The Ontario Securities Commission

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February 8, 2002

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The Ontario Securities Commission Administers the Securities Act of Ontario (R.S.O. 1990, c.S.5) and the Commodity Futures Act of Ontario (R.S.O. 1990, c.C.20)

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

February 8, 2002

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q. C.	—	HLM
R. Stephen Paddon, Q.C.	—	RSP

SCHEDULED OSC HEARINGS

Date to be announced	**Mark Bonham and Bonham & Co. Inc.** s. 127 M. Kennedy in attendance for staff Panel: TBA
February 7 & 8/02 9:30 a.m. March 5,7, 8, 19,21,22,28, 29/02 9:30 a.m. April 2,4,5,11,12/02 9:30 a.m. February 12/ 02 2:00 p.m. March 12 & 26/02 2:00 p.m. April 9/02 2:00 p.m.	**YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths McBurney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)** s.127 K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff. Panel: HIW / DB / RWD
January 24, 2002 10:00 a.m.	Yorkton Securities Inc., Gordon Scott Paterson, Piergiorgio Donnini, Roger Arnold Dent, Nelson Charles Smith and Alkarim Jivraj **(Piergiorgio Donnini)** s. 127(1) and s. 127.1 J. Superina in attendance for Staff Panel: TBA
February 4, 13, 14, 15, 28, 2002 9:30 a.m.	**Arlington Securities Inc. and Samuel Arthur Brian Milne** J. Superina in attendance for Staff s. 127 Panel: PMM

February 15, 2002 9:30 a.m.	**Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein and Robert Topol** J. Superina in attendance for Staff s. 127 Panel: TBA	
February 27, 2002 10:00 a.m.	**Rampart Securities Inc.** T. Pratt in attendance for Staff s. 127 Panel: PMM	
April 15 - 19, 2002 9:00 a.m.	**Sohan Singh Koonar** s. 127 J. Superina in attendance for Staff Panel: PMM	
May 1, 2 & 3, 2002 10:00 a.m.	**James Frederick Pincock** s. 127 J. Superina in attendance for Staff Panel: TBA	
May 6, 2002 10:00 a.m.	**Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.** S. 127 Y. Chisholm in attendance for Staff Panel: PMM	

ADJOURNED SINE DIE

Buckingham Securities Corporation, Lloyd Bruce, David Bromberg, Harold Seidel, Rampart Securities Inc., W.D. Latimer Co. Limited, Canaccord Capital Corporation, BMO Nesbitt Burns Inc., Bear, Stearns & Co. Inc., Dundee Securities Corporation, Caldwell Securities Limited and B2B Trust

Michael Bourgon

DJL Capital Corp. and Dennis John Little

Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall, DJL Capital Corp., Dennis John Little and Benjamin Emile Poirier

First Federal Capital (Canada) Corporation and Monter Morris Friesner

Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

M.C.J.C. Holdings Inc. and Michael Cowpland

Offshore Marketing Alliance and Warren English

Robert Thomislav Adzija, Larry Allen Ayres, David Arthur Bending, Marlene Berry, Douglas Cross, Allan Joseph Dorsey, Allan Eizenga, Guy Fangeat, Richard Jules Fangeat, Michael Hersey, George Edward Holmes, Todd Michael Johnston, Michael Thomas Peter Kennelly, John Douglas Kirby, Ernest Kiss, Arthur Krick, Frank Alan Latam, Brian Lawrence, Luke John Mcgee, Ron Masschaele, John Newman, Randall Novak, Normand Riopelle, Robert Louis Rizzuto, And Michael Vaughan

S. B. McLaughlin

Southwest Securities

Terry G. Dodsley

PROVINCIAL COURT PROCEEDINGS

May 27 - July 5, 2002 **Michael Cowpland and M.C.J.C. Holdings Inc.**

s. 122

M. Kennedy and M.Britton in attendance for staff.

161 Elgin Street, Ottawa

1.2 News Releases

1.2.1 Insider Reporting System Shut Down Due to Technical Problems - CSA

CANADIAN SECURITIES ADMINISTRATORS

For Immediate Release
February 1, 2002

INSIDER REPORTING SYSTEM SHUT DOWN DUE TO TECHNICAL PROBLEMS

Vancouver – Canada's securities regulators have asked CDS INC. to suspend operation of the new insider reporting system due to technical difficulties. The Canadian Securities Administrators (CSA) announced that the System for Electronic Disclosure by Insiders (SEDI) is unavailable effective immediately.

SEDI has been accepting issuer registrations since October 29, 2001. Insider reporting began on January 21, 2002. Since that time, users have been experiencing unacceptable delays when using the system. Both the CSA and CDS INC. expressed their regret about the inconvenience for system users.

Securities regulators have determined that the best long-term solution is to take the system off-line for diagnostic and repair work until the problem can be completely remedied. The CSA and CDS INC., SEDI's developer and operator, will make every effort to remedy the situation as quickly as possible. It is not known at this time when the system will be back online. The CSA will continue to update issuers and insiders on this matter.

Insiders are still required to comply with their insider reporting obligations. Insiders can fulfil their reporting requirements by using Form 55-102F6, which can be obtained on the website of the regulator in each jurisdiction, or by contacting the regulator directly. Insiders can file the form by fax, by mail or in person. The CSA will issue a notice explaining interim reporting requirements shortly.

Media contacts:

Michael Bernard
Communications Manager
BC Securities Commission
604-899-6524
1-800-373-6393 (BC only)

Eric Pelletier
Manager, Corporate Communications
CDS INC.
416-365-8427

For filing information:

Agnes Lau
Deputy Director, Capital Markets
Alberta Securities Commission
780-422-2191

Andrew Richardson
Manager, Financial and Insider Reporting
British Columbia Securities Commission
604-899-6730
1-800-373-6393 (in B.C. and Alberta)

Iva Vranic
Manager, Corporate Finance
Ontario Securities Commission
416-593-8115

Sylvie Lalonde
Conseillère en règlementation
Commission des valeurs mobilières du Québec
514-940-2199 ext. 4555

1.2.2 Arrow Hedge Partners Inc. - Application Approved

February 5, 2002

Torys

Attention: Dawn W. Scott

Dear Sirs/Mesdames:

Re: Application by Arrow Hedge Partners Inc. ("Arrow") for approval to act as trustee of the Arrow Global MultiManager Fund, Arrow Global MultiManager II Fund, Arrow North American MultiManager Fund, Arrow North American MultiManager II Fund, Arrow White Mountain Fund, Arrow Eagle & Dominion Fund, Arrow Goodwood Fund, Arrow WF Asia Fund, Arrow Capital Advance Fund, Arrow Global RSP MultiManager Fund, Arrow Epic Capital Fund, Arrow Ascendant Fund, Arrow Milford Capital Fund, Arrow Global Multi-Strategy Fund, Arrow Global Multi-Strategy II Fund (together, the "Existing Funds"), and also certain other mutual funds to be established by Arrow from time to time and offered pursuant to prospectus exemption (the "Future Funds" and together with the Existing Funds, the "Funds")
- Application No. 073/02

Further to the application dated January 25, 2002 (the "Application") filed on behalf of Arrow, and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that Arrow act as trustee of the Funds which it manages.

"Robert W. Davis" "Theresa McLeod"

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 CMP 2001 II Resource Limited Partnership - MRRS Decision

Headnote

Issuer exempted from interim financial reporting requirements for first and third quarter of each financial year. Exemption terminates upon the occurrence of a material change in the business affairs of the Issuer unless the Decision Makers is satisfied that the exemption should continue.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as amended, ss. 6(3), s.77(1), 79, 80(b)(iii).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, ONTARIO,
NOVA SCOTIA AND NEWFOUNDLAND

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
CMP 2001 II RESOURCE LIMITED PARTNERSHIP

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received the application of CMP 2001 II Resource Limited Partnership (the "Partnership") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions exempting the Partnership from the requirements of the Legislation to file with the Decision Makers and send to its securityholders (the "Limited Partners") interim financial statements for the first and third quarters of each financial year of the Partnership;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Partnership has represented to the Decision Makers that:

1. the Partnership is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) by declaration of partnership filed on September 28, 2001;

2. on November 23, 2001 the Decision Makers issued a receipt for a prospectus of the Partnership (the "Prospectus") dated November 21, 2001 with respect to the offering of units of the Partnership ("Partnership Units");

3. the Partnership was formed for the purpose of investing the proceeds from the issue and sale of the Partnership Units primarily in flow-through shares of corporations that represent to the Partnership that they are principal business corporations as defined in the *Income Tax Act* (Canada) and that they intend to incur Canadian Exploration Expense;

4. the Partnership Units have not been and will not be listed for trading on a stock exchange;

5. on or about January 16, 2003, or as soon as substantially all statutory resale restrictions on the Partnership's investments have expired, the Partnership will be liquidated and the Limited Partners will receive their *pro rata* share of the net assets of the Partnership. It is the current intention of the general partner of the Partnership prior to such dissolution, to enter into an agreement with an open-end mutual fund corporation managed by Dynamic Mutual Funds Ltd. (the "Mutual Fund"), whereby the assets of the Partnership would be exchanged for shares of the Mutual Fund and upon such dissolution, Limited Partners would then receive their *pro rata* share of the shares of the Mutual Fund;

6. unless a material change takes place in the business and affairs of the Partnership, the Limited Partners will obtain adequate financial information concerning the Partnership from the semi-annual financial statements and the annual report containing audited financial statements of the Partnership together with the auditors' report thereon distributed to Limited Partners;

7. given the limited range of business activities to be conducted by the Partnership and the nature of the investment of the Limited Partners in the Partnership, the provision by the Partnership of interim financial statements in respect of the first and third quarters of each financial year of the Partnership will not be of significant benefit to the Limited Partners and may impose a material financial burden on the Partnership;

8. each of the purchasers of Partnership Units will consent to the exemption requested herein by executing the subscription and power of attorney form in respect of their purchase of Partnership Units; and

9. it is disclosed in the Prospectus that Dynamic CMP Funds IV Management Inc., as the general partner of the Partnership, will apply for the relief granted herein;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Marker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that:

1. the Partnership is exempted from the requirement to file with the Decision Makers interim financial statements for the first and third quarters of each financial year of the Partnership; and

2. the Partnership is exempted from the requirement to send to the Limited Partners interim financial statements for the first and third quarters of each financial year of the Partnership,

3. provided that these exemptions shall terminate upon the occurrence of a material change in the affairs of the Partnership unless the Partnership satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing.

