

## **National Instrument 45-102 - Resale of Securities**

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### **National Instrument 45-102 - Resale of Securities**

#### **Part 1 - Definitions**

##### 1.1 Definitions - In this Instrument

"control distribution" means a trade described in the provisions of securities legislation listed in Appendix A;

"convertible security" means a security of an issuer that is convertible into, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a security of the same issuer;

"distribution date" means

(a) in respect of a trade that is not a control distribution, the date the security that is the subject of the trade was distributed in reliance on an exemption from the prospectus requirement by the issuer or, in the case of a control distribution, by the selling security holder,

(b) in respect of a trade that is a control distribution, the date the security that is the subject of the trade was acquired by the selling security holder,

(c) in respect of a trade of an underlying security that is not a control distribution, the date the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed in reliance on an exemption from the prospectus requirement by the issuer or, in the case of a control distribution, by the selling security holder, or

(d) in respect of a trade of an underlying security that is a control distribution, the date the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was acquired by the selling security holder;

"exchangeable security" means a security of an issuer that is exchangeable for, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a security of another issuer;

"MI 45-102" means this instrument prior to its amendment on September 14, 2005;

"MI 45-103" means Multilateral Instrument 45-103 *Capital Raising Exemptions* prior to its repeal on September 14, 2005;

"MI 45-105" means Multilateral Instrument 45-105 *Trades to Employees, Senior Officers, Directors, and Consultants* prior to its repeal on September 14, 2005

"multiple convertible security" means a security of an issuer that is convertible into, or exchangeable for, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a convertible security, an exchangeable security or another multiple convertible security;

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

"private company" has the same meaning as in securities legislation

"private issuer" means, as the context requires,

(a) a private issuer as defined in securities legislation,

(b) a private issuer as defined in NI 45-106, or

(c) in Ontario, for purposes of the definition of private issuer as it existed in 1998 OSC Rule 45-501 (as defined in the Ontario transitional provisions in Appendix D) prior to its repeal on November 30, 2001, a person that

(i) is not a reporting issuer or a mutual fund,

(ii) is an issuer all of whose issued and outstanding shares

(A) are subject to restrictions on transfer contained in the constating documents of the issuer or one or more agreements among the issuer and the holders of its securities; and

(B) are beneficially owned, directly or indirectly, by not more than 50 persons or companies counting any two or more joint registered holders as one beneficial owner, exclusive of persons

(I) that are employed by the issuer or an affiliated entity of the issuer, or

(II) that beneficially owned, directly or indirectly, shares of the issuer while employed by it or an affiliated entity of it and at all times since ceasing to be so employed have continued to beneficially own, directly or indirectly, at least one share of the issuer, and

(iii) has not distributed any securities to the public;

"SEDAR" has the meaning as in National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

"trade", in Québec, has the same meaning as in NI 45-106; and

"underlying security" means a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security.

## **Part 2 - First Trades**

2.1 Application - In Manitoba and Yukon, sections 2.2 to 2.7 and 2.10 to 2.14 do not apply.

2.2 Removal of Resale Provisions - In Newfoundland and Labrador, Nova Scotia and Ontario, the provisions in securities legislation listed in Appendix C, respectively, do not apply.

2.3 Section 2.5 Applies - If a security was distributed under any of the provisions listed in Appendix D, the

first trade of that security is subject to section 2.5.

2.4 Section 2.6 Applies - If a security was distributed under any of the provisions listed in Appendix E, the first trade of that security is subject to section 2.6.

2.5 Restricted Period - (1) Unless the conditions in subsection (2) are satisfied, a trade that is specified by section 2.3 or other securities legislation to be subject to this section is a distribution.

(2) Subject to subsection (3), for the purposes of subsection (1) the conditions are:

1. The issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.

2. At least four months have elapsed from the distribution date.

3. If the distribution date is on or after March 30, 2004, or on or after September 14, 2005 in Québec, and

(a) the issuer is a reporting issuer on the distribution date, the certificate representing the security carries a legend, or an ownership statement issued under a direct registration system or other electronic book-entry system acceptable to the regulator and, in Québec, the securities regulatory authority, bears a legend restriction notation, stating:

Unless permitted under securities legislation, the holder of this security must not trade the security before *[insert the date that is 4 months and a day after the distribution date]*.

or

(b) the issuer is not a reporting issuer on the distribution date, the certificate representing the security carries a legend, or an ownership statement issued under a direct registration system or other electronic book-entry system acceptable to the regulator and, in Québec, the securities regulatory authority, bears a legend restriction notation, stating:

Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of (i) *[insert the distribution date]*, and (ii) the date the issuer became a reporting issuer in any province or territory.

4. The trade is not a control distribution.

5. No unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade.

6. No extraordinary commission or consideration is paid to a person or company in respect of the trade.

7. If the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

(3) Item 3.(a) of subsection (2) does not apply to a trade of an underlying security if the certificate representing the underlying security or the ownership statement issued under a direct registration book-entry system or other electronic system acceptable to the regulator and, in Québec, the securities regulatory authority, is issued at least four months after the distribution date.

2.6 Seasoning Period - (1) Unless the conditions in subsection (3) are satisfied, a trade that is specified by section 2.4 or other securities legislation to be subject to this section is a distribution.

(2) The first trade of securities issued by a private company or private issuer made after the issuer has ceased to be a private company or private issuer is a distribution unless the conditions in subsection (3) are satisfied.

(3) For the purposes of subsections (1) and (2), the conditions are:

1. The issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.

2. The trade is not a control distribution.

3. No unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade.

4. No extraordinary commission or consideration is paid to a person or company in respect of the trade.

5. If the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

2.7 Exemption for a Trade if the Issuer Becomes a Reporting Issuer After the Distribution Date - Item 1 of subsection 2.5(2), 2.6(3) or 2.8(2) does not apply if the issuer became a reporting issuer after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B and is a reporting issuer in a jurisdiction of Canada at the time of the trade.

2.8 Exemption for a Trade by a Control Person - (1) The prospectus requirement does not apply to a control distribution, or a distribution by a lender, pledgee, mortgagee or other encumbrancer for the purpose of liquidating a debt made in good faith by selling or offering for sale a security pledged, mortgaged or otherwise encumbered in good faith as collateral for the debt if the security was acquired by the lender, pledgee, mortgagee or other encumbrancer in a control distribution, if the conditions in subsection (2) are satisfied.

(2) For the purposes of subsection (1), the conditions are:

1. The issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.

2. The selling security holder, or the lender, pledgee, mortgagee or other encumbrancer if the distribution is for the purpose of liquidating a debt, has held the securities for at least four months.

3. No unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade.

4. No extraordinary commission or consideration is paid to a person or company in respect of the trade.

5. The selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

(3) The selling security holder, or the lender, pledgee, mortgagee or other encumbrancer if the distribution is for the purpose of liquidating a debt, under subsection (2) must

(a) sign Form 45-102F1 no earlier than one business day before the form is filed;

(b) file Form 45-102F1 on SEDAR at least seven days before the first trade of the securities that is part of the distribution; and

(c) file, within three days after the completion of any trade, an insider report prepared in accordance with either Form 55-102F2 or Form 55-102F6 under National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*.

