

**ALBERTA SECURITIES COMMISSION**

**BLANKET ORDER #51-504 (AB)**

**TRANSITIONAL ORDER RELATING TO FORMER WSE ISSUERS AND PROSPECTIVE WSE ISSUERS  
THAT BECOME REPORTING ISSUERS UPON HAVING SECURITIES LISTED AND POSTED FOR  
TRADING ON CDNX**

**Order Under Subsections 123(c), 184(2) and 186(1) and Section 185 of the Act**

**PART 1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions** - Terms used in this Blanket Order are defined as set out in this Part.

**“Act”** means the *Securities Act* (Alberta), SA 1981, c.S-61, as amended.

**“British Columbia Securities Law”** means the *Securities Act* (British Columbia), the British Columbia Securities Commission *Securities Rules* and any decision of the British Columbia Securities Commission or the Executive Director of the British Columbia Securities Commission.

**“CDNX”** means the Canadian Venture Exchange Inc.

**“CDNX Invitation”** means the CDNX document entitled “Invitation to make Application to List on CDNX” dated October 12, 2000.

**“Commission”** means the Alberta Securities Commission.

**“Extraprovincial Commission”** means, where the Extraprovincial Reporting Issuer is a reporting issuer under

- (a) British Columbia Securities Law, the British Columbia Securities Commission, or
- (b) Ontario Securities Laws, but not British Columbia Securities Law, the Ontario Securities Commission.

**“Extraprovincial Document”** means the document required to be filed under the Extraprovincial Requirements.

**“Extraprovincial Jurisdiction”** means where the Extraprovincial Reporting Issuer is a reporting issuer under

- (a) British Columbia Securities Law, British Columbia or
- (b) Ontario Securities Law but not British Columbia Securities Law, Ontario.

**“Extraprovincial Reporting Issuer”** means a New Reporting Issuer that is a reporting issuer under

- (a) Ontario Securities Law, or
- (b) British Columbia Securities Law and
  - (i) was a reporting issuer under British Columbia Securities Law prior to its Listing Date, or
  - (ii) subsequent to its Listing Date, conducts a transaction or takes any other action that would make it a reporting issuer under British Columbia Securities Law, or
- (c) both (a) and (b), above.

**“Extraprovincial Requirements”** means in the case of an Extraprovincial Reporting Issuer that is a reporting issuer under

- (a) British Columbia Securities Law, the requirements under British Columbia Securities Law; or
- (b) Ontario Securities Law but not British Columbia Securities Law, the requirements under Ontario Securities Law

that are equivalent to the requirements from which a person or company is exempted under Part 3 of this Blanket Order.

**“Listing Date”** means, for each New Reporting Issuer, the date on which it has any securities listed and posted for trading on CDNX.

**“Manitoba Issuer”** means a New Reporting Issuer that

- (a) is not a reporting issuer under Ontario Securities Law,
- (b) prior to its Listing Date was not a reporting issuer under British Columbia Securities Law, and
- (c) has not, subsequent to its Listing Date, conducted a transaction or taken any other action that would make it a reporting issuer under British Columbia Securities Law.

**“Manitoba Securities Law”** means the MSA, the regulations made under the MSA and any decision, order or ruling of the MSC or the director or any deputy director of the MSC made under authority vested in or imposed upon him or her by the MSC, the MSA or the regulations made under the MSA.

**“MSA”** means the *Securities Act* (Manitoba).

**“MSA Document”** means the document required to be filed under the applicable MSA Requirements.

**“MSA Requirements”** means the requirements under Manitoba Securities Law, that correspond to the requirements from which a person or company is exempted under Part 4 of this Blanket Order.

**“MSC”** means the Manitoba Securities Commission.

**“New Reporting Issuer”** means an issuer that

- (a) has received a CDNX Invitation and either
  - (i) as at November 3, 2000 had any securities listed on the WSE, or
  - (ii) as at November 24, 2000 had submitted an application to have its securities listed on the WSE,
- (b) has any securities listed on CDNX,
- (c) was not a reporting issuer under the Act prior to the Listing Date and became a reporting issuer only under the definition of reporting issuer in subsection 1(t.1) of the Act as a result of having its securities listed and posted for trading on CDNX on its Listing Date, and
- (d) has not, subsequent to the Listing Date, conducted a transaction or taken any other action that would make it reporting issuer under subsection 1(t.1) of the Act.

