

A.S.C. Notice 13

Guide to Raising Capital Without the Need of a Prospectus

On May 21, 1987 the Alberta Securities Commission approved the attached Guide to Raising Capital Without the Need of a Prospectus (the "Guide"). The Guide is merely intended as a very general outline of some of the most commonly used statutory exemptions under the Securities Act and the consequences relating to the utilization of those exemptions, including requisite filings, offering memoranda and hold periods. It should be emphasized that the Guide merely sets out interpretations and suggestions relating to the use of statutory exemptions and is merely intended to be a guide for issuers and investors. Therefore, an issuer or investor is strongly urged to consult with his legal adviser before proceeding to use the statutory exemptions, since they are somewhat technical in nature.

Copies of the Guide will be made available to members of the general public during normal business hours of the Commission at its office in:

Edmonton: 21st Floor, Imperial Oil Building
10025 Jasper Avenue
Edmonton, Alberta
T5J 3Z5

Calgary: 919 J. J. Bowlen Building
620 - 7th Avenue S.W.
Calgary, Alberta
T2P OY8

A GUIDE TO RAISING CAPITAL WITHOUT THE NEED OF A PROSPECTUS

I. How to Utilize the Prospectus Exemptions in the Alberta Securities Act

The Securities Act was designed to provide full, true and plain disclosure for a prospective investor, to enable him to make a rational investment decision based on the nature of the security being offered him. Generally speaking, if an issuer of securities wishes to sell to the public, he cannot do so without filing a prospectus and obtaining a receipt for that prospectus, from the Alberta Securities Commission. In addition, he would normally be required to be registered to sell securities or have his selling agent or underwriter registered.

However, legislators are aware that some purchasers do not require the same type of disclosure as others and may not need the advice of a person or company that is registered to deal in securities (a registrant). In addition, legislators are aware that in order to foster economic activity, overly restrictive requirements on disclosure could prove prohibitive to the small company or enterprise trying to get off the ground or maintain economic viability. In light of these realizations, the Securities Act contains exemptions from prospectus (section 107(1)) and registration (section 65(1)) requirements for issuers selling to certain types of purchasers, as well as for small scale or new issuers, selling securities in certain types of situations.

II. Common Statutory Exemptions

Several commonly used exemptions are:

1. Sophisticated Purchaser - Section 65(1)(e) and 107(1)(d) of the Securities Act provides an exemption for an issuer selling to a purchaser who purchases a security for himself provided that the cost to the purchaser of the security exceeds \$97,000.

Comment

The rationale for this exemption is that due to the amount of the purchase price (over \$97,000), the purchaser is of such sophistication that prospectus disclosure may not be required. If a purchaser is prepared to invest a large amount of capital (i.e. at least \$97,000) in an issuer, then that purchaser has sufficient bargaining power to require whatever disclosure he feels is necessary to make an intelligent decision. It should be noted that the Commission in enforcing the exemptions, looks at the substance of the transaction and any attempt to taint the spirit for which the exemption was intended could result in the issuers use of the exemption being revoked. (Such would be the case where a group of purchasers got together, i.e. a syndication, to form one purchaser and take advantage of the \$97,000 purchase exemption.)

2. Relatives, Close Friends and Business Associates - Another typical exemption occurs if an issuer sells a security to a close friend or business association, the trade is exempted from the prospectus and registration requirements of the Act. Section 65(l)(y) and 107(l)(z) of the Act provides for an exemption which in essence is as follows:
- 2.1 a trade of securities is exempted if the trade is made to:
 - 2.1.1 a senior officer or director of the issuer;
 - 2.1.2 a senior officer or director of an affiliate of the issuer;
 - 2.1.3 a spouse, parent, brother, sister or child of the senior officer or director of the issuer or an affiliate of the issuer; or
 - 2.1.4 a company wholly owned by one or more of the persons referred to in subparagraphs 2.1.1 to 2.1.3;
 - 2.2 close friends or business associates of the promoter of the issuer or companies wholly owned by a single close friend or a single business associate as long as:
 - 2.2.1 the issuer does not sell to more than a total of 50 close friends, business associates and companies and there is not an invitation to the public at large to subscribe for the securities; and
 - 2.2.2 the promoter has not relied on this exemption during the last 12 months to fund the same property, project or program as that proposed to be funded by the exemption.