(4) A Form 45-102F1 filed under subsection (3) expires thirty days from the date the form was filed.

2.9 Determining Time Periods - (1) In determining the period of time that an issuer was a reporting issuer in a jurisdiction of Canada for the purposes of section 2.5, 2.6 or 2.8, if the issuer was a party to an amalgamation, merger, continuation or arrangement, the selling security holder may include the period of time that one of the parties to the amalgamation, merger, continuation or arrangement was a reporting issuer in a jurisdiction of Canada immediately before the amalgamation, merger, continuation or arrangement.

(2) In determining the period of time that a selling security holder has held a security for the purposes of section 2.5 or 2.8, if the selling security holder acquired the security from an affiliate of the selling security holder, the selling security holder may include the period of time that the affiliate held the security.

(3) In determining the period of time that a selling security holder has held an underlying security for the purposes of section 2.8, the selling security holder may include the period of time the selling security holder held the convertible security, exchangeable security or multiple convertible security.

(4) In determining the period of time that a lender, pledgee, mortgagee or other encumbrancer has held a security under item 2 of subsection 2.8(2), the selling security holder may include the period of time the debtor held the security.

(5) In determining the period of time that a lender, pledgee, mortgagee or other encumbrancer has held an underlying security under item 2 of subsection 2.8(2), the selling security holder may include the period of time the debtor held the convertible security, exchangeable security or multiple convertible security.

2.10 Exemption for a Trade in an Underlying Security if the Convertible Security, Exchangeable Security or Multiple Convertible Security is Qualified by a Prospectus - Section 2.6 does not apply to a trade in an underlying security issued or transferred under the terms of a convertible security, exchangeable security or multiple convertible security if

(a) a receipt was obtained for a prospectus qualifying the distribution of the convertible security, exchangeable security or multiple convertible security;

(b) the trade is not a control distribution; and

(c) the issuer of the underlying security is a reporting issuer at the time of the trade.

2.11 Exemption for a Trade in a Security Acquired in a Take-over Bid or Issuer Bid - Section 2.6 does not apply to a trade of a security of an offeror if

(a) a securities exchange take-over bid circular or securities exchange issuer bid circular relating to the distribution of the security was filed by the offeror on SEDAR;

(b) the trade is not a control distribution; and

(c) the offeror was a reporting issuer on the date the securities of the offeree issuer were first taken up under the take-over bid or issuer bid.

2.12 Exemption for a Trade in an Underlying Security if the Convertible Security, Exchangeable Security or Multiple Convertible Security is Qualified by a Securities Exchange Take-over Bid Circular or Issuer Bid Circular - Section 2.6 does not apply to a trade in an underlying security issued or transferred under the terms of a convertible security, exchangeable security or multiple convertible security if

(a) a securities exchange take-over bid circular or a securities exchange issuer bid circular relating to the distribution of the convertible security, exchangeable security or multiple convertible security was filed by the offeror on SEDAR;

(b) the trade is not a control distribution;

(c) the offeror was a reporting issuer on the date the securities of the offeree issuer were first taken up under the take-over bid or issuer bid; and

(d) the issuer of the underlying security is a reporting issuer at the time of the trade.

2.13 Trades by Underwriters - A trade by an underwriter of securities distributed under any of the provisions listed in Appendix F is a distribution.

2.14 First Trades in Securities of a Non-Reporting Issuer Distributed under a Prospectus Exemption - (1) The prospectus requirement does not apply to the first trade of a security distributed under an exemption from the prospectus requirement if

(a) the issuer of the security

(i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

(ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

(i) did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series, and

(ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series; and

(c) the trade is made

- (i) through an exchange, or a market, outside of Canada, or
  - (ii) to a person or company outside of Canada.
- (2) The prospectus requirement does not apply to the first trade of an underlying security if
- (a) the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed under an exemption from the prospectus requirement;
  - (b) the issuer of the underlying security
    - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date of the convertible security, exchangeable security or multiple convertible security, or
    - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
  - (c) the conditions in paragraph (1)(b) would have been satisfied for the underlying security at the time of the initial distribution of the convertible security, exchangeable security or multiple convertible security; and
  - (d) the condition in paragraph (1)(c) is satisfied.

### **Part 3 - Exemption**

- 3.1 Exemption - (1) The regulator or the securities regulatory authority may grant an exemption from 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.

### **Part 4 - Effective Date**

- 4.1 Effective Date - This Instrument comes into force on March 30, 2004.

### **[Appendices]**

*The text in square brackets has been editorially added by Carswell and does not form part of the text of the legislation.*

### **Appendix A - To National Instrument 45-102 Resale of Securities Control Distributions**

JURISDICTION	SECURITIES LEGISLATION REFERENCE
Alberta	Definition of "control person" in section 1(l) and subclause (iii) of the definition of "distribution" contained in section 1(p) of the Securities Act (Alberta)
British Columbia	Paragraph (c) of the definition of "distribution" contained in section 1(1) of the Securities Act (British Columbia)
Manitoba	Paragraph (b) of the definition of "primary distribution to the public" contained in subsection 1(1) of the Securities Act (Manitoba)
Newfoundland and Labrador	Clause 2(1)(l)(iii) of the Securities Act (Newfoundland and Labrador)
New Brunswick	Definition of "control person" and clause (c) of the definition of "distribution" contained in subsection 1(1) of the Securities Act (New Brunswick)
Northwest	Definition of "control person" and paragraph (iii) of the definition of "distribution" contained in Territories subsection 1(1) of Blanket Order No. 1 of the Registrar of Securities.
Nova Scotia	Clause 2(1)(l)(iii) of the Securities Act (Nova Scotia)
Nunavut	Definition of "control person" and paragraph (iii) of the definition of "distribution" contained in subsection 1(1) of Blanket Order No. 1 of the Registrar of Securities.
Ontario	Paragraph (c) of the definition of "distribution" contained in subsection 1(1) of the Securities Act (Ontario)
Prince Edward Island	Clause (iii) of the definition of "distribution" in section 1 of the Securities Act (Prince Edward Island)
Québec	Paragraph 9 of the definition of "distribution" contained in section 5 of the Securities Act (Québec)
Saskatchewan	Subclauses 2(1)(r)(iii), (iv) and (v) of The Securities Act, 1988 (Saskatchewan)

## **Appendix B - To National Instrument 45-102 Resale of Securities**

### **Reporting Issuer Jurisdictions**

Alberta

British Columbia

Manitoba

Nova Scotia

Ontario

Quebec

Saskatchewan

### **Appendix C - To National Instrument 45-102 Resale of Securities**

#### **Non-Applicable Resale Provisions (Section 2.2)**

JURISDICTION	SECURITIES LEGISLATION REFERENCE
Newfoundland and Labrador	Clause 54(5)(a), subsections 54(7), 54(9), 54(10), 73(4), 73(5), 73(6) as it relates to clause 72(1)(r), 73(7) but not as it relates to subsection 54(6) and 54(7), 73(12), 73(18), 73(19) and 73(24) of the Securities Act (Newfoundland and Labrador)
Nova Scotia	Subsections 77(5), 77(6), 77(7), 77(7A), 77(7B), 77(8), 77(9), 77(10)(a) and 77(11) of the Securities Act (Nova Scotia)
Ontario	Subsections 72(4), 72(5), 72(6) as it relates to clause 72(1)(r), and 72(7) of the Securities Act (Ontario)

