

ALBERTA SECURITIES COMMISSION NOTICE #51-504 (AB)

Blanket Order #51-504 (AB): Transitional Exemptions from Reporting Issuer Obligations for Former WSE Issuers and Prospective WSE Issuers

1. *Background*

As the next phase of the restructuring of the Canadian exchanges, The Winnipeg Stock Exchange (the "WSE") will cease operating a stock exchange in Manitoba and the Canadian Venture Exchange Inc. ("CDNX") will commence operations as a stock exchange in Manitoba. CDNX has invited to list on it, certain issuers that were listed on the WSE and in good standing as at November 3, 2000 and certain issuers that by November 24, 2000 had submitted an application to list on the WSE. Once listed and posted for trading on CDNX, these invited issuers, if not already reporting issuers in Alberta, automatically become reporting issuers in Alberta.

2. *Purpose and Summary*

The Alberta Securities Commission (the "Commission") has issued Blanket Order #51-504 (AB) (the "WSE Order"). The purpose of the WSE Order is to grant those invited issuers that satisfy the definition of "New Reporting Issuer" in the WSE Order, transitional relief from certain filing obligations normally imposed on Alberta reporting issuers. The WSE Order also provides transitional relief from certain filing obligations imposed on persons or companies involved with those issuers. The WSE Order divides the New Reporting Issuers into two principal categories: (i) those that have reporting obligations in Ontario or British Columbia (other than those invited issuers that obtained reporting issuer status in British Columbia simply as a result of listing on CDNX) referred to as "Extrajurisdictional Reporting Issuers" and (ii) those that are not reporting issuers under Ontario or British Columbia Securities Law (except as a result of listing on CDNX), referred to as "Manitoba Issuers".

(a) *Extrajurisdictional Reporting Issuers*

The WSE Order provides generally that Extrajurisdictional Reporting Issuers (and certain persons involved with them) are temporarily relieved from complying with certain reporting obligations applicable to Alberta reporting issuer. To rely on the WSE Order the Extrajurisdictional Reporting Issuer must concurrently file with the Commission via SEDAR a copy of the specified continuous disclosure documents filed with the Extrajurisdictional Commission. Further, if the Extrajurisdictional Reporting Issuer sends a specified continuous disclosure document to securityholders in the Extrajurisdictional Jurisdiction, it must also send a copy at the same time and in the same manner to securityholders in Alberta. Under the WSE Order, insider reports and early warning acquisition reports from persons involved with Extrajurisdictional Reporting Issuers do not need to be filed with the Commission so long as they are properly filed with the Extrajurisdictional Jurisdiction.

The Extrajurisdictional Jurisdictions are British Columbia and Ontario. Where an issuer is a reporting issuer in both British Columbia and Ontario, the issuer must of course continue to comply with the securities laws of both British Columbia and Ontario; however, only the document required under British Columbia Securities Law must be filed with the Commission. The Commission's specification of British Columbia has been made only to avoid the suggestion that duplicate filings are required.

(b) *Manitoba Issuers*

In regard to Manitoba Issuers, the Commission has also provided certain transitional relief. The Manitoba Issuers are provided transitional relief from Alberta reporting issuer obligations if they comply with the MSA Requirements, the WSE Requirements and certain modified filing requirements. One significant matter for Manitoba Issuers (and persons involved with them) to recognize is that even though the MSC may permit filing with it in paper format, the documents referred to in the WSE Order (other than insider reports) when required to be filed with the Commission, must be filed via SEDAR.

In order to rely on the WSE Order, Manitoba Issuers are required to comply with the WSE Requirements as

if they were bound by them. Manitoba Issuers should refer to the WSE's Operating Policies and listing agreement in effect as at November 24, 2000.

Some Manitoba Issuers do not have reporting obligations under Manitoba Securities Law. Those issuers (and persons involved with them) may rely upon the WSE Order only if they comply with the MSA Requirements as if they were bound by them. The WSE Order does not impose an obligation on these issuers to file the document with the MSC, rather it requires that the document be filed with the Commission and, if applicable, a copy be sent to securityholders in Alberta. Persons involved with those Manitoba Issuers that do not have reporting obligations under Manitoba Securities Law must file with the Commission, their insider reports (via mail or fax) and their early warning acquisition reports (via SEDAR).

If after listing on CDNX, a Manitoba Issuer obtains reporting issuer status in Ontario or takes any steps that would make it a reporting issuer under British Columbia Securities Law (if it was not already a reporting issuer by virtue of listing on CDNX), the issuer will no longer be considered a Manitoba Issuer and in order to rely on the WSE Order, will be required to comply with the reporting obligations applicable to an Extraprovincial Reporting Issuer.

