disclosure is for the purposes described above. The regulators may also use a third party to process the Information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

Warning: It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Questions

If you have any questions about the collection, use, and disclosure of the information you provide to the regulators, you may contact the regulator in the jurisdiction in which the required information is filed, at the address or telephone number listed in Schedule 3.

APPENDIX A TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS

PERSONAL INFORMATION FORM
AND AUTHORIZATION OF INDIRECT COLLECTION,
USE AND DISCLOSURE OF PERSONAL INFORMATION

Schedule 3

Regulators

Local Jurisdiction

Regulator

Alberta

Securities Review Officer
Alberta Securities Commission
Suite 400
300 – 5th Avenue S.W
Calgary, Alberta T2P 3C4
Telephone: (403) 297-6454
E-mail: inquiries@seccom.ab.ca
www.albertasecurities.com

British Columbia

Review Officer
British Columbia Securities Commission
P.O. Box 10142 Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6854
Toll Free within British Columbia and Alberta: (800) 373-6393
E-mail: inquiries@bcsc.bc.ca
www.bcsc.bc.ca

Manitoba

Director, Corporate Finance
The Manitoba Securities Commission
500-400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2548
E-mail: securities@gov.mb.ca
www.msc.gov.mb.ca

New Brunswick

Director Corporate Finance and Chief Financial Officer
New Brunswick Securities Commission
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Fax: (506) 658-3059
E-mail: information@nbsc-cvmnb.ca

Newfoundland and Labrador

Director of Securities
Department of Government Services and Lands
P.O. Box 8700
West Block, 2nd Floor, Confederation Building

St. John's, Newfoundland A1B 4J6
Telephone: (709) 729-4189
www.gov.nf.ca/gsl/cca/s

Northwest Territories

Securities Registries
Department of Justice
Government of the Northwest Territories
P.O. Box 1320,
Yellowknife, Northwest Territories X1A 2L9
Telephone: (867) 873- 7490
www.justice.gov.nt.ca/SecuritiesRegistry/SecuritiesRegistry.html

Nova Scotia

Deputy Director, Compliance and Enforcement
Nova Scotia Securities Commission
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-5354
www.gov.ns.ca/nssc

Nunavut

Government of Nunavut
Legal Registries Division
P.O. Box 1000 – Station 570
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6590

Ontario

Administrative Assistant to the Director of Corporate Finance
Ontario Securities Commission
19th Floor, 20 Queen Street West
Toronto, Ontario M5H 2S8
Telephone: (416) 597-0681
E-mail: Inquiries@osc.gov.on.ca
www.osc.gov.on.ca

Prince Edward Island

Deputy Registrar, Securities Division
Shaw Building
95 Rochford Street, P.O. Box 2000, 4th Floor
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4550
www.gov.pe.ca/securities

Québec

Autorité des marchés financiers
Stock Exchange Tower
P.O. Box 246, 22nd Floor
800 Victoria Square
Montréal, Québec H4Z 1G3
Attention: Responsable de l'accès à l'information
Telephone: (514) 395-0337
Toll Free in Québec: (877) 525-0337
www.lautorite.qc.ca

Saskatchewan

Director

Saskatchewan Financial Services Commission
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
www.sfsc.gov.sk.ca

Yukon

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

**APPENDIX B TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**ISSUER FORM OF SUBMISSION TO
JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

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

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

3. Address of principal place of business of Issuer:

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

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

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

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

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

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

11. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.
12. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____

Signature of Issuer

Print name and title of signing officer of Issuer

AGENT

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

Dated: _____

Signature of Agent

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

**APPENDIX C TO NATIONAL INSTRUMENT 41-101
GENERAL PROSPECTUS REQUIREMENTS**

**NON-ISSUER FORM OF SUBMISSION TO
JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

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

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

3. Address of principal place of business of Issuer:

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

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

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

7. Filing Person's relationship to Issuer:

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

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

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

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

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

13. The Filing Person irrevocably and unconditionally submits to the non-exclusive jurisdiction of
 - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Prospectus; and
 - (b) any administrative proceeding in any such province [or territory],
 in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Prospectus.

14. Until six years after completion of the distribution of the Securities made under the Prospectus, the Filing Person shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.

15. Until six years after completion of the distribution of the Securities under the Prospectus, the Filing Person shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before a change in the name or above address of the Agent.

16. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: _____

Signature of Filing Person

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

Filing
 person

AGENT

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

Dated: _____

Signature of Agent

is not

Print name of person signing and, if Agent
an individual, the title of the person

FORM 41-101F1
INFORMATION REQUIRED IN A PROSPECTUS

TABLE OF CONTENTS

GENERAL INSTRUCTIONS

ITEM 1 Cover Page Disclosure

- 1.1 Required statement
- 1.2 Preliminary prospectus disclosure
- 1.3 Basic disclosure about the distribution
- 1.4 Distribution
- 1.5 Offering price in currency other than Canadian dollar
- 1.6 Non-fixed price distributions
- 1.7 Pricing disclosure
- 1.8 Reduced price distributions
- 1.9 Market for securities
- 1.10 Risk factors
- 1.11 Underwriter(s)
- 1.12 International issuers
- 1.13 Restricted securities
- 1.14 Earnings coverage

ITEM 2 Table of Contents

- 2.1 Table of contents

ITEM 3 Summary of Prospectus

- 3.1 General
- 3.2 Cautionary language

ITEM 4 Corporate Structure

- 4.1 Name, address and incorporation
- 4.2 Intercorporate relationships

ITEM 5 Describe the Business

- 5.1 Describe the business
- 5.2 Three-year history
- 5.3 Issuers with asset-backed securities outstanding
- 5.4 Issuers with mineral projects
- 5.5 Issuers with oil and gas operations

ITEM 6 Use of Proceeds

- 6.1 Proceeds
- 6.2 Junior issuers
- 6.3 Principal purposes – generally
- 6.4 Principal purposes – indebtedness
- 6.5 Principal purposes – asset acquisition
- 6.6 Principal purposes – insiders, etc.
- 6.7 Principal purposes – research and development
- 6.8 Business objectives and milestones
- 6.9 Unallocated funds in trust or escrow
- 6.10 Other sources of funding

6.11 Financing by special warrants, etc.

ITEM 7 Dividends or Distributions

7.1 Dividends or distributions

ITEM 8 Management's Discussion and Analysis

8.1 Interpretation

8.2 MD&A

8.3 SEC issuers

8.4 Disclosure of outstanding security data

8.5 More recent financial information

8.6 Additional disclosure for venture issuers or IPO venture issuers without significant revenue

8.7 Additional disclosure for junior issuers

8.8 Additional disclosure for issuers with significant equity investees

ITEM 9 Earnings Coverage Ratios

9.1 Earnings coverage ratios

ITEM 10 Description of the Securities Distributed

10.1 Equity securities

10.2 Debt securities

10.3 Asset-backed securities

10.4 Derivatives

10.5 Special warrants, etc.

10.6 Restricted securities

10.7 Other securities

10.8 Modification of terms

10.9 Ratings

10.10 Other attributes

ITEM 11 Consolidated Capitalization

11.1 Consolidated capitalization

ITEM 12 Options to Purchase Securities

12.1 Options to purchase securities

ITEM 13 Prior Sales

13.1 Prior sales

13.2 Trading price and volume

ITEM 14 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

14.1 Escrowed securities and securities subject to contractual restriction on transfer

ITEM 15 Principal Securityholders and Selling Securityholders

15.1 Principal securityholders and selling securityholders

ITEM 16 Directors and Executive Officers

16.1 Name, occupation and security holding

16.2 Cease trade orders, bankruptcies, penalties or sanctions

16.3 Conflicts of interest

16.4 Management of junior issuers

- ITEM 17 Executive Compensation
 - 17.1 Disclosure

- ITEM 18 Indebtedness of Directors and Executive Officers
 - 18.1 Aggregate indebtedness
 - 18.2 Indebtedness of directors and executive officers under securities purchase and other programs

- ITEM 19 Audit Committees and Corporate Governance
 - 19.1 Audit committees
 - 19.2 Corporate governance

- ITEM 20 Plan of Distribution
 - 20.1 Name of underwriters
 - 20.2 Disclosure of conditions to underwriters' obligations
 - 20.3 Best efforts offering
 - 20.4 Minimum distribution
 - 20.5 Determination of price
 - 20.6 Stabilization
 - 20.7 Approvals
 - 20.8 Reduced price distributions
 - 20.9 Listing application
 - 20.10 Conditional listing approval
 - 20.11 IPO venture issuers
 - 20.12 Constraints
 - 20.13 Special warrants acquired by underwriters or agents

- ITEM 21 Risk Factors
 - 21.1 Risk factors

- ITEM 22 Promoters
 - 22.1 Promoters

- ITEM 23 Legal Proceedings and Regulatory Actions
 - 23.1 Legal proceedings
 - 23.2 Regulatory actions

- ITEM 24 Interests of Management and Others in Material Transactions
 - 24.1 Interests of management and others in material transactions
 - 24.2 Underwriting discounts

- ITEM 25 Relationship Between Issuer or Selling Securityholder and Underwriter
 - 25.1 Relationship between issuer or selling securityholder and underwriter

- ITEM 26 Auditors, Transfer Agents and Registrars
 - 26.1 Auditors
 - 26.2 Transfer agents, registrars, trustees or other agents

- ITEM 27 Material Contracts
 - 27.1 Material contracts

ITEM 28	Experts
28.1	Names of experts
28.2	Interest of experts
ITEM 29	Other Material Facts
29.1	Other material facts
ITEM 30	Rights of Withdrawal and Rescission
30.1	General
30.2	Non-fixed price offerings
ITEM 31	List of Exemptions from Instrument
31.1	List of exemptions from Instrument
ITEM 32	Financial Statement Disclosure for Issuers
32.1	Interpretation of "issuer"
32.2	Annual financial statements
32.3	Interim financial statements
32.4	Exceptions to financial statement requirements
32.5	Exceptions to audit requirement
32.6	Additional financial statements or financial information filed or released
ITEM 33	Credit Supporter Disclosure, Including Financial Statements
33.1	Credit supporter disclosure, including financial statements
ITEM 34	Exemptions for Certain Issues of Guaranteed Securities
34.1	Definitions and interpretation
34.2	Issuer is wholly-owned subsidiary of parent credit supporter
34.3	Issuer is wholly-owned subsidiary of, and one or more subsidiary credit supporters controlled by, parent credit supporter
34.4	One or more credit supporters controlled by issuer
ITEM 35	Significant Acquisitions
35.1	Application and definitions
35.2	Completed acquisitions for which issuer has filed business acquisition report
35.3	Completed acquisitions for which issuer has not filed business acquisition report because issuer was not reporting issuer on date of acquisition
35.4	Results consolidated in financial statements of issuer
35.5	Recently completed acquisitions
35.6	Probable acquisitions
35.7	Pro forma financial statements for multiple acquisitions
35.8	Additional financial statements or financial information of the business filed or released
ITEM 36	Probable Reverse Takeovers
36.1	Probable reverse takeovers
ITEM 37	Certificates
37.1	Certificates
37.2	Issuer certificate form
37.3	Underwriter certificate form
37.4	Amendments

37.5 Non-offering prospectuses

FORM 41-101F1

INFORMATION REQUIRED IN A PROSPECTUS

GENERAL INSTRUCTIONS

- (1) *The objective of the prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. Certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*
- (2) *Terms used and not defined in this Form that are defined or interpreted in the Instrument bear that definition or interpretation. Other definitions are set out in NI 14-101.*
- (3) *In determining the degree of detail required, a standard of materiality must be applied. Materiality is a matter of judgment in the particular circumstance, and is determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items must be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*
- (4) *Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in this Form apply to both the preliminary prospectus and the prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*
- (5) *The disclosure must be understandable to readers and presented in an easy-to-read format. The presentation of information should comply with the plain language principles listed in section 4.1 of Companion Policy 41-101CP General Prospectus Requirements. If technical terms are required, clear and concise explanations should be included.*
- (6) *No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*
- (7) *Where the term "issuer" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include disclosure with respect to persons or companies that the issuer is required, under the issuer's GAAP, to consolidate, proportionately consolidate or account for using the equity method (for example, including "subsidiaries" as that term is used in the Handbook). If it is more likely than not that a person or company will become an entity that the issuer will be required, under the issuer's GAAP, to consolidate, proportionately consolidate or account for using the equity method, it may be necessary to also include disclosure with respect to the person or company.*

- (8) *An issuer that is a special purpose vehicle may have to modify the disclosure items to reflect the special purpose nature of its business.*
- (9) *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*
- (10) *If an issuer discloses financial information in a preliminary prospectus or prospectus in a currency other than the Canadian dollar, prominently disclose the currency in which the financial information is disclosed.*
- (11) *Except as otherwise required or permitted, include information in a narrative form. The issuer may include graphs, photographs, maps, artwork or other forms of illustration, if relevant to the business of the issuer or the distribution and not misleading. Include descriptive headings. Except for information that appears in a summary, information required under more than one Item need not be repeated.*
- (12) *Certain requirements in this Form make reference to requirements in another instrument or form. Unless this Form states otherwise, issuers must also follow the instruction or requirement in the other instrument or form. These references include references to Form 51-102F2. Venture issuers must include such disclosure in a preliminary prospectus or prospectus even if they are not otherwise required to file an annual information form under NI 51-102*
- (13) *Wherever this Form uses the word "subsidiary", the term includes companies and other types of business organizations such as partnerships, trusts and other unincorporated business entities.*
- (14) *Where requirements in this Form make reference to, or are substantially similar to, requirements in Form 51-102F2, issuers may apply the general provision in subpart 1(d) of Form 51-102F2. However, issuers must supplement this disclosure if the supplemented disclosure is necessary to ensure that the prospectus provides full, true and plain disclosure of all material facts related to the securities to be distributed as required under Item 29 of this Form.*
- (15) *Forward-looking information included in a prospectus must comply with section 4A.2 of NI 51-102 and must include the disclosure described in section 4A.3 of NI 51-102. In addition to the foregoing, FOFI or a financial outlook, each as defined in NI 51-102, included in a prospectus must comply with Part 4B of NI 51-102. If the forward-looking information relates to an issuer or other entity that is not a reporting issuer in any jurisdiction, section 4A.2, section 4A.3 and Part 4B of NI 51-102 apply as if the issuer or other entity were a reporting issuer in at least one jurisdiction.*

ITEM 1: Cover Page Disclosure

Required statement

- 1.1** State in italics at the top of the cover page the following:

"No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise."

Preliminary prospectus disclosure

- 1.2 Every preliminary prospectus must have printed in red ink and in italics at the top of the cover page immediately above the disclosure required under section 1.1 the following, with the bracketed information completed:

"A copy of this preliminary prospectus has been filed with the securities regulatory authority(ies) in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority(ies)."

INSTRUCTION

Issuers must complete the bracketed information by

- (a) *inserting the names of each jurisdiction in which the issuer intends to offer securities under the prospectus,*
- (b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada, or*
- (c) *identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).*

Basic disclosure about the distribution

- 1.3 State the following immediately below the disclosure required under sections 1.1 and 1.2 with the bracketed information completed:

" [PRELIMINARY] PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR SECONDARY OFFERING]

[(Date)]

[Name of Issuer]

[number and type of securities qualified for distribution under the prospectus, including any options or warrants, and the price per security]"

Distribution

- 1.4(1) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	Price to public (a)	Underwriting discounts or	Proceeds to issuer or selling

		commission (b)	securityholders (c)
Per Security			
Total			

- (2) If there may be an over allocation position,
- (a) disclose that a purchaser who acquires securities forming part of the underwriters' over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases, and
 - (b) describe the terms of any over-allotment option or an option to increase the size of the distribution before closing.
- (3) If the distribution of the securities is to be on a best efforts basis, provide totals for both the minimum and maximum offering amount, if applicable.
- (4) If a minimum subscription amount is required from each subscriber, provide details of the minimum subscription requirements in the table required under subsection (1).
- (5) If debt securities are being distributed at a premium or a discount, state in boldface type the effective yield if held to maturity.
- (6) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis, and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.
- (7) In column (b) of the table, disclose only commissions paid or payable in cash by the issuer or selling securityholder and discounts granted. Set out in a note to the table
- (a) commissions or other consideration paid or payable by persons or companies other than the issuer or selling securityholder,
 - (b) consideration other than discounts granted and cash paid or payable by the issuer or selling securityholder, including warrants and options, and
 - (c) any finder's fees or similar required payment.
- (8) If a security is being distributed for the account of a selling securityholder, state the name of the securityholder and a cross-reference to the applicable section in the prospectus where further information about the selling securityholder is provided. State the portion of the expenses of the distribution to be borne by the selling securityholder and, if none of the expenses of the distribution are being borne by the selling securityholder, include a statement to that effect and discuss the reason why this is the case.

INSTRUCTIONS

- (1) *Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.*
- (2) *If debt securities are being distributed, also express the information in the table as a percentage.*

Offering price in currency other than Canadian dollar

- 1.5 If the offering price of the securities being distributed is disclosed in a currency other than the Canadian dollar, disclose in boldface type the reporting currency.

Non-fixed price distributions

- 1.6 If the securities are being distributed at non-fixed prices, disclose
- (a) the discount allowed or commission payable to the underwriter,
 - (b) any other compensation payable to the underwriter and, if applicable, that the underwriter's compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the issuer or selling securityholder,
 - (c) that the securities to be distributed under the prospectus will be distributed, as applicable, at
 - (i) prices determined by reference to the prevailing price of a specified security in a specified market,
 - (ii) market prices prevailing at the time of sale, or
 - (iii) prices to be negotiated with purchasers,
 - (d) that prices may vary from purchaser to purchaser and during the period of distribution,
 - (e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date,
 - (f) if the price of the securities will be the market price prevailing at the time of the sale, the market price at the latest practicable date, and
 - (g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the issuer or selling securityholder.

Pricing disclosure

- 1.7 If the offering price or the number of securities being distributed, or an estimate of the range of the offering price or of the number of securities being distributed, has been

publicly disclosed in a jurisdiction or a foreign jurisdiction as of the date of the preliminary prospectus, include this information in the preliminary prospectus.

Reduced price distributions

- 1.8 If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price fixed in the prospectus, include in boldface type a cross-reference to the section in the prospectus where disclosure concerning the possible price decrease is provided.

Market for securities

- 1.9(1) Identify the exchange(s) and quotation system(s), if any, on which securities of the issuer of the same class as the securities being distributed are traded or quoted and the market price of those securities as of the latest practicable date.
- (2) Disclose any intention to stabilize the market. Provide a cross-reference to the section in the prospectus where further information about market stabilization is provided.
- (3) If no market for the securities being distributed under the prospectus exists or is expected to exist upon completion of the distribution, state the following in boldface type:

“There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See ‘Risk Factors’.”

- (4) If the issuer has complied with the requirements of the Instrument as an IPO venture issuer, include a statement, in substantially the following form, with bracketed information completed:

“As at the date of this prospectus, [name of issuer] does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside 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.”

Risk factors

- 1.10 Include a cross-reference to sections in the prospectus where information about the risks of an investment in the securities being distributed is provided.

Underwriter(s)

- 1.11(1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of NI 33-105 for front page prospectus disclosure.

- (3) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter's obligations are subject to conditions, state the following, with bracketed information completed:

"We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of issuer] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under Plan of Distribution".