#### **Appendix D - To National Instrument 45-102 Resale of Securities Restricted Period Trades (Section 2.3)**

Except in Manitoba and the Yukon, the following exemptions from the prospectus requirement in NI 45-106:

- subsection 2.3(2) [Accredited investor]
- subsection 2.5(2) [Family, friends and business associates] (except in Ontario)
- subsection 2.7(2) [Founder, control person and family] (Ontario)
- subsection 2.8(2) [Affiliates]
- subsection 2.9(3) [Offering memorandum] (in British Columbia, New Brunswick, Nova Scotia, and Newfoundland and Labrador)
- subsection 2.9(5) [Offering memorandum] (in Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec and Saskatchewan)
- subsection 2.10(2) [Minimum amount investment]
- subsection 2.12(2) [Asset acquisition]
- subsection 2.13(2) [Petroleum, natural gas and mining properties]

- subsection 2.14(2) [Securities for debt]
- subsection 2.19(2) [Additional investment in investment funds]
- subsection 2.30(2) [Isolated trade by issuer]
- subsection 2.40(2) [RRSP/RRIF], if the security acquired under section 2.40 was initially acquired by an individual or an associate of the individual or an RRSP or RRIF established for or by that individual or under which that individual is a beneficiary under

(a) one of the exemptions listed above,

(b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of this Instrument, or

(c) an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.5 of MI 45-102

- subsection 2.42(3) [Conversion, exchange or exercise] if the security acquired in the circumstances referred to in clause (a) of subsection 2.42 (1) was acquired in accordance with the terms and conditions of a previously issued security under

(a) one of the exemptions listed above,

(b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of this Instrument, or

(c) an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.5 of MI 45-102

- section 5.2 [TSX Venture exchange offering], if the security acquired under section 5.2 was acquired by

(a) a purchaser that, at the time the security was acquired, was an insider or promoter of the issuer of the security, the issuer's underwriter, or a member of the underwriter's "professional group" (as defined in National Instrument 33-105 *Underwriting Conflicts*), or

(b) any other purchaser who purchases securities in excess of \$40,000.

as well as the following local exemptions from the prospectus requirement:

- section 3.1 of Alberta Securities Commission Rule 72-501 *Distributions to Purchasers Outside Alberta*
- clauses 77(1)(u) and (w) and subclauses 77(1)(ab)(ii) and (iii) of the *Securities Act* (Nova Scotia)
- an exemption from the prospectus requirement in a jurisdiction of Canada that specifies that the first trade is subject to section 2.5 of NI 45-102

### **Transitional Provisions**

## ***1. - General:***

An exemption from the prospectus requirement listed in Appendix D of MI 45-102 in effect on March 30, 2004 or an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.5 of MI 45-102. The exemptions listed in Appendix D on March 30, 2004 were:

- Sections 131(1)(b), (c), (l), and (m) of the *Securities Act (Alberta)*
  
- Section 122(d) and 122.2 of the Alberta Securities Commission Rules, section 3.1 of Alberta Securities Commission Rule 72-501 *Distributions to Purchasers Outside Alberta*, subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
  
- Section 131(1)(f)(iii) of the *Securities Act (Alberta)*, if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under the *Securities Act (Alberta)*, the Alberta Securities Commission Rules or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
  
- Sections 74(2)(1) to (6), (16), (18), (19), (23) and (25) of the *Securities Act (British Columbia)*
  
- Sections 128(a), (b), (c), (e), (f) and (h) of the *Securities Rules (British Columbia)* and subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
  
- Sections 74(2)(11)(ii), 74(2)(11)(iii) and 74(2)(13) of the *Securities Act (British Columbia)* if the security acquired by the selling security holder or the right to purchase, convert or exchange or otherwise acquire, was initially acquired by a person or company under any of the sections of the *Securities Act (British Columbia)*, the *Securities Rules (British Columbia)* or MI 45-103 referred to in this Appendix, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
  
- Section 74(2)(12) of the *Securities Act (British Columbia)* if the security acquired by the selling security holder under the realization on collateral was initially acquired by a person or company under any of the sections of the *Securities Act (British Columbia)*, the *Securities Rules (British Columbia)* or MI 45-103 referred to in this Appendix, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
  
- Clauses 54(3)(f) and (g) and 73(1)(a), (b), (c), (d), (h), (l), (m), (p) and (q) of the *Securities Act (Newfoundland and Labrador)*, subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103, or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
  
- Subclause 73(1)(f)(iii) of the *Securities Act (Newfoundland and Labrador)* if the right to purchase, convert or exchange was previously acquired under one of the above listed exemptions under the *Securities Act (Newfoundland and Labrador)* or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
  
- Paragraphs 3(a), (b), (c), (k), (l), (m), (r), (s), (t), (u), (w) and (z) of Blanket Order No. 1 of the Registrar of Securities (*Northwest Territories*), subsections 3.1(2), 4.1(2), 4.1(4), 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

- Subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (*Northwest Territories*) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
- Clauses 77(1)(a), (b), (c), (d), (l), (m), (p), (q), (u), (w), (y), (ab) and (ad) of the *Securities Act (Nova Scotia)*, subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
- Subclause 77(1)(f)(iii) of the *Securities Act (Nova Scotia)* if the right to purchase, convert or exchange was previously acquired under one of the above listed exemptions under the *Securities Act (Nova Scotia)* or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
- Paragraphs 3(a), (b), (c), (k), (l), (m), (r), (s), (t), (u), (w) and (z) of Blanket Order No.1 of the Registrar of Securities (*Nunavut*), subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
- Subparagraph 3(e)(iii) of Blanket Order No.1 of the Registrar of Securities (*Nunavut*) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under Blanket Order No. 1 of the Registrar of Securities (Nunavut) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
- Clauses 13(1)(a), (b), (c), (g) and (i) of the *Securities Act (Prince Edward Island)*, subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
- Subclause 13(1)(e)(iii) of the *Securities Act (Prince Edward Island)* if the right to purchase, convert or exchange was previously acquired under one the above-listed exemptions under the *Securities Act (Prince Edward Island)* or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
- Clauses 81(1)(a), (b), (c), (d), (m), (n), (s), (t), (v), (w), (z), (bb) and (ee) of *The Securities Act, 1988 (Saskatchewan)* and subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
- Subclauses 81(1)(f)(iii) and (iv) of *The Securities Act, 1988 (Saskatchewan)* if the convertible security, exchangeable security or multiple convertible security was acquired under one of the exemptions of *The Securities Act, 1988 (Saskatchewan)* or MI 45-103 referred to in this Appendix or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102
- Clause 81(1)(e) of *The Securities Act, 1988 (Saskatchewan)* if the person or company from whom the securities were acquired obtained the securities under one of the exemptions of *The Securities Act, 1988 (Saskatchewan)* referred to in this Appendix