January 7, 2002.

"Paul Moore" "David A. Brown"

2.1.2 Travel T-Comm Inc. - MRRS Decision

Headnote

MRRS application for relief from registration and prospectus requirements in connection with issuance of common shares to members of an existing not-for-profit corporation which carry on business as retail travel agents, and certain additional persons and companies, as part of a reorganization of the corporation - purpose of the applicant is to foster and advance the interests of its members - members not investors in a conventional sense and share issuance not primarily a financing vehicle for the applicant - relief granted subject to conditions, including first trade restrictions

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53 and 74(1).

Applicable Rules

Multilateral Instrument 45-102: Resale of Securities

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
TRAVEL T-COMM INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia and Ontario (the "Jurisdictions") has received an application from Travel T-Comm Inc. (the "Applicant") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation that prohibits a person or company from:

a) trading in a security unless the person or company is registered in the appropriate category of registration under the Legislation (the "Registration Requirement"); and

b) distributing a security unless a preliminary prospectus and prospectus for the security have been filed and receipts therefor obtained (the "Prospectus Requirement");

shall not apply to trades of common shares (the "Common Shares") of the Applicant to Members, Eligible Transferees and Approved Candidates (as such terms are defined below), subject to certain conditions;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Applicant has represented to the Decision Makers that:

1. The Applicant was incorporated on May 3, 2001 as a corporation pursuant to the *Business Corporations Act* (Ontario).

2. The registered office of the Applicant is in Mississauga, Ontario.

3. The Applicant has been incorporated to carry on the same activities as were previously carried on by an existing, not-for-profit corporation, T-Comm, A Travel Communication Association Inc. (the "Predecessor Corporation").

4. The Predecessor Corporation was created as a not-for-profit corporation by the grant of a charter by letters patent on December 13, 1983 pursuant to the *Canada Corporations Act.*

5. The principal objects of the Predecessor Corporation are, and the principal objects of the Applicant will be, to foster and advance the interests of the members through, *inter alia*, representing the members in matters pertaining to the travel industry, negotiating agreements on their behalf, providing continuing education to members, and disseminating to the media information on behalf of the membership.

6. The existing members of the Predecessor Corporation (the "Members") are independent small businesses which carry on business as retail travel agents. The Predecessor Corporation has 133 Members located in Ontario and two Members located in British Columbia.

7. Neither the Predecessor Corporation nor the Applicant is a reporting issuer (or the equivalent) in any province or territory in Canada, nor has any present intention of becoming a reporting issuer in any jurisdiction. Neither the Predecessor Corporation's shares, nor the Common Shares are listed or quoted on any stock exchange or market.

8. The authorized capital of the Applicant consists of an unlimited number of Common Shares. Currently, no Common Shares are issued and outstanding.

9. The Applicant desires to offer each of the Members of the Predecessor Corporation the opportunity to subscribe for one Common Share for a subscription price of $1.00. The Applicant further desires to be able to offer, from time to time, the same opportunity to subscribe for one Common Share on similar terms to candidates approved for membership in the Applicant ("Approved Candidates") by the board of directors of the Applicant (the "Board of Directors").

10. To be eligible to be a shareholder (a "Shareholder") of the Applicant, the Shareholder, either as an individual, partnership, or corporation, must engage, full time, in operating a travel agency (the business of offering the sale of travel services to the public) and must be in compliance with provincial legislation and regulations relating to travel agents.

11. In addition, each Shareholder will be required to enter into a shareholders agreement (the "Shareholders' Agreement"), a copy of which has been filed with the Decision Makers. The Shareholders' Agreement contains restrictions on the transferability of the Common Shares, and sets out the circumstances under which the Applicant is entitled to redeem or cancel any Shareholder's Common Shares.

12. No Shareholder may own more than one Common Share. Ownership of Common Shares entitles the Shareholder to one vote for the election of directors and on other matters relating to the affairs of the Applicant as may be submitted to a vote of the Shareholders. Only holders of Common Shares are entitled to a vote. Each Shareholder has an equal vote in the election of directors and on other matters.

13. The Common Shares may be transferred only with the consent of the Board of Directors and only to a person or company (each an "Eligible Transferee") as follows:

    (i) the Applicant,

    (ii) a spouse, child, daughter-in-law, or son-in-law of a Shareholder;

    (iii) to a holding corporation wholly owned by the Shareholder; or

    (iv) to an Approved Candidate as part of the sale of the Shareholder's business, or shares in a corporate Shareholder, in its entirety.

14. Upon the occurrence of any event of termination as described in the bylaws of the Applicant (the "By-Laws"), the Board of Directors, may, by resolution, determine that a Shareholder is no longer eligible to be a Shareholder. An event of termination includes the Shareholder becoming ineligible to be a Shareholder for any reason. Upon such determination the Board of Directors may redeem the Shareholder's Common Share in accordance with the Articles of Incorporation dated May 3, 2001, as amended by Articles of Amendment dated July 25, 2001 (collectively the "Articles") and By-Laws at the price paid by the Shareholder to purchase the Common Share, and thereafter the Shareholder shall cease to be a Shareholder and shall cease to have voting rights.

15. The Applicant will prepare and send to each of its Shareholders annual unaudited financial statements. The Applicant intends to seek a written consent from all the Shareholders to waive the audit requirements of the *Business Corporations Act* (Ontario), and accordingly does not currently anticipate that it will be required to prepare and send audited financial statements to the Shareholders.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each Decision Maker is satisfied that the tests contained in the Legislation that provide such Decision Maker with the jurisdiction to make the Decision have been met;

THE DECISION of the Decision Makers under the Legislation is that the Registration Requirement and the Prospectus Requirement shall not apply to a trade of Common Shares made to a Member, an Eligible Transferee or to an Approved Candidate provided that:

a) prior to the initial trade of any Common Shares to a Member or an Approved Candidate pursuant to this Decision, the Applicant delivers to the Member or Approved Candidate, as the case may be, a copy of:

   (i) the Articles of the Applicant;

   (ii) a copy of the By-laws;

   (iii) a copy of the Shareholders' Agreement;

   (iv) the most recent annual financial statements of the Applicant, if such have then been prepared;

   (v) this Decision; and

   (vi) A statement that, as a consequence of this Decision, certain protections, rights and remedies provided by the Legislation, including statutory rights of rescission or damages, will not be available to Shareholders acquiring Common Shares pursuant to this Decision;

b) the first trade in a Common Share acquired pursuant to this Decision to a person or company who is not an Eligible Transferee shall be deemed to be a distribution or a primary distribution to the public unless the conditions in subsections (2) or (3) of section 2.5 of Multilateral Instrument 45-102 are satisfied;

c) The Common Share certificates shall be engrossed with a legend disclosing the restrictions on the transfer of the shares; and

d) The exemptions contained in this Decision cease to be effective if any of the provisions of the Articles relevant to the exemptions granted herein are amended in any material respect.

January 28, 2002.