- (4) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the final prospectus.
- (5) If there is no underwriter involved in the distribution, provide a statement in boldface type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review or independent due diligence of the contents of the prospectus.

- (6) Provide the following tabular information

Underwriter's Position	Maximum size or number of securities available	Exercise period or Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			
Any other option granted by issuer or insider of issuer to underwriter			
Total securities under option issuable to underwriter			
Other compensation securities issuable to underwriter			

INSTRUCTION

If the underwriter has been granted compensation securities, state, in a footnote, whether the prospectus qualifies the grant of all or part of the compensation securities and provide a cross-reference to the applicable section in the prospectus where further information about the compensation securities is provided.

International issuers

- 1.12** If the issuer, a selling securityholder, or any person or company required to provide a certificate under Part 5 of the Instrument or other securities legislation, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

"The [issuer, selling securityholder, or person or company providing a certificate under Part 5 of the Instrument or other securities legislation] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Although [the person or company described above] has appointed [name(s) and address(es) of agent(s) for service] as its agent(s) for service of process in [list jurisdictions] it may not be possible for investors to enforce judgements obtained in Canada against [the person or company described above]."

Restricted securities

- 1.13(1)** Describe the number and class or classes of restricted securities being distributed using the appropriate restricted security terms in the same type face and type size as the rest of the description.
- (2)** If the securities being distributed are restricted securities and the holders of the securities do not have the right to participate in a takeover bid made for other equity securities of the issuer, disclose that fact.

Earnings coverage

- 1.14** If any of the earnings coverage ratios required to be disclosed under Item 9 is less than one-to-one, disclose this fact in boldface type.

ITEM 2: Table of Contents

Table of contents

- 2.1** Include a table of contents.

ITEM 3: Summary of Prospectus

General

- 3.1(1)** Briefly summarize, near the beginning of the prospectus, information appearing elsewhere in the prospectus that, in the opinion of the issuer or selling securityholder, would be most likely to influence the investor's decision to purchase the securities being distributed, including a description of
- (a) the principal business of the issuer and its subsidiaries,
 - (b) the securities to be distributed, including the offering price and expected net proceeds,
 - (c) use of proceeds,

- (d) risk factors,
 - (e) financial information, and
 - (f) if restricted securities, subject securities or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or subject securities, are to be distributed under the prospectus
 - (i) include a summary of the information required by section 10.6, and
 - (ii) include, in boldface type, a statement of the rights the holders of restricted securities do not have, if the holders do not have all of the rights referred to in section 10.6.
- (2) For the financial information provided under paragraph (1)(e),
- (a) describe the type of information appearing elsewhere in the prospectus on which the financial information is based,
 - (b) disclose whether the information appearing elsewhere in the prospectus on which the financial information is based has been audited,
 - (c) disclose whether the financial information has been audited, and
 - (d) if neither the information appearing elsewhere in the prospectus on which the financial information is based nor the financial information has been audited, prominently disclose that fact.
- (3) For each item summarized under subsection (1), provide a cross-reference to the information in the prospectus.

Cautionary language

3.2 At the beginning of the summary, include a statement in italics in substantially the following form:

"The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus."

ITEM 4: Corporate Structure

Name, address and incorporation

- 4.1(1)** State the issuer's full corporate name or, if the issuer is an unincorporated entity, the full name under which it exists and carries on business, and the address(es) of the issuer's head and registered office.
- (2)** State the statute under which the issuer is incorporated, continued or organized or, if the issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists.

- (3) Describe the substance of any material amendments to the articles or other constituting or establishing documents of the issuer.

Intercorporate relationships

4.2(1) Describe, by way of a diagram or otherwise, the intercorporate relationships among the issuer and its subsidiaries.

- (2) For each subsidiary described in subsection (1), state
- (a) the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the issuer,
 - (b) the percentage of each class of restricted securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the issuer, and
 - (c) where the subsidiary was incorporated, continued, formed or organized.
- (3) If the securities distributed under the prospectus are being issued in connection with a restructuring transaction, describe by way of a diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.
- (4) A particular subsidiary may be omitted from the disclosure required by this section if, at the most recent financial year end of the issuer
- (a) the total assets of the subsidiary do not exceed 10% of the consolidated assets of the issuer,
 - (b) the sales and operating revenues of the subsidiary do not exceed 10% of the consolidated sales and operating revenues of the issuer, and
 - (c) the conditions in paragraphs (a) and (b) would be satisfied if
 - (i) the subsidiaries that may be omitted under paragraphs (a) and (b) were considered in the aggregate, and
 - (ii) the reference to 10% in those paragraphs was changed to 20%.

ITEM 5: Describe the Business

Describe the business

- 5.1(1) Describe the business of the issuer and its operating segments that are reportable segments as those terms are used in the Handbook. Disclose information for each reportable segment of the issuer in accordance with subsection 5.1(1) of Form 51-102F2.
- (2) Disclose the nature and results of any bankruptcy, receivership or similar proceedings against the issuer or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the issuer or any of its subsidiaries, within the three most recently completed financial years or completed during or proposed for the current financial year.

- (3) Disclose the nature and results of any material restructuring transaction of the issuer or any of its subsidiaries within the three most recently completed financial years or completed during or proposed for the current financial year.
- (4) If the issuer has implemented social or environmental policies that are fundamental to the issuer's operations, such as policies regarding the issuer's relationship with the environment or with the communities in which the issuer does business, or human rights policies, describe them and the steps the issuer has taken to implement them.

Three-year history

- 5.2(1) Describe how the issuer's business has developed over the last three completed financial years and any subsequent period to the date of the prospectus, including only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.
- (2) If the issuer produces or distributes more than one product or provides more than one kind of service, describe the products or services.
- (3) Discuss changes in the issuer's business that the issuer expects will occur during the current financial year.

Issuers with asset-backed securities outstanding

- 5.3 If the issuer has asset-backed securities outstanding that were distributed under a prospectus, disclose information in accordance with section 5.3 of Form 51-102F2.

Issuers with mineral projects

- 5.4 If the issuer has a mineral project, disclose information for the issuer in accordance with section 5.4 of Form 51-102F2.

Issuers with oil and gas operations

- 5.5(1) If the issuer is engaged in oil and gas activities as defined in NI 51-101, disclose information in accordance with Form 51-101F1
 - (a) as at the end of, and for, the most recent financial year for which the prospectus includes an audited balance sheet of the issuer, or
 - (b) in the absence of a completed financial year referred to in paragraph (a), as at the most recent date for which the prospectus includes an audited balance sheet of the issuer, and for the most recent financial period for which the prospectus includes an audited income statement of the issuer.
- (2) Include with the disclosure under subsection (1) a report in the form of Form 51-101F2, on the reserves data included in the disclosure required under subsection (1).
- (3) Include with the disclosure under subsection (1) a report in the form of Form 51-101F3 that refers to the information disclosed under subsection (1).

- (4) To the extent not reflected in the information disclosed in response to subsection (1), disclose the information contemplated by Part 6 of NI 51-101 in respect of material changes that occurred after the applicable balance sheet referred to in subsection (1).

INSTRUCTION

Disclosure in a prospectus must be consistent with NI 51-101 if the issuer is engaged in oil and gas activities as defined in NI 51-101.

ITEM 6: Use of Proceeds

Proceeds

- 6.1(1)** State the estimated net proceeds to be received by the issuer or selling securityholder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the issuer or selling securityholder from the sale of the securities distributed.
- (2) State the particulars of any provisions or arrangements made for holding any part of the net proceeds of the distribution in trust or escrow subject to the fulfillment of conditions.
- (3) If the prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

Junior issuers

- 6.2** A junior issuer must disclose
- (a) the total funds available, and
 - (b) the following breakdown of those funds:
 - (i) the estimated net proceeds from the sale of the securities offered under the prospectus;
 - (ii) the estimated consolidated working capital (deficiency) as at the most recent month end before filing the prospectus;
 - (iii) the total other funds available to be used to achieve the principal purposes identified by the junior issuer pursuant to this Item.

Principal purposes – generally

- 6.3(1)** Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which
- (a) the net proceeds will be used by the issuer, or
 - (b) the funds available as required under section 6.2 will be used by a junior issuer.

- (2) If the closing of the distribution is subject to a minimum subscription, provide disclosure of the use of proceeds for the minimum and maximum subscriptions.

Principal purposes – indebtedness

- 6.4(1) If more than 10% of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the proceeds of the indebtedness were used.
- (2) If the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer, and disclose the outstanding amount owed.

Principal purposes – asset acquisition

- 6.5(1) If more than 10% of the net proceeds are to be used to acquire assets, describe the assets.
- (2) If known, disclose the particulars of the purchase price being paid for or being allocated to the assets or categories of assets, including intangible assets.
- (3) If the vendor of the assets is an insider, associate or affiliate of the issuer, identify the vendor and the nature of the relationship to the issuer, and disclose the method used in determining the purchase price.
- (4) Describe the nature of the title to or interest in the assets to be acquired by the issuer.
- (5) If part of the consideration for the acquisition of the assets consists of securities of the issuer, give brief particulars of the class, number or amount, voting rights, if any, and other appropriate information relating to the securities, including particulars of the issuance of securities of the same class within the two preceding years.

Principal purposes – insiders, etc.

- 6.6 If an insider, associate or affiliate of the issuer will receive more than 10% of the net proceeds, identify the insider, associate or affiliate and the nature of the relationship to the issuer, and disclose the amount of net proceeds to be received.

Principal purposes – research and development

- 6.7 If more than 10% of the net proceeds from the distribution will be used for research and development of products or services, describe
 - (a) the timing and stage of research and development programs that management anticipates will be reached using such proceeds,
 - (b) the major components of the proposed programs that will be funded using the proceeds from the distribution, including an estimate of anticipated costs,
 - (c) if the issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and

- (d) the additional steps required to reach commercial production and an estimate of costs and timing.

Business objectives and milestones

- 6.8(1)** State the business objectives that the issuer expects to accomplish using the net proceeds of the distribution under section 6.1, or in the case of a junior issuer, using the funds available described under section 6.2.
- (2)** Describe each significant event that must occur for the business objectives described under subsection (1) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event.

Unallocated funds in trust or escrow

- 6.9(1)** Disclose that unallocated funds will be placed in a trust or escrow account, invested or added to the working capital of the issuer.
- (2)** Give details of the arrangements made for, and the persons or companies responsible for,
 - (a) the supervision of the trust or escrow account or the investment of unallocated funds, and
 - (b) the investment policy to be followed.

Other sources of funding

- 6.10** If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds.

Financing by special warrants, etc.

- 6.11(1)** If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or the exercise of other securities acquired on a prospectus-exempt basis, describe the principal purposes for which the proceeds of the prospectus-exempt financing were used or are to be used.
- (2)** If all or a portion of the funds have been spent, explain how the funds were spent.

ITEM 7: Dividends or Distributions

Dividends or distributions

- 7.1(1)** Disclose the amount of cash dividends or distributions declared per security for each class of the issuer's securities for each of the three most recently completed financial years and its current financial year.
- (2)** Describe any restrictions that could prevent the issuer from paying dividends or distributions.

- (3) Disclose the issuer's dividend or distribution policy and any intended change in dividend or distribution policy.

ITEM 8: Management's Discussion and Analysis

Interpretation

- 8.1(1)** For the purposes of this Item, MD&A means a completed Form 51-102F1 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 or Item 303 of Regulation S-B under the 1934 Act.
- (2) For MD&A in the form of Form 51-102F1, the issuer
- (a) must read the references to a "venture issuer" in Form 51-102F1 to include an IPO venture issuer,
 - (b) must disregard
 - (i) the Instruction to section 1.11 of Form 51-102F1, and
 - (ii) section 1.15 of Form 51-102F1, and
 - (c) must include the disclosure required by section 1.10 of Form 51-102F1 in the prospectus.

INSTRUCTION

For the purposes of paragraph (2)(c), an issuer cannot satisfy the requirement in section 1.10 of Form 51-102F1 by incorporating by reference its fourth quarter MD&A into the prospectus.

MD&A

- 8.2(1)** Provide MD&A for
- (a) the most recent annual financial statements of the issuer included in the prospectus under Item 32, and
 - (b) the most recent interim financial statements of the issuer included in the prospectus under Item 32.
- (2) If the prospectus includes the issuer's annual income statements, statements of retained earnings, and cash flow statements for three financial years under Item 32, provide MD&A for the second most recent annual financial statements of the issuer included in the prospectus under Item 32.
- (3) Despite subsection (2), MD&A for the second most recent annual financial statements of the issuer included in the prospectus under Item 32 may omit disclosure regarding balance sheet items.

SEC issuers

- 8.3(1)** If the issuer is an SEC issuer, for any MD&A that is included in the prospectus, include the disclosure prepared in accordance with subsection (2) if the issuer
- (a) has based the discussion in the MD&A on financial statements prepared in accordance with U.S. GAAP, and
 - (b) is required by subsection 4.1(1) of NI 52-107 to provide a reconciliation to Canadian GAAP.
- (2)** In the disclosure required under subsection (1) restate, based on financial information of the issuer prepared in accordance with, or reconciled to, Canadian GAAP, those parts of the MD&A that
- (a) are based on financial statements of the issuer prepared in accordance with U.S. GAAP, and
 - (b) would contain material differences if they were based on financial statements of the issuer prepared in accordance with Canadian GAAP.

Disclosure of outstanding security data

- 8.4(1)** Disclose the designation and number or principal amount of
- (a) each class and series of voting or equity securities of the issuer for which there are securities outstanding,
 - (b) each class and series of securities of the issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the issuer, and
 - (c) subject to subsection (2), each class and series of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer.
- (2)** If the exact number or principal amount of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer is not determinable, the 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 issuer and, if that maximum number or principal amount is not determinable, the 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.

More recent financial information

- 8.5** If the issuer is required to include more recent historical financial information in the prospectus under subsection 32.6(1), the issuer is not required to update the MD&A already included in the prospectus under this Item.

Additional disclosure for venture issuers or IPO venture issuers without significant revenue

- 8.6(1)** If the issuer is a venture issuer or an IPO venture issuer that has not had significant revenue from operations in either of its last two financial years, disclose a breakdown of material components of
- (a) capitalized or expensed exploration and development costs,
 - (b) expensed research and development costs,
 - (c) deferred development costs,
 - (d) general and administrative expenses, and
 - (e) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (a) through (d).
- (2)** Present the analysis of capitalized or expensed exploration and development costs required by subsection (1) on a property-by-property basis, if the issuer's business primarily involves mining exploration and development.
- (3)** Provide the disclosure in subsection (1) for the following periods:
- (a) the two most recently completed financial years; and
 - (b) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included in the prospectus, if any.
- (4)** Subsection (1) does not apply if the information required under that subsection has been disclosed in the financial statements included in the prospectus.

Additional disclosure for junior issuers

- 8.7** For a junior issuer that had negative operating cash flow in its most recently completed financial year for which financial statements have been included in the prospectus, disclose
- (a) the period of time the proceeds raised under the prospectus are expected to fund operations,
 - (b) the estimated total operating costs necessary for the issuer to achieve its stated business objectives during that period of time, and
 - (c) the estimated amount of other material capital expenditures during that period of time.

Additional disclosure for issuers with significant equity investees

- 8.8(1)** An issuer that has a significant equity investee must disclose

- (a) summarized information as to the assets, liabilities and results of operations of the equity investee, and
 - (b) the issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the issuer's share of earnings.
- (2) Provide the disclosure in subsection (1) for the following periods:
- (a) the two most recently completed financial years;
 - (b) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included in the prospectus, if any.
- (3) Subsection (1) does not apply if
- (a) the information required under that subsection has been disclosed in the financial statements included in the prospectus, or
 - (b) the issuer includes in the prospectus separate financial statements of the equity investee for the periods referred to in subsection (2).

ITEM 9: Earnings Coverage Ratios

Earnings coverage ratios

- 9.1(1)** If the securities being distributed are debt securities having a term to maturity in excess of one year or are preferred shares, disclose the following earnings coverage ratios adjusted in accordance with subsection (2):
- (a) the earnings coverage ratio based on the most recent 12-month period included in the issuer's annual financial statements included in the prospectus,
 - (b) if there has been a change in year end and the issuer's most recent financial year is less than nine months in length, the earnings coverage calculation for its old financial year, and
 - (c) the earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which interim financial statements of the issuer have been included in the prospectus.
- (2) Adjust the ratios referred to in subsection (1) to reflect
- (a) the issuance of the securities being distributed under the prospectus, based on the price at which these securities are expected to be distributed,
 - (b) in the case of a distribution of preferred shares,
 - (i) the issuance of all preferred shares since the date of the annual or interim financial statements, and

- (ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual or interim financial statements and of all preferred shares to be repurchased, redeemed, or otherwise retired from the proceeds to be realized from the sale of securities under the prospectus,
 - (c) the issuance of all long-term financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual or interim financial statements,
 - (d) the repayment, redemption or other retirement of all long-term financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual or interim financial statements and all long-term financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the prospectus, and
 - (e) the servicing costs that were incurred, or are expected to be incurred, in relation to the adjustments.
- (3) If the issuer is distributing, or has outstanding, debt securities that are accounted for, in whole or in part, as equity, disclose in notes to the ratios required under subsection (1)
 - (a) that the ratios have been calculated excluding the carrying charges for those securities that have been reflected in equity in the calculation of the issuer's interest and dividend obligations,
 - (b) that if those securities had been accounted for in their entirety as debt for the purpose of calculating the ratios required under subsection (1), the entire amount of the annual carrying charges for those securities would have been reflected in the calculation of the issuer's interest and dividend obligations, and
 - (c) the earnings coverage ratios for the periods referred to in subsection (1), calculated as though those securities had been accounted for as debt.
- (4) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the earnings required to achieve a ratio of one-to-one.
- (5) If the prospectus includes a pro forma income statement, calculate the pro forma earnings coverage ratios for the periods of the pro forma income statement, and disclose them in the prospectus.