## **2. - Québec Provisions**

- Sections 43, 47, 48 and 51 of the *Securities Act (Québec)* as they read prior to their amendment or repeal by section 7 and 8 of *An Act to amend the Securities Act and other legislative provisions*

- Prospectus and registration exemptions granted pursuant to section 263 of the *Securities Act* (Québec) before March 30, 2004 if the exemption included as a condition a restricted period of 12 months

### **3. - Ontario Provisions**

#### **Definitions**

In this Appendix

"1998 OSC Rule 45-501" means the Ontario Securities Commission Rule 45-501 *Exempt Distributions* that came into force on December 22, 1998;

"2001 OSC Rule 45-501" means the Ontario Securities Commission Rule 45-501 *Exempt Distributions* that came into force on November 30, 2001;

"2004 OSC Rule 45-501" means the Ontario Securities Commission Rule 45-501 *Exempt Distributions* that came into force on January 12, 2004;

"2005 OSC Rule 45-501" means the Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* that came into force on September 14, 2005;

"convertible security" means, in Ontario, a security of an issuer that is convertible into, or carries the right of the holder to purchase, or of the issuer to cause the purchase of, a security of the same issuer;

"exchangeable security" means, in Ontario, a security of an issuer that is exchangeable for, or carries the right of the holder to purchase, or the right of the issuer to cause the purchase of, a security of another issuer;

"exchange issuer" means, in Ontario, an issuer that distributes securities of a reporting issuer held by it in accordance with the terms of an exchangeable security of its own issue;

"multiple convertible security" means, in Ontario, a security of an issuer that is convertible into or exchangeable for, or carries the right of the holder to purchase, or of the issuer or exchange issuer to cause the purchase of, a convertible security, an exchangeable security or another multiple convertible security;

"OSC Rule 45-502" means Ontario Securities Commission Rule 45-502 *Dividend or Interest Reinvestment and Stock Dividend Plans*;

"Type 1 trade" means, in Ontario, a distribution in a security under an exemption from the prospectus requirement in:

(a) clause 72(1)(a), (b), (c), (d), (l), (m), (p) or (q) of the *Securities Act* (Ontario);

(b) section 2.4, 2.5 or 2.11 of the 1998 OSC Rule 45-501;

(c) section 2.3, 2.12, 2.13 or 2.14 of the 2001 OSC Rule 45-501; or

(d) section 2.3, 2.12, 2.13, 2.14 or 2.16 of the 2004 OSC Rule 45-501; and

"underlying security" means, in Ontario, a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible

security.

***(a) - Securities Act (Ontario)***

Clauses 72(1)(a), (b), (c), (d), (l), (m), (p) and (q) of the *Securities Act (Ontario)* and subclause 72(1)(f)(iii) of the *Securities Act (Ontario)* if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under the *Securities Act (Ontario)*, or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102

***(b) - 2005 OSC Rule 45-501***

Section 2.1 of the 2005 OSC Rule 45-501

Section 2.2 of the 2005 OSC Rule 45-501

***(c) - 2001 OSC Rule 45-501 and 2004 OSC Rule 45-501***

Section 2.3 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501

Section 2.11 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501 if section 2.5 of MI 45-102 would have been applicable to a first trade in that security by the person making the exempt distribution under section 2.11 of the 2001 OSC Rule 45-501 or the 2004 OSC Rule 45-501.

Section 2.12 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501

Section 2.13 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501

Section 2.14 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501

Section 2.16 of the 2004 OSC Rule 45-501

***(d) - 1998 OSC Rule 45-501***

Section 2.4 of the 1998 OSC Rule 45-501

Section 2.5 of the 1998 OSC Rule 45-501

Section 2.11 of the 1998 OSC Rule 45-501

***(e) - Other***

Any provision under which an underlying security was distributed on conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired in a Type 1 trade or in a trade under section 2.4, 2.5 or 2.11 of the 1998 OSC Rule 45-501.

**Appendix E - To National Instrument 45-102 Resale of Securities Seasoning Period Trades (Section 2.4)**

Except in Manitoba and the Yukon, the following exemptions from the prospectus requirement in NI 45-106:

- subsection 2.1(2) [Rights offering]
- subsection 2.2(4) [Reinvestment plan]
- subsection 2.4(2) [Private issuer]
- subsection 2.11(2) [Business combination and reorganization]
- subsection 2.16(2) [Take-over bid and issuer bid]
- subsection 2.17(2) [Offer to acquire to security holder outside local jurisdiction]
- subsection 2.18(6) [Investment fund reinvestment]
- subsection 2.20(2) [Private investment club]
- subsection 2.21(3) [Private investment fund - loan and trust pools]
- subsection 2.24(4) [Employee, executive officer, director and consultant]
- subsection 2.26(3) [Trades among current or former employees, executive officers, directors or consultants of non-reporting issuer]
- subsection 2.27(4) [Permitted transferees]
- subsection 2.31(3) [Dividends and distributions]
- subsection 2.40(2) [RRSP/RRIF], if the security acquired under section 2.40 was initially acquired by an individual or an associate of the individual or an RRSP or RRIF established for or by that individual or under which that individual is a beneficiary under
  - (a) one of the exemptions listed above,
  - (b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of this Instrument, or
  - (c) an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.6 of MI 45-102
- subsection 2.42(3) [Conversion, exchange or exercise - security of own issue] if the security acquired in the circumstances referred to in clause (a) of subsection 2.42(1) was acquired in accordance with the terms and conditions of a previously issued security under
  - (a) one of the exemptions listed above,
  - (b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of this Instrument, or
  - (c) an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first

trade was subject to section 2.6 of this Instrument

- subsection 2.42(3) [Conversion, exchange or exercise - security of a reporting issuer] for a security being traded in the circumstances referred to in clause (b) of subsection 2.42(1)

as well as the following local exemptions from the prospectus requirement:

- Alberta Securities Commission Rule 45-502 *Trade with RESP*, if not included in Appendix D
- Nova Scotia Securities Commission Blanket Order No. 46
- Prince Edward Island Local Rule 45-510 - Exempt Distributions - Exemptions for Trades Pursuant to Take-over Bids and Issuer Bids.
- An exemption from the prospectus requirement in a jurisdiction of Canada that specifies that the first trade is subject to section 2.6 of NI 45-102

## **Transitional Provisions**

### ***I. - General:***

An exemption from the prospectus requirement listed in Appendix E of MI 45-102 *Resale of Securities* in effect on March 30, 2004 or an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.6 of MI 45-102. The exemptions listed in Appendix E of MI 45-102 on March 30, 2004 were:

- Section 131(1)(f) if not included in Appendix D of this Instrument, sections 131(1)(h), (i), (j), (k), and (y) of the *Securities Act (Alberta)* and sections 107(1)(j.1) and (k.1) prior to their repeal by section 5 of the *Securities Amendment Act, 1989 (Alberta)*, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102
- Section 74(2)(11)(iii) if not included in Appendix D or F and sections 74(2)(7), (8) if not included in Appendix F, (9) to (11), (13), (22) and (24) of the *Securities Act (British Columbia)*
- Section 128(g) of the *Securities Rules (British Columbia)*, section 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102
- Section 74(2)(12) of the *Securities Act (British Columbia)*, if the security acquired by the selling security holder under the realization on collateral was initially acquired by a person or company under any of the sections of the *Securities Act (British Columbia)*, the *Securities Rules (British Columbia)* or a multilateral instrument referred to in this Appendix or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102
- Clauses 54(3) and 73(1)(f) if not included in Appendix D or F of this Instrument, (i) if not included in Appendix F, (j), (k) and (n) of the *Securities Act (Newfoundland and Labrador)*, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

