

**ALBERTA SECURITIES COMMISSION
BLANKET ORDER**

**Order under section 144(1) and 214(1) of the
Securities Act (Alberta) (the “Act”)**

Offerings by TSX Venture Exchange Short Form Offering Document

Part 1 Definitions

1.1 In this blanket order

“AIF”

- (a) for financial years starting before January 1, 2004, means a current AIF as defined in Multilateral Instrument 45-102 Resale of Securities effective November 30, 2001, and
- (b) for financial years starting on or after January 1, 2004, means
 - (i) an AIF as defined in NI 51-102,
 - (ii) a prospectus filed in a jurisdiction, other than a prospectus filed under a CPC Instrument, if the issuer has not yet filed or been required to file an AIF or annual financial statements under NI 51-102, or
 - (iii) an information circular or filing statement in respect of a qualifying transaction for a capital pool company under a CPC Instrument, if the issuer has not yet filed or been required to file an AIF or annual financial statements under NI 51-102;

“Commission” means the Alberta Securities Commission;

“CPC Instrument” means a rule or regulation of a jurisdiction of Canada or a rule, regulation or policy of an exchange in Canada that applies only to capital pool companies;

“Designated Hold Purchaser” means a purchaser that is an insider or promoter of the issuer, the issuer’s underwriter, or a member of the underwriter’s “professional group” (as defined in National Instrument 33-105 *Underwriting Conflicts*);

“Exchange” means the TSX Venture Exchange Inc./Bourse de croissance TSX Inc.;

“Exchange Policy” means Exchange Policy 4.6, *Public Offering by Short Form Offering Document* and Exchange Form 4H, *Short Form Offering Document*, subject to any material amendment filed with the Commission and not objected to by the Commission within 30 days of filing;

“Gross Proceeds” means the gross proceeds that are required to be paid to the issuer for Listed Securities distributed under a Short Form Offering Document;

“Listed Security” means a security of a class listed on the Exchange;

“**MD&A**” has the meaning set out in NI 51-102;

“**MI 45-102**” means Multilateral Instrument 45-102 *Resale of Securities* effective March 30, 2004;

“**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

“**NI 51-101**” means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

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

“**Prior Short Form Offering**” means a distribution of securities by an issuer under a Short Form Offering Document that was completed during the 12 month period immediately preceding the date of the Short Form Offering Document;

“**Rules**” mean the Alberta Securities Commission Rules made under section 224 of the Act;

“**Short Form Offering Document**” means a short form offering document that complies with the Exchange Policy, subject to any waiver or variation the Exchange permits;

“**Subsequently Triggered Report**” means a material change report that must be filed no later than 10 days after a material change under section 146 of the Act or Part 7 of NI 51-102 as a result of a material change that occurs after the date the Short Form Offering Document is certified but before a purchaser enters into an agreement of purchase and sale;

“**Warrant**” means a warrant of an issuer distributed under a Short Form Offering Document that entitles the holder to acquire a Listed Security or a portion of a Listed Security of the same issuer.

Part 2 Background

Whereas:

- 2.1 The Exchange Policy sets out a program for distributions by Short Form Offering Document.
- 2.2 An exemption from the prospectus requirements is required to allow distributions in Alberta under the Exchange’s Short Form Offering Document program.
- 2.3 On October 30, 2001, the Commission issued Blanket Order 45-503 *Offerings by CDNX Short Form Offering Document* (Blanket Order 45-503), which provided the necessary prospectus exemption. Blanket Order 45-503 was subsequently repealed and replaced by Blanket Order 45-507 *Offerings by CDNX Short Form Offering Document* dated April 30, 2002 (Blanket Order 45-507).
- 2.4 The Commission has approved the implementation of NI 51-102, the repeal and replacement of MI 45-102 and consequential amendments to MI 45-103 effective March 30, 2004. As a result, it is necessary to make certain consequential amendments to the terms of Blanket Order 45-507, including:

- (a) replacing the definition of *current AIF* with a definition of *AIF* that includes a transitional provision permitting issuers to continue to rely on their current AIF until that issuer has filed or is required to file an AIF for financial years starting after January 1, 2004,
- (b) repealing the definition of *qualifying issuer* from MI 45-102, which instrument is being repealed and replaced on March 30, 2004, by incorporating the qualifying issuer criteria as a condition of the prospectus exemption in Part 3 of this blanket order,
- (c) adding new defined terms, including CPC Instrument, MD&A, MI 45-102, NI 51-101 and NI 51-102, and
- (d) updating references to “CDNX” to reflect the recent change of name to TSX Venture Exchange Inc./Bourse de croissance TSX Inc..