"Paul Moore" "K.D. Adams"

2.1.3 C-Mac Industries Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision deeming corporation to have cease to be a reporting issuer following the acquisition of all of its outstanding securities by a trust.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S. 5, as am. s. 83

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, ONTARIO, QUÉBEC, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS
AND

IN THE MATTER OF
C-MAC INDUSTRIES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia, Newfoundland and Labrador (the "**Jurisdictions**") has received an application from C-MAC Industries Inc. ("**C-MAC**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that C-MAC be deemed to have ceased to be a reporting issuer under the Legislation;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), *la Commission des valeurs mobilières du Québec* is the principal regulator for this application;

AND WHEREAS C-MAC has represented to the Decision Makers that:

1. C-MAC is a corporation incorporated under the *Canada Business Corporations Act* (the "**Act**"). C-MAC is a reporting issuer in each of the Jurisdictions and is not in default of any of the requirements of the Legislation;

2. C-MAC has its head office at 1010 Sherbrooke Street West, suite 1610, Montréal, Québec, H3A 2R7;

3. The authorized capital of C-MAC consists of an unlimited number of common shares (the "**Common Shares**"), an unlimited number of class A preferred shares, an unlimited number of class B preferred shares, and an unlimited number of class C preferred shares issuable in series. As at December 3, 2001, there were 86,328,910 C-MAC Common Shares issued and outstanding;

4. The Common Shares of C-MAC were delisted from the Toronto Stock Exchange on December 4, 2001 and from the New York Stock Exchange on December 3, 2001. C-MAC no longer has any of its securities listed or quoted on any exchange or market;

5. C-MAC does not intend to seek public financing by way of an offering of its securities;

6. Pursuant to an arrangement under Section 192 of the Act completed on December 3, 2001, Solectron Global Services Canada Inc. ("**Exchangeco**"), one of Solectron Corporation's ("**Solectron**") indirect wholly-owned subsidiaries, acquired directly 78,588,358 Common Shares of C-MAC and acquired 7,740,552 Common Shares of C-MAC through the acquisition of all the shares of 3947432 Canada Inc. ("**Holdco**"), which should be liquidated around February 1, 2002. C-MAC became an indirect wholly-owned subsidiary of Solectron;

7. All debt securities of C-MAC which were outstanding and held by *la Caisse de dépôt et placement du Québec* were redeemed or transferred to Exchangeco immediately following the completion of the arrangement. Consequently, C-MAC has no other securities, including debt securities, outstanding other than securities held by Exchangeco and Holdco;

8. Exchangeco, an indirect wholly-owned subsidiary of Solectron, and Holdco, a direct wholly-owned subsidiary of Exchangeco, are the only voting shareholders of C-MAC; and

9. C-MAC has less than fifteen (15) security holders in Canada, and consequently, in each of the Jurisdictions.

AND WHEREAS, under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "**Decision**");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that C-MAC is deemed to have ceased to be a reporting issuer under the Legislation.

January 30, 2002.

"Edvie Élysée"
Chef du service de l'information financière

2.1.4 TD Waterhouse Group, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - as a result of a merger, issuer has only one security holder - issuer deemed to have ceased to be a reporting issuer

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. s.83.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO,
QUEBEC, NOVA SCOTIA AND
NEWFOUNDLAND AND LABRADOR,

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
TD WATERHOUSE GROUP, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from TD Waterhouse Group, Inc. ("Amalco") for a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that Amalco be deemed to have ceased to be a reporting issuer, or the equivalent thereof, under the Legislation;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Amalco has represented to the Decision Makers that:

1. Amalco was formed from the Merger (as defined below) of TD Waterhouse Group, Inc. ("TD Waterhouse") and TD Waterhouse Holdings, Inc. ("TD Holdings").

2. TD Waterhouse, one of the predecessor companies to Amalco, was incorporated under the laws of the State of Delaware, U.S.A. on April 21, 1999 and was a reporting issuer, or the equivalent thereof, under the Legislation.

3. TD Holdings, the other predecessor company to Amalco, was incorporated under the laws of the State

of Delaware, U.S.A. and was a wholly-owned subsidiary of The Toronto-Dominion Bank ("TD Bank").

4. Amalco is the surviving company from the Merger.

5. The head office of Amalco is in New York, New York.

6. Amalco became a reporting issuer, or the equivalent thereof, under the Legislation as a result of the Merger.

7. Amalco is not in default of any of its obligations as a reporting issuer, or the equivalent thereof, under the Legislation.

8. The authorized capital of Amalco consists of 355,000,000 Class A common shares, of which 352,944,959.4122 shares are issued and outstanding (the "Class A Shares") and 18,000,000 Class B common shares of which 17,724,648.12 shares are issued and outstanding (the "Class B Shares") (the Class A Shares and Class B Shares hereinafter referred to as "Common Shares").

9. On October 17, 2001, TD Bank was the holder of 4,991,002 common shares of TD Waterhouse, and TD Holdings was the holder of 293,345,198 common shares of TD Waterhouse and 1 special voting preferred share of TD Waterhouse. Approximately 41 million common shares of TD Waterhouse were held by the public and were listed for trading on The New York Stock Exchange (the "NYSE") and The Toronto Stock Exchange (the "TSE").

10. On October 17, 2001, TD Holdings made an offer (the "Offer") to purchase all of the issued and outstanding common shares of TD Waterhouse not already owned by it or TD Bank.

11. On November 26, 2001 upon acquiring more than 90 percent of the common shares of TD Waterhouse, TD Bank caused TD Holdings to merge with TD Waterhouse through a short-form merger in accordance with applicable provisions of the Delaware General Corporation Law to form Amalco (the "Merger").

12. As a result of the Merger, all of the Common Shares are, directly or indirectly, held by TD Bank.

13. The common shares of TD Waterhouse were delisted from the NYSE on December 21, 2001 and from the TSE on November 27, 2001 and no securities, including debt securities, of TD Waterhouse, TD Holdings or Amalco are listed or quoted on any exchange or market.

14. Other than the Common Shares, Amalco has no securities, including debt securities, issued and outstanding.

15. Amalco does not intend to seek additional public financing by way of an issue of securities.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that Amalco is deemed to have ceased to be a reporting issuer, or the equivalent thereof, under the Legislation.

January 29, 2002.

"John Hughes"

2.1.5 Canadian Hunter Exploration Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer when all of its issued and outstanding securities were acquired by another issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. s. 83

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, ONTARIO,
QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA AND
AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
CANADIAN HUNTER EXPLORATION LTD.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia, and Newfoundland and Labrador (the "Jurisdictions") has received an application from Canadian Hunter Exploration Ltd. ("Canadian Hunter") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Canadian Hunter be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation;

2. **AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission is the principal regulator for this application;

3. **AND WHEREAS** Canadian Hunter has represented to the Decision Makers that:

   3.1 Canadian Hunter was formed by way of amalgamation under the *Business Corporations Act* (Alberta) ("ABCA") on December 31, 1998, is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any requirements of the Legislation;

   3.2 Canadian Hunter's head office is located in Calgary, Alberta;

   3.3 the authorized capital of Canadian Hunter consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares issuable in series, of which there are 59,725,516 Common Shares outstanding;

   3.4 under an offer to purchase and take-over circular dated October 15, 2001, as extended on November 20, 2001, and the subsequent compulsory acquisition provisions of the ABCA, Burlington Acquisition Corporation ("Burlington Acquisition") became the sole holder of all of the outstanding Common Shares;

   3.5 Burlington Acquisition is the sole security holder of Canadian Hunter and there are no securities, including debt securities, of Canadian Hunter outstanding other than the Common Shares;

   3.6 the Common Shares were delisted from The Toronto Stock Exchange at the end of trading on December 6, 2001 and there are no securities of Canadian Hunter listed or quoted on any stock exchange or market;

   3.7 Canadian Hunter does not intend to seek public financing by way of an offering of securities;

4. **AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. **AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

6. **THE DECISION** of the Decision Makers under the Legislation is that Canadian Hunter is deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

January 21, 2002.

"Patricia M. Johnston"

2.1.6 Comstate Resources Income Trust and Bonterra Energy Income Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from registration and prospectus requirements in connection with the distribution of trust units involving a merger of income trusts;

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 74 (1)

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, MANITOBA AND ONTARIO

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
COMSTATE RESOURCES INCOME TRUST AND
BONTERRA ENERGY INCOME TRUST

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Manitoba and Ontario (the "Jurisdictions") has received a joint application from Comstate Resources Income Trust ("Comstate") and Bonterra Energy Income Trust ("Bonterra") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security, to file a preliminary prospectus and a prospectus and receive receipts therefor (the "Registration and Prospectus Requirements") shall not apply to the proposed issuance of trust units of Comstate ("Comstate Units") to Bonterra and the issuance and resale of Comstate Units to the holders of trust units of Bonterra ("Bonterra Unitholders") in connection with a proposed merger (the "Merger") among Comstate and Bonterra (collectively, the "Trusts"), the principal terms of which are set forth below;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission is the principal regulator for this application;

AND WHEREAS the Trusts has represented to the Decision Makers that:

1. Comstate is an open-end unincorporated trust established under the laws of the province of Alberta pursuant to the Comstate trust indenture dated May 15, 2001 between Comstate Resources Ltd. ("CRL") and Olympia Trust Company, as trustee (the "Trustee") (the "Comstate Trust Indenture"). Comstate is a reporting issuer in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The head and principal office of Comstate is located at 901, 1015 – 4th Street S.W., Calgary, Alberta, T2R 1J4;

2. Comstate is authorized to issue an unlimited number of Comstate Units. As at December 17, 2001, there were 5,675,757 Comstate Units issued and outstanding. As at the date hereof, there are no options to acquire Comstate Units outstanding;

3. the outstanding Comstate Units are listed and posted for trading on The Toronto Stock Exchange (the "TSE") under the symbol "CSR.UN". An application has been made to the TSE for approval to list and post the additional Comstate Units to be issued pursuant to the Merger;

4. Comstate was established to acquire and hold all of the issued and outstanding shares of CRL, the CRL notes and the royalty granted by CRL to Comstate (the "CRL Royalty"). Comstate's business, through CRL, is the acquisition of interests in petroleum and natural gas rights and the exploration, development and production of petroleum and natural gas. The properties owned by CRL are located in Canada in the provinces of Alberta and Saskatchewan;

5. CRL was incorporated under the laws of British Columbia on January 22, 1981, under the name of Comstate Resources Ltd. Effective July 1, 2001, CRL filed articles of arrangement in connection with the reorganization into an income trust. In connection with the arrangement, CRL amalgamated with Comstate Acquisition Corp. to form the resulting corporation "Comstate Resources Ltd.". Pursuant to the terms of the arrangement, each shareholder of CRL received one (1) Comstate Unit, $0.80 cash and four (4) rights to acquire shares in Comaplex Minerals Corp. for every four (4) CRL common shares held. On August 10, 2001, CRL was continued under the laws of the province of Alberta;