Comment

The rationale for the exemption is that the class of persons to whom securities are to be distributed have a very close relationship to the issuer and have ready access to information about the issuer. As can be seen, the exemption is divided into two parts
- distributions to certain relatives of directors and senior officers and distributions to close friends and business associates.

In regards to close friends and business associates, four things must be kept in mind.

Firstly, the exemption is only available to close friends and business associates of a promoter of the issuer. This means that the exemption does not apply to acquaintances or close friends of close friends of the promoter. Nor does it apply to business associates of

the promoter's business associates. Therefore, it should be clear that the exemption is only available to those having a very close relationship to the promoter either as a close friend or a business associate.

Secondly, in regards to companies to whom a distribution is to be made, each company is required to be wholly owned by a single close friend or a single business associate of a promoter.

Thirdly, the exemption is only available to a distribution to a maximum of 50 close friends, business associates and companies. Any larger number will require an advance discretionary order from the Commission under section 116 of the Securities Act.

Fourthly, the exemption prohibits there to be any invitation to the public to subscribe for the securities. This clearly ensures that sales of securities be made only to close friends, business associates and companies wholly owned by a single close friend or single business associate. Such a prohibition also prevents any advertising for the sale of the securities.

3. Seed Capital Exemption- The Securities Act provides exemptions for an issuer to make a relatively small issue of its securities to gain needed capital in certain situations. These exemptions are contained in section 65(l)(v) and (v.1) as to registration and in section 107(l)(p) and (q) as to prospectus exemptions of the Securities Act. These exemptions deviate from the normal premise of providing a prospective purchaser will full, true and plain disclosure of the prospective investment.

Comment

The rationale for the seed capital exemption (at section 65(l)(v) and (v.1) and section 107(l)(p) and (q)) is that in certain cases a relatively small distribution is contemplated where economically the costs of a prospectus would prevent the distribution from occurring at all. In order to encourage these limited distributions where the issuer is essentially after "seed money" or proposes a relatively small distribution, the legislators have included the seed capital exemption.

In order for the seed capital exemption to apply the following conditions must be strictly complied with:

- 3.1 sales may be made to no more than 50 purchasers. This number ensures that the distribution is limited;
- 3.2 all purchases are to be completed within a period of six months after the first purchase, however, subsequent sales may be completed in compliance with

written agreements entered into during the six month period. The legislators were of the view that six months was a sufficient period of time for the issuer to distribute its securities;

- 3.3 before an agreement of purchase and sale is entered into each purchaser is to receive an offering memorandum that complies with the regulations.

This condition requires that the investor have sufficient information on which he is able to make a reasoned judgement. The minimum information to be contained in an offering memorandum is set forth at Schedule "A" attached to this brochure.

- 3.4 The issuer must obtain a written acknowledgement as required by the Commission's blanket order of May 21, 1987 from each purchaser which indicates that:

- 3.4.1 the purchaser is purchasing as principal; and

- 3.4.2 the purchaser is a sophisticated purchaser,

The condition at subparagraph 3.4.1 ensures that one purchaser does not purchase the securities as agent or trade for other purchasers. This condition helps to ensure that the distribution is kept limited;

The condition at subparagraph 3.4.2 is designed to ensure that only sophisticated purchasers may purchase securities under this exemption. Such purchasers have to attest to their sophistication by completing the written statement and submitting it to the issuer. In order to be a sophisticated purchaser, the investor must satisfy the definition at section 1(1)(j) of the regulations to the Securities Act.

- 3.5 there is to be no advertising for the offer and sale of securities. This condition goes hand in hand with the restriction on the number of sales under this exemption. To keep the numbers limited and the distribution limited to investors who can qualify under the exemption, advertising is not permitted;
- 3.6 no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer. There is not to be any commissions paid for the sale of securities, except to registered dealers;

- 3.7 the promoter of the issuer is prohibited from using this exemption if during the period of 12 months preceding the date of use of this exemption, the promoter formed other issuers and relied on this exemption or similar exemptions in other jurisdictions, to fund the same property, project or program as proposed to be funded by the seed capital exemption.

This prohibition is designed to prevent a promoter from forming several different issuers, which issuers would each purport to rely on the seed capital exemption to fund the same property, project or program. Such a scenario is considered to be an abuse of this exemption. This prohibition should thwart this abusive scenario.