(c) General

New Reporting Issuers are reporting issuers in Alberta. They have all of the benefits of a reporting issuer. If a New Reporting Issuer does not comply with the WSE Order it must comply with the standard requirements of Alberta Securities Law applicable to reporting issuers. If subsequent to listing on CDNX a New Reporting Issuer takes any action that, but the fact it is already a reporting issuer in Alberta, would make it a reporting issuer under Alberta Securities Law, the issuer will no longer be entitled to rely upon the WSE Order.

During the transitional period, New Reporting Issuers are not required to pay to the Commission those filing fees typically associated with filing of the specific continuous disclosure documents referred to in the WSE Order. However, the issuer is required to pay fees associated with other filings. In addition, the issuer will be required to pay fees to CDS in connection with the filing of documents via SEDAR.

The modified filing requirements applicable to New Reporting Issuers that are Extraprovincial Reporting Issuers are summarized in **Appendix "A"** to this Notice. The modified filing requirements applicable to New Reporting Issuers that are Manitoba Issuers are summarized in **Appendix "B"** to this Notice. This Notice and **Appendices "A"** and **"B"** provide a summary only. For full details of the relief provided by the WSE Order and the conditions to such relief, refer to the text of that blanket order.

3. Transitional Period

The transitional relief provided by the WSE Order expires June 30, 2001. After that time, the New Reporting Issuers and persons involved with them will be subject to the full burdens associated with the issuer having reporting issuer status in Alberta and will be expected to comply with all applicable provisions of Alberta Securities Law. New Reporting Issuers and persons involved with them should familiarize themselves with the requirements of Alberta Securities Law prior to the expiry of the transitional period.

4. Definitions and Interpretations

(a) Defined terms

Terms used in this Notice that are defined or used in the WSE Order should be read in accordance with the WSE Order.

(b) Interpretation of "listed" and "listed and posted for trading"

For the purpose of the WSE Order, 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. The WSE Order, in certain cases, uses the term "listed" without the additional words "and posted for trading". This choice of words reflects a decision to refer to issuers that are listed but may be suspended from trading.

Since the WSE Order applies to New Reporting Issuers that are listed on CDNX, a New Reporting Issuer may continue to rely on the relief provided by the WSE Order even if its securities are subsequently suspended from trading on CDNX.

An issuer that is delisted from CDNX is not "listed" and is not "posted". A former New Reporting Issuer that is delisted from CDNX will no longer be entitled to rely upon the relief provided by the WSE Order. However, it will continue to be a reporting issuer in Alberta and since it cannot rely on the WSE Order, it will be subject to the full obligations of a reporting issuer.

(c) Interpretation of "in the same manner"

The WSE Order refers to certain filings being made by Extraprovincial Reporting Issuers with the Commission "in the same manner" as they are made with the Extraprovincial Commission. This language has been used in the WSE Order to clarify that if those documents are required to be filed via SEDAR with the Extraprovincial Commission, then when filed with the Commission under the WSE Order they must also be filed electronically via SEDAR. This is done by selecting the Commission as an additional recipient.

5. Publication of Blanket Order #51-504 (AB)

The Commission published the WSE Order in the Weekly Summary for the week ending November 24, 2000. The blanket order has also been placed on the Commission's website at www.albertasecurities.com.

APPENDIX "A"

Summary of Modified Filing Requirements for Extraprovincial Reporting Issuers

	Prepare:	File:	Mail:
Material Change Reports (s. 118 of Alberta Act)	in accordance with Extraprovincial Requirements	via SEDAR with Extraprovincial Commission, together with applicable filing fee, if any and simultaneously via SEDAR with Commission (no filing fee)	N/A
Annual Financial Statements (s.121(1) of Alberta Act)	in accordance with Extraprovincial Requirements	via SEDAR with Extraprovincial Commission, together with applicable filing fee and simultaneously via SEDAR with Commission (no filing fee)	to holders in the Extraprovincial Jurisdiction of securities as required or permitted by Extraprovincial Requirements and simultaneously, in same manner to holders in Alberta of securities
Interim Financial Statements (s.120(1) of Alberta Act)	in accordance with Extraprovincial Requirements	via SEDAR with Extraprovincial Commission, together with applicable filing fee, if any and simultaneously via SEDAR with Commission (no filing fee)	to holders in the Extraprovincial Jurisdiction of securities as required or permitted by Extraprovincial Requirements and simultaneously, in same manner to holders in Alberta of securities
Proxy Materials (Information Circulars) (ss. 124, 127 and 128 of Alberta Act and sections 164-168 of Commission Rules)	in accordance with Extraprovincial Requirements	via SEDAR with Extraprovincial Commission, together with applicable filing fee and simultaneously via SEDAR with Commission (no filing fee)	to holders in the Extraprovincial Jurisdiction of securities as required or permitted by Extraprovincial Requirements and simultaneously, in the same manner to holders in Alberta of securities
Insider Trade Reports (s. 147 of Alberta Act)	in accordance with Extraprovincial Requirements	with Extraprovincial Commission in manner required or permitted by Extraprovincial Requirements, together with applicable filing fee, if any	N/A

