

ALBERTA SECURITIES COMMISSION

BLANKET ORDER #51-503 (AB)

**TRANSITIONAL ORDER RELATING TO FORMER CDN QUOTED ISSUERS AND
FORMER TSE ISSUERS THAT BECOME REPORTING ISSUERS UPON HAVING
SECURITIES LISTED AND POSTED FOR TRADING ON CDN**

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

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Blanket Order:

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

“**CDN**” means the Canadian Dealing Network Inc., a wholly owned subsidiary of the TSE;

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

“**CDNX-CDN Issuer**” means an issuer that has any securities listed on CDNX and as at September 1, 2000 had:

- (a) any securities quoted on CDN; or
- (b) submitted to CDN, a complete application to have its securities quoted on CDN and subsequent to September 1, 2000 received approval for quotation on CDN;

“**CDNX-TSE Issuer**” means an issuer that has any securities listed on CDNX and that was suspended from trading on the TSE for failure to meet the revised continued listing requirements published by the TSE on October 1, 1999;

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

“**Equivalent Ontario Document**” means the document required to be filed under the Equivalent Ontario Requirements;

“Equivalent Ontario Requirements” means the requirements under Ontario Securities Laws 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 as of which that New Reporting Issuer has securities that are listed and posted for trading on CDNX and, in the case of a CDNX-CDN Issuer, that date must be no later than January 2, 2001;

“New Reporting Issuer” means a CDNX-CDN Issuer or a CDNX-TSE Issuer that:

- (a) is a reporting issuer under Ontario Securities Laws
- (b) was not a reporting issuer under the Act prior to the Listing Date and became a reporting issuer only under clause (iii) of 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 the Listing Date; and
- (c) does not subsequent to the Listing Date conduct a transaction or take any other action that would make it reporting issuer under clauses (i), (ii), (iv) or (v) of the definition of reporting issuer in subsection 1(t.1) of the Act;

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

“OSC” means the Ontario Securities Commission;

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

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

“TSE” means The Toronto Stock Exchange Inc.

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, CDNX-CDN Issuers and CDNX-TSE Issuers which are not already reporting issuers in Alberta, upon having any securities listed and posted for trading on CDNX, are deemed to be reporting issuers in Alberta.
- 2.3** The Commission has determined that there is adequate justification for granting this Blanket Order to provide certain transitional relief to the New Reporting Issuers and certain persons involved with them, from certain of the obligations applicable to Alberta reporting issuers. 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

- 3.1 Material Change Reports** - Under subsection 123(c) of the Act it is ordered that a New Reporting Issuer is exempt from the requirements of section 118 of the Act during the Transition Period, provided that the New Reporting Issuer files the Equivalent Ontario Document with the Commission at the same time and in the same manner as it files the Equivalent Ontario Document with the OSC under the Equivalent Ontario Requirements.
- 3.2 Annual Financial Statements** - Under subsection 123(c) of the Act it is ordered that a New Reporting Issuer is exempt from the requirements of subsection 121(1) of the Act during the Transition Period, provided that:
- (a) the New Reporting Issuer files the Equivalent Ontario Document with the Commission at the same time and in the same manner as it files the Equivalent Ontario Document with the OSC under the Equivalent Ontario Requirements; and
 - (b) the New Reporting Issuer sends the Equivalent Ontario 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 Equivalent Ontario Document to each holder in Ontario 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 a New Reporting Issuer is exempt from the requirements of subsection 120(1) of the Act during the Transition Period, provided that:

- (a) the New Reporting Issuer files the Equivalent Ontario Document with the Commission at the same time and in the same manner as it files the Equivalent Ontario Document with the OSC under the Equivalent Ontario Requirements; and
- (b) the New Reporting Issuer either:
 - (i) sends the Equivalent Ontario 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 Equivalent Ontario Document to each holder in Ontario 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 a New 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:

- (a) the person or company files the Equivalent Ontario Document with the Commission at the same time and in the same manner as it files the Equivalent Ontario Document with the OSC under the Equivalent Ontario Requirements; and
- (b) the person or company sends the Equivalent Ontario Document to each holder in Alberta of the New Reporting Issuer's securities, other than holders of debt instruments, at the same time and in the same manner as it sends the Equivalent Ontario Document to each holder in Ontario of the New 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 a New Reporting Issuer is exempt from the requirements of section 124 of the Act during the Transition Period provided that the New Reporting Issuer files the Equivalent Ontario Document with the

Commission at the same time and in the same manner as it files the Equivalent Ontario Document with the OSC under the Equivalent Ontario Requirements.

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

3.7 Acquisition Reporting - Under section 185 of the Act it is ordered that an offeror that acquires securities of a New 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 Equivalent Ontario Requirements.

Dated at the City of Edmonton

in the Province of Alberta

this 29th day of September, 2000

_____(signed by)_____
Eric T. Spink, Vice-Chair

_____(signed by)_____
Thomas G. Cooke, Q.C., Member