2.5 The Commission considers that it would not be prejudicial to the public interest to revoke and replace Blanket Order 45-507 dated April 30, 2002 with this Blanket Order.

Part 3 Prospectus Exemption

3.1 Section 110 of the Act does not apply to a distribution by an issuer of securities of its own issue, if:

- (a) the issuer has filed an AIF;
- (b) the issuer is an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;
- (c) the issuer has filed
 - (i) all documents required to be filed under Part 12 of the Act, Part 11 of the Rules and Parts 4, 5, 6 and 7 of NI 51-102, including annual and interim financial information, press releases disclosing material changes, and material change reports,
 - (ii) all documents required under NI 43-101 and NI 51-101, and
 - (iii) any Subsequently Triggered Report;
- (d) the distribution is of Listed Securities or units consisting of Listed Securities and Warrants;
- (e) the issuer has filed with the Exchange, and the Exchange has accepted, a Short Form Offering Document in respect of the distribution, which
 - (i) incorporates by reference the following documents of the issuer filed with the Commission:
 - (A) the AIF,
 - (B) the most recent annual financial statements and, for financial years starting on or after January 1, 2004, the MD&A relating to those financial statements,

- (C) all unaudited interim financial statements and, for financial years starting on or after January 1, 2004, the MD&A relating to those financial statements, filed after the date of the AIF but before or on the date of the Short Form Offering Document,
 - (D) all material change reports filed after the date of the AIF but before or on the date of the Short Form Offering Document; and
 - (E) all documents required under NI 43-101 and NI 51-101 filed on or after the date of the AIF but before or on the date of the Short Form Offering Document;
- (ii) deems any Subsequently Triggered Report required to be delivered to a purchaser under this Blanket Order to be incorporated by reference,
 - (iii) grants to purchasers contractual rights of action in the event of a misrepresentation, as required by the Exchange Policy,
 - (iv) grants to purchasers contractual rights of withdrawal, as required by the Exchange Policy, and
 - (v) contains all the certificates required by the Exchange Policy;
- (f) the distribution is conducted in accordance with the Exchange Policy, subject to any waiver or variation the Exchange permits;
 - (g) the issuer or the underwriter delivers the Short Form Offering Document and any Subsequently Triggered Report to each purchaser either
 - (i) before the issuer or the underwriter enters into the written confirmation of purchase and sale resulting from an order or subscription for securities being distributed under the Short Form Offering Document; or
 - (ii) not later than midnight on the second business day after the agreement of purchase and sale is entered into;
 - (h) the Listed Securities issued under the Short Form Offering Document, when added to the Listed Securities of the same class issued under Prior Short Form Offerings exceed neither,
 - (i) the number of securities of the same class outstanding immediately before the issuer distributes securities of the same class under the Short Form Offering Document, nor
 - (ii) the number of securities of the same class outstanding immediately before a Prior Short Form Offering;
 - (i) the Gross Proceeds under the Short Form Offering Document, when added to the Gross Proceeds from Prior Short Form Offerings do not exceed \$2 million;
 - (j) no purchaser acquires more than 20% of the securities distributed under the Short Form Offering Document; and
 - (k) no more than 50% of the securities distributed under the Short Form Offering Document are subject to section 2.5 of MI 45-102.

Part 4 Due Diligence Report

4.1 An underwriter that qualifies as a "Sponsor" under Exchange Policy 2.2 *Sponsorship and Sponsorship Requirements* must sign the Short Form Offering Document and comply with Exchange Appendix 4A, *Due Diligence Report* in connection with the distribution

Part 5 Report on Distribution

5.1 The issuer must report all trades under a Short Form Offering Document on Form 45-103F4 on or before the 10th day after the distribution, except the issuer may indicate the total number of purchasers by jurisdiction instead of providing the names and residential addresses of each purchaser under item 5 of Form 45-103F4.

Part 6 Deemed Distributions

6.1 The first trade in a security acquired under this Blanket Order or any predecessor order:
(a) by a seller that, at the time the security was acquired, was a Designated Hold Purchaser, or
(b) that was acquired by any other purchaser in excess of \$40,000
is subject to section 2.5 of MI 45-102.

Part 7 Effective Date

7.1 Blanket Order 45-507 dated April 30, 2002 is repealed and this Blanket Order is substituted in its place effective March 30, 2004.

DATED at the City of Calgary)
)
in the Province of Alberta) "original signed by"
) Glenda A. Campbell, Q.C., Vice Chair
this 5th day of March, 2004)
)
) "original signed by"
) Stephen R. Murison, Vice Chair