	Prepare:	File:	Mail:
Early Warning Acquisition Reports (ss. 141 and 142 of Alberta Act)	in accordance with Extraprovincial Requirements	with Extraprovincial Commission in manner required or permitted by Extraprovincial Requirements together with applicable filing fee, if any	N/A

APPENDIX "B"

Summary of Modified Filing Requirements for Manitoba Issuers

	Prepare:	File:	Mailing/Delivery:
Material Change Reporting (s. 118 of Alberta Act)	press release in accordance with WSE requirements	press release with ASC via SEDAR under category for "material change filings" (no filing fee payable) Note: there is no requirement to prepare or file an ASC Form 27, <i>Material Change Report</i>	N/A
Annual Financial Statements (s.121(1) of Alberta Act)	in accordance with Manitoba securities law	if required by Manitoba securities law, with MSC in the manner and time period prescribed by Manitoba securities law, together with any applicable filing fee and regardless of whether required by Manitoba securities law or WSE policy, with ASC via SEDAR within time period (140 days) prescribed by WSE requirements (no filing fee payable to ASC) *Note, the financial statements must be filed with the ASC within the earlier time period prescribed by WSE requirements **Note: a fee is payable to CDS for filing on SEDAR as a multi-jurisdictional filer	if sent to Manitoba holders of securities, then simultaneously, in same manner to Alberta holders of securities
Six Month Interim Financial Statement	in accordance with Manitoba securities law	if required by Manitoba securities law, with MSC in the manner and time period prescribed by Manitoba securities law (60 days), together with any applicable filing fee and regardless of whether required by Manitoba securities law or WSE policy, with ASC via SEDAR under category for "interim financial statements" (no fee payable to ASC) within the time period prescribed by Manitoba securities law	if required by Manitoba securities law, to holders in Manitoba of securities as required or permitted by Manitoba securities law and regardless of whether required by Manitoba securities law or WSE policy, to holders in Alberta of securities within the time prescribed by Manitoba securities law (60 days) Note: mandatory mailing

	Prepare:	File:	Mailing/Delivery:
Quarterly Interim Financial Statements (s.120(1) of Alberta Act)	in accordance with WSE requirements	with ASC via SEDAR under category for “interim financial statements” within the time period (60 days) prescribed by the WSE requirements (no filing fee required) and with MSC, if required by Manitoba securities law	if sent to holders in Manitoba of securities, then simultaneously, in same manner to holders in Alberta of securities
Proxy Materials (Information Circulars) (ss. 124, 127 and 128 of Alberta Act and sections 164-168 of Commission Rules)	in accordance with Manitoba securities law	if required by Manitoba securities law, with MSC in manner required or permitted by Manitoba securities law and within time period required by Manitoba securities law, together with any applicable filing fee and regardless of whether required by Manitoba securities law or WSE policy, with ASC via SEDAR within the time period prescribed by Manitoba securities law (no filing fee)	if required by Manitoba securities law, to holders in Manitoba of securities as required or permitted by Manitoba securities law and regardless of whether required by Manitoba securities law or WSE policy, to holders in Alberta of securities within the time period prescribed by Manitoba securities law
Insider Trade Reports (s. 147 of Alberta Act)	in accordance with Manitoba securities law	if required by Manitoba securities law, then with the MSC in manner required or permitted by Manitoba securities law, together with any applicable filing fee or if not required under Manitoba securities law, then with the ASC via mail or fax within the time period prescribed by Manitoba securities law (no filing fee)	N/A
Early Warning Acquisition Reports (ss. 141 and 142 of Alberta Act)	in accordance with Manitoba securities law	if required by Manitoba securities law then with the MSC in the manner required or permitted by Manitoba securities law together with applicable filing fee or if not required under Manitoba securities law, then with the ASC via SEDAR in the time period prescribed by Manitoba securities law (no filing fee)	N/A

Definitions used in Table

“ASC” means Alberta Securities Commission
“MSC” means Manitoba Securities Commission
“SEDAR” means System for Electronic Document Analysis and Retrieval
“WSE” means Winnipeg Stock Exchange