INSTRUCTIONS

- (1) *Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.*
- (2) *Earnings coverage is calculated by dividing an entity's earnings (the numerator) by its interest and dividend obligations (the denominator).*
- (3) *For the earnings coverage calculation*
 - (a) *the numerator should be calculated using consolidated net income before interest and income taxes;*

- (b) *imputed interest income from the proceeds of a distribution should not be added to the numerator;*
 - (c) *an issuer may also present, as supplementary disclosure, a coverage calculation based on earnings before discontinued operations and extraordinary items;*
 - (d) *for distributions of debt securities, the appropriate denominator is interest expense determined in accordance with the issuer's GAAP, after giving effect to the new debt issue and any retirement of obligations, plus the amount of interest that has been capitalized during the period;*
 - (e) *for distributions of preferred shares*
 - (i) *the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer's annual interest requirements, including the amount of interest that has been capitalized during the period, less any retirement of obligations, and*
 - (ii) *dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate; and*
 - (f) *for distributions of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt being offered pursuant to the prospectus.*
- (4) *The denominator represents a pro forma calculation of the aggregate of an issuer's interest obligations on all long-term debt and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect*
- (a) *the issuance of all long-term debt and, in addition in the case of an issuance of preferred shares, all preferred shares issued, since the date of the annual or interim financial statements;*
 - (b) *the issuance of the securities that are to be distributed under the prospectus, based on a reasonable estimate of the price at which these securities will be distributed;*
 - (c) *the repayment or redemption of all long-term debt since the date of the annual or interim financial statements, all long-term debt to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual or interim financial statements and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus; and*
 - (d) *the servicing costs that were incurred, or will be incurred, in relation to the above adjustments.*

- (5) *In certain circumstances, debt obligations may be classified as current liabilities because such obligations, by their terms, are due on demand, are due within one year, or are callable by the creditor. If the issuer is distributing, or has outstanding, debt securities that are classified as current liabilities, disclose*
- (a) *in the notes to the ratios required under subsection 9.1(1) that the ratios have been calculated excluding the carrying charges for those debt securities reflected as current liabilities;*
 - (b) *that if those debt securities had been classified in their entirety as long term debt for the purposes of calculating the ratios under subsection 9.1(1), the entire amount of the annual carrying charges for such debt securities would have been reflected in the calculation of the issuer's interest and dividend obligations; and*
 - (c) *the earnings coverage ratios for the periods referred to in subsection 9.1(1), calculated as though those debt securities had been classified as long term debt.*
- (6) *For debt securities, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*
- "[Name of the issuer]'s interest requirements, after giving effect to the issue of [the debt securities to be distributed under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]'s earnings before interest and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]'s interest requirements for this period."*
- (7) *For preferred share issues, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*
- "[Name of the issuer]'s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares to be distributed under the prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of •%, amounted to \$• for the 12 months ended •. [Name of the issuer]'s interest requirements for the 12 months then ended amounted to \$•. [Name of the issuer]'s earnings before interest and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]'s aggregate dividend and interest requirements for this period."*
- (8) *Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.*

ITEM 10: Description of the Securities Distributed

Equity securities

- 10.1** If equity securities are being distributed, state the description or the designation of the class of the equity securities and describe all material attributes and characteristics, including
- (a) dividend rights,

- (b) voting rights,
- (c) rights upon dissolution or winding-up,
- (d) pre-emptive rights,
- (e) conversion or exchange rights,
- (f) redemption, retraction, purchase for cancellation or surrender provisions,
- (g) sinking or purchase fund provisions,
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions, and
- (i) provisions requiring a securityholder to contribute additional capital.

Debt securities

10.2 If debt securities are being distributed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including

- (a) provisions for interest rate, maturity and premium, if any,
- (b) conversion or exchange rights,
- (c) redemption, retraction, purchase for cancellation or surrender provisions,
- (d) sinking or purchase fund provisions,
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge,
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities,
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates, and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

Asset-backed securities

10.3(1) This section applies only if any asset-backed securities are being distributed under the prospectus.

- (2) Describe the material attributes and characteristics of the asset-backed securities, including
- (a) the rate of interest or stipulated yield and any premium,
 - (b) the date for repayment of principal or return of capital and any circumstances in which payments of principal or capital may be made before such date, including any redemption or pre-payment obligations or privileges of the issuer and any events that may trigger early liquidation or amortization of the underlying pool of financial assets,
 - (c) provisions for the accumulation of cash flows to provide for the repayment of principal or return of capital,
 - (d) provisions permitting or restricting the issuance of additional securities and any other material negative covenants applicable to the issuer,
 - (e) the nature, order and priority of the entitlements of holders of asset-backed securities and any other entitled persons or companies to receive cash flows generated from the underlying pool of financial assets, and
 - (f) any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of payments or distributions to be made under the asset-backed securities, including those that are dependent or based on the economic performance of the underlying pool of financial assets.
- (3) Provide financial disclosure that describes the underlying pool of financial assets for
- (a) the three most recently completed financial years ended more than
 - (i) 90 days before the date of the prospectus, or
 - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,
 - (b) if the issuer has not had asset-backed securities outstanding for three financial years, each completed financial year ended more than
 - (i) 90 days before the date of the prospectus, or
 - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,
 - (c) a period from the date the issuer had asset-backed securities outstanding to a date not more than 90 days before the date of the prospectus if the issuer has not had asset-backed securities outstanding for at least one financial year.
- (4) For the purposes of the financial disclosure required by subsection (3), if an issuer changed its financial year end during any of the financial years referred to in subsection (3) and the transition year is less than nine months, the transition year is not a financial year.

- (5) Despite subsection (4), all financial disclosure that describes the underlying pool of financial assets of the issuer for a transition year must be included in the prospectus for the most recent interim period, if any, ended
- (a) subsequent to the most recent financial year refer to in paragraphs (3)(a) and (3)(b) in respect of which financial disclosure on the underlying pool of financial assets is included in the prospectus, and
 - (b) more than
 - (i) 45 days before the date of the prospectus, or
 - (ii) 60 days before the date of the prospectus if the issuer is a venture issuer.
- (6) If the issuer files financial disclosure that describes the underlying pool of financial assets for a more recent period than required under subsection (3) or (5) before the prospectus is filed, the issuer must include that more recent financial disclosure that describes the underlying pool of financial assets in the prospectus.
- (7) If financial disclosure that describes the underlying pool of financial assets of the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under subsection (3) or (5), the issuer must include the content of the news release or public communication in the prospectus.
- (8) The disclosure in subsections (3) and (5) must include a discussion and analysis of
- (a) the composition of the pool as at the end of the period,
 - (b) income and losses from the pool for the period presented 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 for the period 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).
- (9) Describe the type of financial assets, the manner in which the financial assets originated or will originate and, if applicable, the mechanism and terms of the agreement governing the transfer of the financial assets comprising the underlying pool to or through the issuer, including the consideration paid for the financial assets.
- (10) Describe any person or company who
- (a) originated, sold or deposited a material portion of the financial assets comprising the pool, or has agreed to do so,

- (b) acts, or has agreed to act, as a trustee, custodian, bailee or agent of the issuer or any holder of the asset-backed securities, or in a similar capacity,
 - (c) administers or services a material portion of the financial assets comprising the pool or provides administrative or managerial services to the issuer, or has agreed to do so, on a conditional basis or otherwise, if
 - (i) finding a replacement provider of the services at a cost comparable to the cost of the current provider is not reasonably likely,
 - (ii) a replacement provider of the services is likely to achieve materially worse results than the current provider,
 - (iii) the current provider of the services is likely to default in its service obligations because of its current financial condition, or
 - (iv) the disclosure is otherwise material,
 - (d) provides a guarantee, alternative credit support or other credit enhancement to support the obligations of the issuer under the asset-backed securities or the performance of some or all of the financial assets in the pool, or has agreed to do so, or
 - (e) lends to the issuer in order to facilitate the timely payment or repayment of amounts payable under the asset-backed securities, or has agreed to do so.
- (11)** Describe the general business activities and material responsibilities under the asset-backed securities of a person or company referred to in subsection (10).
- (12)** Describe the terms of any material relationships between
- (a) any of the persons or companies referred to in subsection (10) or any of their respective affiliates, and
 - (b) the issuer.
- (13)** Describe any provisions relating to termination of services or responsibilities of any of the persons or companies referred to in subsection (10) and the terms on which a replacement may be appointed.
- (14)** Describe any risk factors associated with the asset-backed securities, including disclosure of material risks associated with changes in interest rates or prepayment levels, and any circumstances where payments on the asset-backed securities could be impaired or disrupted as a result of any reasonably foreseeable event that may delay, divert or disrupt the cash flows dedicated to service the asset-backed securities.

INSTRUCTIONS

- (1) Present the information required under subsections (3) through (8) in a manner that will enable a reader to easily determine whether, and the extent to which, the events, covenants, standards and preconditions referred to in paragraph (2)(f) have occurred, are being satisfied or may be satisfied.*

- (2) *If the information required under subsections (3) through (8) is not compiled specifically from the underlying pool of financial assets, but is compiled from 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, then an issuer may comply with subsections (3) through (8) by providing the financial disclosure required based on the larger pool and disclosing that it has done so.*
- (3) *Issuers are required to summarize contractual arrangements in plain language and may not merely restate the text of the contracts referred to. The use of diagrams to illustrate the roles of, and the relationship among, the persons and companies referred to in subsection (10), and the contractual arrangements underlying the asset-backed securities is encouraged.*

Derivatives

10.4 If derivatives are being distributed, describe fully the material attributes and characteristics of the derivatives, including

- (a) the calculation of the value or payment obligations under the derivatives,
- (b) the exercise of the derivatives,
- (c) settlements that are the result of the exercise of the derivatives,
- (d) the underlying interest of the derivatives,
- (e) the role of a calculation expert in connection with the derivatives,
- (f) the role of any credit supporter of the derivatives, and
- (g) the risk factors associated with the derivatives.

Special warrants, etc.

10.5 If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis, disclose that holders of such securities have been provided with a contractual right of rescission and provide the following disclosure in the prospectus, with the bracketed information completed:

"The issuer has granted to each holder of a special warrant a contractual right of rescission of the prospectus-exempt transaction under which the special warrant was initially acquired. The contractual right of rescission provides that if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant, and
- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber."

INSTRUCTION

If the prospectus is qualifying the distribution of securities issued upon the exercise of securities other than special warrants, replace the term "special warrant" with the type of the security being distributed.

Restricted securities

10.6(1) If the issuer has outstanding, or proposes to distribute under a prospectus restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of

- (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, 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 issuer that are the same as or greater than, on a per security basis, those attached to the restricted securities,
- (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, 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,
- (c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the issuer and to speak at the meetings to the same extent that holders of equity securities are entitled, and
- (d) how the issuer complied with, or the basis upon which it was exempt from, the requirements of Part 12 of the Instrument.

(2) If holders of restricted securities do not have all of the rights referred to in subsection (1) the detailed description referred to in that subsection must include, in boldface type, a statement of the rights the holders do not have.

- (3) If the issuer is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the issuer's securities that will be represented by restricted securities after effect has been given to the issuance of the securities being offered.

Other securities

- 10.7 If securities other than equity securities, debt securities, asset-backed securities or derivatives are being distributed, describe fully the material attributes and characteristics of those securities.

Modification of terms

- 10.8(1) Describe provisions about the modification, amendment or variation of any rights attached to the securities being distributed.
- (2) If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

Ratings

- 10.9 If the issuer has asked for and received a stability rating, or if the issuer is aware that it has received any other kind of rating, including a provisional rating, from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose
- (a) each security rating, including a provisional rating or stability rating, received from an approved rating organization,
 - (b) the name of each approved rating organization that has assigned a rating for the securities to be distributed,
 - (c) a definition or description of the category in which each approved rating organization rated the securities to be distributed 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 to be distributed are not addressed by the rating,
 - (e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed,
 - (f) a statement that a security 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 rating organization, and
 - (g) any announcement made by, or any proposed announcement known to the issuer that is to be made by, an approved 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.

INSTRUCTION

There may be factors relating to a security that are not addressed by a ratings agency when they give a rating. For example, in the case of cash settled derivatives, 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 an approved rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under this section.

Other attributes

- 10.10(1)** If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.
- (2)** If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

INSTRUCTION

This section requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the issuer's discretion, be attached as a schedule to the prospectus.

ITEM 11: Consolidated Capitalization

Consolidated capitalization

- 11.1** Describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer's financial statements for its most recently completed financial period included in the prospectus, including any material change that will result from the issuance of the securities being distributed under the prospectus.

ITEM 12: Options to Purchase Securities

Options to purchase securities

- 12.1(1)** For an issuer that is not a reporting issuer in any jurisdiction immediately before filing the prospectus, state, in tabular form, as at a specified date within 30 days before the date of the prospectus, information about options to purchase securities of the issuer, or a subsidiary of the issuer, that are held or will be held upon completion of the distribution by
- (a) all executive officers and past executive officers of the issuer, as a group, and all directors and past directors of the issuer who are not also executive officers, as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,

- (b) all executive officers and past executive officers of all subsidiaries of the issuer, as a group, and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary, as a group, excluding, in each case, individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,
 - (c) all other employees and past employees of the issuer as a group,
 - (d) all other employees and past employees of subsidiaries of the issuer as a group,
 - (e) all consultants of the issuer as a group, and
 - (f) any other person or company, other than the underwriter(s), naming each person or company.
- (2) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTIONS

- (1) *Describe the options, warrants, or other similar securities stating the material provisions of each class or type of option, including:*
- (a) *the designation and number of the securities under option;*
 - (b) *the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;*
 - (c) *if reasonably ascertainable, the market value of the securities under option on the date of grant;*
 - (d) *if reasonably ascertainable, the market value of the securities under option on the specified date; and*
 - (e) *with respect to options referred to in paragraph (1)(f), the particulars of the grant including the consideration for the grant.*
- (2) *For the purposes of paragraph (1)(f), provide the information required for all options except warrants and special warrants.*

ITEM 13: Prior Sales

Prior sales

- 13.1** For each class of securities of the issuer distributed under the prospectus and for securities that are convertible into those classes of securities, state, for the 12-month period before the date of the prospectus,
- (a) the price at which the securities have been issued or are to be issued by the issuer or sold by the selling securityholder,

- (b) the number of securities issued or sold at that price, and
- (c) the date on which the securities were issued or sold.

Trading price and volume

- 13.2(1)** For each class of securities of the issuer 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 the issuer 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 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 12-month period before the date of the prospectus.

ITEM 14: Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

Escrowed securities and securities subject to contractual restriction on transfer

- 14.1(1)** State as of a specified date within 30 days before the date of the prospectus, in substantially the following tabular form, the number of securities of each class of securities of the issuer held, to the knowledge of the issuer, 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.

**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.
- (3)** Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTIONS

- (1)** *For purposes of this section, escrow includes securities subject to a pooling agreement.*

- (2) *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 15: Principal Securityholders and Selling Securityholders

Principal securityholders and selling securityholders

- 15.1(1)** Provide the following information for each principal securityholder of the issuer and, if any securities are being distributed for the account of a securityholder, for each selling securityholder:
- (a) the name;
 - (b) the number or amount of securities owned, controlled or directed of the class being distributed;
 - (c) the number or amount of securities of the class being distributed for the account of the securityholder;
 - (d) the number or amount of securities of the issuer of any class to be owned, controlled or directed after the distribution, and the percentage that number or amount represents of the total outstanding;
 - (e) whether the securities referred to in paragraph (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.
- (2) If securities are being distributed in connection with a restructuring transaction, indicate, to the extent known, the holdings of each person or company described in paragraph (1)(a) that will exist after effect has been given to the transaction.
- (3) If any of the securities being distributed are being distributed for the account of a securityholder and those securities were purchased by the selling securityholder within the two years preceding the date of the prospectus, state the date the selling securityholder acquired the securities and, if the securities were acquired in the 12 months preceding the date of the prospectus, the cost to the securityholder in the aggregate and on an average cost-per-security basis.
- (4) If, to the knowledge of the issuer or the underwriter of the securities being distributed, more than 10% of any class of voting securities of the issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.
- (5) If, to the knowledge of the issuer or the underwriter of the securities being distributed, any principal securityholder or selling securityholder is an associate or affiliate of another person or company named as a principal securityholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the issuer held by the person or company other than the holding of voting securities of the issuer.

- (6) In addition to the above, include in a footnote to the table the required calculation(s) on a fully-diluted basis.
- (7) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTION

If a company, partnership, trust or other unincorporated entity is a principal securityholder of an issuer, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of that company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal securityholder of that entity.

ITEM 16: Directors and Executive Officers

Name, occupation and security holding

- 16.1(1)** Provide information for directors and executive officers of the issuer in accordance with section 10.1 of Form 51-102F2 as at the date of the prospectus.
- (2) If information similar to the information required under subsection (1) is provided for any director or executive officer, who is not serving in such capacity as at the date of the prospectus, clearly indicate this fact and explain whether the issuer believes that this director or executive officer is liable under the prospectus.

Cease trade orders, bankruptcies, penalties or sanctions

- 16.2** Provide information for directors and executive officers of the issuer in accordance with section 10.2 of Form 51-102F2 as if the references in that section to “date of the AIF” read “date of the prospectus”.

Conflicts of interest

- 16.3** Disclose particulars of existing or potential material conflicts of interest between the issuer or a subsidiary of the issuer and a director or officer of the issuer or of a subsidiary of the issuer.

Management of junior issuers

- 16.4** A junior issuer must provide the following information for each member of management:
 - (a) state the individual’s name, age, position and responsibilities with the issuer and relevant educational background;
 - (b) state whether the individual works full time for the issuer or what proportion of the individual’s time will be devoted to the issuer;
 - (c) state whether the individual is an employee or independent contractor of the issuer;

- (d) state the individual's principal occupations or employment during the five years before the date of the prospectus, disclosing with respect to each organization as of the time such occupation or employment was carried on:
 - (i) its name and principal business;
 - (ii) if applicable, that the organization was an affiliate of the issuer;
 - (iii) positions held by the individual; and
 - (iv) whether it is still carrying on business, if known to the individual;
- (e) describe the individual's experience in the issuer's industry;
- (f) state whether the individual has entered into a non-competition or non-disclosure agreement with the issuer.

INSTRUCTION

For purposes of this section, "management" means all directors, officers, employees and contractors whose expertise is critical to the issuer, its subsidiaries and proposed subsidiaries in providing the issuer with a reasonable opportunity to achieve its stated business objectives.

ITEM 17: Executive Compensation

Disclosure

- 17.1** Include in the prospectus a Statement of Executive Compensation prepared in accordance with Form 51-102F6 and describe any intention to make any material changes to that compensation.

ITEM 18: Indebtedness of Directors and Executive Officers

Aggregate indebtedness

- 18.1** Provide information for the issuer in accordance with section 10.1 of Form 51-102F5 as if the reference in that section to "date of the information circular" read "date of the prospectus".

Indebtedness of directors and executive officers under securities purchase and other programs

- 18.2(1)** Provide information for the issuer in accordance with section 10.2 of Form 51-102F5 as if the reference in this section to "date of the information circular" read "date of the prospectus".
- (2)** Do not disclose the information required under subsection (1) for
- (a) any indebtedness that has been entirely repaid on or before the date of the prospectus, or
 - (b) routine indebtedness (as defined in paragraph 10.3(c) of Form 51-102F5 as if reference in this paragraph to "the company" read "the issuer").

ITEM 19: Audit Committees and Corporate Governance

Audit committees

- 19.1(1) Include in the prospectus the disclosure for the issuer in accordance with Form 52-110F1, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.
- (2) Include in the prospectus the disclosure for the issuer in accordance with Form 52-110F2, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

Corporate governance

- 19.2(1) Include in the prospectus the disclosure in accordance with Form 58-101F1, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.
- (2) Include in the prospectus the disclosure in accordance with Form 58-101F2, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

ITEM 20: Plan of Distribution

Name of underwriters

- 20.1(1) If the securities are being distributed by an underwriter, state the name of the underwriter and describe briefly the nature of the underwriter's obligation to take up and pay for the securities.
- (2) Disclose the date by which the underwriter is obligated to purchase the securities.

Disclosure of conditions to underwriters' obligations

- 20.2 If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter's obligations are subject to conditions,
- (a) include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

"Under an agreement dated [insert date of agreement] between [insert name of issuer or selling securityholder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of issuer or selling security shareholder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of issuer or selling securityholder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [its/their] assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement.", and

- (b) describe any other conditions and indicate any information known that is relevant to whether such conditions will be satisfied.

Best efforts offering

- 20.3** Outline briefly the plan of distribution of any securities being distributed other than on the basis described in section 20.2.

Minimum distribution

- 20.4** If securities are being distributed on a best efforts basis and minimum funds are to be raised, state
- (a) the minimum funds to be raised,
 - (b) that the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in paragraph (a) has been raised, and
 - (c) that if the minimum amount of funds is not raised within the distribution period, the trustee must return the funds to the subscribers without any deductions.