- Paragraphs 3(e), (f), (g), (h), (i), (n), (x), (y) and (mm) of Blanket Order No. 1 of the Registrar of Securities (*Northwest Territories*), except for a trade made under subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) that is included in Appendix D or F of this Instrument or a trade made under paragraph 3(g) that is included in Appendix F of this Instrument, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102
- Clause 77(1)(f) of the *Securities Act (Nova Scotia)* if not included in Appendix D or F of this Instrument, and clauses 77(1)(h), (i) if not included in Appendix F, (j), (k), (n), (v), (va), (ac), (ae) and (af) of the *Securities Act (Nova Scotia)*, and clause 78(1)(a) of the *Securities Act (Nova Scotia)* as it relates to clause 41(2)(j) of the *Securities Act (Nova Scotia)* and Blanket Order No. 37, 38 if not included in Appendix F, 46 and 45-503 if not included in Appendix F, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102
- Paragraphs 3(e), (f), (g), (h), (i), (n), (x), (y) and (mm) of Blanket Order No. 1 of the Registrar of Securities (*Nunavut*), except for a trade made under subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Nunavut) that is included in Appendix D or F of this Instrument or a trade made under paragraph 3(g) that is included in Appendix F of this Instrument, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102
- Clauses 13(1)(e) if not included in Appendix D or F of this Instrument, (f) if not included in Appendix F, (h) and (k) of the *Securities Act (Prince Edward Island)* or section 3.1 or 3.2 of Rule 45-501, section 1.1 of Prince Edward Island Rule 45-502, section 2.1 or 2.2 of Prince Edward Island Rule 45-506 or section 2.1 or 2.2 of Prince Edward Island Rule 45-510, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102
- Clauses 81(1)(a.1), (e) if not included in Appendix D of this Instrument, (f) if not included in Appendix D or F of this Instrument, (f.1), (g), (h), (i) if not included in Appendix F, (i.1), (j), (k), (o), (cc) and (dd) of *The Securities Act, 1988 (Saskatchewan)*, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

## **2. - Québec Provisions**

- Sections 50 and 52 of the *Securities Act (Québec)* as they read prior to their repeal by section 8 of *An Act to amend the Securities Act and other legislative provisions*
- Prospectus and registration exemptions granted pursuant to section 263 of the *Securities Act (Québec)* before March 30, 2004 if the exemption included as a condition a seasoning period of 12 months

## **3. - Ontario provisions**

### **Definitions**

In this Appendix

"1998 OSC Rule 45-501" means the Ontario Securities Commission Rule 45-501 *Exempt Distributions* that came into force on December 22, 1998;

"2001 OSC Rule 45-501" means the Ontario Securities Commission Rule 45-501 *Exempt Distributions* that came into force on November 30, 2001;

"2004 OSC Rule 45-501" means the Ontario Securities Commission Rule 45-501 *Exempt Distributions* that came into force on January 12, 2004;

"2005 OSC Rule 45-501" means the Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* that came into force on September 14, 2005;

"convertible security" means, in Ontario, a security of an issuer that is convertible into, or carries the right of the holder to purchase, or of the issuer to cause the purchase of, a security of the same issuer;

"exchangeable security" means, in Ontario, a security of an issuer that is exchangeable for, or carries the right of the holder to purchase, or the right of the issuer to cause the purchase of, a security of another issuer;

"exchange issuer" means, in Ontario, an issuer that distributes securities of a reporting issuer held by it in accordance with the terms of an exchangeable security of its own issue;

"multiple convertible security" means, in Ontario, a security of an issuer that is convertible into or exchangeable for, or carries the right of the holder to purchase, or of the issuer or exchange issuer to cause the purchase of, a convertible security, an exchangeable security or another multiple convertible security;

"OSC Rule 45-502" means Ontario Securities Commission Rule 45-502 *Dividend or Interest Reinvestment and Stock Dividend Plans*;

"OSC Rule 45-503" means Ontario Securities Commission Rule 45-503 *Trades to Employees, Executives and Consultants*;

"Type 1 trade" means, in Ontario, a distribution in a security under an exemption from the prospectus requirement in:

(a) clause 72(1)(a), (b), (c), (d), (l), (m), (p) or (q) of the *Securities Act* (Ontario);

(b) section 2.4, 2.5 or 2.11 of the 1998 OSC Rule 45-501;

(c) section 2.3, 2.12, 2.13 or 2.14 of the 2001 OSC Rule 45-501; or

(d) section 2.3, 2.12, 2.13, 2.14 or 2.16 of the 2004 OSC Rule 45-501; and

"Type 2 trade" means, in Ontario, a distribution in a security under an exemption from the prospectus requirement in:

(a) clause 72(1)(f) of the *Securities Act* (Ontario) other than a distribution to an associated consultant or investor consultant as defined in OSC Rule 45-503 or a distribution to an associated consultant or investor relations person as defined in MI 45-105;

(b) clause 72(1)(h), (i), (j), (k) or (n) of the *Securities Act* (Ontario); or

(c) section 2.5, 2.8 or 2.15 of the 2001 OSC Rule 45-501; or

(d) section 2.5, 2.8 or 2.15 of the 2004 OSC Rule 45-501; and

"*underlying security*" means, in Ontario, a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security.

**(a) - *Securities Act (Ontario)***

Clauses 72(1)(f), (i) if not included in Appendix F, (j), (k) and (n) of the *Securities Act (Ontario)*, except for a trade made under 72(1)(f)(iii) of the *Securities Act (Ontario)* that is:

(i) included in Appendix D or F of this Instrument, or

(ii) contemplated by section 6.5 of Ontario Securities Commission Rule 45-501 *Exempt Distributions*; and

(iii) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102

Clause 72(1)(h) of the *Securities Act (Ontario)* except for a distribution under clause 72(1)(h) of the *Securities Act (Ontario)* of an underlying security that was distributed on conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired in a Type 1 trade

**(b) - *2001 OSC Rule 45-501 and 2004 OSC Rule 45-501***

Section 2.1 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501

Section 2.5 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501.

Section 2.6 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501 if an underlying security was distributed under section 2.6 of the 2001 OSC Rule 45-501 or the 2004 OSC Rule 45-501 on a forced conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired:

(a) in a Type 2 trade;

(b) under section 2.2, 3.1, 3.2, 3.3, 5.1 or 8.1 of OSC Rule 45-503, other than a trade by an associated consultant or investor consultant as defined in OSC Rule 45-503; or

(c) under a provision in Part 2 of MI 45-105.

Section 2.7 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501 if an underlying security was distributed under section 2.7 of the 2001 OSC Rule 45-501 or the 2004 OSC Rule 45-501 on a forced conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired:

(a) in a Type 2 trade;

(b) under section 2.2, 3.1, 3.2, 3.3, 5.1 or 8.1 of OSC Rule 45-503, other than a trade by an associated consultant or investor consultant as defined in OSC Rule 45-503; or

(c) under a provision in Part 2 of MI 45-105.