6. Comstate is the sole shareholder of CRL;

7. the board of directors of CRL oversees the business and affairs of Comstate. The duties and responsibilities of the CRL board are outlined in the Comstate Trust Indenture and in the administration agreement dated as of June 27, 2001 between CRL and Comstate;

8. CRL has granted a royalty to Comstate pursuant to a royalty agreement dated July 1, 2001 (the "Comstate Royalty Agreement") consisting of a 95% royalty payable by CRL to Comstate on all income generated by properties owned or to be acquired by CRL. The residual 5% of income is used by CRL to defray general and administrative costs;

9. Bonterra is an open-end unincorporated trust established under the laws of the province of Alberta pursuant to the Bonterra trust indenture dated as of May 15, 2001 between Bonterra Energy Corp. ("BEC")

and Olympia Trust Company (the "Bonterra Trust Indenture"). Bonterra is a reporting issuer in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The head and principal office of Bonterra is located at 901, 1015 – 4th Street S.W., Calgary, Alberta, T2R 1J4;

10. Bonterra is authorized to issue an unlimited number of trust units ("Bonterra Units"). As at December17, 2001, there were 8,692,226 Bonterra Units issued and outstanding. As at the date hereof, there are no options to acquire Bonterra Units outstanding;

11. the outstanding Bonterra Units are listed and posted for trading on the Canadian Venture Exchange Inc. ("CDNX") under the symbol "BTA.UN". Upon completion of the Merger the Bonterra Units will be delisted from the CDNX;

12. Bonterra was established to acquire and hold the common shares of BEC, the BEC notes and the royalty granted by BEC to Bonterra (the "BEC Royalty"). Bonterra Royalty. Bonterra's business, through BEC, and is the acquisition of interests in petroleum and natural gas rights and the exploration, development and production of petroleum and natural gas. The properties owned by BEC are located in Canada in the provinces of Alberta and Saskatchewan;

13. BEC was incorporated under the *Business Corporations Act* (Alberta) on February 17, 1998. On July 28, 1998, BEC finalized its initial public offering and was subsequently listed on the Alberta Stock Exchange (now CDNX). On July 26, 1999, BEC split its common shares and each shareholder received an additional share for each share held. Effective July 1, 2001, BEC filed articles of arrangement in connection with the reorganization into an income trust. In connection with the arrangement, BEC amalgamated with Bonterra Acquisition Corp. to form the resulting corporation "Bonterra Energy Corp.". Pursuant to the terms of the arrangement, each shareholder of BEC received one (1) Bonterra Unit for every four (4) BEC common shares held;

14. Bonterra is the sole shareholder of BEC common shares.

15. the board of directors of BEC oversees the business and affairs of Bonterra as set out in the administration agreement dated June 27, 2001 between BEC and Bonterra and in the Bonterra Trust Indenture. As well, pursuant to a unanimous shareholder agreement dated July 1, 2001 among BEC, Bonterra and CRL, CRL is entitled to appoint one (1) nominee to the BEC board of directors, with the balance (being the majority of the directors of BEC) to be elected pursuant to a vote by Bonterra Unitholders;

16. CRL provides BEC and Bonterra with management, administrative and support services pursuant to the management agreement dated July 1, 2001 between BEC, Bonterra and CRL;

17. BEC has granted a royalty to Bonterra pursuant to a royalty agreement dated July 1, 2001 between BEC and Bonterra (the "Bonterra Royalty Agreement") consisting of 95% of the income generated by properties owned or to be acquired by BEC. The residual 5% of income is used by BEC to defray general and administrative costs;

18. Comstate and Bonterra, together with their respective operating entities, CRL and BEC, have entered into an agreement dated December 17, 2001 (the "Merger Agreement") whereby Comstate has agreed to acquire and Bonterra has agreed to sell (subject to unitholder approval), all of the assets of Bonterra, which assets consists of shares of BEC, certain notes issued by BEC to Bonterra and the BEC Royalty (collectively, the "Bonterra Assets") in exchange for Comstate Units. The Comstate Units are to be distributed to the former Bonterra Unitholders in exchange for their Bonterra Units, and the merged entity will continue "Bonterra Energy Income Trust" (the "Merged Trust");

19. on December 17, 2001, a press release was jointly issued, filed and disseminated by Comstate and Bonterra disclosing that they had entered into the Merger Agreement;

20. based on, among other things, the advice of financial advisors and special committees, the board of directors of CRL (which is the publicly elected board responsible for Comstate) and the board of directors of BEC (which is the publicly elected board responsible for Bonterra) have unanimously agreed to recommend that holders of Comstate Units and Bonterra Units, as the case may be, approve the Merger and certain other matter incidental thereto at unitholder meetings to be held on January 24, 2002;

21. the Comstate Units will initially be distributed to Bonterra in exchange for the Bonterra Assets. The Comstate Units will then be issued to the Bonterra Unitholders by Bonterra upon the redemption of the formally issued Bonterra Units in connection with the winding-up of Bonterra. The Comstate Units will be issued to the Bonterra Unitholders on a proportionate basis in accordance with the Exchange Ratio (defined below);

22. completion of the Merger is conditional upon, among other things, the approval of the Merger, in addition to certain majority of the minority approvals, by 66 2/3% of the votes cast by each of the Comstate Unitholders and Bonterra Unitholders. Following completion of the Merger, each holder of Bonterra Units will have received 0.885 of a Comstate Unit for each Bonterra Unit (the "Exchange Ratio"). No fractional Comstate Units will be issued and fractional Comstate Units will be rounded up to the next highest number;

23. under the Merger:

    a) at the Comstate Meeting and the Bonterra Meeting, unitholders will consider, and if thought fit, pass special resolutions (defined in each of the individual trust indentures as a resolution

passed by 66 2/3% of the applicable trust units voted on the matter) of each trust, in addition to certain majority of the minority approvals required pursuant to the OSC Rule 61-501, approving the Merger and certain other matters in connection with the Merger; and

b) subject to, among other things, the approval of each of the Comstate Unitholders and Bonterra Unitholders by way of special resolutions, the trust indentures and other constating documents of the Trusts would be amended to the extent necessary to effect the Merger, and

c) Comstate will purchase from Bonterra all of the Bonterra Assets and all of the liabilities of Bonterra in exchange for the issuance by Comstate of the Comstate Units in accordance with the applicable Exchange Ratio;

d) the Bonterra Units will be redeemed and exchanged for Comstate Units previously issued to Bonterra by Comstate, and those Comstate Units will be distributed to former Bonterra Unitholders on a proportionate basis in accordance with the Exchange Ratio;

e) Bonterra will be wound-up and dissolved;

f) the name of Comstate will be changed to "Bonterra Energy Income Trust"; and

g) certain other ancillary matters in connection with the Merger will be implemented;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Registration and Prospectus Requirements shall not apply to the distribution of the Comstate Units pursuant to the Merger provided that the first trade in Comstate Units acquired pursuant to this Decision in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction unless the conditions in subsections (3), (4) or (5) of Section 2.6 or subsections (2) or (3) of Section 2.8, if applicable, of Multilateral Instrument 45-102 are satisfied.

January 24, 2002.

"Stephen P. Sibold" "Glenda A. Campbell"

2.1.7 Davis + Henderson Income Fund - MRRS Decison

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted to a limited purpose trust from requirement to file annual financial statements, an annual report and an annual filing, where applicable. Financial position of the trust at year-end was reflected in financial statements which were included in prospectus filed just prior to year-end.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. s.80(b)(iii).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, MANITOBA, NEW BRUNSWICK, NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA, ONTARIO, PRINCE EDWARD ISLAND, QUÉBEC AND SASKATCHEWAN

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
DAVIS + HENDERSON INCOME FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan (the "Jurisdictions") has received an application from Davis + Henderson Income Fund (the "Fund") for a decision under the securities legislation (the "Legislation") of the Jurisdictions to exempt the Fund from filing and distributing annual financial statements, an annual report and an annual filing, where applicable, for its fiscal year ended December 31, 2001, as would otherwise be required pursuant to applicable Legislation;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Fund has represented to the Decision Makers that:

1. The Fund is a limited purpose trust established under the laws of Ontario pursuant to an amended and restated declaration of trust dated November 6, 2001. The Fund is authorized to issue an unlimited number of

units. As of January 15, 2002, 18,955,000 units were issued and outstanding.

2. The Fund holds common shares and notes issued by D+H Holdings Corp., an Ontario corporation, which holds units of Davis + Henderson, Limited Partnership ("Davis + Henderson L.P."), a British Columbia limited partnership. The Fund also holds shares in Davis + Henderson G.P. Inc., the general partner of Davis + Henderson L.P.

3. The Fund offered 17,235,000 units of the Fund pursuant to an initial public offering by way of a final prospectus dated December 11, 2001 (the "Prospectus") and an additional 1,720,000 by way of over-allotment option as described in the Prospectus. The closing of the offering occurred on December 20, 2001 and the closing of the over-allotment option occurred on January 10, 2002.