Determination of price

- 20.5** Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process of determining the estimates.

Stabilization

- 20.6** If the issuer, a selling securityholder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, describe the nature of these transactions, including the anticipated size of any over-allocation position, and explain how the transactions are expected to affect the price of the securities.

Approvals

- 20.7** If the proceeds of the distribution will be used to substantially fund a material undertaking that would constitute a material departure from the business or operations of the issuer and the issuer has not obtained all material licences, registrations and approvals necessary for the stated principal use of proceeds, include a statement that
- (a) the issuer will appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until all material licences, registrations and approvals necessary for the stated principal use of proceeds have been obtained, and

- (b) if all material licences, registrations and approvals necessary for the operation of the material undertaking have not been obtained within 90 days from the date of receipt of the final prospectus, the trustee will return the funds to subscribers.

Reduced price distributions

- 20.8** If the underwriter may decrease the offering price after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the prospectus in accordance with the procedures permitted by the Instrument, disclose this fact and that the compensation realised by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the issuer or selling securityholder.

Listing application

- 20.9** If application has been made to list or quote the securities being distributed, include a statement, in substantially the following form, with bracketed information completed:

“The issuer has applied to [list/quote] the securities distributed under this prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the issuer fulfilling all the listing requirements of [name of exchange or other market].”

Conditional listing approval

- 20.10** If application has been made to list or quote the securities being distributed on an exchange or marketplace and conditional listing approval has been received, include a statement, in substantially the following form, with the bracketed information completed:

“[name of exchange or marketplace] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of issuer]’s fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date], [including distribution of these securities to a minimum number of public securityholders].”

IPO venture issuers

- 20.11** If the issuer has complied with the requirements of the Instrument as an IPO venture issuer, include a statement, in substantially the following form, with bracketed information completed:

“As at the date of the prospectus, [name of issuer] does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, 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.”

Constraints

20.12 If there are constraints imposed on the ownership of securities of the issuer to ensure that the issuer has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the issuer will be monitored and maintained.

Special warrants acquired by underwriters or agents

20.13 Disclose the number and dollar value of any special warrants acquired by any underwriter or agent and the percentage of the distribution represented by those special warrants.

ITEM 21: Risk Factors

Risk factors

21.1(1) Disclose risk factors relating to the issuer 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 the issuer, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be likely to influence an investor's decision to purchase securities of the issuer.

(2) If there is a risk that securityholders of the issuer may become liable to make an additional contribution beyond the price of the security, disclose that risk.

(3) Describe any risk factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being distributed and that are not otherwise described under subsection (1) or (2).

INSTRUCTIONS

(1) Disclose risks in the order of seriousness from the most serious to the least serious.

(2) A risk factor must not be de-emphasized by including excessive caveats or conditions.

ITEM 22: Promoters

Promoters

22.1(1) For a person or company that is, or has been within the two years immediately preceding the date of the prospectus, a promoter of the issuer or subsidiary of the issuer, state

(a) the person or company's name,

(b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person or company,

(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 the issuer or from a subsidiary of the issuer, and the

nature and amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return, and

- (d) for an asset acquired within the two years before the date of the preliminary prospectus, or to be acquired, by the issuer or by a subsidiary of the issuer 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 the issuer or the promoter, or an affiliate of the issuer or the promoter, and
 - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

(2) If a promoter referred to in subsection (1) is, as at the date of the preliminary prospectus, or was within 10 years before the date of the preliminary prospectus, a director, chief executive officer, or chief financial officer of any person or company, that

- (a) was subject to an order that was issued while the promoter 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 promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter 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.

(3) For the purposes of subsection (2), "order" means:

- (a) a cease trade order,
- (b) an order similar to a cease trade order, or
- (c) an order that denied the relevant person or company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

(4) If a promoter referred to in subsection (1)

- (a) is, as at the date of the preliminary prospectus, or has been within the 10 years before the date of the preliminary prospectus, a director or executive officer of any person or company that, while the promoter 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 preliminary prospectus, 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 promoter, state the fact.
- (5) 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 promoter referred to in subsection (1) has been subject to
- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority, or
 - (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.
- (6) Despite subsection (5), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

INSTRUCTIONS

- (1) *The disclosure required by subsections (2), (4) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (4), and (5).*
- (2) *A management cease trade order which applies to a promoter referred to in subsection (1) is an "order" for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*
- (3) *For the purposes of this section, 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".*
- (4) *The disclosure in paragraph (2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The issuer does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

ITEM 23: Legal Proceedings and Regulatory Actions

Legal proceedings

- 23.1(1)** Describe any legal proceedings the issuer is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of the issuer are included in the prospectus.
- (2) Describe any such legal proceedings the issuer 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

Information with respect to any proceeding that involves a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10% of the current assets of the issuer may be omitted. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, include the amount involved in the other proceedings in computing the percentage.

Regulatory actions

23.2 Describe any

- (a) penalties or sanctions imposed against the issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of the prospectus,
- (b) any other penalties or sanctions imposed by a court or regulatory body against the issuer necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed, and
- (c) settlement agreements the issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of the prospectus.

ITEM 24: Interests of Management and Others in Material Transactions

Interests of management and others in material transactions

- 24.1** Provide information for the issuer for this section in accordance with section 13.1 of Form 51-102F2 as if the reference in that section to “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” read “within the three years before the date of the prospectus that has materially affected or is reasonably expected to materially affect the issuer or a subsidiary of the issuer”.

Underwriting discounts

- 24.2** Disclose any material underwriting discounts or commissions upon the sale of securities by the issuer if any of the persons or companies listed in section 13.1 of Form 51-102F2 were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

ITEM 25: Relationship Between Issuer or Selling Securityholder and Underwriter

Relationship between issuer or selling securityholder and underwriter

- 25.1(1)** If the issuer or selling securityholder is a connected issuer or related issuer of an underwriter of the distribution, or if the issuer or selling securityholder is also an underwriter of the distribution, comply with the requirements of NI 33-105.
- (2)** For the purposes of subsection (1), “connected issuer” and “related issuer” have the same meanings as in NI 33-105.

ITEM 26: Auditors, Transfer Agents and Registrars

Auditors

- 26.1** State the name and address of the auditor of the issuer.

Transfer agents, registrars, trustees or other agents

- 26.2** For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

ITEM 27: Material Contracts

Material contracts

- 27.1** Give particulars of any material contract
- (a) required to be filed under section 9.3 of the Instrument, or
 - (b) that would be required to be filed under section 9.3 of the Instrument but for the fact that it was previously filed.

INSTRUCTIONS

- (1) 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 prospectus. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the prospectus.*
- (2) Particulars of contracts must include the dates of, parties to, consideration provided for in, and general nature and key terms of, the contracts.*

ITEM 28: Experts

Names of experts

- 28.1** Name each person or company
- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or an amendment to the prospectus, and

- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

Interest of experts

- 28.2** For each person or company referred to in section 28.1, provide the disclosure in accordance with section 16.2 of Form 51-102F2, as of the date of the prospectus, as if that person or company were a person or company referred to in section 16.1 of Form 51-102F2.

ITEM 29: Other Material Facts

Other material facts

- 29.1** Give particulars of any material facts about the securities being distributed that are not disclosed under any other Items and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

ITEM 30: Rights of Withdrawal and Rescission

General

- 30.1** Include a statement in substantially the following form, with the bracketed information completed:

"Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories,] [T/t]he securities legislation further provides a purchaser with remedies for rescission [or[, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission[, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province [or territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province [or territory] for the particulars of these rights or consult with a legal adviser."

Non-fixed price offerings

- 30.2** In the case of a non-fixed price offering, replace, if applicable in the jurisdiction in which the prospectus is filed, the second sentence in the legend in section 30.1 with a statement in substantially the following form:

"This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed."

ITEM 31: List of Exemptions from Instrument

List of exemptions from Instrument

- 31.1** List all exemptions from the provisions of the Instrument, including this Form, granted to the issuer applicable to the distribution or the prospectus, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of the Instrument.

ITEM 32: Financial Statement Disclosure for Issuers

Interpretation of "issuer"

- 32.1** The financial statements of an issuer required under this Item to be included in a prospectus must include

- (a) the financial statements of any predecessor entity that formed, or will form, the basis of the business of the issuer, even though the predecessor entity is, or may have been, a different legal entity, if the issuer has not existed for three years,
- (b) the financial statements of a business or businesses acquired by the issuer within three years before the date of the prospectus or proposed to be acquired, if a reasonable investor reading the prospectus would regard the primary business of the issuer to be the business or businesses acquired, or proposed to be acquired, by the issuer, and
- (c) the restated combined financial statements of the issuer and any other entity with which the issuer completed a transaction within three years before the date of the prospectus or proposes to complete a transaction, if the issuer accounted for or will account for the transaction as a continuity of interests.

Annual financial statements

- 32.2(1)** Subject to section 32.4, include annual financial statements of the issuer consisting of

- (a) an income statement, a statement of retained earnings, and a cash flow statement for each of the three most recently completed financial years ended more than
 - (i) 90 days before the date of the prospectus, or
 - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer,
 - (b) a balance sheet as at the end of the two most recently completed financial years described in paragraph (a), and
 - (c) notes to the financial statements.
- (2)** If the issuer has not completed three financial years, include the financial statements described under subsection (1) for each completed financial year ended more than
- (a) 90 days before the date of the prospectus, or

- (b) 120 days before the date of the prospectus, if the issuer is a venture issuer.
- (3) If the issuer has not included in the prospectus financial statements for a completed financial year, include the financial statements described under subsection (1) or (2) for a period from the date the issuer was formed to a date not more than 90 days before the date of the prospectus.
- (4) If an issuer changed its financial year end during any of the financial years referred to in this section and the transition year is less than nine months, the transition year is deemed not to be a financial year for the purposes of the requirement to provide financial statements for a specified number of financial years in this section.
- (5) Notwithstanding subsection (4), all financial statements of the issuer for a transition year referred to in subsection (4) must be included in the prospectus.
- (6) Subject to section 32.4, if financial statements of any predecessor entity, business or businesses acquired by the issuer, or of any other entity are required under this section, then include
 - (a) income statements, statements of retained earnings, and cash flow statements for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's income statements, statements of retained earnings, and cash flow statements are included in the prospectus, the results of the entities or businesses, either separately or on a consolidated basis, total three years,
 - (b) balance sheets for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's balance sheets are included in the prospectus, the financial position of the entities or businesses, either separately or on a consolidated basis, total two years, and
 - (c) if the entities or businesses have not completed three financial years, the financial statements described under paragraphs (a) and (b) for each completed financial year of the entities or businesses for which the issuer's financial statements in the prospectus do not include the financial statements of the entities or businesses, either separately or on a consolidated basis, and ended more than
 - (i) 90 days before the date of the prospectus, or
 - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer.

Interim financial statements

- 32.3(1)** Include comparative interim financial statements of the issuer for the most recent interim period, if any, ended
- (a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and
 - (b) more than

- (i) 45 days before the date of the prospectus, or
 - (ii) 60 days before the date of the prospectus if the issuer is a venture issuer.
- (2) The interim financial statements referred to in subsection (1) 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,
 - (c) for interim periods other than the first interim period in a current financial year, an income statement and a cash flow statement, for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the preceding financial year, if any, and
 - (d) notes to the financial statements.

Exceptions to financial statement requirements

32.4 Despite section 32.2, an issuer is not required to include the following financial statements in a prospectus

- (a) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, if the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus,
- (b) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if
 - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and
 - (ii) the issuer includes financial statements for a financial year ended less than
 - (A) 90 days before the date of the prospectus, or
 - (B) 120 days before the date of the prospectus, if the issuer is a venture issuer,
- (c) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the balance sheet for the second most recently completed financial year, if the issuer includes financial statements for a financial year ended less than 90 days before the date of the prospectus,

- (d) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if
 - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus,
 - (ii) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,
 - (iii) the business of the issuer is not seasonal, and
 - (iv) none of the financial statements required under section 32.2 are for a financial year that is less than nine months,
- (e) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the balance sheet for the second most recently completed financial year, if
 - (i) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,
 - (ii) the business of the issuer is not seasonal, and
 - (iii) none of the financial statements required under section 32.2 are for a financial year that is less than nine months, or
- (f) the separate financial statements of the issuer and the other entity for periods prior to the date of the continuity of interest transaction, if the restated combined financial statements of the issuer and the other entity are included in the prospectus under paragraph 32.1(c).

Exceptions to audit requirement

32.5 The audit requirement in section 4.2 of the Instrument does not apply to the following financial statements

- (a) any financial statements for the second and third most recently completed financial years required under section 32.2, if
 - (i) those financial statements were previously included in a final prospectus without an auditor's report pursuant to an exemption under applicable securities legislation, and
 - (ii) an auditor has not issued an auditor's report on those financial statements,
- (b) any financial statements for the second and third most recently completed financial years required under section 32.2, if
 - (i) the issuer is a junior issuer, and

- (ii) the financial statements for the most recently completed financial year required under section 32.2 is not less than 12 months in length, or
- (c) any interim financial statements required under section 32.3.

Additional financial statements or financial information filed or released

- 32.6(1)** If the issuer files financial statements for a more recent period than required under section 32.2 or 32.3 before the prospectus is filed, the issuer must include in the prospectus those more recent financial statements.
- (2) If historical financial information about the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under section 32.2, the issuer must include the content of the news release or public communication in the prospectus.

ITEM 33: Credit Supporter Disclosure, Including Financial Statements

Credit supporter disclosure, including financial statements

- 33.1** If a credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, include statements by the credit supporter providing disclosure about the credit supporter that would be required under Items 4, 5, 8, 9, 16, 21, 23, 25, 26, and 32 if the credit supporter were the issuer of the securities to be distributed and such other information about the credit supporter as is necessary to provide full, true and plain disclosure of all material facts relating to the securities to be distributed.

ITEM 34: Exemptions for Certain Issues of Guaranteed Securities

Definitions and interpretation

- 34.1(1)** In this Item
- (a) the impact of subsidiaries, on a combined basis, on the financial statements of the parent entity is “minor” if each item of the summary financial information of the subsidiaries, on a combined basis, represents less than three percent of the total consolidated amounts,
 - (b) a parent entity has “limited independent operations” if each item of its summary financial information represents less than three percent of the total consolidated amounts,
 - (c) a subsidiary is a “finance subsidiary” if it has minimal assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the security being distributed and any other securities guaranteed by its parent entity,
 - (d) “parent credit supporter” means a credit supporter of which the issuer is a subsidiary,

- (e) "parent entity" means a parent credit supporter for the purposes of sections 34.2 and 34.3 and an issuer for the purpose of section 34.4,
- (f) "subsidiary credit supporter" means a credit supporter that is a subsidiary of the parent credit supporter, and
- (g) "summary financial information" includes the following line items:
 - (i) sales or revenues;
 - (ii) income from continuing operations;
 - (iii) net earnings or loss; and
 - (iv) unless the accounting principles used to prepare the financial statements of the entity permits the preparation of the entity's balance sheet without classifying assets and liabilities between current and non-current and the entity provides alternative meaningful financial information which is more appropriate to the industry,
 - (A) current assets;
 - (B) non-current assets;
 - (C) current liabilities; and
 - (D) non-current liabilities.

(2) For the purposes of this Item, 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 entity included in the prospectus,
- (b) the parent entity 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.

Issuer is wholly-owned subsidiary of parent credit supporter

34.2 An issuer is not required to include the issuer disclosure required by Items 4, 5, 8, 9, 21, 23, 25, 26, and 32, if

- (a) a parent credit supporter has provided full and unconditional credit support for the securities being distributed,
- (b) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible

preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter,

- (c) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer,
- (d) no other subsidiary of the parent credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, and
- (e) the issuer includes in the prospectus
 - (i) a statement that the financial results of the issuer are included in the consolidated financial results of the parent credit supporter, if
 - (A) the issuer is a finance subsidiary, and
 - (B) the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer, on the consolidated financial statements of the parent credit supporter is minor, or
 - (ii) for the periods covered by the parent credit supporter's interim and annual consolidated financial statements included in the prospectus under Item 33, 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 issuer;
 - (C) any other subsidiaries of the parent credit supporter on a combined basis;
 - (D) consolidating adjustments;
 - (E) the total consolidated amounts.

Issuer is wholly-owned subsidiary of, and one or more subsidiary credit supporters controlled by, parent credit supporter

34.3(1) An issuer is not required to include the issuer disclosure required by Items 4, 5, 8, 9, 21, 23, 25, 26, and 32, or the credit supporter disclosure of one or more subsidiary credit supporters required by Item 33, if

- (a) a parent credit supporter and one or more subsidiary credit supporters have each provided full and unconditional credit support for the securities being distributed,
- (b) the guarantees or alternative credit supports are joint and several,
- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible

preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter,

- (d) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer,
- (e) the parent credit supporter controls each subsidiary credit supporter and the parent credit support has consolidated the financial statements of each subsidiary credit supporter into the parent credit supporter's financial statements that are included in the prospectus, and
- (f) the issuer includes in the prospectus, for the periods covered by the parent credit supporter's financial statements included in the prospectus under Item 33, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
 - (i) the parent credit supporter;
 - (ii) the 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;
 - (vi) the total consolidated amounts.

(2) Despite paragraph (1)(f), the information set out in a column in accordance with

- (a) subparagraph (1)(f)(iv) may be combined with the information set out in accordance with any of the other columns in paragraph (1)(f) if the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer and all subsidiary credit supporters, on the consolidated financial statements of the parent credit supporter is minor, and
- (b) subparagraph (1)(f)(ii), may be combined with the information set out in accordance with any of the other columns in paragraph (1)(f) if the issuer is a finance subsidiary.

One or more credit supporters controlled by issuer

34.4 An issuer is not required to include the credit supporter disclosure for one or more credit supporters required by Item 33, if

- (a) one or more credit supporters have each provided full and unconditional credit support for the securities being distributed,
- (b) there is more than one credit supporter, the guarantee or alternative credit supports are joint and several,

- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the issuer,
- (d) the issuer controls each credit supporter and the issuer has consolidated the financial statements of each credit supporter into the issuer's financial statements that are included in the prospectus, and
- (e) the issuer includes in the prospectus
 - (i) a statement that the financial results of the credit supporter(s) are included in the consolidated financial results of the issuer, if
 - (A) the issuer has limited independent operations, and
 - (B) the impact of any subsidiaries of the issuer on a combined basis, excluding the credit supporter(s) but including any subsidiaries of the credit supporter(s) that are not themselves credit supporters, on the consolidated financial statements of the issuer is minor, or
 - (ii) for the periods covered by the issuer's financial statements included in the prospectus under Item 32, consolidating summary financial information for the issuer, presented with a separate column for each of the following:
 - (A) the issuer;
 - (B) the credit supporters on a combined basis;
 - (C) any other subsidiaries of the issuer on a combined basis;
 - (D) consolidating adjustments;
 - (E) the total consolidated amounts.

ITEM 35: Significant Acquisitions

Application and definitions

- 35.1(1)** This Item does not apply to a completed or proposed transaction by the issuer that was or will be accounted for as a reverse takeover or a transaction that is a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high.
- (2) The requirements in sections 35.5 and 35.6 are not applicable to an initial distribution by prospectus by a Capital Pool Company, as that term is defined in TSX Venture Exchange Policy 2.4 entitled *Capital Pool Companies*, as amended from time to time.
 - (3) The audit requirement in section 4.2 of the Instrument does not apply to any financial statements or other information included in the prospectus under this Item, other than the financial statements or other information for the most recently completed financial year of a business or related businesses acquired, or proposed to be acquired, by the issuer.