**“Ontario Securities Law”** has the meaning set out in section 1(1) of the *Securities Act* (Ontario).

**“Rules”** mean the Rules made by the Commission under subsection 196.1 of the Act.

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval.

**“Transition Period”** means, for each New Reporting Issuer, the period starting on the later of the effective date of this Blanket Order and the Listing Date for that New Reporting Issuer and ending on June 30, 2001.

**“WSE”** means The Winnipeg Stock Exchange.

**“WSE Document”** means the document required to be filed under the applicable WSE Requirements.

**“WSE Requirements”** means the requirements prescribed by the WSE as at November 24, 2000 that correspond to the requirements from which a person or company is exempted under Part 4 of this Blanket Order, including without limitation, the requirement to:

- (a) issue and file a news release disclosing any “material change” (as defined in the WSE Policy 2.1);
- (b) file interim financial statements prepared in accordance with generally accepted accounting principles for each three month period, including comparative statements with the last fiscal year within 60 days of the end of each period; and
- (c) file audited annual financial statements within 140 days of the end of the issuer’s fiscal year.

**1.2 Interpretation** - Unless otherwise defined in this Blanket Order, terms used in this Blanket Order that are defined or interpreted in the Act or Rules should be read in accordance with the Act and Rules.

**1.3 Recitals** - Section 2 of this Blanket Order is provided for background information purposes only and does not form part of the relief provided by this Blanket Order.

## **PART 2 BACKGROUND TO BLANKET ORDER**

**2.1.** Under the definition of reporting issuer in the Act, issuers listed and posted for trading on a recognized exchange in Alberta are deemed to be reporting issuers in Alberta.

**2.2** CDNX is a recognized exchange in Alberta. Consequently, issuers which are not already reporting issuers in Alberta, upon having any securities listed and posted for trading on CDNX, automatically become reporting issuers in Alberta.

**2.3** Certain of the New Reporting Issuers are Extraprovincial Reporting Issuers under either or both of British Columbia Securities Law and Ontario Securities Law and consequently they, and certain persons involved with them, are subject to requirements to prepare and file, and in certain cases, mail certain disclosure documents which are substantially equivalent to the requirements of the Act and Rules.

**2.4** The Commission has determined that there is adequate justification for granting this Blanket Order to provide the transitional relief described in Part 3 of this Order, to the Extraprovincial Reporting Issuers and certain persons involved with them, from certain of the obligations applicable to Alberta reporting issuers provided that they comply with the Extraprovincial Requirements and the applicable modified filing requirements. The Commission has further determined that the granting of this Blanket Order is not prejudicial to the public interest.

**2.5** Other New Reporting Issuers are not Extraprovincial Reporting Issuers. These issuers, referred to as Manitoba Issuers, may have reporting obligations under Manitoba Securities Law. The reporting obligations under Manitoba Securities Law are not necessarily equivalent to those under the Act and Rules. However, when the requirements under Manitoba Securities Law are read in combination with the reporting obligations that would be applicable to the issuer were it listed on the WSE, the requirements are sufficiently similar to the requirements of the Act and Rules in regard to reporting issuers to justify providing temporary relief from certain of the obligations applicable to Alberta reporting issuers.

**2.6** The Commission has determined that there is adequate justification for granting this Blanket Order to provide the transitional relief described in Part 4 of this Order, to the Manitoba Issuers and certain

persons involved with them from certain of the obligations applicable to Alberta reporting issuers provided that they comply with the MSA Requirements, the WSE Requirements and certain modified filing requirements, including filing via SEDAR. The Commission has further determined that the granting of this Blanket Order is not prejudicial to the public interest.

