

ALBERTA SECURITIES COMMISSION NOTICE

BLANKET ORDER 51-505 - Transitional Exemptions for Certain Bourse de Montréal Inc. Issuers

1. Background

As part of the restructuring of Canada's exchanges, the Bourse de Montréal Inc. (the "Bourse") will transfer its junior equity listings to CDNX effective on the close of business September 28, 2001. CDNX will commence operations as a stock exchange in Québec on October 1, 2001.

CDNX extended an invitation to list to each issuer that, as of August 31, 2001, either was listed on the Bourse or had submitted a complete application to list that was subsequently accepted.

2. Purpose

Former Bourse issuers that accept the invitation to list will become reporting issuers in Alberta upon listing on CDNX ("New Reporting Issuers"). The Commission recognizes that New Reporting Issuers will need time to familiarize themselves with their obligations under Alberta securities law. Blanket Order 51-505 grants transitional relief from continuous disclosure obligations and fees under Alberta securities law to Bourse issuers that satisfy the definition of New Reporting Issuer provided that these issuers comply with alternate filing requirements. Generally speaking, the relief is available to Bourse issuers who

- received and accepted an Invitation to List from CDNX
- are reporting issuers in Québec,
- comply with all applicable filing requirements under Québec securities law, and
- file the same documents with the Commission that they file with the CVMQ.

Blanket Order 51-505 also exempts New Reporting Issuers from section 4.1(1) of National Instrument 43-101 *Standards of Disclosure for Mineral Projects*. That section requires an issuer to file a current technical report each time it becomes a reporting issuer in a jurisdiction, even if the issuer is a reporting issuer in another jurisdiction.

3. Transition Period

The relief provided by Blanket Order 51-505 only during the Transition Period which runs from the date on which the New Reporting Issuer's securities are listed and posted for trading on CDNX until May 31, 2002. The Commission believes that by May 31, 2002, New Reporting Issuers will have had adequate time to familiarize themselves with their obligations under Alberta securities law.

New Reporting Issuers should also note that any filings made after May 31, 2002, must satisfy all applicable requirements of Alberta securities law. This is so even if the filing relates to a requirement

that arose during the Transition Period and even if the issuer would still be complying with Québec securities law if it filed the relevant documents after May 31, 2002.

For example:

Juniorco is a New Reporting Issuer. Its second quarter ends on April 15, 2002. Under Alberta securities law, Juniorco must file its interim financial statements with the Commission and send them to its shareholders by June 14, 2002. Under Québec securities law, Juniorco is also obliged to file its interim financial statements by June 14, 2002. However, if Juniorco wants to rely on the exemption for interim financial statements in section 4.3 of Blanket Order 51-505, then Juniorco must file its interim financial statements with the Commission and the CVMQ and comply with the shareholder delivery requirements in s. 4.3 of the Blanket Order by the end of the Transition Period, May 31, 2002.

4. Defined Terms

Terms used in this Notice that are defined in Blanket Order 51-505 have the meanings given to them in Blanket Order 51-505.

5. Meaning of “listed” and “listed and posted for trading”

The Commission interprets the phrase “listed and posted for trading” as used in clause (iii) of subsection 1(t.1) of the Act as meaning that an issuer’s securities are listed and not suspended from trading. Blanket Order 51-505 sometimes uses the term “listed” without the additional words “and posted for trading”. The word “listed” on its own refers to issuers that are listed but may be currently suspended from trading.

Blanket Order 51-505 applies to New Reporting Issuers that are “listed” on CDNX. The relief remains available even if the New Reporting Issuer’s securities are subsequently suspended from trading. However, if the New Reporting Issuer is delisted from CDNX, it is neither “listed” nor “posted” for trading and it will no longer be entitled to rely on Blanket Order 51-505. It will continue to be a reporting issuer in Alberta, though, and will be subject to the full obligations of a reporting issuer under Alberta securities law.

DATED September 20, 2001.