- (4) In this Item, “**significant acquisition**” means an acquisition of a business or related businesses that,
- (a) if the issuer was a reporting issuer in at least one jurisdiction on the date of the acquisition, is determined to be a significant acquisition under section 8.3 of NI 51-102, or
 - (b) if the issuer was not a reporting issuer in any jurisdiction on the date of the acquisition, would be determined to be a significant acquisition under section 8.3 of NI 51-102, as if
 - (i) the issuer was a reporting issuer on the date of the acquisition,
 - (ii) the references to a “venture issuer” were read as an “IPO venture issuer” if the issuer is an IPO venture issuer,
 - (iii) for the purposes of the optional tests, the issuer used its financial statements for the most recently completed interim period or financial year that is included in the prospectus,
 - (iv) for the purposes of the optional income test, the most recently completed financial year of the business or related businesses were the financial year of the business ended before the date of the prospectus, and the 12 months ended on the last day of the most recently completed interim period of the business or related businesses were the 12 months ended on the last day of the most recently completed interim period before the date of the prospectus,
 - (v) subsection 8.3(11.1) of NI 51-102 did not apply,
 - (vi) references to “annual audited statements filed” meant “audited annual financial statements included in the long form prospectus”, and
 - (vii) in subsection 8.3(15) of NI 51-102, the reference to “been required to file, and has not filed,” meant “been required to include, and has not included, in the long form prospectus”.

Completed acquisitions for which issuer has filed business acquisition report

35.2 If an issuer completed an acquisition of a business or related businesses since the beginning of its most recently completed financial year for which financial statements are included in the prospectus, and it has filed a business acquisition report under Part 8 of NI 51-102 for the acquisition, include all of the disclosure included in, or incorporated by reference into, that business acquisition report.

Completed acquisitions for which issuer has not filed business acquisition report because issuer was not reporting issuer on date of acquisition

35.3(1) An issuer must include the disclosure required under subsection (2), if

- (a) the issuer completed an acquisition of a business or related businesses since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus,
 - (b) the issuer was not a reporting issuer in any jurisdiction on the date of the acquisition,
 - (c) the acquisition is a significant acquisition, and
 - (d) the acquisition was completed more than
 - (i) 90 days before the date of the prospectus, if the financial year of the acquired business ended 45 days or less before the acquisition, or
 - (ii) 75 days before the date of the prospectus.
- (2) For an acquisition to which subsection (1) applies, include all the disclosure that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102, as if
- (a) the issuer was a reporting issuer in at least one jurisdiction on the date of the acquisition,
 - (b) the business acquisition report was filed as at the date of the prospectus,
 - (c) the issuer was a venture issuer at the date of the acquisition, if the issuer is an IPO venture issuer,
 - (d) subsections 8.4(4) and 8.4(6) of NI 51-102 did not apply, and
 - (e) references to financial statements filed or required to be filed meant financial statements included in the prospectus.

Results consolidated in financial statements of issuer

35.4 Despite section 35.2 and subsection 35.3(1), an issuer may omit the financial statements or other information of a business required to be included in the prospectus, if at least nine months of the acquired business or related businesses operations have been reflected in the issuer's most recent audited financial statements included in the prospectus.

Recently completed acquisitions

35.5(1) Include the information required under subsection (2) for any significant acquisition completed by the issuer

- (a) since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus, and
- (b) for which the issuer has not included any disclosure under section 35.2 or subsection 35.3(2).

- (2) For a significant acquisition to which subsection (1) applies, include the following
- (a) the information required by sections 2.1 through 2.6 of Form 51-102F4, and
 - (b) the financial statements of or other information about the acquisition under subsection (3) for the acquired business or related businesses, if
 - (i) the issuer was not a reporting issuer in any jurisdiction immediately before filing the prospectus, or
 - (ii) the issuer was a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and the inclusion of the financial statements or other information is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.
- (3) The requirement to include financial statements or other information under paragraph (2)(b) must be satisfied by including
- (a) if the issuer was a reporting issuer in at least one jurisdiction on the date of acquisition, the financial statements or other information that will be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102,
 - (b) if the issuer was not a reporting issuer in any jurisdiction on the date of acquisition, the financial statements or other information that would be required by subsection 35.3(2), or
 - (c) satisfactory alternative financial statements or other information.

Probable acquisitions

35.6(1) Include the information required under subsection (2) for any proposed acquisition of a business or related businesses by an issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high, and that, if completed by the issuer at the date of the prospectus, would be a significant acquisition.

- (2) For a proposed acquisition of a business or related businesses by the issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high and to which subsection (1) applies, include
- (a) the information required by sections 2.1 through 2.6 of Form 51-102F4, modified as necessary to convey that the acquisition has not been completed, and
 - (b) the financial statements or other information of the probable acquisition under subsection (3) for the acquired business or related businesses, if
 - (i) the issuer was not a reporting issuer in any jurisdiction immediately before filing the prospectus, or

- (ii) the issuer was a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and the inclusion of the financial statements or other information is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.
- (3) For a proposed acquisition of a business or related businesses by the issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high and to which subsection (2) applies, the requirement to include financial statements or other information under subsection (2)(b) must be satisfied by including
 - (a) if the issuer was a reporting issuer in at least one jurisdiction immediately before filing the prospectus, the financial statements or other information that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102, as if the date of the acquisition were the date of the prospectus,
 - (b) if the issuer was not a reporting issuer in any jurisdiction immediately before filing the prospectus, the financial statements or other information that would be required to be included by subsection 35.3(2), as if the acquisition had been completed before the filing of the prospectus and the date of the acquisition were the date of the prospectus, or
 - (c) satisfactory alternative financial statements or other information.

Pro forma financial statements for multiple acquisitions

- 35.7** Despite sections 35.2, 35.3, 35.5 and 35.6, an issuer is not required to include in its prospectus the pro forma financial statements otherwise required for each acquisition, if the issuer includes in its prospectus one set of pro forma financial statements that
- (a) reflects the results of each acquisition since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus,
 - (b) is prepared as if each acquisition had occurred at the beginning of the most recently completed financial year of the issuer for which financial statements of the issuer are included in the prospectus, and
 - (c) is prepared in accordance with
 - (i) if no disclosure is otherwise required for a probable acquisition under section 35.6, the section in this Item that applies to the most recently completed acquisition, or
 - (ii) section 35.6.

Additional financial statements or financial information of business filed or released

- 35.8(1)** An issuer must include in its prospectus annual and interim financial statements of a business or related businesses for a financial period that ended before the date of the

acquisition and is more recent than the periods for which financial statements are required under section 35.5 or 35.6 if, before the prospectus is filed, the financial statements of the business for the more recent period have been filed.

- (2) If, before the prospectus is filed, historical financial information of a business or related businesses for a period more recent than the period for which financial statements are required under section 35.5 or 35.6, is publicly disseminated by news release or otherwise by or on behalf of the issuer, the issuer shall include in the prospectus the content of the news release or public communication.

ITEM 36: Probable Reverse Takeovers

Probable reverse takeovers

- 36.1** If the issuer is involved in a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high, include statements by the reverse takeover acquirer providing disclosure about the reverse takeover acquirer that would be required under this Form, as applicable, if the reverse takeover acquirer were the issuer of the securities to be distributed, and such other information about the reverse takeover acquirer as is necessary to provide full, true and plain disclosure of all material facts relating to the securities to be distributed, including the disclosure required by Items 4, 5, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 27, 28, and 32.

ITEM 37: Certificates

Certificates

- 37.1** Include the certificates required by Part 5 of the Instrument or by securities legislation.

Issuer certificate form

- 37.2** An issuer certificate form must state:

“This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified].”

Underwriter certificate form

- 37.3** An underwriter certificate form must state:

“To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified].”

Amendments

- 37.4(1)** For an amendment to a prospectus that does not restate the prospectus, change “prospectus” to “prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 37.2 and 37.3.

- (2) For an amended and restated prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in sections 37.2 and 37.3.

Non-offering prospectuses

- 37.5 For a non-offering prospectus, change “securities offered by this prospectus” to “securities previously issued by the issuer” wherever it appears in the statements in sections 37.2 and 37.3.

FORM 41-101F2
INFORMATION REQUIRED IN AN INVESTMENT FUND PROSPECTUS

TABLE OF CONTENTS

General Instructions

Item 1: Cover Page Disclosure

- 1.1 Preliminary Prospectus Disclosure
- 1.2 Required Statement
- 1.3 Basic Disclosure about the Distribution
- 1.4 Distribution
- 1.5 Offering Price in Currency Other than Canadian Dollar
- 1.6 Non-fixed Price Distributions
- 1.7 Pricing Disclosure
- 1.8 Reduced Price Distributions
- 1.9 Market for Securities
- 1.10 Risk Factors
- 1.11 Underwriter(s)
- 1.12 Commodity Pool
- 1.13 Restricted Securities
- 1.14 Non-Canadian Manager
- 1.15 Documents Incorporated by Reference

Item 2: Table of Contents

- 2.1 Table of Contents

Item 3: Summary of Prospectus

- 3.1 Prospectus Summary
- 3.2 Cautionary Language
- 3.3 General
- 3.4 Organization and Management of the Investment Fund
- 3.5 Underwriter(s)
- 3.6 Fees, Expenses and Returns

Item 4: Overview of the Structure of the Investment Fund

- 4.1 Legal Structure

Item 5: Investment Objectives

- 5.1 Investment Objectives

Item 6: Investment Strategies

- 6.1 Investment Strategies
- 6.2 Overview of the Investment Structure

Item 7: Overview of the Sector(s) that the Fund Invests in

- 7.1 Sector(s) that the Fund Invests in

- 7.2 Significant Holdings in Other Entities
- Item 8: Investment Restrictions**
 - 8.1 Investment Restrictions
- Item 9: Management Discussion of Fund Performance**
 - 9.1 Management Discussion of Fund Performance
- Item 10: Fees and Expenses**
 - 10.1 Fees and Expenses
- Item 11: Annual Returns and Management Expense Ratio**
 - 11.1 Annual Returns and Management Expense Ratio
- Item 12: Risk Factors**
 - 12.1 Risk Factors
- Item 13: Distribution Policy**
 - 13.1 Distribution Policy
- Item 14: Purchases of Securities**
 - 14.1 Purchases of Securities
- Item 15: Redemption of Securities**
 - 15.1 Redemption of Securities
 - 15.2 Short-term Trading
- Item 16: Consolidated Capitalization**
 - 16.1 Consolidated Capitalization
- Item 17: Prior Sales**
 - 17.1 Prior Sales
 - 17.2 Trading Price and Volume
- Item 18: Income Tax Considerations**
 - 18.1 Status of the Investment Fund
 - 18.2 Taxation of the Investment Fund
 - 18.3 Taxation of Securityholders
 - 18.4 Taxation of Registered Plans
 - 18.5 Tax Implications of the Investment Fund's Distribution Policy
- Item 19: Organization and Management Details of the Investment Fund**
 - 19.1 Management of the Investment Fund
 - 19.2 Portfolio Adviser
 - 19.3 Conflicts of Interest
 - 19.4 Independent Review Committee
 - 19.5 Trustee
 - 19.6 Custodian
 - 19.7 Auditor

- 19.8 Transfer Agent and Registrar
- 19.9 Promoters

Item 20: Calculation of Net Asset Value

- 20.1 Calculation of Net Asset Value
- 20.2 Valuation Policies and Procedures
- 20.3 Reporting of Net Asset Value

Item 21: Description of the Securities Distributed

- 21.1 Equity Securities
- 21.2 Debt Securities
- 21.3 Derivatives
- 21.4 Other Securities
- 21.5 Special Warrants
- 21.6 Restricted Securities
- 21.7 Modification of Terms
- 21.8 Ratings
- 21.9 Other Attributes

Item 22: Securityholder Matters

- 22.1 Meetings of Securityholders
- 22.2 Matters Requiring Securityholder Approval
- 22.3 Amendments to Declaration of Trust
- 22.4 Reporting to Securityholders

Item 23: Termination of the Fund

- 23.1 Termination of the Fund

Item 24: Use of Proceeds

- 24.1 Application
- 24.2 Proceeds
- 24.3 Other Sources of Funding
- 24.4 Financing by Special Warrants, etc.

Item 25: Plan of Distribution

- 25.1 Plan of Distribution
- 25.2 Name of Underwriters
- 25.3 Disclosure of Conditions to Underwriters' Obligations
- 25.4 Best Efforts Offering
- 25.5 Minimum Distribution
- 25.6 Determination of Price
- 25.7 Stabilization
- 25.8 Reduced Price Distributions
- 25.9 Listing Application
- 25.10 Conditional Listing Approval
- 25.11 Constraints
- 25.12 Special Warrants Acquired by Underwriters or Agents

Item 26: Relationship Between Investment Fund or Selling Securityholder and Underwriter

26.1 Relationship Between Investment Fund or Selling Securityholder and Underwriter

Item 27: Options to Purchase Securities

27.1 Options to Purchase Securities

Item 28: Principal Holders of Securities of the Investment Fund and Selling Securityholders

28.1 Principal Holders of Securities of the Investment Fund and Selling Securityholders

Item 29: Interests of Management and Others in Material Transactions

29.1 Interests of Management and Others in Material Transactions
29.2 Underwriting Discounts

Item 30: Proxy Voting Disclosure

30.1 Proxy Voting Disclosure for Portfolio Securities Held

Item 31: Material Contracts

31.1 Material Contracts

Item 32: Legal and Administrative Proceedings

32.1 Legal and Administrative Proceedings
32.2 Particulars of the Proceedings
32.3 Penalties and Sanctions

Item 33: Experts

33.1 Names of Experts
33.2 Interests of Experts

Item 34: Exemptions and Approvals

34.1 Exemptions and Approvals

Item 35: Other Material Facts

35.1 Other Material Facts

Item 36: Purchasers' Statutory Rights of Withdrawal and Rescission

36.1 General
36.2 Mutual Funds
36.3 Non-fixed Price Offerings

Item 37: Documents Incorporated by Reference

37.1 Mandatory Incorporation by Reference
37.2 Mandatory Incorporation by Reference of Future Documents

Item 38: Financial Disclosure

38.1 Financial Statements

- 38.2 Interim Financial Statements
- 38.3 Management Reports of Fund Performance

Item 39: Certificates

- 39.1 Certificate of the Investment Fund
- 39.2 Certificate of the Manager
- 39.3 Certificate of the Underwriter
- 39.4 Certificate of the Promoter
- 39.5 Amendments
- 39.6 Non-offering Prospectus

FORM 41-101F2

INFORMATION REQUIRED IN AN INVESTMENT FUND PROSPECTUS

GENERAL INSTRUCTIONS

- (1) *The objective of the prospectus is to provide information concerning the investment fund that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. This Form does not prohibit including information beyond what the Form requires. Further, certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*
- (2) *Terms used and not defined in this Form that are defined or interpreted in the Instrument must bear that definition or interpretation. Other definitions are set out in NI 14-101 Definitions.*
- (3) *In determining the degree of detail required, a standard of materiality must be applied. Materiality is a matter of judgment in the particular circumstance, and is determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the investment fund's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items must be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*
- (4) *Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in this Form apply to both the preliminary prospectus and the prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*
- (5) *The disclosure must be understandable to readers and presented in an easy-to-read format. The presentation of information should comply with the plain language principles listed in section 4.1 of Companion Policy 41-101CP General Prospectus Requirements. If technical terms are required, clear and concise explanations should be included.*

- (6) *No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*
- (7) *The disclosure required in this Form must be presented in the order and using the headings specified in the Form. However, scholarship plans may make modifications to the disclosure items in order to reflect the special nature of their investment structure and distribution mechanism.*
- (8) *Where the term "investment fund" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include disclosure with respect to the investment fund's subsidiaries and investees. If it is more likely than not that a person or company will become a subsidiary or investee, it may be necessary to also include disclosure with respect to the person or company. For this purpose, subsidiaries and investees include entities that are consolidated, proportionately consolidated, or accounted for using the equity method.*
- (9) *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*
- (10) *If the term "class" is used in any item to describe securities, the term includes a series.*
- (11) *Where performance data is presented in the prospectus, annual compound returns must be presented for standard applicable performance periods of 1, 3, 5 and 10 year periods and the period since inception unless otherwise specified by the requirements of this Form. Performance data for periods of less than one year must not be presented. Hypothetical or back-tested performance data must not be presented.*
- (12) *An investment fund that has more than one class or series that are referable to the same portfolio may treat each class or series as a separate investment fund for the purposes of this Form, or may combine disclosure of one or more of the classes or series in one prospectus. If disclosure pertaining to more than one class or series is combined in one prospectus, separate disclosure in response to each item in this Form must be provided for each class or series unless the responses would be identical for each class or series.*
- (13) *A section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio is considered to be a separate investment fund for the purposes of this Form. An investment fund that has more than one class or series of securities referable to separate portfolios may combine disclosure of one or more of the classes or series in one prospectus if each class or series is managed by the same manager. If*

disclosure pertaining to more than one class or series is combined in one prospectus, separate disclosure in response to each item in this Form must be provided for each class or series unless the responses would be identical for each class or series.

PROSPECTUS FORM

Item 1: Cover Page Disclosure

1.1 Preliminary Prospectus Disclosure

Every preliminary prospectus must have printed in red ink and in italics at the top of the cover page immediately above the disclosure required in section 1.2 the following, with the bracketed information completed:

"A copy of this preliminary prospectus has been filed with the securities regulatory authority(ies) in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority(ies)."

INSTRUCTION

Investment funds must complete the bracketed information by

- (a) inserting the names of each jurisdiction in which the investment fund intends to offer securities under the prospectus;*
- (b) stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*
- (c) identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).*

1.2 Required Statement

State in italics at the top of the cover page the following:

"No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise."

1.3 Basic Disclosure about the Distribution

- (1) State the following immediately below the disclosure required under sections 1.1 and 1.2 with the bracketed information completed:

“ [PRELIMINARY OR PRO FORMA] PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR
SECONDARY OFFERING OR CONTINUOUS OFFERING]

[Date]

[Name of investment fund]

[number and type of securities qualified for distribution under the prospectus, including any options or warrants, and the price per security]

[type of fund – state the following: “This investment fund is a [labour sponsored or venture capital fund, commodity pool, non-redeemable investment fund, scholarship plan or exchange-traded mutual fund, or, if the issuer is another type of investment fund, state the type of fund].”

If securities of the investment fund are intended to be listed or quoted on an exchange or marketplace and conditional listing approval has been received, state the following: “[Name of exchange or marketplace] has conditionally approved the [listing/quotation] of the [type of securities qualified for distribution under the prospectus and to be listed/quoted], subject to the [name of investment fund] fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date] .”]

- (2) Briefly describe the investment objectives of the investment fund and provide a cross-reference to sections in the prospectus where information about the investment objectives is provided.
- (3) State the name of the manager and portfolio adviser of the investment fund and provide a cross-reference to sections in the prospectus where information about the manager and portfolio adviser is provided.

1.4 Distribution

- (1) Subsections (2) – (8) do not apply to an investment fund in continuous distribution.