**PART 3 ORDERS RELATING TO NEW REPORTING ISSUERS THAT ARE EXTRAPROVINCIAL REPORTING ISSUERS**

- 3.1 Material Change Reporting** - Under subsection 123(c) of the Act it is ordered that an Extraprovincial Reporting Issuer is exempt from the requirements of section 118 of the Act during the Transition Period, provided that the Extraprovincial Reporting Issuer files the Extraprovincial Document with the Commission at the same time and in the same manner as it files the Extraprovincial Document with the Extraprovincial Commission under the Extraprovincial Requirements.
- 3.2 Annual Financial Statements** - Under subsection 123(c) of the Act it is ordered that an Extraprovincial Reporting Issuer is exempt from the requirements of subsection 121(1) of the Act during the Transition Period, provided that the Extraprovincial Reporting Issuer
- (a) files the Extraprovincial Document with the Commission at the same time and in the same manner as it files the Extraprovincial Document with the Extraprovincial Commission under the Extraprovincial Requirements, and
  - (b) sends the Extraprovincial Document to each holder in Alberta of its securities, other than holders of debt instruments at the same time and in the same manner as it sends the Extraprovincial Document to each holder in the Extraprovincial Jurisdiction of its securities, other than holders of debt instruments.
- 3.3 Interim Financial Statements** - Under subsection 123(c) of the Act it is ordered that an Extraprovincial Reporting Issuer is exempt from the requirements of subsection 120(1) of the Act during the Transition Period, provided that the Extraprovincial Reporting Issuer
- (a) files the Extraprovincial Document with the Commission at the same time and in the same manner as it files the Extraprovincial Document with the Extraprovincial Commission under the Extraprovincial Requirements, and
  - (b) either
    - (i) sends the Extraprovincial Document to each holder in Alberta of its securities, other than holders of debt instruments at the same time and in the same manner that it sends the Extraprovincial Document to each holder in the Extraprovincial Jurisdiction of its securities, other than holders of debt instruments, or
    - (ii) complies with all of the requirements regarding interim financial statements as described in National Policy Statement No. 41 (or any successor instrument to National Policy Statement No. 41).
- 3.4 Proxy Solicitations** - Under subsection 184(2) of the Act it is ordered that a person or company soliciting proxies from security holders of an Extraprovincial Reporting Issuer is exempt from the

requirements of sections 127 and 128 of the Act and sections 164, 165, 166, 167 and 168 of the Rules during the Transition Period, provided that the person or company

- (a) files the Extraprovincial Document with the Commission at the same time and in the same manner as it files the Extraprovincial Document with the Extraprovincial Commission under the Extraprovincial Requirements, and
- (b) sends the Extraprovincial Document to each holder in Alberta of the Extraprovincial Reporting Issuer's securities, other than holders of debt instruments, at the same time and in the same manner as it sends the Extraprovincial Document to each holder in the Extraprovincial Jurisdiction of the Extraprovincial Reporting Issuer's securities, other than holders of debt instruments.

**3.5 Filing of Information Circular** - Under subsection 123(c) of the Act it is ordered that an Extraprovincial Reporting Issuer is exempt from the requirements of section 124 of the Act during the Transition Period provided that the Extraprovincial Reporting Issuer files the Extraprovincial Document with the Commission at the same time and in the same manner as it files the Extraprovincial Document with the Extraprovincial Commission under the Extraprovincial Requirements.

**3.6 Insider Trade Reporting** - Under subsection 184(2) of the Act it is ordered that an insider of an Extraprovincial Reporting Issuer is exempt from the requirements of section 147 of the Act during the Transition Period, provided that the insider files the Extraprovincial Document with the Extraprovincial Commission under the Extraprovincial Requirements.

**3.7 Acquisition Reporting** - Under section 185 of the Act it is ordered that an offeror that acquires securities of an Extraprovincial Reporting Issuer is exempt from the requirements of sections 141 and 142 of the Act during the Transition Period, provided that the offeror complies with all of the Extraprovincial Requirements.

#### **PART 4 ORDERS RELATING TO NEW REPORTING ISSUERS THAT ARE MANITOBA ISSUERS**

**4.1 Material Change Reporting** - Under subsection 123(c) of the Act it is ordered that a Manitoba Issuer is exempt from the requirements of section 118 of the Act during the Transition Period, provided that the Manitoba Issuer files the WSE Document with the Commission via SEDAR under the SEDAR category for "material change filings" within the time period prescribed by the WSE Requirements.