4. The Fund used the total proceeds of the offering and the over-allotment option to indirectly acquire a 49.98% interest in Davis + Henderson L.P., which in turn acquired the cheque supply outsourcing business formerly carried on as a division of MDC Corporation Inc. ("MDC")

5. The fiscal year end of the Fund occurred on December 31, 2001.

6. The Prospectus contains

   (i) audited balance sheets of Davis + Henderson L.P. as at December 31, 2000 and 1999 and audited statements of operations and divisional equity and cash flows for each of the years in the three year period ended December 31, 2000,

   (ii) an unaudited balance sheet of Davis + Henderson L.P. as at September 30, 2001 and unaudited statements of operations and divisional equity and cash flows for the nine month periods ended September 30, 2001 and 2000, together with notes to those financial statements,

   (iii) an unaudited pro forma consolidated balance sheet of the Fund as at September 30, 2001 and unaudited pro forma consolidated statements of operations and distributable cash for the nine month period ended September 30, 2001 and the year ended December 31, 2000, together with notes to those financial statements, and

   (iv) an audited balance sheet of the Fund as at December 11, 2001.

7. The Fund's financial position as at December 31, 2001 is substantially reflected in the pro forma financial statements included in the Prospectus. Other than the offering described in the Prospectus, there were no material acquisitions or dispositions of units of the Fund during the period from December 11, 2001 to December 31, 2001 (the "Stub Period").

8. Meetings of unitholders will be held to elect trustees of the Fund, commencing in 2003, such that no proxy circular is expected to be distributed to unitholders in respect of the year ending December 31, 2001.

9. The only operations of the Fund prior to the end of its fiscal year ended December 31, 2001 involved the issuance of 17,235,000 units, the purchase of the common shares and notes of D+H Holdings Corp., the purchase of common shares of Davis + Henderson G.P. as described in the Prospectus.

10. The benefit to be derived from unitholders of the Fund from receiving financial statements, an annual report and an annual filing in respect of the fiscal year ended December 31, 2001 would be minimal in view of the short period from the date of the Prospectus to the Fund's fiscal year end (20 days) and the nature of the business carried on by the Fund and by its trustees.

11. The expense to the Fund of preparing, filing and sending to its unitholders financial statements, an annual report and an annual filing in respect of the fiscal year ended December 31, 2001 would not be justified in view of the benefit to be derived by the unitholders from receiving such statements and information.

12. The Fund will prepare, file and deliver to all its unitholders unaudited financial statements for the period ended March 31, 2002 within the applicable time period and will prepare, file and deliver to all its unitholders a proxy circular in respect of the year ended December 31, 2002 within the applicable time period.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Fund is exempted from the requirement to file and distribute annual financial statements, an annual report and an annual filing, where applicable, for its fiscal year ended December 31, 2001, provided that

a) the Fund's interim financial statements for the period ended March 31, 2002 will include the Stub Period, and

b) the Fund's audited annual financial statement and the annual report, where applicable, for the period ended December 31, 2002 will include the Stub Period.

February 4, 2002.

"R. Stephen Paddon" "H. Lorne Morphy"

2.1.8 Swift Trade Securities Inc. / Valeurs Mobilières Swift Trade Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the Suitability Requirements, as reflected in paragraph 1.5(1)(b) of OSC Rule 31-505, pursuant to section 4.1 of OSC Rule 31-505, subject to the terms and conditions set out in the Decision Document.

Decision pursuant to s.21.1(4) of the Act, that the IDA Suitability Requirements do not apply to the Filer, subject to the terms and conditions set out in the Decision Document.

Applicable Ontario Statute

Securities Act R.S.O. 1990, c.S.5, as amended, s.21.1(4).

Applicable Ontario Rule

Ontario Securities Commission Rule 31-505 Conditions of Registration (1999) 22 O.S.C.B. 731.

IDA Regulations Cited

IDA Regulation 1300.1(b), 1800.5(b), 1900.4.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND BRITISH COLUMBIA

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
SWIFT TRADE SECURITIES INC. /
VALEURS MOBILIÈRES SWIFT TRADE INC.

MUTUAL RELIANCE REVIEW SYSTEM
DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator in each of the Provinces of Ontario and British Columbia (collectively the "Jurisdictions"), being the Ontario Securities Commission and the British Columbia Securities Commission (collectively the "Decision Makers"), has received an application from Swift Trade Securities Inc. (the "Filer") for:

(a) a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting the Filer and its registered salespersons, officers and directors (collectively the "Registered Representatives") from the requirements of the Legislation to make inquiries about each client of the Discount Brokerage Business (as defined below) as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client, and (b) the suitability of a proposed purchase or sale of a security for the client (such requirements being collectively referred to as the "Suitability Requirements"); and

(b) a decision under the Legislation exempting the Filer and its Registered Representatives from the requirements of the Investment Dealers Association of Canada (the "IDA"), in particular IDA Regulations 1300.1(b), 1800.5(b) and 1900.4, requiring the Filer and its Registered Representatives to make inquiries of each client of the Discount Brokerage Business as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client and (b) the suitability of a proposed purchase or sale of a security for the client (such requirements being collectively referred to as the "IDA Suitability Requirements");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer is a corporation incorporated under the *Canada Business Corporations Act*;

2. the Filer is registered as a dealer with unrestricted practice (discount broker) in the Province of Quebec and an investment dealer in the Provinces of Ontario, Manitoba and British Columbia;

3. the Filer is a member of the IDA;

4. the head office of the Filer is located in Toronto, Ontario and the Filer has or expects to have officers and directors, branch managers and/or salespersons registered in the Jurisdictions and in Quebec and Manitoba;

5. the Filer currently provides online discount brokerage services to certain of its clients in the Province of Quebec and will be providing online discount brokerage services to certain of its clients in the Jurisdictions (the "Discount Brokerage Business");

6. the Registered Representatives of the Filer do not and will not provide advice or recommendations regarding the purchase or sale of any security to clients of the Discount Brokerage Business (and account opening documentation will inform prospective clients of the Filer of such fact) and the Filer has adopted policies and procedures which are designed to ensure the Filer and its Registered Representatives will not provide advice or recommendations regarding the purchase or

sale of any security to clients of the Discount Brokerage Business;

7. the Filer, its Registered Representatives and any other of its employees do not and will not directly promote to clients of the Discount Brokerage Business that any such clients use day trading strategies (or any strategies similar to day trading strategies) (such promotions to such clients being referred to as "Promotional Activities") or directly solicit such clients to become clients of the Day Trading Business (such solicitations to such clients being referred to as "Solicitations"), and the Filer has adopted policies and procedures which are designed to ensure the Filer, its Registered Representatives and any other of its employees do not engage in Promotional Activities or Solicitations, except that Promotional Activities shall not include where the Filer, one of its Registered Representatives or other employees, at the request of any client of the Discount Brokerage Business for information about opening an account with the Day Trading Business, provides such information about account opening procedures, entry requirements, costs, scheduling, and other related general information that a client would reasonably want to know, as long as any information provided does not consist of any recommendation, advice or strategy with respect to trading securities (collectively, "Requested Information");

8. when the Filer provides trade execution service to clients of the Discount Brokerage Business it would, in the absence of a Decision by the Decision Makers, be required to comply with the Suitability Requirements and the IDA Suitability Requirements;

9. clients of the Discount Brokerage Business who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to a registered dealer or adviser that provides those services;

10. in the event the Filer becomes affiliated with another entity that provides investment services to clients which include the determination of general investment needs and objectives and the suitability of proposed purchases or sales of securities for clients, the Filer will adopt policies and procedures which ensure that:

    (i) the Filer operates separately from any such affiliate of the Filer; and

    (ii) Registered Representatives of the Filer are clearly employed by the Filer and do not handle the business or clients of any such affiliate of the Filer;

11. the Filer does not and will not compensate its Registered Representatives on the basis of transactional values in connection with the Discount Brokerage Business;

12. prior to the Filer opening an account for a prospective client of the Discount Brokerage Business, each such client will be requested to acknowledge, in the account opening documentation, that:

    (a) no advice or recommendations will be provided by the Filer or its Registered Representatives regarding the purchase or sale of any security, and

    (b) the Filer and its Registered Representatives will not determine the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client

    ((a) and (b) constituting collectively the "Prospective Client Acknowledgement");

13. the Prospective Client Acknowledgement explains to each prospective client the significance of not receiving either investment advice or a recommendation from the Filer, including the significance of the Filer not determining the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client;

14. the Filer has adopted policies and procedures to ensure that:

    (a) evidence of all Prospective Client Acknowledgements is established and retained pursuant to the record-keeping requirements of the Legislation and the IDA,

    (b) client accounts of the Discount Brokerage Business are able to be accurately identified and designated as such and distinguished from any client accounts which do not relate to the Discount Brokerage Business, and

    (c) the Filer can track that a Prospective Client Acknowledgement has been received for each such account;

15. in the event of Internet interruption, clients of the Discount Brokerage Business will not be permitted to place orders by telephone to trade securities unless employees of the Filer taking the orders are properly registered in the Jurisdictions;

16. clients of the Filer will not be permitted to have both an account with the Discount Brokerage Business and the day trading business of the Filer;

17. all correspondence from the Filer will clearly indicate to which business it relates; and

18. the Filer has previously obtained relief from the application of suitability requirements in connection with activities relating to the day trading business of the Filer pursuant to an MRRS Decision of the Decision Makers dated June 29, 2001.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Suitability Requirements contained in the Legislation shall not apply to the Filer and its Registered Representatives in connection with the Discount Brokerage Business, so long as:

(a) the Filer and its Registered Representatives do not provide any advice or recommendations to clients of the Discount Brokerage Business regarding the purchase or sale of any security;

(b) clients of the Discount Brokerage Business who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to a registered dealer or adviser that provides those services;

(c) the Filer, its Registered Representatives and any other of its employees do not and will not directly engage in Promotional Activities or Solicitations, except with respect to Requested Information, and the Filer has adopted policies and procedures which are designed to ensure the Filer, its Registered Representatives and any other of its employees do not engage in Promotional Activities or Solicitations;

(d) in the event the Filer becomes affiliated with another entity that provides investment services to clients which include the determination of general investment needs and objectives and the suitability of proposed purchases or sales of securities for clients, the Filer will adopt policies and procedures which ensure that:

(i) the Filer operates separately from any such affiliate of the Filer; and

(ii) Registered Representatives of the Filer are clearly employed by the Filer and do not handle the business or clients of any such affiliate of the Filer;

(e) the Filer does not compensate its Registered Representatives on the basis of transactional values in connection with the Discount Brokerage Business;

(f) each prospective client of the Discount Brokerage Business is advised by the Filer of the Decision of the Decision Makers and required to sign a Prospective Client Acknowledgement prior to the Filer servicing such prospective client;

(g) evidence of all Prospective Client Acknowledgements is established and retained pursuant to the record keeping requirements of the Legislation;

(h) client accounts of the Discount Brokerage Business are able to be accurately identified and designated as such and distinguished from any client accounts which do not relate to the Discount Brokerage Business;

(i) the Filer tracks that a Prospective Client Acknowledgement has been received for each applicable account;

(j) in the event of Internet interruption, clients of the Discount Brokerage Business are not permitted to place orders by telephone to trade securities unless employees of the Filer taking the orders are properly registered in the Jurisdictions;

(k) clients of the Filer are not permitted to have both an account with the Discount Brokerage Business and the day trading business of the Filer;

(l) all correspondence from the Filer clearly indicates to which business it relates; and

(m) the Decision with respect to the Suitability Requirements will terminate one year from September 6, 2001, the date the IDA rule amendments addressing the IDA Suitability Requirements came into force, unless the Decision Makers determine otherwise.

December 18, 2001

"Randee Pavalow"

THE DECISION of the Decision Makers is that the IDA Suitability Requirements shall not apply to the Filer and its Registered Representative in connection with the Discount Brokerage Business, so long as:

(a) the Filer and its Registered Representatives do not provide any advice or recommendations to clients of the Discount Brokerage Business regarding the purchase or sale of any security;

(b) clients of the Discount Brokerage Business who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to a registered dealer or adviser that provides those services;

(c) the Filer, its Registered Representatives and any other of its employees do not and will not directly engage in Promotional Activities or Solicitations, except with respect to Requested Information, and the Filer has adopted policies and procedures which are designed to ensure the Filer, its Registered Representatives and any other of its employees do not engage in Promotional Activities or Solicitations;

(d) in the event the Filer becomes affiliated with another entity that provides investment services to clients which include the determination of

general investment needs and objectives and the suitability of proposed purchases or sales of securities for clients, the Filer will adopt policies and procedures which ensure that:

(i) the Filer operates separately from any such affiliate of the Filer; and

(ii) Registered Representatives of the Filer are clearly employed by the Filer and do not handle the business or clients of any such affiliate of the Filer;

(e) the Filer does not compensate its Registered Representatives on the basis of transactional values in connection with the Discount Brokerage Business;

(f) each prospective client of the Discount Brokerage Business is advised of the Decision of the Decision Makers and required to sign a Prospective Client Acknowledgement prior to the Filer servicing such prospective client;

(g) evidence of all Prospective Client Acknowledgements is established and retained pursuant to the record-keeping requirements of the IDA;

(h) client accounts of the Discount Brokerage Business are able to be accurately identified and designated as such and distinguished from any client accounts which do not relate to the Discount Brokerage Business;

(i) the Filer tracks that a Prospective Client Acknowledgement has been received for each applicable account;

(j) in the event of Internet interruption, clients of the Discount Brokerage Business are not permitted to place orders by telephone to trade securities unless employees of the Filer taking the orders are properly registered in the Jurisdictions;

(k) clients of the Filer are not permitted to have both an account with the Discount Brokerage Business and the day trading business of the Filer;

(l) all correspondence from the Filer clearly indicates to which business it relates; and

(m) the Decision with respect to the IDA Suitability Requirements will terminate one year from September 6, 2001, the date the IDA rule amendments addressing the IDA Suitability Requirements came into force, unless the Decision Makers determine otherwise.

December 18, 2001.

"Paul Moore" "R. Stephen Paddon"

2.1.9 Swift Trade Securities Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Pursuant to section 144 of the Act, variation of an order providing, subject to terms and conditions, relief from the Suitability Requirements, as reflected in paragraph 1.5(1)(b) of OSC Rule 31-505, to specify the client accounts of the Filer to which the Suitability Relief Order applies and to vary the course requirements with respect to such clients.

Pursuant to section 144 of the Act, variation of a decision made pursuant to s.21.1(4) of the Act that, subject to terms and conditions, the IDA Suitability Requirements do not apply to the Filer, to specify the client accounts of the Filer to which the Suitability Relief Order applies and to vary the course requirements with respect to such clients.

Applicable Ontario Statute

Securities Act R.S.O. 1990, c.S.5, as amended, s.21.1(4), s.144.

Rule Cited

Ontario Securities Commission Rule 31-505 "Conditions of Registration" (1999) 22 O.S.C.B. 731.

IDA Regulations Cited

IDA Regulation 1300.1(a) and (b), 1900.4.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
SWIFT TRADE SECURITIES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia and Ontario (collectively, the "Jurisdictions") has received an application from Swift Trade Securities Inc. (the "Filer"), formerly known as Penson Securities Inc., to vary the MRRS Decision Document dated June 29, 2001, IN THE MATTER OF PENSON SECURITIES INC., which provided, subject to the terms and conditions set out therein, relief from certain suitability obligations on an order-by-order basis with respect to clients of the Filer under the securities legislation of the Jurisdictions and decided, subject to terms and conditions, that certain suitability requirements of the Investment Dealers

Association of Canada did not apply to the Filer (the "Suitability Relief Order");

AND WHEREAS the terms "Suitability Requirements", "IDA Suitability Requirements" and "Registered Representatives" shall each have the respective meaning ascribed thereto under the Suitability Relief Order;

AND WHEREAS the Filer wishes to vary the Suitability Relief Order in particular to specify the client accounts of the Filer to which the Suitability Relief Order applies and to vary the course requirements with respect to such clients;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer changed its name from Penson Securities Inc. to Swift Trade Securities Inc. on July 10, 2001, is a corporation incorporated under the Canada Business Corporations Act, and is registered under the Legislation as an investment dealer and is a member of the IDA;

2. the Filer seeks to vary the Suitability Relief Order as follows:

   (a) to specify the clients of the Filer to which the Suitability Relief Order applies; and

   (b) to recognize that the Filer will require a new course requirement, comprising a one week theory course followed by an exam on which a passing grade of 70% is required, and that the five week practical course will be removed from the mandatory curriculum, with the option left open to clients to request further hands-on practical training if they desire it;

3. the Filer and its Registered Representatives will otherwise continue to comply with the Suitability Requirements and IDA Suitability Requirements for day trading client accounts on the same basis as in the Suitability Relief Order; and

4. except as noted above, the Filer confirms the representations to the Decision Makers in the Suitability Relief Order;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the Jurisdiction to make the Decision has been met;

THE DECISION of the Decision Maker under the Legislation is that the Suitability Relief Order is amended by:

(a) replacing the reference in Recital (a) of the Suitability Relief Order to "each client of the Filer" with the reference "each client of the Day Trading Business (as defined below) of the Filer (each, a "Day Trading Client")";

(b) replacing each reference to the word "client" or "customer" thereafter to "Day Trading Client"; and

(c) replacing Representations 4 and 6 with the following:

   (i) 4. the Filer provides electronic day trading services (the "Day Trading Business") to certain clients; and

   (ii) 6. prospective clients of the Day Trading Business will be required to complete a one week theory course, followed by a three-hour examination on which a passing grade of 70% is required, and only by passing such examination will Day Trading Clients be permitted to use the Filer's facilities in connection with the Day Trading Business.

DATED January 23, 2002.

"Randee Pavalow"

THE DECISION of the Decision Makers is that the Suitability Relief Order is amended by:

(a) replacing the reference in Recital (a) of the Suitability Relief Order to "each client of the Filer" with the reference "each client of the Day Trading Business (as defined below) of the Filer (each, a "Day Trading Client")";

(b) replacing each reference to the word "client" or "customer" thereafter to "Day Trading Client"; and

(c) replacing Representations 4 and 6 with the following:

(i) 4. the Filer provides electronic day trading services (the "Day Trading Business") to certain clients; and

(ii) 6. prospective clients of the Day Trading Business will be required to complete a one week theory course, followed by a three-hour examination on which a passing grade of 70% is required, and only by passing such examination will Day Trading Clients be permitted to use the Filer's facilities in connection with the Day Trading Business.

January 23, 2002.