- (2) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	Price to public (a)	Underwriting discounts or commission (b)	Proceeds to issuer or selling securityholders (c)
Per Security			
Total			

- (3) If there is an over-allotment option or an option to increase the size of the distribution before closing,
- (a) disclose that a purchaser who acquires securities forming part of the underwriters' over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases, and
 - (b) describe the terms of the option.
- (4) If the distribution of the securities is to be on a best efforts basis, provide totals for both the minimum and maximum offering amount, if applicable.
- (5) If debt securities are being distributed at a premium or a discount, state in boldface type the effective yield if held to maturity.
- (6) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis, and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.
- (7) In column (b) of the table, disclose only commissions paid or payable in cash by the investment fund or selling securityholder and discounts granted. Set out in a note to the table
- (a) commissions or other consideration paid or payable by persons or companies other than the investment fund or selling securityholder,

- (b) consideration other than discounts granted and cash paid or payable by the investment fund or selling securityholder, including warrants and options, and
 - (c) any finder's fees or similar required payment.
- (8) If a security is being distributed for the account of a selling securityholder, state the name of the securityholder and a cross-reference to the applicable section in the prospectus where further information about the selling securityholder is provided. State the portion of the expenses of the distribution to be borne by the selling securityholder and, if none of the expenses of the distribution are being borne by the selling securityholder, include a statement to that effect and discuss the reason why this is the case.
- (9) If a minimum subscription amount is required from each subscriber, provide details of the minimum subscription requirements.

INSTRUCTIONS

- (1) *Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.*
- (2) *If debt securities are being distributed, also express the information in the table as a percentage.*

1.5 Offering Price in Currency Other than Canadian Dollar

If the offering price of the securities being distributed is disclosed in a currency other than the Canadian dollar, disclose in boldface type the reporting currency.

1.6 Non-fixed Price Distributions

If the securities are being distributed at non-fixed prices, disclose

- (a) the discount allowed or commission payable to the underwriter,
- (b) any other compensation payable to the underwriter and, if applicable, that the underwriter's compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the investment fund or selling securityholder,

- (c) that the securities to be distributed under the prospectus will be distributed, as applicable, at
 - (i) prices determined by reference to the prevailing price of a specified security in a specified market,
 - (ii) market prices prevailing at the time of sale,
 - (iii) prices to be negotiated with purchasers, or
 - (iv) the net asset value of a security,
- (d) that prices may vary from purchaser to purchaser and during the period of distribution,
- (e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date,
- (f) if the price of the securities will be the market price prevailing at the time of the sale, the market price at the latest practicable date, and
- (g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the investment fund or selling securityholder.

1.7 Pricing Disclosure

If the offering price or the number of securities being distributed, or an estimate of the range of the offering price or the number of securities being distributed, has been publicly disclosed in a jurisdiction or a foreign jurisdiction as of the date of the preliminary prospectus, include this information in the preliminary prospectus.

1.8 Reduced Price Distributions

If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price fixed in the prospectus, include in boldface type a cross-reference to the section in the prospectus where disclosure concerning the possible price decrease is provided.

1.9 Market for Securities

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the investment fund of the same class as the securities

being distributed are traded or quoted and the market price of those securities as of the latest practicable date.

- (2) Disclose any intention to stabilize the market. Provide a cross-reference to the section in the prospectus where further information about market stabilization is provided.
- (3) If no market for the securities being distributed under the prospectus exists or is expected to exist upon completion of the distribution, state the following in boldface type:

“There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See ‘Risk Factors’.”

- (4) Subsection (3) does not apply to an investment fund in continuous distribution.

1.10 Risk Factors

Include a cross-reference to sections in the prospectus where information about the risks of an investment in the securities being distributed is provided. State any significant risks including leverage.

1.11 Underwriter(s)

- (1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of NI 33-105 *Underwriting Conflicts* for front page prospectus disclosure.
- (3) Other than a labour sponsored or venture capital fund, commodity pool or scholarship plan, if there is no underwriter involved in the distribution, provide a statement in boldface type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review or independent due diligence of the contents of the prospectus.

1.12 Commodity Pool

- (1) For a commodity pool, state in substantially the following words:

“You should carefully consider whether your financial condition permits you to participate in this investment. The

securities of this commodity pool are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in the commodity pool.

The risk of loss in trading [nature of instruments to be traded by the commodity pool] can be substantial. In considering whether to participate in the [commodity pool], you should be aware that trading [nature of instruments] can quickly lead to large losses as well as gains. Such trading losses can sharply reduce the net asset value of the [commodity pool] and consequently the value of your interest in the [commodity pool]. Also, market conditions may make it difficult or impossible for the [commodity pool] to liquidate a position.

The [commodity pool] is subject to certain conflicts of interest. The [commodity pool] will be subject to the charges payable by it as described in this prospectus that must be offset by revenues and trading gains before an investor is entitled to a return on his or her investment. It may be necessary for the [commodity pool] to make substantial trading profits to avoid depletion or exhaustion of its assets before an investor is entitled to a return on his or her investment."

- (2) For the initial prospectus, state in substantially the following words:

"The [commodity pool] is newly organized. The success of the [commodity pool] will depend upon a number of conditions that are beyond the control of the [commodity pool]. There is substantial risk that the goals of the [commodity pool] will not be met."

- (3) If the promoter, manager, or a portfolio adviser of the commodity pool has not had a similar involvement with any other publicly offered commodity pool, state in substantially the following words:

"The [promoter], [manager] [and/or] [portfolio adviser] of the [commodity pool] has not previously operated any other publicly offered commodity pools [or traded other accounts]."

- (4) If the commodity pool will execute trades outside Canada, state in substantially the following words:

"Participation in transactions in [nature of instrument to be traded by the commodity pool] involves the execution and

clearing of trades on or subject to the rules of a foreign market.

None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing transactions, or has the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs.

For these reasons, entities such as the commodity pool that trade [nature of instrument to be traded by the commodity pool] may not be afforded certain of the protective measures provided by Canadian legislation and the rules of Canadian exchanges. In particular, funds received from customers for transactions may not be provided the same protection as funds received in respect of transactions on Canadian exchanges.”

- (5) State that the commodity pool is a mutual fund but that certain provisions of securities legislation designed to protect investors who purchase securities of mutual funds do not apply.
- (6) Immediately after the statements required by subsections (1) – (5), state in substantially the following words:

“These brief statements do not disclose all the risks and other significant aspects of investing in the [commodity pool]. You should therefore carefully study this prospectus, including a description of the principal risk factors at page [page number], before you decide to invest in the [commodity pool].”

1.13 Restricted Securities

Describe the number and class or classes of restricted securities being distributed using the appropriate restricted security terms in the same type face and type size as the rest of the description.

1.14 Non-Canadian Manager

If the investment fund manager is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following with the bracketed information completed:

“The manager is incorporated, continued or otherwise governed under the laws of a foreign jurisdiction or resides outside Canada. Although the manager has appointed [name and address of agent for service] as its agent for service of process in Canada, it may not be possible for investors to realize on judgements obtained in Canada against the manager.”

1.15 Documents Incorporated by Reference

For an investment fund in continuous distribution, other than a scholarship plan, state in substantially the following words:

“Additional information about the Fund is available in the following documents:

- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this prospectus which means that they legally form part of this prospectus. Please see the “Documents Incorporated by Reference” section for further details.”

Item 2: Table of Contents

2.1 Table of Contents

Include a table of contents.

Item 3: Summary of Prospectus

3.1 Prospectus Summary

Under the heading “Prospectus Summary” include the information listed in sections 3.2 to 3.6.

3.2 Cautionary Language

At the beginning of the summary, include a statement in italics in substantially the following form:

"The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus [[if applicable] or incorporated by reference in the prospectus]."

3.3 General

- (1) Briefly summarize information appearing elsewhere in the prospectus that, in the opinion of the investment fund or selling securityholder, would be most likely to influence the investor's decision to purchase the securities being distributed. Include a description of
 - (a) how the investment fund has been organized (corporation, trust, etc.),
 - (b) the securities to be distributed, including the offering price and expected net proceeds,
 - (c) the investment objectives,
 - (d) the investment strategies,
 - (e) the use of leverage, including any restrictions and the maximum amount of leverage the fund could use expressed as a ratio as follows: (total long positions including leveraged positions plus total short positions) divided by the net assets of the investment fund,
 - (f) the use of proceeds,
 - (g) risk factors,
 - (h) income tax considerations,
 - (i) all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and if applicable, that the choice of different purchase options affects the amount of compensation paid to a dealer,

- (j) the redemption features,
 - (k) the distribution policy,
 - (l) the termination provisions,
 - (m) if restricted securities, subject securities or securities directly or indirectly convertible into or exercisable or exchangeable for restricted securities or subject securities are to be distributed under the prospectus,
 - (i) include a summary of the information required by section 21.6, and
 - (ii) include, in boldface type, a statement of the rights the holders of restricted securities do not have if the holders do not have all of the rights referred to in section 21.6, and
 - (n) whether the investment fund is eligible as an investment for registered retirement savings plans, registered retirement income plans, registered education savings plans or deferred profit sharing plans.
- (2) For each item summarized under subsection (1), provide a cross-reference to the information in the prospectus.

3.4 Organization and Management of the Investment Fund

- (1) Provide, under the sub-heading "Organization and Management of the [name of investment fund]", information about the manager, trustee, portfolio adviser, promoter, custodian, registrar and transfer agent and auditor of the investment fund in the form of a diagram or table.
- (2) For each entity listed in the diagram or table, briefly describe the services provided by that entity and the relationship of that entity to the manager.
- (3) For each entity listed in the diagram or table, other than the manager of the investment fund, provide the municipality and the province or country where it principally provides its services to the investment fund. Provide the complete municipal address for the manager of the investment fund.

INSTRUCTIONS:

- (1) *The information required to be disclosed in this section must be presented prominently, using enough space so that it is easy to read.*
- (2) *Briefly describe the services provided by the listed entities. For instance, the manager may be described as "manages the overall business and operations of the fund", and a portfolio adviser may be described as "provides investment advice to the manager about the investment portfolio of the fund" or "manages the investment portfolio of the fund".*

3.5 Underwriter(s)

- (1) Under the sub-heading "Underwriters" or "Agents", as applicable, state the name of each underwriter or agent.
- (2) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter's obligations are subject to conditions, state the following, with the bracketed information completed:

"We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of investment fund] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution"."

- (3) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the final prospectus.
- (4) Provide the following tabular information:

Underwriter's Position	Maximum size or number of securities available	Exercise period/ Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			

Any other option granted by investment fund or insider of investment fund to underwriter			
Total securities under option issuable to underwriter			
Other compensation securities issuable to underwriter			

INSTRUCTION

If the underwriter has been granted compensation securities, state, in a footnote, whether the prospectus qualifies the grant of all or part of the compensation securities and provide a cross-reference to the applicable section in the prospectus where further information about the compensation securities is provided.

3.6 Fees, Expenses and Returns

- (1) Set out information about the fees and expenses payable by the investment fund and by investors in the investment fund under the sub-heading "Summary of Fees and Expenses".
- (2) The information required by this section must be a summary of the fees, charges and expenses of the investment fund and investors presented in the form of the following table, appropriately completed, and introduced using substantially the following words:

"This table lists the fees and expenses that you may have to pay if you invest in the [insert the name of the investment fund]. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund."

Fees and Expenses Payable by the Fund [for scholarship plans, Fees and Expenses payable by Subscribers' Deposits]

Type of Fee

Amount and Description

Fees and Expenses Payable Directly by You

<u>Type of Fee</u>	<u>Amount and Description</u>
--------------------	-------------------------------

- (3) Describe the following fees and expenses in the table referred to in subsection (2):

Fees and Expenses Payable by the Fund or by Subscribers' Deposits (for scholarship plans)

- (a) Fees payable to the Underwriters for Selling the Securities
- (b) Expenses of the Issue
- (c) Management Fees [*See Instruction (1)*]
- (d) Incentive or Performance Fees
- (e) Portfolio Adviser Fees
- (f) Counterparty Fees (if any)
- (g) Operating Expenses [*See Instructions (2) and (3)*]
- (h) Other Fees and Expenses [*specify type*] [*specify amount*]

Fees and Expenses Payable Directly by You

- (i) Sales Charges [*specify percentage, as a percentage of _____*]
- (j) Service Fees [*specify percentage, as a percentage of _____*]
- (k) Redemption Fees [*specify percentage, as a percentage of _____, or specify amount*]
- (l) Registered Tax Plan Fees [*include this disclosure and specify the type of fees if the registered tax plan is sponsored by the investment fund and is described in the prospectus*][*specify amount*]
- (m) Other Fees and Expenses [*specify type*] [*specify amount*].

- (4) Under the sub-heading "Annual Returns and Management Expense Ratio", provide, in the following table, returns for each of the past five years and the management expense ratio for each of the past five years as disclosed in the most recently filed annual management report of fund performance of the investment fund:

	[specify year]	[specify year]	[specify year]	[specify year]	[specify year]
Annual Returns					
MER					

"MER" means management expense ratio.

INSTRUCTIONS:

- (1) *List the amount of the management fee, including any performance or incentive fee, for each investment fund separately.*
- (2) *Under "Operating Expenses", state whether the investment fund pays all of its operating expenses and list the main components of those expenses. If the investment fund pays only certain operating expenses and is not responsible for payment of all such expenses, adjust the statement in the table to reflect the proper contractual responsibility of the investment fund and indicate who is responsible for the payment of these expenses.*
- (3) *Show all fees or expenses payable by the investment fund (e.g. brokerage) and investors in the investment fund. The description of fees must also include sales and trailing commissions paid either by the investment fund or the investor.*

Item 4: Overview of the Structure of the Investment Fund

4.1 Legal Structure

- (1) Under the heading "Overview of the Legal Structure of the Fund", state the full corporate name of the investment fund or, if the investment fund is an unincorporated entity, the full name under which it exists and carries on business and the address(es) of the investment fund's head and registered office.
- (2) State the statute under which the investment fund is incorporated or continued or organized or, if the investment fund is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the investment fund is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of the investment fund.
- (3) State whether the investment fund would be considered a mutual fund under securities legislation.

Item 5: Investment Objectives

5.1 Investment Objectives

- (1) Set out under the heading "Investment Objectives" the fundamental investment objectives of the investment fund, including information that describes the fundamental nature of the investment fund, or the fundamental features of the investment fund, that distinguish it from other investment funds.

- (2) If the investment fund purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of an investment in the investment fund, include this fact as a fundamental investment objective of the investment fund and
 - (a) identify the person or company providing the guarantee or insurance,
 - (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance,
 - (c) if applicable, state that the guarantee or insurance does not apply to the amount of any redemptions before the maturity date of the guarantee or before the death of the securityholder and that redemptions before that date would be based on the net asset value of the investment fund at the time, and
 - (d) modify any other disclosure required by this section appropriately.

INSTRUCTIONS:

- (1) *State the type or types of securities, such as money market instruments, bonds or equity securities, in which the investment fund will primarily invest under normal market conditions.*
- (2) *If the investment fund primarily invests, or intends to primarily invest, or if its name implies that it will primarily invest*
 - (a) *in a particular type of issuer, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries,*
 - (b) *in a particular geographic location or industry segment, or*
 - (c) *in portfolio assets other than securities,*

the investment fund's fundamental investment objectives must so indicate.
- (3) *If a particular investment strategy is an essential aspect of the investment fund, as evidenced by the name of the investment fund or the manner in which the investment fund is marketed, disclose this strategy as an investment objective. This instruction would be applicable, for example, to an investment fund that described itself as an "investment fund that invests primarily through the use of derivatives".*

Item 6: Investment Strategies

6.1 Investment Strategies

- (1) Describe under the heading "Investment Strategies"
 - (a) the principal investment strategies that the investment fund intends to use in achieving its investment objectives,
 - (b) the use of leverage, including any restrictions and the maximum amount of leverage the fund can use, expressed as a ratio as follows: (total long positions including leveraged positions plus total short positions) divided by the net assets of the investment fund, and
 - (c) the process by which the investment fund's portfolio adviser selects securities for the fund's portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.
- (2) Indicate what types of securities, other than those held by the investment fund in accordance with its fundamental investment objectives, may form part of the investment fund's portfolio assets under normal market conditions.
- (3) If the investment fund intends to use derivatives
 - (a) for hedging purposes only, state that the investment fund may use derivatives for hedging purposes only, or
 - (b) for non-hedging purposes, or for hedging and non-hedging purposes, briefly describe
 - (i) how derivatives are or will be used in conjunction with other securities to achieve the investment fund's investment objectives,
 - (ii) the types of derivatives expected to be used and give a brief description of the nature of each type, and
 - (iii) the limits of the investment fund's use of derivatives.
- (4) If the investment fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive

tactics the investment fund's portfolio adviser may use or intends to use in response to such conditions.

- (5) If the investment fund intends to enter into securities lending, repurchase or reverse repurchase transactions, briefly describe
 - (a) how those transactions are or will be entered into in conjunction with other strategies and investments of the investment fund to achieve the investment fund's investment objectives,
 - (b) the types of those transactions to be entered into and give a brief description of the nature of each type, and
 - (c) the limits of the investment fund's entering into those transactions.

6.2 Overview of the Investment Structure

- (1) Under the sub-heading, "Overview of the Investment Structure", describe, including a diagram for complex structures, the overall structure of the underlying investment or investments made or to be made by the investment fund, including any direct or indirect investment exposure. Include in the description and the diagram any counterparties under a forward or swap agreement entered into with the investment fund or its manager, the nature of the portfolio of securities being purchased by the investment fund, any indirect investment exposure that is related to the return of the investment fund and any collateral or guarantees given as part of the overall structure of the underlying investment or investments made by the investment fund.
- (2) If the securities distributed under the prospectus are being issued in connection with a restructuring transaction, describe by way of a diagram or otherwise the intercorporate relationships both before and after the completion of the proposed transaction.

Item 7: Overview of the Sector(s) that the Fund Invests in

7.1 Sector(s) that the Fund Invests in

- (1) Under the heading "Overview of the Sector[(s)] that the Fund Invests in", if the investment fund invests or intends to invest in a specific sector(s), briefly describe the sector(s) that the investment fund has been or will be investing in.
- (2) Include in the description known material trends, events or uncertainties in the sector(s) that the investment fund invests or

intends to invests in that might reasonably be expected to affect the investment fund.

7.2 Significant Holdings in Other Entities

For a labour sponsored or venture capital fund, include in substantially the tabular form below, the following information as at a date within 30 days of the date of the prospectus with respect to each entity, 5 percent or more of whose securities of any class are beneficially owned directly or indirectly by the fund.

Significant Holdings of the [name of the labour sponsored or venture capital fund]		
Name and Address of Entity	Nature of Entities' Principal Business	Percentage of Securities of each Class Owned by Fund
-----	-----	-----

Item 8: Investment Restrictions

8.1 Investment Restrictions

- (1) Under the heading "Investment Restrictions", describe any restrictions on investments adopted by the investment fund, beyond what is required under securities legislation.
- (2) If the investment fund has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.
- (3) Describe the nature of any securityholder or other approval that may be required in order to change the fundamental investment objectives and any of the material investment strategies to be used to achieve the investment objectives.

Item 9: Management Discussion of Fund Performance

9.1 Management Discussion of Fund Performance

Unless the investment fund's most recently filed management report of fund performance is incorporated by reference under Item 37 or attached to the prospectus under Item 38, provide, under the heading "Management Discussion of Fund Performance", management's discussion of fund performance in accordance with sections 2.3, 2.4, 2.5,

3, 4, 5 and 6 of Part B of Form 81-106F1 for the period covered by the financial statements required under Item 38.