- 3.8 the distribution is the first distribution by the issuer under this exemption. The issuer is only permitted to use this exemption once. After that, he must effect his distribution under sections 65(l)(v.1) and 107(l)(q) of the Securities Act.

If an issuer proposes to return to the securities market place with a similar distribution as permitted under the seed capital exemption, he must do so pursuant to sections 65(l)(v.1) and section 107(l)(q). Basically, the second and subsequent uses of the seed capital exemption may only take place 12 months after the completion of the distribution under the seed capital exemption.

Therefore, if an issuer has made his initial use of the seed capital exemption, he will have to wait 12 months after the completion of that distribution. Upon completion of the 12 month period, he may go back to the market. Naturally, these conditions and all the conditions, on the second and subsequent use of the seed capital exemption are the same as for the initial use of the seed capital exemption.

III. Procedures to be Carried Out if a Statutory Exemption is Available

If any of the common statutory exemptions set out in this guide are available, then the issuer may proceed to carry out the distribution complying strictly with the conditions set out under the appropriate exemption. Then within 10 days of the date of the trade (which may be 10 days from the date that any money or other consideration changes hands from the investor to an issuer or agent of an issuer or 10 days from a closing date of the offering) the issuer is required by statute (section 108(l)) to file a report with the Commission. This report is Form 20 of the regulations to the Securities Act.

In addition, if the issuer has used an offering memorandum to distribute the securities, he is required to file two copies of the offering memorandum with the Commission prior to carrying out any

solicitations for sales of the securities. (See section 127(2) of the regulations of the Securities Act.)

Finally, every person or company purporting to rely on any of the exemptions set out in this guide is required to file a report pursuant to Form 20A of the regulations of the Act within 10 days from the date that:

1. the distribution was completed; or
2. the securities were no longer being offered for sale due to the failure of the offering to close.

Form 20A is designed to be a statistical form and no fees are required.

IV. Offering Memorandum

The offering memorandum is defined at section 1(m.2) of the Securities Act. Form 43 of the regulations to the Securities Act specifies what must be contained in an offering memorandum. A copy of Form 43 is attached to this guide as Schedule "A". In addition the Commission has set forth guidelines to assist in the completion of Form 43 and a copy of those guidelines is attached as Schedule "B".

The offering memorandum form merely sets out what at a minimum is required to be disclosed. It will be the responsibility of the issuer and its professional advisers to ensure that all material facts beyond the minimum requirements, if any, are disclosed in the offering memorandum. Failure to include such material facts may lead to potential liability of the issuer pursuant to the contractual right of action that is required to be given to purchasers to whom the offering memorandum is sent.

It should be noted that the offering memorandum is only required to be provided to prospective investors under the seed capital exemption or subsequent use of that exemption or if a person or company proposes to advertise securities under the sophisticated purchaser exemption (see sections 125 and 127(l)(a) of the regulations to the Securities Act). It is not required to be provided to prospective investors under any other exemption. If, however, an offering memorandum as defined by section 1(m.2) of the Securities Act is to be voluntarily provided to prospective investors under the relatives, close friends and business associates exemptions, as previously discussed in this guide, then the offering memorandum must be prepared in accordance with Form 43 (see section 127(l)(b) of the regulations to the Securities Act). The offering memorandum need not comply with all the requirements of Form 43, but merely with items 20, 21 and 22 of the Form, if the sophisticated purchaser exemption is being utilized. Reference should be made to the Commission blanket order of June 4, 1987.

V. Restrictions on Resale of Securities Acquired under a Statutory Exemption

If any of the commonly used statutory exemptions cited in this guide are employed to distribute securities, then certain "hold periods" depending on the nature of the security will apply to the resale of those securities. These hold periods are set out in section 109 of the Securities Act.

The rationale for hold periods are two-fold:

1. to ensure that the securities are sufficiently seasoned before they get into the hands of the general public;
2. to ensure that an investor exhibits sufficient investment intent when purchasing the securities.

Generally speaking, there are three common hold periods which depend on the nature of the securities. These hold periods are as follows:

1. In the case of "legal for life" securities, the later of six months from the date of acquisition of the securities or the date that the issuer becomes a reporting issuer. "Legal for life" securities are those securities of an issuer that have exhibited some payment of earnings or dividends thereon over a period of time. There is usually less risk attached to this type of security.
2. In the case of securities listed on a recognized stock exchange, the later of 12 months from the date of initial acquisition of the securities or the date that the issuer becomes a reporting issuer.
3. In the case of all other securities, the later of 18 months from the date of initial acquisition of the securities or the date the issuer becomes a reporting issuer.

