

A.S.C. NOTICE 29

SCHEDULE 1 TO THE SECURITIES REGULATION (FEES)

CLARIFICATION

Effective July 1, 1993, Schedule 1 to the Alberta Securities Regulation was repealed and replaced by a new Schedule 1 pursuant to Securities Amendment Regulation 329/93 ("Amended Schedule 1").

Shelf Prospectuses

On June 15, 1993 the Alberta Securities Commission (the "Commission") published a Notice exempting prospectuses from the requirements of Amended Schedule 1 if a preliminary prospectus for the distribution was filed prior to July 1, 1993,

The Notice does not apply to a prospectus supplement filed under the Shelf Procedures as defined by National Policy Statement No. 44 (the "Shelf Procedures"). Every prospectus supplement filed under the Shelf Procedures on or after July 1, 1993 must comply with Amended Schedule 1.

Therefore, the fee for the distribution of securities under a prospectus supplement filed under the Shelf Procedures is:

- (a) where a preliminary prospectus was filed prior to July 1, 1993, 0.03% of the aggregate gross proceeds realized in Alberta by the issuer or selling security holder from the distribution under the prospectus supplement exceeding \$1000; or
- (b) where a preliminary prospectus was filed on or after July 1, 1993, 0.03% of the aggregate gross proceeds realized in Alberta by the issuer or selling security holder from the distribution under the prospectus supplement exceeding \$2500.00.

Selling Security Holders

Subsections 3(1) and (2) of Amended Schedule 1 prescribe that every preliminary or pro forma prospectus filed shall be accompanied by a fee of \$2500 and \$250 respectively for each issuer or selling security holder whose securities may be distributed under it.

The fee is intended to apply to selling security holders as a group, not individually. Therefore, where a preliminary prospectus is issued by more than one selling security holder, only one filing fee is required. If a group of selling security holders issues a prospectus with one issuer or more, a fee is required for each issuer and the group of selling security holders.

Section 4 of Amended Schedule 1 also prescribes that every prospectus filed for the distribution of securities shall be accompanied by a written undertaking by the issuer or selling security holder to the Chief of Securities Administration to pay a certain fee within a certain time.

Where a prospectus is filed by more than one issuer, selling security holder or issuer and selling security holder, the written undertaking must be provided by each issuer and each selling security holder group.

Undertakings

Finally, issuers and selling security holders are reminded the undertaking required by section 4 of Amended Schedule 1 must be addressed to “the Chief of Securities Administration”. Any undertaking incorrectly addressed will not be accepted by the Commission.

Dated at Edmonton, Alberta, this 22nd day of December, 1993.