**4.2 Annual Financial Statements** - Under subsection 123(c) of the Act it is ordered that a Manitoba Issuer is exempt from the requirements of subsection 121(1) of the Act during the Transition Period, provided that the Manitoba Issuer

- (c) files the MSA Document with the Commission via SEDAR within the time period prescribed by the WSE Requirements,
- (d) complies with the MSA Requirements and the requirements, if any, under the corporate legislation governing the Manitoba Issuer respecting delivery of annual financial statements to security holders, and
- (e) if it sends the MSA Document to holders in Manitoba of its securities, it sends the MSA

Document to each holder in Alberta of its securities, other than holders of debt instruments at the same time and in the same manner as it sends the MSA Document to each holder in Manitoba of its securities, other than holders of debt instruments.

**4.3 Interim Financial Statements** - Under subsection 123(c) of the Act it is ordered that a Manitoba Issuer is exempt from the requirements of subsection 120(1) of the Act during the Transition Period, provided that the Manitoba Issuer

- (a) files the MSA Document with the Commission via SEDAR within the time period prescribed by the MSA Requirements,
- (b) files the WSE Document with the Commission via SEDAR within the time period prescribed by the WSE Requirements,
- (c) either
  - (i) sends the MSA Document to each holder in Alberta of its securities, other than holders of debt instruments within the time period and in the manner prescribed by the MSA Requirements, respecting holders in Manitoba of securities, or
  - (ii) complies with all of the requirements regarding interim financial statements as described in National Policy Statement No. 41 (or any successor instrument to National Policy Statement No. 41), and
- (d) if it sends the WSE Document to holders in Manitoba of its securities, it sends the WSE Document to each holder in Alberta of its securities, other than holders of debt instruments at the same time and in the same manner as it sends the WSE Document to each holder in Manitoba of its securities, other than holders of debt instruments.

**4.4 Proxy Solicitations** - Under subsection 184(2) of the Act it is ordered that a person or company soliciting proxies from security holders of a Manitoba Issuer is exempt from the requirements of sections 127 and 128 of the Act and sections 164, 165, 166, 167 and 168 of the Rules during the Transition Period, provided that the person or company

- (a) files the MSA Document with the Commission via SEDAR within the time prescribed by the MSA Requirements, and
- (b) sends the MSA Document to each holder in Alberta of the Manitoba Issuer's securities, other than holders of debt instruments, within the time period and in the manner prescribed by the MSA Requirements, respecting holders in Manitoba of securities.

**4.5 Filing of Information Circular** - Under subsection 123(c) of the Act it is ordered that a Manitoba Issuer is exempt from the requirements of section 124 of the Act during the Transition Period provided that the Manitoba Issuer files the MSA Document with the Commission via SEDAR within the time period prescribed by the MSA Requirements.

**4.6 Insider Trade Reporting** - Under subsection 184(2) of the Act it is ordered that an insider of a Manitoba Issuer is exempt from the requirements of section 147 of the Act during the Transition Period, provided that if the insider

- (a) is required under the MSA Requirements to file the MSA Document with the MSC the insider files the MSA Document with the MSC, or
- (b) is not required under the MSA Requirements to file the MSA Document with the MSC, the insider files the MSA Document with the Commission

within the time period prescribed by the MSA Requirements.

**4.7 Acquisition Reporting** - Under section 185 of the Act it is ordered that an offeror that acquires securities of a Manitoba Issuer is exempt from the requirements of sections 141 and 142 of the Act during the Transition Period, provided that the offeror

- (a) complies with all of the MSA Requirements, and
- (b) if the offeror
  - (i) is required under the MSA Requirements to file the MSA Document with the MSC, it files the MSA Document with the MSC via SEDAR, or
  - (ii) is not required under the MSA Requirements to file the MSA Document with the MSC, it files the MSA Document with the Commission via SEDAR

within the time period prescribed by the MSA Requirements.

## **PART 5 EFFECTIVE DATE**

This Blanket Order shall be effective November 24, 2000.

Dated at the City of Edmonton  
in the Province of Alberta  
this 24th day of November, 2000

\_(original signed by)\_\_\_\_\_  
Eric T. Spink, Vice-Chair

\_(original signed by)\_\_\_\_\_  
Thomas G. Cooke, Q.C., Member