As can be seen, the expiration of a hold period will depend upon whether the issuer has been a reporting issuer for a certain period of time. An issuer may commonly become a reporting issuer by:

- a) filing a prospectus and obtaining a receipt therefore;
- b) having its securities listed on the Alberta Stock Exchange; or
- c) making a securities exchange take-over bid.

(See section 1(t.1) of the Securities Act for definition of reporting issuer.)

Therefore, it is to the advantage of the investors of an issuer to have the issuer a reporting issuer as this will start time running so as to enable them to freely trade in securities they acquired under one of the statutory exemptions.

If the hold periods have not expired, then the investor has only two other options open to him in distributing the securities. He may do so, if he can find an investor that is able to rely on a statutory exemption in section 107(l) of the Securities Act. If the investor is not able to distribute his securities under another statutory exemption in section 107(l) of the Securities Act, then he must apply to the Commission pursuant to section 116 of the Act to seek the Commission's prior approval to the distribution.

The restrictions on resale that are referred to here should be disclosed by the issuer in an offering memorandum to be supplied to a prospective investor.

VI. Stacking Permitted

It should be noted that stacking of the exemptions found in section 107 is permitted by the Alberta Securities Commission. By "stacking" we mean that two or more exemptions may be used at the same time, with the following provisos:

1. Stacking of the exemptions is only permitted so long as no other exemption is tainted by the process of stacking. For example, if one proposes to use the section 107(l)(d) exemption and wishes to advertise that offering, then the seed capital exemption will not be available, since that exemption prohibits advertising. Therefore, extreme care must be taken in stacking the exemptions so as to prevent the tainting of one exemption by another.
2. The isolated trade exemption at section 107(l)(b) of the Securities Act cannot be stacked with any other exemption.

VII. Advice from Legal Counsel

This document merely sets out interpretations and suggestions relating to the use of statutory exemptions and is merely intended to be a guide for issuers and investors. Therefore, an issuer or investor is strongly urged to consult with his legal adviser before proceeding to use the statutory exemptions, since they are somewhat technical in nature.

Schedule "A" to item IV of A.S.C. Notice 13

FORM 43

Securities Act

OFFERING MEMORANDUM

ITEM I Non-review by Commission:

A statement as follows shall be in bold print:

No securities commission or similar regulatory authority has passed on the merits of the securities offered nor has it reviewed this offering memorandum and any representation to the contrary is an offence.

ITEM 2 Risk Factor

- (1) If appropriate to a clear understanding by purchasers of the risk factors and speculative nature of the enterprise or the securities being offered, summarize the factors that make the purchase a risk or speculation.
- (2) Without restricting the generality of subsection (1), disclose if the purchaser may become liable to make an additional contribution beyond his initial investment.

ITEM 3 Name and Incorporation of Issuer

State the name, principal business address and registered address of the issuer and laws under which it was incorporated or organized.

ITEM 4 Description of Securities:

- (1) Describe the securities to be distributed including the price of the securities and the major attributes of the securities such as redemption, retraction, conversion, restricted voting and similar matters.
- (2) Disclose how the offering price was established, whether by negotiation, arbitrarily by the issuer or otherwise.

ITEM 5 Number and Aggregate Dollar Amount of Securities to be Distributed:

- (1) State the number and aggregate dollar amount of securities to be distributed, expressed as both minimum and maximum figures.
- (2) If a minimum amount of funds is required to be raised by the offering, disclose consequences of failure to raise that amount including the return of all funds to the purchaser without any deduction or penalty.
- (3) If there is no minimum amount that is required to be raised, then provide the following statement in bold print:

This offering is not subject to any minimum subscription level, and therefore any funds invested are available to the issuer and need not be refunded to the purchaser if the project or program does not proceed.

ITEM 6 Seller of the Securities:

Provide the name of the seller of the securities, the relationship of the seller to the issuer, and the remuneration, if any, to be paid to the seller for the sale of the securities.

ITEM 7 Exemptions From the Prospectus Requirements:

Disclose the specific statutory exemption or exemptions from the prospectus requirements or the discretionary exemption, as the case may be, to be relied on, in distributing the securities.

ITEM 8 Restrictions on Resale of Securities.