Section 2.8 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501.

Section 2.11 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501 if section 2.6 of MI 45-102 would have been applicable to a first trade in that security by the person making the exempt distribution under section 2.11 of the 2001 OSC Rule 45-501 or the 2004 OSC Rule 45-501.

Section 2.15 of the 2004 OSC Rule 45-501

***(c) - 1998 OSC Rule 45-501***

Section 2.7 of the 1998 OSC Rule 45-501

Section 2.8 of the 1998 OSC Rule 45-501

Section 2.9 of the 1998 OSC Rule 45-501 if an underlying security was distributed under section 2.9 of the 1998 OSC Rule 45-501 on a forced conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired by the holder in a Type 2 trade

Section 2.10 of the 1998 OSC Rule 45-501 if an underlying security was distributed under section 2.10 of the 1998 OSC Rule 45-501 on a forced conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired by the holder in a Type 2 trade

Section 2.17 of the 1998 OSC Rule 45-501

Subsection 2.18(1) of the 1998 OSC Rule 45-501 after the issuer had ceased to be a private issuer for the purposes of the *Securities Act* (British Columbia)

***(d) - Other***

Sections 2.1 and 3.1 of Ontario Securities Commission Rule 45-502.

**Appendix F - To National Instrument 45-102 Resale of Securities Underwriters (Section 2.13)**

Subsection 2.33(2) [*Acting as underwriter*] of NI 45-106 and subsection 2.11(2) [*Business combination and reorganization*] or 2.42(3) [*Conversion, exchange or exercise*] of NI 45-106, if the original security was acquired under subsection 2.33(2) of NI 45-106 or one of the underwriter exemptions in the transitional provisions listed below

**Transitional Provisions:**

An exemption from the prospectus requirement listed in Appendix F of MI 45-102 as Appendix F read on March 30, 2004. Exemptions listed in Appendix F of MI 45-102 on March 30, 2004 were:

- Section 74(2)(15) of the *Securities Act* (British Columbia) and section 74(2)(8) or 74(2)(11)(iii) of the *Securities Act* (British Columbia) if the original security was acquired under section 74(2)(15) of the *Securities Act* (British Columbia)

- Clause 73(1)(r) of the *Securities Act (Newfoundland and Labrador)* and section 73(1)(i) or 73(1)(f)(iii) of the *Securities Act (Newfoundland and Labrador)* if the original security was acquired under section 73(1)(r) of the *Securities Act (Newfoundland and Labrador)*
- Paragraph 3(v) of Blanket Order No. 1 of the Registrar of Securities (*Northwest Territories*) and paragraph 3(g) or subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) if the original security was acquired under paragraph 3(v) of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories)
- Clause 77(1)(r) of the *Securities Act (Nova Scotia)* and clause 77(1)(i) or 77(1)(f)(iii) of the *Securities Act (Nova Scotia)* or Blanket Order No. 38 or 45-503 if the original security was acquired under clause 77(1)(r) of the *Securities Act (Nova Scotia)*
- Paragraph 3(v) of Blanket Order No. 1 of the Registrar of Securities (*Nunavut*) and paragraph 3(g) or subparagraph 3(e)(iii) of Blanket Order No. 1 of the Registrar of Securities (Nunavut) if the original security was acquired under paragraph 3(v) of Blanket Order No. 1 of the Registrar of Securities (Nunavut)
- Clause 72(1)(f)(iii) of the *Securities Act (Ontario)* if the original security was acquired under clause 72(1)(r) of the *Securities Act (Ontario)*
- Clause 72(1)(i) of the *Securities Act (Ontario)* if the original security was acquired under clause 72(1)(r) of the *Securities Act (Ontario)*
- Clause 72(1)(r) of the *Securities Act (Ontario)*
- Section 2.1 of Prince Edward Island Rule 45-509 and subclause 13(1)(e)(iii) or clause 13(1)(f) of the *Securities Act (Prince Edward Island)* or section 1.1 of Prince Edward Island Rule 45-502 if the original security was acquired under section 2.1 of Prince Edward Island Rule 45-509
- Section 55 of the *Securities Act (Québec)* as it read prior to its repeal by section 8 of *An Act to amend the Securities Act and other legislative provisions*
- Clause 81(1)(u) of *The Securities Act, 1988 (Saskatchewan)* and clause 81(1)(i) or subclause 81(1)(f)(iii) of *The Securities Act, 1988 (Saskatchewan)* if the original security was acquired under clause 81(1)(u) of *The Securities Act, 1988 (Saskatchewan)*

**Form 45-102F1 - Notice of Intention to Distribute Securities under Section 2.8 of NI 45-102 Resale of Securities**

**Reporting issuer**

1. Name of reporting issuer:

**Selling security holder**

2. Your name:

3. The offices or positions you hold in the reporting issuer:

4. Are you selling securities as a lender, pledgee, mortgagee or other encumbrancer?

5. Number and class of securities of the reporting issuer you beneficially own:

**Distribution**

6. Number and class of securities you propose to sell:

7. Will you sell the securities privately or on an exchange or market? If on an exchange or market, provide the name.

**Warning**

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

**Certificate**

I certify that

(1) I have no knowledge of a material fact or material change with respect to the issuer of the securities that has not been generally disclosed; and

(2) the information given in this form is true and complete.

Date .....

..... Your name (Selling security holder)

..... Your signature (or if a company, the signature of your authorized signatory)

..... Name of your authorized signatory

**Instruction:**

File this form electronically through SEDAR with the securities regulatory authority in each jurisdiction where you sell securities and with the Canadian exchange on which the securities are listed. Where the securities are being sold on an exchange, the form should be filed in every jurisdiction across Canada.

**Notice to selling security holders - collection and use of personal information**

The personal information required in this form is collected for and used by the listed securities regulatory authorities to administer and enforce securities legislation in their jurisdictions. This form is publicly available by authority of NI 45-102 and the securities legislation in each of the jurisdictions. The personal information collected will not be used or disclosed other than for the stated purposes without first obtaining your consent. Corporate filers should seek the consent of any individuals whose personal information appears in this form before filing this form.

If you have questions about the collection and use of your personal information, or the personal information of your authorized signatory, contact any of the securities regulatory authorities listed below.

*Alberta Securities Commission*

4th Floor, 300 - 5th Avenue SW

Calgary, AB T2P 3C4

Attention: Information Officer

Telephone: (403) 297-6454

Facsimile: (403) 297-6156

*British Columbia Securities Commission*

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, B.C. V7Y 1L2

Attention: Manager, Financial and Insider Reporting

Telephone: (604) 899-6730 or (800) 373-6393 (in B.C.)

