

**NATIONAL INSTRUMENT 62-101
CONTROL BLOCK DISTRIBUTION ISSUES**

(Incorporating amendments up to March 30, 2004)

Table of Contents

Part 1	DEFINITIONS.....	1
1.1	Definitions	1
1.2	Interpretation	1
Part 2	PROSPECTUS EXEMPTION.....	1
2.1	Prospectus Exemption.....	1
2.2	Pledgees	2
Part 3	EXEMPTION.....	2
3.1	Exemption.....	2
Part 4	EFFECTIVE DATE.....	2
4.1	Effective Date.	2

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(Incorporating amendments up to March 30, 2004)

PART 1 DEFINITIONS

1.1 Definitions - In this Instrument

"control block distribution" means a trade to which the provisions of securities legislation listed in Appendix A apply; and

(as amended March 30, 2004)

1.2 Interpretation - Terms defined or interpreted in National Instrument 62-103 The Early Warning System and Related Take-over Bid and Insider Reporting Issues and used in this Instrument have the respective meanings ascribed to them in National Instrument 62-103.

PART 2 PROSPECTUS EXEMPTION

2.1 Prospectus Exemption

- (1) The prospectus requirement does not apply to a control block distribution of securities issued by a reporting issuer made by an eligible institutional investor if

(as amended March 30, 2004)

- (a) the eligible institutional investor
 - (i) has filed the reports required under the early warning requirements or Part 4 of National Instrument 62-103 for the reporting issuer in connection with the current securityholding percentage of the eligible institutional investor in classes of voting and equity securities of the reporting issuer,
 - (ii) does not have knowledge of any material fact or material change with respect to the reporting issuer that has not been generally disclosed,
 - (iii) does not receive in the ordinary course of its business and investment activities knowledge of any material fact or material change with respect to the reporting issuer that has not been generally disclosed, and
 - (iv) either alone or together with any joint actors, does not possess effective control of the reporting issuer;

- (b) there are no directors or officers of the reporting issuer who were, or could reasonably be seen to have been, selected, nominated or designated by the eligible institutional investor or any joint actor;
 - (c) the control block distribution is made in the ordinary course of business or investment activity of the eligible institutional investor;
 - (d) if the trade was not a control block distribution, the securities would not be subject to any requirements of securities legislation requiring them to be held for a specified period of time; and
 - (e) no unusual effort is made to prepare the market or to create a demand for the securities and no extraordinary commission or consideration is paid in respect of the control block distribution.
- (2) An eligible institutional investor that makes a distribution in reliance on subsection (1) shall file a letter within 10 days after the distribution that describes the date and size of the distribution, the market on which it was made and the price at which the securities being distributed were sold.

2.2 Pledges

Repealed

(amended March 30, 2004)

PART 3 EXEMPTION

3.1 Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption to 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 15, 2000.

**NATIONAL INSTRUMENT 62-101
APPENDIX A
CONTROL BLOCK DISTRIBUTIONS**

JURISDICTION	SECURITIES LEGISLATION REFERENCE
ALBERTA	Clause 1(f)(iii) of the <i>Securities Act</i> (Alberta)
BRITISH COLUMBIA	Paragraph (c) of the definition of "distribution" contained in subsection 1(1) of the <i>Securities Act</i> (British Columbia)
MANITOBA	Paragraph 1(b) of the definition of "primary distribution to the public" contained in subsection 1(1) of the <i>Securities Act</i> (Manitoba)
NEW BRUNSWICK	Paragraph (b) of the definition of "primary distribution to the public" contained in section 1 of the <i>Security Frauds Prevention Act</i> (New Brunswick)
NEWFOUNDLAND	Clause 2(1)(l)(iii) of the <i>Securities Act</i> (Newfoundland)
NOVA SCOTIA	Clause 2(1)(l)(iii) of the <i>Securities Act</i> (Nova Scotia)
ONTARIO	Paragraph (c) of the definition of "distribution" contained in subsection 1(1) of the <i>Securities Act</i> (Ontario)
PRINCE EDWARD ISLAND	Clause 1(b.1)(iii) of the <i>Securities Act</i> (Prince Edward Island)
QUEBEC	(amended March 30, 2004)
SASKATCHEWAN	Subclause 2(1)(r)(iii) of <i>The Securities Act, 1988</i> (Saskatchewan)

REPEALED

**NATIONAL INSTRUMENT 62-101
APPENDIX B AND APPENDIX C**

Repealed

(amended March 30, 2004)