Item 10: Fees and Expenses

10.1 Fees and Expenses

Under the heading "Fees and Expenses", set out information about all of the fees and expenses payable by the investment fund and by investors in the investment fund.

INSTRUCTION:

Describe each fee paid by the investment fund and by the investor in this section separately. The description of fees must also include sales and trailing commissions paid either by the investment fund or the investor.

Item 11: Annual Returns and Management Expense Ratio

11.1 Annual Returns and Management Expense Ratio

Under the heading "Annual Returns and Management Expense Ratio", provide, in the following table, returns for each of the past five years and the management expense ratio for each of the past five years as disclosed in the most recently filed annual management report of fund performance of the investment fund:

	[specify year]	[specify year]	[specify year]	[specify year]	[specify year]
Annual Returns					
MER					

"MER" means management expense ratio.

Item 12: Risk Factors

12.1 Risk Factors

- (1) Under the heading "Risk Factors", describe the risk factors material to the investment fund that a reasonable investor would consider relevant to an investment in the securities being distributed, such as the risks associated with any particular aspect of the fundamental investment objectives and investment strategies.

- (2) Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification, leverage, credit, legal and operational risks, as appropriate.
- (3) Include a brief discussion of general investment risks applicable to the investment fund, such as specific company developments, stock market conditions and general economic and financial conditions in those countries where the investments of the investment fund are listed for trading.
- (4) If derivatives are to be used by the investment fund for non-hedging purposes, describe the risks associated with any use or intended use by the investment fund of derivatives.
- (5) If there is a risk that purchasers of the securities distributed may become liable to make an additional contribution beyond the price of the security, disclose the risk.

INSTRUCTIONS:

(1) *Describe risks in the order of seriousness from the most serious to the least serious.*

(2) *A risk factor must not be de-emphasized by including excessive caveats or conditions.*

Item 13: Distribution Policy

13.1 Distribution Policy

Under the heading "Distribution Policy", describe the distribution policy, including

- (a) whether distributions are made by the investment fund in cash or reinvested in securities of the investment fund,
- (b) the targeted amount of any distributions,
- (c) whether the distributions are guaranteed or not, and
- (d) when the distributions are made.

Item 14: Purchases of Securities

14.1 Purchases of Securities

- (1) Under the heading "Purchases of Securities", describe the procedure followed or to be followed by investors who desire to purchase securities of the investment fund or switch them for securities of other investment funds.
- (2) If applicable, state that the issue price of securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the investment fund of the purchase order.
- (3) Describe how the securities of the investment fund are distributed. If sales are effected through a principal distributor, give brief details of any arrangements with the principal distributor.
- (4) Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and if applicable, that the choice of different purchase options affects the amount of compensation paid to a dealer.
- (5) If applicable, disclose that a dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the investment fund caused by the investor.
- (6) If applicable, for an investment fund that is being sold on a best efforts basis, state whether the issue price will be fixed during the initial distribution period, and state when the investment fund will begin issuing securities at the net asset value of a security of the investment fund.

Item 15: Redemption of Securities

15.1 Redemption of Securities

Under the heading "Redemption of Securities", describe how investors may redeem securities of the investment fund, including

- (a) the procedures followed, or to be followed, by an investor who desires to redeem securities of the investment fund and specifying the procedures to be followed and the documents to be delivered before a redemption order pertaining to securities of the investment fund will be accepted by the investment fund for

processing and before payment of the proceeds of redemption will be made by the investment fund,

- (b) how the redemption price of the securities is determined and, if applicable, state that the redemption price of the securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the investment fund of the redemption order, and
- (c) the circumstances under which the investment fund may suspend redemptions of the securities of the investment fund.

15.2 Short-term Trading

For an investment fund in continuous distribution, under the sub-heading "Short-Term Trading",

- (a) describe the adverse effects, if any, that short-term trades in securities of the investment fund by an investor may have on other investors in the investment fund,
- (b) describe the restrictions, if any, that may be imposed by the investment fund to deter short-term trades, including the circumstances, if any, under which such restrictions may not apply,
- (c) where the investment fund does not impose restrictions on short-term trades, state the specific basis for the view of the manager that it is appropriate for the investment fund not to do so, and
- (d) describe any arrangements, whether formal or informal, with any person or company, to permit short-term trades in securities of the investment fund, including the name of such person or company and the terms of such arrangements, including any restrictions imposed on the short-term trades and any compensation or other consideration received by the manager, the investment fund or any other party pursuant to such arrangements.

INSTRUCTION

For the disclosure required by section 15.2, include a brief description of the short-term trading activities in the investment fund that are considered by the manager to be inappropriate or excessive. If the manager imposes a short-term trading fee, include a cross-reference to the disclosure provided under Item 10 of this Form.

Item 16: Consolidated Capitalization

16.1 Consolidated Capitalization

- (1) This section does not apply to an investment fund in continuous distribution.
- (2) Under the heading "Consolidated Capitalization", describe any material change in, and the effect of the material change on, the share and loan capital of the investment fund, on a consolidated basis, since the date of the investment fund's financial statements for its most recently completed financial period included in the prospectus, including any material change that will result from the issuance of the securities being distributed under the prospectus.

Item 17: Prior Sales

17.1 Prior Sales

- (1) Subsection (2) does not apply to an investment fund in continuous distribution.
- (2) Under the heading "Prior Sales", for each class of securities of the investment fund distributed under the prospectus and for securities that are convertible into those classes of securities, state, for the 12-month period before the date of the prospectus,
 - (a) the price at which the securities have been issued or are to be issued by the investment fund or sold by the selling securityholder,
 - (b) the number of securities issued or sold at that price, and
 - (c) the date on which the securities were issued or sold.

17.2 Trading Price and Volume

- (1) For each class of securities of the investment fund 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 the investment fund 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 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 12-month period before the date of the prospectus.

Item 18: Income Tax Considerations

18.1 Status of the Investment Fund

Under the heading "Income Tax Considerations" and under the sub-heading "Status of the Investment Fund", briefly describe the status of the investment fund for income tax purposes. Also disclose whether the investment fund is eligible as an investment for registered retirement savings plans, registered retirement income plans, registered education savings plans or deferred profit sharing plans.

18.2 Taxation of the Investment Fund

Under the sub-heading "Taxation of the Investment Fund", state in general terms the bases upon which the income and capital receipts of the investment fund are taxed.

18.3 Taxation of Securityholders

Under the sub-heading "Taxation of Securityholders", state in general terms the income tax consequences to the holders of the securities offered of

- (a) any distribution to the securityholders in the form of income, capital, dividends or otherwise, including amounts reinvested in securities of the investment fund,
- (b) the redemption of securities, and
- (c) the issue of securities.

18.4 Taxation of Registered Plans

Under the sub-heading "Taxation of Registered Plans", explain the tax treatment applicable to securities of the investment fund held in a registered tax plan.

18.5 Tax Implications of the Investment Fund's Distribution Policy

Under the sub-heading "Tax Implications of the Investment Fund's Distribution Policy", describe the impact of the investment fund's distribution policy on a taxable investor who acquires securities of the investment fund late in a calendar year.

Item 19: Organization and Management Details of the Investment Fund

19.1 Management of the Investment Fund

- (1) Under the heading "Organization and Management Details of the Investment Fund" and under the sub-heading "Officers and Directors of the Investment Fund",
 - (a) list the name and municipality of residence of each director and executive officer of the investment fund and indicate their respective positions and offices held with the investment fund and their respective principal occupations during the five preceding years,
 - (b) state the period or periods during which each director has served as a director and when his or her term of office will expire,
 - (c) state the number and percentage of securities of each class of voting securities of the investment fund or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by all directors and executive officers of the investment fund as a group,
 - (d) disclose the board committees of the investment fund and identify the members of each committee,
 - (e) if the principal occupation of a director or executive officer of the investment fund is acting as an executive officer of a person or company other than the investment fund, disclose that fact and state the principal business of the person or company, and
 - (f) for an investment fund that is a limited partnership, provide the information required by this subsection for the general partner of the investment fund, modified as appropriate.
- (2) Under the sub-heading "Cease Trade Orders and Bankruptcies", if a director or executive officer of the investment fund is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any other investment fund, 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.

- (3) For the purposes of subsection (2), "order" means
 - (a) a cease trade order,
 - (b) an order similar to a cease trade order, or
 - (c) an order that denied the relevant investment fund access to any exemption under securities legislation,that was in effect for a period of more than 30 consecutive days.
- (4) If a director or executive officer of the investment fund
 - (a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director or executive officer of any investment fund 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 prospectus or pro forma prospectus, as applicable, 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 or executive officer, state the fact.
- (5) Under the heading "Organization and Management Details of the Investment Fund" and under the sub-heading "Manager of the Investment Fund", provide the complete municipal address of the manager and details of the manager of the investment fund,

including the history and background of the manager and any overall investment strategy or approach used by the manager in connection with the investment fund.

- (6) Under the sub-heading "Duties and Services to be Provided by the Manager", provide a description of the duties and services that the manager will be providing to the investment fund.
- (7) Under the sub-heading "Details of the Management Agreement", provide a brief description of the essential details of any management agreement that the manager has entered into or will be entering into with the investment fund, including any termination rights.
- (8) Under the sub-heading "Officers and Directors of the Manager of the Investment Fund",
 - (a) list the name and municipality of residence of each partner, director and executive officer of the manager of the investment fund and indicate their respective positions and offices held with the manager and their respective principal occupations within the five preceding years,
 - (b) if a partner, director or executive officer of the manager has held more than one office with the manager within the past five years, state only the current office held, and
 - (c) if the principal occupation of a partner, director or executive officer of the manager is with an organization other than the manager of the investment fund, state the principal business in which the organization is engaged.
- (9) Under the sub-heading "Cease Trade Orders and Bankruptcies of the Manager", provide the information required under subsections (2) and (4) for the directors and executive officers of the manager of the investment fund, modified as appropriate.

INSTRUCTIONS

- (1) *The disclosure required by subsections (2) and (4) also applies to any personal holding companies of any of the persons referred to in subsections (2) and (4).*
- (2) *A management cease trade order which applies to directors and executive officers of the investment fund is an "order" for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

- (3) *For the purposes of this section, 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".*
- (4) *The disclosure in paragraph (2)(a) only applies if the director or executive officer of the investment fund was a director, chief executive officer or chief financial officer when the order was issued against the relevant investment fund. The investment fund does 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.*

19.2 Portfolio Adviser

- (1) Under the sub-heading "Portfolio Adviser"
 - (a) state the municipality and the province or country where the portfolio adviser principally provides its services to the investment fund and give details of the portfolio adviser of the investment fund, including the history and background of the portfolio adviser,
 - (b) state the extent to which investment decisions are made by certain individuals employed by the portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee, and
 - (c) state the name, title, and length of time of service of the person or persons employed by or associated with the portfolio adviser of the investment fund who is or are principally responsible for the day-to-day management of a material portion of the portfolio of the investment fund, implementing a particular material strategy or managing a particular segment of the portfolio of the investment fund, and each person's business experience in the last five years.
- (2) Under the sub-heading "Details of the Portfolio Advisory Agreement", provide a brief description of the essential details of any portfolio advisory agreement that the portfolio adviser has entered into or will be entering into with the investment fund or the manager of the investment fund, including any termination rights.

19.3 Conflicts of Interest

Under the sub-heading "Conflicts of Interest", disclose particulars of existing or potential material conflicts of interest between

- (1) the investment fund and a director or executive officer of the investment fund,

- (2) the investment fund and the manager or any director or executive officer of the manager of the investment fund, and
- (3) the investment fund and the portfolio adviser or any director or executive officer of the portfolio adviser of the investment fund.

19.4 Independent Review Committee

Under the sub-heading “Independent Review Committee”, provide a description of the independent review committee of the investment fund, including

- (a) the mandate and responsibilities of the independent review committee,
- (b) the composition of the independent review committee (including the names of its members), and the reasons for any change in its composition since the date of the most recently filed annual information form or prospectus of the investment fund, as applicable,
- (c) that the independent review committee prepares a report at least annually of its activities for securityholders which is available on the [investment fund’s/investment fund family’s] Internet site at [insert investment fund’s Internet site address], or at the securityholder’s request at no cost, by contacting the [investment fund/investment fund family] at [investment fund’s/investment fund family’s email address], and
- (d) the amount of fees and expenses payable in connection with the independent review committee by the investment fund, including any amounts payable for committee participation or special assignments, and state whether the investment fund pays all of the fees payable to the independent review committee.

19.5 Trustee

Under the sub-heading “Trustee”, provide details of the trustee of the investment fund, including the municipality and the province or country where the trustee principally provides its services to the investment fund.

19.6 Custodian

- (1) Under the sub-heading “Custodian”, state the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the investment fund.

(2) Describe generally the sub-custodial arrangements of the investment fund.

INSTRUCTION:

A "principal sub-custodian" is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the investment fund.

19.7 Auditor

Under the sub-heading "Auditor", state the name and address of the auditor of the investment fund.

19.8 Transfer Agent and Registrar

Under the sub-heading, "Transfer Agent and Registrar", for each class of securities, state the name of the investment fund's transfer agent(s), registrar(s), trustee, or other agent appointed by the investment fund to maintain the securities register and the register of transfers for such securities and indicate the location (by municipalities) of each of the offices of the investment fund or transfer agent, registrar, trustee or other agent where the securities, register and register of transfers are maintained or transfers of securities are recorded.

19.9 Promoters

- (1) For a person or company that is, or has been within the two years immediately preceding the date of the prospectus or pro forma prospectus, a promoter of the investment fund or of a subsidiary of the investment fund, state under the sub-heading "Promoter"
 - (a) the person or company's name and municipality and the province or country of residence,
 - (b) the number and percentage of each class of voting securities and equity securities of the investment fund or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person or company,
 - (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 the investment fund or from a subsidiary of the investment fund, and the nature and amount of any assets, services or other consideration received or to be received by the investment fund or a subsidiary of the investment fund in return, and

- (d) for an asset acquired within the two years before the date of the preliminary prospectus or pro forma prospectus, or to be acquired, by the investment fund or by a subsidiary of the investment fund 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 the investment fund, the promoter, or an affiliate of the investment fund 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.
- (2) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person or company, that
 - (a) was subject to an order that was issued while the promoter 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 promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter 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.
- (3) For the purposes of subsection (2), "order" means:
 - (a) a cease trade order,
 - (b) an order similar to a cease trade order, or
 - (c) an order that denied the relevant person or company access to any exemption under securities legislationthat was in effect for a period of more than 30 consecutive days.

- (4) If a promoter referred to in subsection (1)
- (a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director or executive officer of any person or company that, while the promoter 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 prospectus or pro forma prospectus, as applicable, 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 promoter, state the fact.
- (5) 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 promoter referred to in subsection (1) has been subject to
- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority, or
 - (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.
- (6) Despite subsection (5), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered to be important to a reasonable investor in making an investment decision.

INSTRUCTIONS

- (1) *The disclosure required by subsections (2), (4) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (4), and (5).*
- (2) *A management cease trade order which applies to a promoter referred to in subsection (1) is an "order" for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*
- (3) *For the purposes of this section, 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".*
- (4) *The disclosure in paragraph (2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The investment fund does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

Item 20: Calculation of Net Asset Value

20.1 Calculation of Net Asset Value

Under the heading "Calculation of Net Asset Value",

- (a) describe how the net asset value of the investment fund is calculated, and
- (b) state the frequency at which the net asset value is calculated and the date and time of day at which it is calculated.

20.2 Valuation Policies and Procedures

Under the sub-heading "Valuation Policies and Procedures of the Investment Fund",

- (a) describe the methods used to value the various types or classes of assets of the investment fund and its liabilities for the purpose of calculating net asset value,
 - (a.1) If the valuation principles and practices established by the manager differ from Canadian GAAP, describe the differences, and
- (b) if the manager has discretion to deviate from the investment fund's valuation practices described in paragraph (a), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has

been exercised or, if it has not been exercised in the past three years, so state.

20.3 Reporting of Net Asset Value

Under the sub-heading "Reporting of Net Asset Value", describe

- (a) how the net asset value of the investment fund will be made available at no cost (e.g. website, toll-free telephone line, etc.), and
- (b) the frequency at which the net asset value is disclosed.

Item 21: Description of the Securities Distributed

21.1 Equity Securities

If equity securities of the investment fund are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities Distributed" state the description or the designation of the class of equity securities distributed and describe all material attributes and characteristics, including

- (a) dividend or distribution rights,
- (b) voting rights,
- (c) rights upon dissolution, termination or winding-up,
- (d) pre-emptive rights,
- (e) conversion or exchange rights,
- (f) redemption, retraction, purchase for cancellation or surrender provisions,
- (g) sinking or purchase fund provisions,
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions, and
- (i) provisions requiring a securityholder to contribute additional capital.

21.2 Debt Securities

If debt securities are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities

Distributed”, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including

- (a) provisions for interest rate, maturity and premium, if any,
- (b) conversion or exchange rights,
- (c) redemption, retraction, purchase for cancellation or surrender provisions,
- (d) sinking or purchase fund provisions,
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge,
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the investment fund or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities,
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the investment fund or any of its affiliates, and
- (h) any financial arrangements between the investment fund and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

21.3 Derivatives

If derivatives are being distributed, under the heading “Attributes of the Securities” and under the sub-heading “Description of the Securities Distributed”, describe fully the material attributes and characteristics of the derivatives, including

- (a) the calculation of the value or payment obligations under the derivatives,
- (b) the exercise of the derivatives,
- (c) settlements that are the result of the exercise of the derivatives,
- (d) the underlying interest of the derivatives,
- (e) the role of a calculation expert in connection with the derivatives,

- (f) the role of any credit supporter of the derivatives, and
- (g) the risk factors associated with the derivatives.

21.4 Other Securities

If securities other than the securities mentioned above are being distributed, under the heading "Attributes of the Securities" and under the sub-heading "Description of the Securities Distributed", describe fully the material attributes and characteristics of those securities.

21.5 Special Warrants

If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis, disclose that holders of such securities have been provided with a contractual right of rescission and provide the following disclosure in the prospectus, with the bracketed information completed:

"The issuer has granted to each holder of a special warrant a contractual right of rescission of the prospectus-exempt transaction under which the special warrant was initially acquired. The contractual right of rescission provides that if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant, and
- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber."

INSTRUCTION

If the prospectus is qualifying the distribution of securities issued upon the exercise of securities other than special warrants, replace the term "special warrant" with the type of the security being distributed.

21.6 Restricted Securities

- (1) If the investment fund has outstanding, or proposes to distribute under the prospectus, restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of
 - (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, 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 investment fund that are the same as or greater than, on a per security basis, those attached to the restricted securities,
 - (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, 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,
 - (c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the investment fund and to speak at the meetings to the same extent that holders of equity securities are entitled, and
 - (d) how the investment fund complied with, or the basis upon which it was exempt from, the requirements of Part 12 of the Instrument.
- (2) If holders of restricted securities do not have all of the rights referred to in subsection (1), the detailed description referred to in that subsection must include, in boldface type, a statement of the rights the holders do not have.

- (3) If the investment fund is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the investment fund's securities that will be represented by restricted securities after effect has been given to the issuance of the securities being offered.