Facsimile: (604) 899-6506

*Securities Commission of Newfoundland and Labrador*

P.O. Box 8700

2nd Floor, West Block

Confederation Building

75 O'Leary Avenue

St. John's NFLD A1B 4J6

Attention: Director of Securities

Telephone: (709) 729-4189

Facsimile: (709) 729-6187

*Department of Justice, Northwest Territories Legal Registries*

P.O. Box 1320

1st Floor, 5009-49th Street

Yellowknife, NWT X1A 2L9

Attention: Director, Legal Registries

Telephone: (867) 873-7490

Facsimile: (867) 873-0243

*Nova Scotia Securities Commission*

2nd Floor, Joseph Howe Building

1690 Hollis Street

Halifax, NS B3J 3J9

Attention: Corporate Finance

Telephone: (902) 424-7768

Facsimile: (902) 424-4625

*Department of Justice, Nunavut Legal Registries Division*

P.O. Box 1000 - Station 570

1st Floor, Brown Building

Iqaluit, NT X0A 0H0

Attention: Director, Legal Registries Division

Telephone: (867) 975-6190

Facsimile: (867) 975-6194

*Ontario Securities Commission*

Suite 1903, Box 55

20 Queen Street West

Toronto, ON M5H 3S8

Attention: Administrative Assistant to the Director of Corporate Finance

Telephone: (416) 593-8314

Facsimile: (416) 593-8177

*Prince Edward Island Securities Office*

Consumer, Corporate and Insurance Services Division

Office of the Attorney General

P.O. Box 2000

Charlottetown, PE C1A 7N8

Attention: Registrar of Securities

Telephone: (902) 368- 4550

Fax: (902) 368-5283

*Saskatchewan Financial Services Commission Securities Division*

6th Floor, 1919 Saskatchewan Drive

Regina, SK S4P 3V7

Attention: Deputy Director, Legal

Telephone: (306) 787-5879

Facsimile: (306) 787-5899

Autorité des marchés financiers

Tour de la Bourse

800 square Victoria

C.P. 246, 22e étage

Montréal, Québec H4Z 1G3

Attention: Responsable de l'accès à l'information

**Companion Policy 45-102CP - To National Instrument 45-102 Resale of Securities**

1.1 Application - (1) National Instrument 45-102 ("NI 45-102") has been implemented in all jurisdictions.

(2) Except for sections 2.1, 2.8 and 2.9, Part 2 of NI 45-102 does not apply in Manitoba, and Yukon.

1.2 Purpose - (1) NI 45-102 provides that first trades of securities distributed under certain exemptions from the prospectus requirement are distributions unless certain conditions are met. The conditions impose restrictions on the resale of the securities. If the securities were distributed under any of the provisions listed in Appendix D to NI 45-102 or under other securities legislation which specifies that the first trade is subject to section 2.5 of NI 45-102, the conditions include that the issuer is and has been a reporting issuer for a four month seasoning period and that a four month restricted period has elapsed from the date of the initial distribution. If the securities were distributed under any of the provisions listed in Appendix E to NI 45-102 or under other securities legislation which specifies that the first trade is subject to section 2.6 of NI 45-102, the conditions include that the issuer is and has been a reporting issuer for a four month seasoning period. NI 45-102 also provides an exemption for a control distribution and a sale by a pledgee of pledged securities if the sale would be a distribution for the purposes of securities legislation.

(2) Appendices D and E to NI 45-102 list the new harmonized exemptions in National Instrument 45-106 *Registration and Prospectus Exemptions* (NI 45-106) and local exemptions that are subject to the resale restrictions under section 2.5 or 2.6 of NI 45-102, while Appendix F lists the new harmonized exemptions in NI 45-106 applicable to underwriters. Each of these appendices also contains transitional provisions applicable to securities acquired under exemptions listed in the Appendices to MI 45-102 as Appendices D, E and F read on March 30, 2004. For all local exemptions that come into effect after September 14, 2004, you should look to the local instrument itself to see if it specifies that the securities acquired are subject to section 2.5 or 2.6 of NI 45-102 as well as to Appendix D and E to NI 45-102. You may also wish to consult the CSA Notice listing local registration and prospectus exemptions in place in each jurisdiction of Canada, which the CSA will update periodically.

(3) Nothing in NI 45-102 is intended to restrict the ability of a purchaser to resell securities during the restricted period or seasoning period under a prospectus or an exemption from the prospectus requirement. This includes the further exemption found in section 2.14. For example, if a person or company obtains a discretionary exemption order or ruling that imposes any of the resale restrictions contained in section 2.5, 2.6 or 2.8 on a security that is the subject of the order or ruling, the person or company may rely on section 2.14 to resell the security.

1.3 Transition - (1) When Multilateral Instrument 45-102 *Resale of Securities* ("former MI 45-102") came into force on November 30, 2001, that instrument imposed harmonized resale restrictions on the first trade of securities made on or after that date, even if the securities were distributed, or acquired by the selling security holder in the case of a trade that is a control distribution, prior to November 30, 2001. These securities were subject to prescribed restricted periods and seasoning periods of either four or twelve months. When MI 45-102 was implemented on March 30, 2004, the securities of all reporting issuers became subject to four month restricted and seasoning periods under section 2.5 and 2.8 or four month seasoning periods under section 2.6 of MI 45-102. This meant that any existing restricted period or seasoning period imposed under Part 2 of former MI 45-102 that exceeded four months was reduced to four months under MI 45-102. Under NI 45-102, securities of all reporting issuers continue to be subject to a four month restricted period under subsection 2.5(2) or 2.8(2) of the Instrument.

(2) Item 3. of subsection 2.5(2) of MI 45-102 required that the certificate or the ownership statement evidencing a security that is the subject of the first trade carry either a legend or a legend restriction notation disclosing the resale restrictions. This legend requirement applied only to securities distributed on or after MI 45-102 comes into effect on March 30, 2004 in all jurisdictions except Québec. We have added language to Item 3. of subsection 2.5(2) of NI 45-102 to clarify that the legend requirement in NI 45-106 will only apply to securities distributed in Québec on or after NI 45-106 comes into effect on September 14, 2005.

(3) Issuers may continue to replace those certificates that are legended in accordance with former MI 45-102 with a certificate (or an acceptable electronic alternative) carrying the legend (or legend restriction notation) specified in item 3. of subsection 2.5(2) of NI 45-102. As was the case under former MI 45-102, certificates representing securities distributed prior to November 30, 2001 do not have to be legended.

1.4 Open System Jurisdictions - Sections 2.5 and 2.6 of NI 45-102 do not apply in Manitoba and Yukon as those jurisdictions do not impose restrictions on first trades in securities distributed under an exemption from the prospectus requirement in those jurisdictions unless the trade is a control distribution.

1.5 Example of Application of Section 2.5 - If an issuer distributes securities to a purchaser in British Columbia, the issuer must file a prospectus or rely upon a prospectus exemption under the securities legislation of British Columbia. If the issuer relies upon a British Columbia prospectus exemption listed in Appendix D to NI 45-102, section 2.3 of NI 45-102 applies and the first trade of the securities is subject to section 2.5 of NI 45-102. Section 2.5 provides that the first trade is a distribution unless, among other conditions, a four month restricted period has elapsed. If the British Columbia purchaser seeks to resell the securities into Ontario, a prospectus must be filed in Ontario or a prospectus exemption relied upon unless the conditions in subsection 2.5(2) of NI 45-102 are satisfied.