ITEM 9 Nature of Business of Issuer.

ITEM 10 Nature of Project to be Financed.

ITEM 11 Use of Proceeds by Issuer.

ITEM 12 Share Capital Structure.

ITEM 13 Debt of the Issuer.

ITEM 14 Directors, Executive Officers, Promoters and Principal Holders of Securities:

- (1) Provide the name, municipality of residence and principal occupation for the last 5 years of directors, executive officers as defined in Form 40, promoters and principal holders of securities

being those holders that hold directly or indirectly more than 10% of any class of voting securities of the issuer.

- (2) Disclose all securities of the issuer including options, held by the directors, executive officers as defined in Form 40, promoters and principal holders of securities at a date not more than 30 days prior to the date the securities were first offered for sale pursuant to the offering memorandum.
- (3) If the issuer is a limited partnership, provide disclosure under this Item in respect of the general partner of the limited partnership.
- (4) If the promoter of the limited partnership is not the general partner, provide disclosure under this Item relating to the promoter of the limited partnership.

ITEM 15 Conflicts of Interest Between Those Persons in Item 14 and the Issuer.

ITEM 16 Continuous Reporting Obligations to Investors.

ITEM 17 Financial Statements:

The following statements shall be prepared in accordance with generally accepted accounting principles and included in the offering memorandum.

- (a) where the issuer has not completed 1 fiscal year, unaudited financial statements of the issuer as at a date not more than 60 days prior to the date that the securities were first offered for sale pursuant to the offering memorandum;
- (b) where the issuer has completed 1 or more fiscal years,
 - (i) audited financial statements of the issuer for the most recent fiscal year as at a date not more than 120 days prior to the date securities were first offered for sale pursuant to the offering memorandum, and
 - (ii) if applicable, unaudited financial statements for a stub period ending not more than 90 days prior to the date the securities were first offered for sale pursuant to the offering memorandum;
- (c) where the offering constitutes formation of a limited partnership, the financial statements referred to in clauses (a) or (b) shall be those of the general partner.

ITEM 18 Income Tax Consequences:

If income tax consequences are a material aspect of the offering then

- (a) provide a summary disclosure of the significant income tax consequences to individuals who are residents in Canada, and
- (b) provide in bold faced type a statement to the effect that prospective purchasers are urged to consult with their professional advisers regarding tax consequences applicable to them.

ITEM 19 Material Contracts:

- (1) Give particulars of every material contract entered into by the issuer or, if applicable, any of its subsidiaries within 2 years prior to the date securities were first offered for sale pursuant to the offering memorandum and state a time and place at which those contracts or copy thereof may be inspected during distribution of the securities being offered.
- (2) If a material contract is of a confidential nature issuers may provide prospective purchasers with a summary of such contracts in accordance with this Item.

ITEM 20 Contractual Rights of Action:

Where the sale of the securities is in Alberta every offering memorandum shall contain the following statement

In Alberta every purchaser of securities pursuant to this offering memorandum shall have a right of action for damages and or rescission against the issuer if the offering memorandum or any amendment thereto contains a misrepresentation.

ITEM 21 Limitation Period for Contractual Rights of Action:

Where the sale of securities is in Alberta every offering memorandum shall state the following:

In Alberta no action shall be commenced to enforce a contractual right of action unless the right is exercised

- (a) *in the case of rescission, on notice to the issuer not later than 180 days, or*
 - (b) *in the case of damages, on notice given to the issuer nor later than 1 year,*
- from the date of the transaction that gave rise to the cause of action.*

ITEM 22 Certificate

Include a certificate in the following form:

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or omit to state a material fact that is necessary to be stated in order for the statement not to be misleading.

INSTRUCTIONS:

The certificate is required to be signed by the chief executive officer and the chief financial officer of the issuer or if no such officers have been designated, then by 2 directors of the issuer authorized to sign.

IT IS AN OFFENCE UNDER THE *SECURITIES ACT* AND THE *SECURITIES REGULATION* FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

ANY FEE PAYABLE TO THE ALBERTA SECURITIES COMMISSION UNDER THE *SECURITIES ACT* AND THE *SECURITIES REGULATION* SHALL BE PAID TO THE PROVINCIAL TREASURER IN ACCORDANCE WITH THE REQUIREMENTS OF SCHEDULE 1 TO THE REGULATION. ANY FAILURE TO ACCOMPANY A FORM OR APPLICATION WITH THE PRESCRIBED FEE SHALL RESULT IN THE RETURN OF THAT FORM OR APPLICATION.