21.7 Modification of Terms

- (1) Describe provisions about the modification, amendment or variation of any rights attached to the securities being distributed.
- (2) If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

21.8 Ratings

If the investment fund has asked for and received a stability rating, or if the investment fund is aware that it has received any other kind of rating, including a provisional rating, from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose

- (a) each security rating, including a provisional rating or stability rating, received from an approved rating organization,
- (b) the name of each approved rating organization that has assigned a rating for the securities to be distributed,
- (c) a definition or description of the category in which each approved rating organization rated the securities to be distributed 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 to be distributed are not addressed by the rating,
- (e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed,
- (f) a statement that a security 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 rating organization, and

- (g) any announcement made by, or any proposed announcement known to the investment fund that is to be made by, an approved 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.

21.9 Other Attributes

- (1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.
- (2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

INSTRUCTION

This section requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the investment fund's discretion, be attached as a schedule to the prospectus.

Item 22: Securityholder Matters

22.1 Meetings of Securityholders

Under the heading "Securityholder Matters" and under the sub-heading "Meetings of Securityholders", describe the circumstances, processes and procedures for holding any securityholder meeting and for any extraordinary resolution.

22.2 Matters Requiring Securityholder Approval

Under the sub-heading "Matters Requiring Securityholder Approval", describe the matters that require securityholder approval.

22.3 Amendments to Declaration of Trust

For an investment fund established pursuant to a declaration of trust, under the sub-heading "Amendments to the Declaration of Trust", describe the circumstances, processes and procedures required to amend the declaration of trust.

22.4 Reporting to Securityholders

Under the sub-heading “Reporting to Securityholders” describe the information or reports that will be delivered or made available to securityholders and the frequency with which such information or reports will be delivered or made available to securityholders, including any requirements under securities legislation.

Item 23: Termination of the Fund

23.1 Termination of the Fund

Under the heading “Termination of the Fund”, describe the circumstances in which the investment fund will be terminated, including:

- (a) the date of termination,
- (b) how the value of the securities of the investment fund at termination will be determined,
- (c) whether securityholders will receive cash or any other type of payment upon termination,
- (d) the details of any rollover transaction, if securityholders will receive securities of another investment fund as part of a rollover transaction upon termination,
- (e) how the assets of the investment fund will be distributed upon termination, and
- (f) if the investment fund is a commodity pool, disclose whether the investment fund will be wound up without the approval of securityholders if the net asset value per security falls below a certain predetermined level, and, if so, the net asset value per security at which this will occur.

Item 24: Use of Proceeds

24.1 Application

This Item does not apply to an investment fund in continuous distribution.

24.2 Proceeds

- (1) Under the heading “Use of Proceeds”, state the estimated net proceeds to be received by the investment fund or selling securityholder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum

amount, if any, of net proceeds to be received by the investment fund or selling securityholder from the sale of the securities distributed.

- (2) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the investment fund.
- (3) If the prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

24.3 Other Sources of Funding

If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds.

24.4 Financing by Special Warrants, etc.

- (1) If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or the exercise of other securities acquired on a prospectus-exempt basis, describe the principal purposes for which the proceeds of the prospectus-exempt financing were used or are to be used.
- (2) If all or a portion of the funds have been spent, explain how the funds were spent.

Item 25: Plan of Distribution

25.1 Plan of Distribution

Under the heading "Plan of Distribution", briefly describe the plan of distribution.

25.2 Name of Underwriters

- (1) If the securities are being distributed by an underwriter, state the name of the underwriter and describe briefly the nature of the underwriter's obligation to take up and pay for the securities.
- (2) Disclose the date by which the underwriter is obligated to purchase the securities.

25.3 Disclosure of Conditions to Underwriters' Obligations

If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter's obligations are subject to conditions,

- (a) include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

“Under an agreement dated [insert date of agreement] between [insert name of investment fund or selling securityholder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of investment fund or selling securityholder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of investment fund or selling securityholder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [its/their] assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement.”, and

- (b) describe any other conditions and indicate any information known that is relevant to whether such conditions will be satisfied.

25.4 Best Efforts Offering

Outline briefly the plan of distribution of any securities being distributed other than on the basis described in section 25.3.

25.5 Minimum Distribution

If securities are being distributed on a best efforts basis and minimum funds are to be raised, state

- (a) the minimum funds to be raised,
- (b) that the investment fund must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practising member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in paragraph (a) has been raised, and

- (c) that if the minimum amount of funds is not raised within the distribution period, the trustee must return the funds to the subscribers without any deductions.

25.6 Determination of Price

Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process of determining the estimates.

25.7 Stabilization

If the investment fund, a selling securityholder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, describe the nature of these transactions, including the anticipated size of any over-allocation position, and explain how the transactions are expected to affect the price of the securities.

25.8 Reduced Price Distributions

If the underwriter may decrease the offering price after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the prospectus in accordance with the procedures permitted by the Instrument, disclose this fact and that the compensation realized by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the investment fund or selling securityholder.

25.9 Listing Application

If application has been made to list or quote the securities being distributed, include a statement, in substantially the following form, with the bracketed information completed:

“The investment fund has applied to [list/quote] the securities distributed under this prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the investment fund fulfilling all the listing requirements of [name of exchange or other market].”

25.10 Conditional Listing Approval

If application has been made to list or quote the securities being distributed on an exchange or marketplace and conditional listing approval has been received, include a statement, in substantially the following form, with the bracketed information completed:

"[name of exchange or marketplace] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of investment fund]'s fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date], [including distribution of these securities to a minimum number of public securityholders]."

25.11 Constraints

If there are constraints imposed on the ownership of securities of the investment fund to ensure that the investment fund has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the investment fund will be monitored and maintained.

25.12 Special Warrants Acquired by Underwriters or Agents

Disclose the number and dollar value of any special warrants acquired by any underwriter or agent and the percentage of the distribution represented by those special warrants.

Item 26: Relationship Between Investment Fund or Selling Securityholder and Underwriter

26.1 Relationship Between Investment Fund or Selling Securityholder and Underwriter

- (1) Under the heading "Relationship between Investment Fund [or Selling Securityholder] and Underwriter", if the investment fund or selling securityholder is a connected issuer or related issuer of an underwriter of the distribution, or if the selling securityholder is also an underwriter, comply with the requirements of NI 33-105.
- (2) For the purposes of subsection (1), "connected issuer" and "related issuer" have the same meanings as in NI 33-105.

Item 27: Options to Purchase Securities

27.1 Options to Purchase Securities

- (1) Under the heading "Options to Purchase Securities", state, in tabular form, as at a specified date within 30 days before the date of the prospectus or pro forma prospectus, information about options to purchase securities of the investment fund, or a subsidiary of the investment fund, that are held or will be held upon completion of the distribution by

- (a) all executive officers and past executive officers of the investment fund, as a group, and all directors and past directors of the investment fund who are not also executive officers, as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,
 - (b) all executive officers and past executive officers of all subsidiaries of the investment fund, as a group, and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary, as a group, excluding, in each case, individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,
 - (c) all other employees and past employees of the investment fund as a group,
 - (d) all other employees and past employees of subsidiaries of the investment fund as a group,
 - (e) all consultants of the investment fund as a group, and
 - (f) any other person or company, other than the underwriter(s), naming each person or company.
- (2) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTIONS

(1) Describe the options, warrants, or other similar securities stating the material provisions of each class or type of option, including:

- (a) the designation and number of the securities under option;*
- (b) the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;*
- (c) if reasonably ascertainable, the market value of the securities under option on the date of grant;*
- (d) if reasonably ascertainable, the market value of the securities under option on the specified date; and*

- (e) *with respect to options referred to in paragraph (1)(f), the particulars of the grant including the consideration for the grant.*
- (2) *For the purposes of paragraph (1)(f), provide the information required for all options except warrants and special warrants.*

Item 28: Principal Holders of Securities of the Investment Fund and Selling Securityholders

28.1 Principal Holders of Securities of the Investment Fund and Selling Securityholders

- (1) Under the heading “Principal Holders of Securities of the Investment Fund [and Selling Securityholders]”, provide the following information for each principal securityholder of the investment fund and, if any securities are being distributed for the account of a securityholder, for each selling securityholder, as of a specified date not more than 30 days before the date of the prospectus or pro forma prospectus, as applicable:
 - (a) the name,
 - (b) the number or amount of securities owned, controlled or directed of the class being distributed,
 - (c) the number or amount of securities of the class being distributed for the account of the securityholder,
 - (d) the number or amount of securities of the investment fund of any class to be owned, controlled or directed after the distribution, and the percentage that number or amount represents of the total outstanding, and
 - (e) whether the securities referred to in paragraphs (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.
- (2) If securities are being distributed in connection with a restructuring transaction, indicate, to the extent known, the holdings of each person or company described in paragraph (1)(a) that will exist after effect has been given to the transaction.
- (3) If any of the securities being distributed are being distributed for the account of a securityholder and those securities were purchased by the selling securityholder within the two years preceding the date of the prospectus or pro forma prospectus, as applicable, state the date the selling securityholder acquired the securities and, if the securities were acquired in the 12 months preceding the

date of the prospectus or pro forma prospectus, as applicable, the cost to the securityholder in the aggregate and on an average cost-per-security basis.

- (4) If, to the knowledge of the investment fund or the underwriter of the securities being distributed, more than 10 percent of any class of voting securities of the investment fund is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.
- (5) If, to the knowledge of the investment fund or the underwriter of the securities being distributed, any principal securityholder or selling securityholder is an associate or affiliate of another person or company named as a principal securityholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the investment fund held by the person or company other than the holding of voting securities of the investment fund.
- (6) In addition to the above, include in a footnote to the table the required calculation(s) on a fully-diluted basis.
- (7) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

INSTRUCTION

If a company, partnership, trust or other unincorporated entity is a principal securityholder of an investment fund, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of the company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal securityholder of that entity.

Item 29: Interests of Management and Others in Material Transactions

29.1 Interests of Management and Others in Material Transactions

Under the heading "Interests 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 years before the date of the prospectus or pro forma prospectus that has materially affected or is reasonably expected to materially affect the investment fund:

- (a) a director or executive officer of the investment fund or the investment fund manager,
- (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 the outstanding voting securities of the investment fund or the investment fund manager, and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

29.2 Underwriting Discounts

Disclose any material underwriting discounts or commissions upon the sale of securities by the investment fund if any of the persons or companies listed under section 29.1 were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

INSTRUCTIONS

- (1) *The materiality of an 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 investors.*
- (2) *Give a brief description of the material transaction. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to the investment fund.*
- (3) *For any transaction involving the purchase of assets by or sale of assets to the investment fund, 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.*
- (4) *This Item does not apply to any interest arising from the ownership of securities of the investment fund 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.*
- (5) *No information need be given 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 percent 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 the investment fund or its subsidiaries.*
- (6) *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 percent of any class of equity securities of another company furnishing the services to the investment fund.*

Item 30: Proxy Voting Disclosure

30.1 Proxy Voting Disclosure for Portfolio Securities Held

Under the heading "Proxy Voting Disclosure for Portfolio Securities Held", include the disclosure required by subsection 10.2(3) of NI 81-106.

Item 31: Material Contracts

31.1 Material Contracts

Under the heading "Material Contracts", list and provide particulars of

- (a) the articles of incorporation, the declaration of trust or trust agreement of the investment fund or any other constating document, if any,
- (b) any agreement of the investment fund or trustee with the manager of the investment fund,
- (c) any agreement of the investment fund, the manager or trustee with the portfolio adviser of the investment fund,

- (d) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund,
- (e) any agreement of the investment fund, the manager or trustee with the underwriters or agents of the investment fund,
- (f) any swap or forward agreement of the investment fund, the manager or trustee with a counterparty that is material to the investment fund fulfilling its investment objectives,
- (g) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund, and
- (h) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the investment fund.

INSTRUCTIONS

- (1) *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 prospectus. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the prospectus.*
- (2) *Particulars of contracts must include the dates of, parties to, consideration provided for in, termination provisions, general nature and key terms of, the contracts.*

Item 32: Legal and Administrative Proceedings

32.1 Legal and Administrative Proceedings

Under the heading "Legal and Administrative Proceedings", describe briefly any ongoing legal and administrative proceedings material to the investment fund, to which the investment fund, its manager or principal distributor is a party.

32.2 Particulars of the Proceedings

- (1) For all matters disclosed under section 32.1, disclose
 - (a) the name of the court or agency having jurisdiction,
 - (b) the date on which the proceeding was instituted,
 - (c) the principal parties to the proceeding,

- (d) the nature of the proceeding and, if applicable, the amount claimed, and
- (e) whether the proceeding is being contested and the present status of the proceeding.

(2) Provide similar disclosure about any proceedings known to be contemplated.

32.3 Penalties and Sanctions

Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of any settlement agreement and the circumstances that gave rise to the settlement agreement, if, within the 10 years before the date of the prospectus or pro forma prospectus, the manager of the investment fund, a director or executive officer of the investment fund or a partner, director or executive officer of the manager of the investment fund has

- (a) been subject to any penalties or sanctions imposed by a court or a securities regulatory authority relating to Canadian securities legislation, promotion or management of an investment fund, theft or fraud or has entered into a settlement agreement before a court or with a regulatory body in relation to any of these matters, or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or has entered into any other settlement agreement before a court or with a regulatory body that would likely be considered important to a reasonable investor in determining whether to purchase securities of the investment fund.

Item 33: Experts

33.1 Names of Experts

Under the heading "Experts", name each person or company

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or an amendment to the prospectus, and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

33.2 Interests of Experts

- (1) Disclose all registered or beneficial interests, direct or indirect, in any securities or other property of the investment fund or of an

associate or affiliate of the investment fund received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the prospectus or prepared or certified a report or valuation described or included in the prospectus.

- (2) For the purpose of subsection (1), if the ownership is less than one percent, a general statement to that effect is sufficient.
- (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 the investment fund or of any associate or affiliate of the investment fund, disclose the fact or expectation.

INSTRUCTIONS

- (1) *Section 33.2 does not apply to the investment fund's predecessor auditors, if any, for those periods when they were not the investment fund's auditor.*
- (2) *Section 33.2 does not apply to registered or beneficial interests, direct or indirect, held through mutual funds.*

Item 34: Exemptions and Approvals

34.1 Exemptions and Approvals

Under the heading "Exemptions and Approvals", describe all exemptions from or approvals under securities legislation obtained by the investment fund or the manager of the investment fund that continue to be relied upon by the investment fund or the manager, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of the Instrument.

Item 35: Other Material Facts

35.1 Other Material Facts

Under the heading "Other Material Facts", using sub-headings as appropriate, give particulars of any material facts about the securities being distributed that are not disclosed under any other section and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

Item 36: Purchasers' Statutory Rights of Withdrawal and Rescission

36.1 General

For investment funds other than mutual funds, under the heading “Purchasers’ Statutory Rights of Withdrawal and Rescission” include a statement in substantially the following form, with bracketed information completed:

“Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province [or territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province [or territory] for the particulars of these rights or consult with a legal adviser.”

36.2 Mutual Funds

If the investment fund is a mutual fund, under the heading “Purchasers’ Statutory Rights of Withdrawal and Rescission” include a statement in substantially the following form:

“Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities within two business days after receipt of a prospectus and any amendment or within 48 hours after the receipt of a confirmation of a purchase of such securities. If the agreement is to purchase such securities under a contractual plan, the time period during which withdrawal may be made may be longer. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province [or territory]. The purchaser should refer to the applicable

provisions of the securities legislation of the province [or territory] for the particulars of these rights or should consult with a legal adviser.”

36.3 Non-fixed Price Offerings

In the case of a non-fixed price offering, if applicable in the jurisdiction in which the prospectus is filed, replace the second sentence in the disclosure in section 36.1 with a statement in substantially the following form:

“This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed.”

Item 37: Documents Incorporated by Reference

37.1 Mandatory Incorporation by Reference

If the investment fund is in continuous distribution, other than a scholarship plan, incorporate by reference the following documents in the prospectus, by means of the following statement in substantially the following words under the heading “Documents Incorporated by Reference”:

“Additional information about the Fund is available in the following documents:

1. The most recently filed comparative annual financial statements of the investment fund, together with the accompanying report of the auditor.
2. Any interim financial statements of the investment fund filed after those annual financial statements.
3. The most recently filed annual management report of fund performance of the investment fund.
4. Any interim management report of fund performance of the investment fund filed after that annual management report of fund performance.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone

number or telephone number where collect calls are accepted] or from your dealer.

[If applicable] These documents are available on the [investment fund's/investment fund family's] Internet site at [insert investment fund's Internet site address], or by contacting the [investment fund/investment fund family] at [insert investment fund's /investment fund family's email address].

These documents and other information about the Fund are available on the Internet at www.sedar.com."

37.2 Mandatory Incorporation by Reference of Future Documents

If the investment fund is in continuous distribution, other than a scholarship plan, state that any documents, of the type described in section 37.1, if filed by the investment fund after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.

Item 38: Financial Disclosure

38.1 Financial Statements

- (1) Unless incorporated by reference under Item 37, include in the prospectus the comparative annual financial statements and the auditor's report prepared in accordance with NI 81-106 for the investment fund's most recently completed financial year.
- (2) If an investment fund's most recent financial year ended within 90 days of the date of the prospectus referred to in subsection (1), the investment fund may treat the previous year as the most recently completed financial year under subsection (1).
- (3) If the investment fund has not completed its first financial year, the fund must include in the prospectus audited financial statements and the auditor's report prepared in accordance with NI 81-106 for the period from the date of the fund's formation to a date not more than 90 days before the date of the prospectus and as at a date not more than 90 days before the date of the prospectus, as applicable.
- (4) Despite subsections (1) and (3), if the investment fund is a newly established fund, include in the prospectus the opening balance sheet of the investment fund, accompanied by the auditor's report prepared in accordance with NI 81-106.

38.2 Interim Financial Statements

Unless incorporated by reference under Item 37, include in the prospectus financial statements for the investment fund prepared in accordance with NI 81-106 for the interim period that began immediately after the financial year to which the annual financial statements required to be included in the prospectus under section 38.1 relate, if the prospectus is filed 60 days or more after the end of that interim period.

38.3 Management Reports of Fund Performance

Unless incorporated by reference under Item 37, include in the prospectus the most recently filed interim management report of fund performance, if filed after the most recently filed annual management report of fund performance and include the most recently filed annual management report of fund performance.

Item 39: Certificates

39.1 Certificate of the Investment Fund

Include a certificate of the investment fund in the following form:

"This prospectus [,together with the documents incorporated herein by reference,] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]."

39.2 Certificate of the Manager

Include a certificate of the manager of the investment fund in the same form as the certificate of the investment fund.

39.3 Certificate of the Underwriter

Where a person or company is required to provide a certificate in the underwriter certificate form, the certificate must state:

"To the best of our knowledge, information and belief, this prospectus [,together with the documents incorporated herein by reference,] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]."

39.4 Certificate of the Promoter

If there is a promoter of the investment fund or a subsidiary of the investment fund, include a certificate in the same form as the certificate of the investment fund.

39.5 Amendments

- (1) For an amendment to a prospectus that does not restate the prospectus, change “prospectus” to “prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 39.1 to 39.4.
- (2) For an amended and restated prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in sections 39.1 to 39.4.

39.6 Non-offering Prospectus

For a non-offering prospectus, change “securities offered by this prospectus” to “securities previously issued by the investment fund” wherever it appears in the statements in sections 39.1 to 39.4.