1.6 Reporting Issuer Status - Reporting issuer status in any jurisdiction will satisfy the reporting issuer requirements in subsections 2.5(2), 2.6(3) and 2.8(2) of NI 45-102. See section 1.11 for guidance if an issuer becomes a reporting issuer by filing a prospectus after the distribution date.

1.7 Legending of Securities - Item 3. of subsection 2.5(2) of NI 45-102 imposes a legend requirement for securities distributed under any of the provisions listed in Appendix D to NI 45-102 or another prospectus exemption of any jurisdiction subject to the resale restrictions in subsection 2.5(2) of NI 45-102. Beneficial security holders must receive either a paper certificate representing their security or an electronic alternative such as an ownership statement under a direct registration system, scheduled to be phased into operation during 2005. If a paper certificate is issued, the certificate must carry the legend specified in item 3 that notifies the beneficial security holder of the applicable resale restrictions. Similarly, an ownership statement must carry a restricted legend notation that notifies the beneficial security holder of the applicable resale restrictions. Issuers may add additional wording to that found in item 3. of subsection 2.5(2) of NI 45-102. If you supplement the specified text of the legend on the certificate or the restricted legend notation on the ownership statement, that additional wording cannot alter the meaning of the specified wording. You should also look to section 1.10 for further guidance on the legending of convertible and underlying securities.

1.8 Calculation of Restricted and Seasoning Periods - (1) The restricted period in item 2 of subsection 2.5(2) of NI 45-102 is calculated from the distribution date, that is, the date the securities were distributed in reliance on an exemption from the prospectus requirement by the issuer or a control person. For example, if an issuer or control person distributes securities under a private placement exemption to a purchaser in Saskatchewan and the private placee resells the securities during the restricted period to a purchaser in Alberta under a further private placement exemption, upon resale by the Alberta purchaser, that purchaser will determine whether the restricted period has expired by calculating the time period from the date the issuer or control person distributed the securities to the Saskatchewan purchaser.

(2) Repealed.

1.9 No Unusual Effort - Persons interested in the meaning of the concept of "no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade" found in subsections 2.5(2), 2.6(3) and 2.8(2) of NI 45-102 should look to the case law, in particular the order of the Ontario Securities Commission dated April 24, 1985 in the matter of Daon Development Corporation and Daon Corporation as well as to the definition of unusual effort in section 4 of the Alberta Securities Commission Rules.

1.10 Underlying Securities - The restricted period or seasoning period applicable to trades in underlying securities is calculated from the distribution date of the convertible security, exchangeable security or multiple convertible security. If the applicable restricted period or seasoning period expired prior to the conversion or exchange, subsection 2.5(3) provides that an issuer is not required to place a legend on the certificate representing the underlying securities or a legend restriction notation on the ownership statement.

1.11 Becoming a Reporting Issuer By Filing a Prospectus After the Distribution Date - If an issuer is not a reporting issuer at the distribution date but subsequently becomes a reporting issuer after the distribution date by filing and obtaining a receipt for a prospectus in one of the jurisdictions listed in Appendix B, section 2.7 of NI 45-102 provides that the seasoning requirement in sections 2.5, 2.6 and 2.8 of NI 45-102 will no longer apply. This means that the securities issued prior to the prospectus being filed may then be resold, provided that the restricted period under section 2.5 or 2.8 of NI 45-102 has expired.

1.12 Realization of Pledged Securities - The prospectus exemption in section 2.8 of NI 45-102 is available for realizations of pledged securities under either a power of sale or by way of foreclosure. This means that a pledgee, mortgagee or other encumbrancer can rely on the exemption in section 2.8 of NI 45-102 to immediately effect a resale of pledged securities under a power of sale or to foreclose and take the securities on its own books for subsequent resale.

1.13 Securities Exchange Take-over Bid or Issuer Bid - Section 2.11 of NI 45-102 provides relief from the seasoning requirement for a trade of securities issued in connection with a securities exchange take-over bid or securities exchange issuer bid if a securities exchange take-over bid circular or securities exchange issuer bid circular is filed by the offeror under securities legislation of the local jurisdiction. A bid circular may be filed for either a formal bid or an exempt bid. The basis for this exemption is that a securities exchange take-over bid circular or securities exchange issuer bid circular for a formal bid is required to contain prospectus-level disclosure for the offeror or other issuer whose securities are being offered in exchange for the securities of the offeree issuer. If a take-over bid circular or issuer bid circular is prepared in connection with an exempt bid, the circular must meet the disclosure standards in securities legislation relating to the form and content of a take-over bid circular or issuer bid circular, as the case may be, for a formal bid for the exemption in section 2.11 to be available.

1.14 Exemptions for Certain Trades in the Local Jurisdiction - The exemption in section 2.10 of NI 45-102 is subject to a condition that the issuer of the underlying security was a reporting issuer in the local jurisdiction at the time of the trade. The exemptions in sections 2.11 and 2.12 of NI 45-102 are subject to a condition that the offeror was a reporting issuer in the local jurisdiction on the date securities of the offeree issuer are first taken up under the take-over bid or issuer bid and, in the case of the exemption in section 2.12, an additional condition that issuer of the underlying security was a reporting issuer in the local jurisdiction at the time of the trade. Issuers cannot rely on a prospectus filed in another jurisdiction nor can an offeror rely on a take-over bid circular or issuer bid circular filed in another jurisdiction to satisfy these conditions

1.15 Resales of Securities of a Non-Reporting Issuer - (1) For the purposes of section 2.14 of NI 45-102, in determining the percentage of the outstanding securities of the class or series that are directly or indirectly owned by residents of Canada and the number of owners directly or indirectly that are residents of Canada, an issuer should use reasonable efforts to

(a) determine securities held of record by a broker, dealer, bank, trust company or nominee for any of them for the accounts of customers resident in Canada;

(b) count securities beneficially owned by residents of Canada as reported on reports of beneficial ownership; and

(c) assume that a customer is a resident of the jurisdiction or foreign jurisdiction in which the nominee has its principal place of business if, after reasonable inquiry, information regarding the jurisdiction or foreign jurisdiction of residence of the customer is unavailable.

(2) Lists of beneficial owners of securities maintained by intermediaries under SEC Rule 14a-13 under the *1934 Act* or other securities law analogous to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* may be useful in determining the percentages referred to in subsection (1).

1.16 Filing of Form 45-102F1 - Section 2.8 of NI 45-102 provides that the prospectus requirement does not apply to a control distribution if the conditions in section 2.8 are met. Selling security holders are required to give advance notice of intention to resell their securities under subsection 2.8(3) of NI 45-102 by filing Form 45-102F1. The advance notice expires 30 days after the Form 45-102F1 is filed. A new Form 45-102F1 must be filed in accordance with subsection 2.8(3) if the selling security holder wishes to continue to resell securities from a control block. Form 45-102F1 should be filed on SEDAR under the issuer's profile under "*Continuous Disclosure - Resale of Securities* (NI 45-102) - Form 45-102F1 in the jurisdiction of the issuer's principal regulator under National Policy 43-201 *Mutual Reliance Review System for Prospectuses and AIFs*. Consult National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR) and the current CSA SEDAR Filer Manual (including code updates) for further information about filing documents electronically.