Schedule "B" to item IV of A.S.C. Notice 13

Guidelines For Preparing Form 43

In order to assist issuers and their professional advisers in preparing an offering memorandum required by Form 43 of the Securities Regulations, the Alberta Securities Commission offers these guidelines in respect of certain items in Form 43.

NOTE: If a particular item is inapplicable, then include a statement under that item that it is "not applicable".

Re ITEM 8 Restrictions On Resale of Securities

8.1 If the securities being offered through a statutory exemption or discretionary exemption are subject to restrictions on resale, then make a statement to the following effect in bold print:

"All securities purchased pursuant to this offering memorandum shall be subject to restrictions on resale until such time as

8.1.1 the appropriate "hold periods" have been satisfied,

8.1.2 a further statutory exemption may be relied upon by the investor or,

8.1.3 an appropriate discretionary order is obtained pursuant to applicable securities laws.

Therefore all purchasers under this offering should consult with their legal advisers to determine the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or the obtaining of a discretionary order."

8.2 If the issuer is not a reporting issuer, add a statement to the following effect:

"Since (name of issuer) is not a reporting issuer in Alberta, the applicable hold period may never expire, and if no further statutory exemption may be relied upon and if no discretionary order is obtained, this could result in a purchaser having to hold the securities acquired under this offering for an indefinite period of time."

If the issuer is a reporting issuer disclose the date on which the hold period expires.

8.3 Disclose that the purchaser shall be required to file a form pursuant to securities regulations being

Form 21, which must be filed within 10 days from the date of the beginning of the distribution by the purchaser.

Re ITEM 10 Nature of Project To Be Financed

10.1 Describe the project, property or program that is to be financed by the offering, and

10.1.1 in the case of acquisition of property or assets, set out all the potential titles that must be transferred, legal descriptions, if appropriate and details of any material encumbrances against the property or assets that are the subject of the offering,

10.1.2 if there is a technical report, in the case of a natural resource project or program set out a summary of that report, relating to the project or program prepared by an expert and disclose name and qualifications of expert,

10.1.3 if there is a valuation or feasibility study, in the case of a project or program that does not involve natural resources, include a summary of a valuation, feasibility study or other appropriate technical report prepared by an expert and disclose name and qualifications of expert.

10.2 Summarize the nature and extent of any ongoing financial commitments or responsibilities imposed on the issuer or promoter in order to complete the project or program or to acquire the property and state whether the issuer or promoter shall be able to meet those commitments or responsibilities based on financial statements of the issuer or promoter. If the issuer or promoter is not able to meet those commitments or responsibilities, provide disclosure as to the consequences for the purchaser.

Re ITEM 11 Use of Proceeds By Issuer

11.1 State the estimated net proceeds to be derived by the issuer from the sale of the securities to be offered, the principal purposes for which the net proceeds are intended to be used and the approximate amount intended to be used for each purpose;

11.2 If a minimum subscription level is involved, the priorities for use of proceeds shall be disclosed in respect of application of both minimum and maximum proceeds from the offering.

11.3 If a particular property, project or program is to be financed only partially from proceeds of the offering, the source of additional financing and particulars thereof needed to complete financing of the property, project or program shall be disclosed.

Re ITEM 12 Share Capital Structure:

Furnish in substantially the tabular form indicated or, if appropriate, in notes thereto particulars of the share capital of the issuer and its subsidiaries if any.

Column 1	Column 2	Column 3	Column 4	Column 5
Designation of security	Amount authorized or to be authorized	Amount outstanding as of the date of the most recent balance sheet contained in the offering memorandum	Amount outstanding as of a specific date within 30 days preceding the date securities were first offered for sale pursuant to this offering memorandum	Amount to be outstanding if all securities being issued are sold
.....

Re ITEM 13 Debt of the Issuer

Furnish in substantially the tabular form indicated or, if appropriate, in notes thereto particulars of the debt of the issuer and its subsidiaries if any

Column 1	Column 2	Column 3	Column 4
Nature of Debt	Amount of Debt as of a date not more than 30 days preceding the date securities were first offered pursuant to this offering memorandum	Interest Rate on Debt	Repayment Schedule

INSTRUCTION

State whether the particular debt is in default.