"Paul Moore" "R. Stephen Paddon"

2.1.10 Anthem Properties Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Dutch Auction Issuer Bid - With respect to securities tendered at or below the clearing price, offer providing for full take-up and payment for shares tendered by odd lot holders - Offeror exempt from the requirement in the legislation to take up and pay for securities proportionately according to the number of securities deposited by each securityholder and the associated disclosure requirement - Offeror also exempt from the requirement to disclose the exact number of shares it intends to purchase.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 95(7) and 104(2)(c).

Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 189(b) and item 9 of Form 33.

Applicable Ontario Rules

Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NOVA SCOTIA, AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
ANTHEM PROPERTIES CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from Anthem Properties Corp. ("Anthem") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that, in connection with the offer to purchase by Anthem of a portion of its outstanding common shares (the "Shares") pursuant to an issuer bid (the "Offer"), Anthem be exempt from the requirements in the Legislation to:

(a) take up and pay for securities proportionately according to the number of securities deposited by each

securityholder (the "Proportionate Take-up and Payment Requirement");

(b) disclose in the issuer bid circular (the "Circular") such proportionate take-up and payment (the "Associated Disclosure Requirement"); and

(c) disclose in the Circular the number of securities sought under the Offer (the "Number of Securities Requirement");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS Anthem has represented to the Decision Makers that:

1. Anthem has its head office in Vancouver, British Columbia, is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any requirement of the Legislation;

2. Anthem's authorized capital is 250,000,000 common shares (the "Shares"), of which 3,810,305 Shares were outstanding as of the date of the Circular, and 250,000,000 preferred shares with a par value of $1.00 per share issuable in series, of which none are outstanding;

3. the Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE") under the symbol "ANT";

4. under the Offer, Anthem proposes to acquire Shares through the following modified Dutch auction procedure (the "Procedure"), as disclosed in the Circular sent by Anthem to each holder of Shares (collectively, the "Shareholders"):

   (a) the Circular specifies a range of not more than $8.25 and not less than $7.25 per Share (the "Range") within which Anthem is prepared to purchase Shares under the Offer;

   (b) the Circular specifies that the maximum number of Shares that Anthem will purchase is 800,000 Shares (the "Specified Number"), representing approximately 21% of the outstanding Shares, excluding the Shares that Anthem will purchase under the procedures described in paragraph 4(j) below;

   (c) any Shareholder wishing to tender to the Offer will have the right either to: (i) specify the lowest price within the Range at which the Shareholder is willing to sell the tendered Shares (an "Auction Tender"); or (ii) elect to be deemed to have tendered the Shares at the price of $7.25 per Share (a "Purchase Price Tender");

   (d) all Shares tendered and not withdrawn by Shareholders who fail to specify any tender price for the tendered Shares and fail to indicate that they have tendered their Shares pursuant to a Purchase Price Tender will be considered to have been tendered pursuant to a Purchase Price Tender;

   (e) the purchase price (the "Purchase Price") of the Shares tendered to the Offer will be the lowest price that will enable Anthem to purchase the Specified Number (or such lesser number as are properly deposited), and will be determined based upon the number of Shares tendered and not withdrawn pursuant to an Auction Tender at each price within the Range and tendered and not withdrawn pursuant to a Purchase Price Tender;

   (f) all Shares tendered at prices above the Purchase Price will be returned to the appropriate Shareholders;

   (g) all Shares tendered by Shareholders who specify a tender price for such tendered Shares that falls outside the Range will be considered to have been improperly tendered, will be excluded from the determination of the Purchase Price, will not be purchased by Anthem and will be returned to the appropriate Shareholders;

   (h) if the aggregate number of Shares validly tendered to the Offer and not withdrawn is less than or equal to the Specified Number, Anthem will purchase all Shares so deposited;

   (i) all Shares tendered and not withdrawn at or below the Purchase Price pursuant to an Auction Tender and all Shares tendered and not withdrawn pursuant to a Purchase Price Tender will be taken up and paid for at the Purchase Price, subject to proration if the aggregate number of Shares validly tendered to the Offer and not withdrawn at or below the Purchase Price pursuant to Auction Tenders or pursuant to Purchase Price Tenders exceeds the Specified Number; subject to paragraph 4(j) below, any Shares tendered but not taken up and paid for by Anthem in accordance with this procedure will be returned to the appropriate tendering Shareholders;

   (j) if, after giving effect to Anthem's purchase of Shares in accordance with the procedure described in paragraph 4(i) above, a Shareholder who had properly tendered and not withdrawn all of the Shareholder's Shares to the Offer at or below the Purchase Price were to hold fewer than 100 Shares (an "Odd Lot"), Anthem also will purchase any such Odd Lot at the Purchase Price; in determining whether a Shareholder would hold an Odd Lot, all of the Shares held by the Shareholder under separate certificates or in different accounts or tendered by the Shareholder pursuant to separate Auction Tenders or Purchase Price Tenders and that otherwise would be retained by the Shareholder after giving effect to the purchase of Shares in

accordance with the procedure described in paragraph 4(i) above will be aggregated; and

(k) the aggregate amount that Anthem will expend and the aggregate number of Shares to be acquired pursuant to the Offer will not be determined until the number of Shares, if any, to be purchased in accordance with the procedure described in paragraph 4(j) is determined;

5. prior to the Offer's expiry, all information regarding the number of Shares tendered and the prices at which such Shares are tendered will be kept confidential, and the depositary will be directed by Anthem to maintain such confidentiality until the Purchase Price is determined.

6. since the Offer is for fewer than all the Shares, if the number of Shares tendered to the Offer at or below the Purchase Price and not withdrawn exceeds the Specified Number, the Legislation would require Anthem to take up and pay for deposited Shares proportionately, according to the number of Shares deposited by each Shareholder; in addition, the Legislation requires disclosure in the Circular that Anthem would, if Shares tendered to the Offer exceeded the Specified Number, take up such Shares proportionately according to the number of Shares tendered by each Shareholder;

7. to Anthem's knowledge, no person or company other than the Carlson Family Trust holds more than 10% of the issued and outstanding Shares;

8. the Carlson Family Trust, which holds, directly and indirectly, 1,280,378 Shares as of the date of the Circular, representing approximately 33.6% of the issued and outstanding Shares, has advised Anthem that it does not intend to tender any Shares to the Offer;

9. the Circular:

(a) discloses the mechanics for the take-up of and payment for, or the return of, Shares as described in paragraph 4 above;

(b) explains that, by tendering Shares at the lowest price in the Range or pursuant to a Purchase Price Tender, a Shareholder reasonably can expect that the Shares so tendered will be purchased at the Purchase Price, subject to pro ration as described in paragraph 4 above;

(c) describes the background to the Offer;

(d) discloses every prior valuation of Anthem that has been made in the 24 month period preceding the Offer and whose existence is known after reasonable enquiry to Anthem or any of its directors or senior officers, if any;

(e) discloses any bona fide prior offer that relates to the Shares or is otherwise relevant to the Offer, if any, where such prior offer was received by Anthem in the 24 month period preceding the date the Offer was publicly announced, together with a description of such prior offer and the background to it;

(f) describes the review and approval process adopted by the board of directors of Anthem for the Offer, including any materially contrary view or abstention by a director;

(g) includes a statement of the intention, if known to Anthem after reasonable enquiry, of every person or company, other than a bona fide lender, that, whether alone or in combination with others, holds or would reasonably be expected to hold, upon successful completion of the Offer, securities of Anthem sufficient to affect materially its control (an "Interested Party") to accept or not accept the Offer; and

(h) includes a description of the effect that Anthem anticipates the Offer, if successful, will have on the direct or indirect voting interest of every Interested Party; and

10. except to the extent evidenced by this Decision, the Offer complies with the Legislation;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that, in connection with the Offer, Anthem is exempt from the Proportionate Take-up and Payment Requirement, the Associated Disclosure Requirement, and the Number of Securities Requirement, provided that Shares tendered to the Offer are taken up and paid for, or returned to the Shareholders, in the accordance with the Procedure.

January 28, 2002.

"Brenda Leong"

2.1.11 Roxio Inc., Roxio -MGI Holding Corp. and MGI Software Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from registration and prospectus requirements in connection with an arrangement where exemptions may not be available in certain jurisdictions for technical reasons. First trade deemed a distribution unless made in accordance with specified provisions of Multilateral Instrument 45-102: Resale of Securities.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53 and 74(1).

Applicable Ontario Rules

Rule 45-501 - Exempt Distributions (2001) 24 OSCB 7011 (November 23, 2001).

Applicable National Instruments

Multilateral Instrument 45-102: Resale of Securities (2001) 24 OSCB 7029 (November 23, 2001), ss. 2.6(3), 2.6(4), 2.9(1), 2.14.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, NEW BRUNSWICK, PRINCE EDWARD ISLAND, THE NORTHWEST TERRITORIES, YUKON TERRITORY AND NUNAVUT

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
ROXIO, INC., ROXIO-MGI HOLDING CORP. AND MGI SOFTWARE CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Saskatchewan, Manitoba, Ontario, Québec, Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Northwest Territories, Yukon Territory and Nunavut Territories (the "Jurisdictions") has received an application from Roxio, Inc. ("Roxio"), Roxio-MGI Holding Corp. (the "Roxio Subsidiary") and MGI Software Corp. ("MGI") (collectively the "Applicants") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements under the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and to obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement") shall not apply to certain trades and distributions of securities to be made in connection with the proposed acquisition by the Roxio Subsidiary of all of the issued and outstanding shares of MGI pursuant to a plan of arrangement;

AND WHEREAS pursuant to the Mutual Reliance Review System For Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Applicants have represented to the Decision Makers that:

1. MGI is a corporation amalgamated under the *Business Corporations Act* (Ontario) (the "OBCA"). The registered office of MGI is situated in Richmond Hill, Ontario.

2. MGI carries on business as a provider of visual media software products and infrastructure that enable users to develop and utilize digital photographs and video.

3. The authorized capital of MGI consists of an unlimited number of MGI common shares (the "MGI Common Shares"). As at December 31, 2001, there were 37,331,478 MGI Common Shares issued and outstanding.

4. The MGI Common Shares are listed on The Toronto Stock Exchange (the "TSE") under the symbol "MGI". MGI is a "reporting issuer" or the equivalent in all of the provinces of Canada and is not in default of any of the requirements contained in the Legislation.

5. As of December 6, 2001, there were 85 registered holders of MGI Common Shares resident in Canada holding 34,671,750 MGI Common Shares, representing approximately 81.7 % of the total number of issued and outstanding MGI Common Shares.

6. As of December 6, 2001, of all of the options outstanding under the MGI stock option plans ("MGI Options"), MGI Options representing the right to acquire 3,086,363 MGI Common Shares were held by residents in Canada, representing approximately 83.0% of the total number of MGI Common Shares which may be acquired pursuant to the exercise of MGI Options.

7. The following warrants to acquire MGI Common Shares have been previously issued and remain outstanding: (i) 135,000 warrants to purchase 135,000 MGI Common Shares issued on April 16, 1999 on a private placement basis to an Ontario resident (the "non-listed warrants"); and (ii)1,437,500 warrants to purchase 1,437,500 MGI Common Shares issued publicly on or about January 31, 2001 and listed on The Toronto Stock Exchange (the "listed warrants"). The non-listed warrants and the listed warrants are collectively referred to as the "MGI Warrants".

8. Roxio was incorporated under the laws of the State of Delaware. Roxio carries on business as a developer of

software that enables users to create, manage and move digital media.

9. The authorized capital of Roxio consists of 100,000,000 common shares (the "Roxio Common Shares") and 10,000,000 shares of preferred stock. As at December18, 2001, there were 16,924,483 Roxio Common Shares and no shares of preferred stock issued and outstanding.

10. The Roxio Common Shares are quoted on the Nasdaq National Market ("Nasdaq") under the symbol "ROXI". Roxio is subject to the United States *Securities Exchange Act* of 1934, as amended (the "Exchange Act").

11. Roxio is not a "reporting issuer" or the equivalent in any province or territory of Canada.

12. As of December 6, 2001, there were 2 registered holders of Roxio Common Shares in Canada holding 16 Roxio Common Shares, representing approximately 0.0000009% of the total number of issued and outstanding Roxio Common Shares.

13. The Roxio Subsidiary has been incorporated under the laws of Delaware for the purposes of the Transaction (defined below) and is an indirect wholly-owned subsidiary of Roxio.

14. Pursuant to a Combination Agreement dated December 3, 2001 between Roxio and MGI, Roxio, through the Roxio Subsidiary, intends to acquire all of the issued and outstanding MGI Common Shares in a transaction (the "Transaction") to be effected pursuant to a plan of arrangement (the "Arrangement").

15. The effect of the Arrangement will be to provide holders (the "MGI Shareholders") of MGI Common Shares (other than MGI Common Shares held by dissenting shareholders or by Roxio or its affiliates) with Roxio Common Shares at a rate (subject to certain adjustments) equal to 0.05269 Roxio Common Shares for every one (1) MGI Common Share.

16. Conditional upon the completion of the Transaction, all unvested stock options granted under MGI's employee stock option plan shall be deemed to have vested and become exercisable on the day immediately preceding the closing date of the Transaction and the expiry date under all stock options granted under such plan shall have been accelerated such that any options that remain unexercised immediately prior to the closing shall terminate as of the closing date of the Transaction.

17. The warrantholders (listed and unlisted) have agreed to redeem their warrants on the effective date of the transaction.

18. The Arrangement will be carried out under Section 182 of the OBCA. MGI has applied for and obtained, under section 182 of the OBCA, an interim order (the "Interim Order") of the Superior Court of Justice (Ontario) which order specifies, among other things, certain procedures and requirements to be followed in connection with the calling and holding of the Special Meeting (as defined below) and the completion of the Arrangement.

19. A special meeting (the "Special Meeting") of the MGI Shareholders was held on January 28, 2002 at which MGI sought and obtained, among other things, the requisite MGI Shareholder approval (which, pursuant to the Interim Order, is 66 2/3% of the votes attached to the MGI Common Shares represented by proxy or in person at the Special Meeting) for the special resolution approving the Arrangement. At the Special Meeting 97% of the votes attached to the MGI Common Shares represented at the Special Meeting voted in favour of the Arrangement.

20. In connection with the Special Meeting and pursuant to the Interim Order, MGI mailed on or about January 3, 2002 to each MGI Shareholder (i) a notice of special meeting, (ii) a form of proxy and (iii) a management information circular (the "Circular").

21. The Circular contains, among other things, prospectus-level disclosure of the business and affairs of Roxio and such other information regarding Roxio, the Roxio Subsidiary, MGI and the Transaction, as is required by the Legislation, except as varied by the Decision of certain of the Decision Makers dated December 31, 2001.

22. Upon completion of the Arrangement or shortly thereafter, the MGI Common Shares and the listed warrants will be delisted from the TSE. The Applicants expect that the MGI Common Shares and the listed warrants will be delisted from the TSE no later than February 6, 2002.

23. Roxio is taking all required steps to ensure that the Roxio Common Shares issued pursuant to the Arrangement shall be quoted for trading on Nasdaq.

24. Upon the completion of and as a consequence of the Arrangement, Roxio will become a reporting issuer in Alberta, Saskatchewan and Québec, and may become a reporting issuer in British Columbia, Ontario and Newfoundland.

25. Similarly, upon the completion of and as a consequence of the Arrangement, the Roxio Subsidiary will become a reporting issuer in Saskatchewan.

26. Upon the completion of the Arrangement, Roxio will be the sole indirect shareholder of the Roxio Subsidiary, and the sole shareholders of MGI will be Roxio and the Roxio Subsidiary.

27. Upon the completion of the Arrangement, MGI and the Roxio Subsidiary intend to make applications to be deemed to have ceased to be a reporting issuer (or equivalent) in those Jurisdictions in which they are a reporting issuer (or equivalent). Roxio has not yet determined whether it will make a similar such application or applications. Unless and until relief in respect of such applications is granted, the Applicants will comply with all requirements of the Legislation associated with reporting issuer status.

28. Upon the completion of the Arrangement, and assuming the maximum exchange ratio applicable to the exchange of MGI Common Shares for Roxio Common Shares, and after giving effect to the exchange of the listed warrants and non-listed warrants for Roxio Common Shares, the Applicants believe that residents of Canada will not own directly or indirectly more than 15 percent of the outstanding Roxio Common Shares, and will not represent in number more than 15 percent of the total number of owners directly or indirectly of Roxio Common Shares.

29. There is no public market in Canada for the Roxio Common Shares and no such public market is expected to develop.

30. Roxio will send to all holders of Roxio Common Shares resident in Canada contemporaneously all disclosure material sent to holders of Roxio Common Shares resident in the United States.

31. The steps under the Transaction involve or may involve a number of trades of securities (collectively, the "Trades") and there may be no registration or prospectus exemptions available under the Legislation for certain of the Trades in some or all of the Jurisdictions.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Trades are not subject to the Registration Requirement and the Prospectus Requirement, provided that:

(a) except in Québec, the first trade in Roxio Common Shares acquired pursuant to this Decision (including, for greater certainty, Roxio Common Shares acquired upon the exercise of the MGI Warrants) will be a distribution or primary distribution to the public unless, at the time of the trade:

  (i) if Roxio is a reporting issuer in any Jurisdiction listed in Appendix B to Multilateral Instrument 45-102: Resale of Securities ("MI 45-102") other than Quebec, the conditions in subsections (3) or (4) of section 2.6 of MI 45-102 are satisfied; and for the purpose of determining the period of time that Roxio has been a reporting issuer under section 2.6, the period of time that MGI has been a reporting issuer may be included; and

  (ii) if Roxio is not a reporting issuer in any Jurisdiction other than Québec, such first trade is made through an exchange, or a market, outside of Canada; and

(b) in Québec, to the extent that there is no exemption available from the Registration Requirement and Prospectus Requirement in respect of any of the Trades, the Trades are not subject to the Registration Requirement and the Prospectus Requirement, provided that the issuer or one of the parties to the Arrangement (including, for greater certainty, MGI) is and has been a reporting issuer in Québec and has complied with the applicable requirements for the twelve months immediately preceding the Trades.

January 31, 2002.

"R.S. Paddon" "H. Lorne Morphy"

2.1.12 Kraft Foods Inc. and Philip Morris Companies Inc. - MRRS Decision

Headnote

MRRS - registration and prospectus relief for issuance of securities by foreign issuer to Canadian employees and related trades under option and incentive plans - issuer bid relief for foreign issuer in connection with acquisition of shares under option and incentive plans.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25(1), 35(1)(12)(iii), 35(1)(17), 53(1), 72(1)(f)(iii), 72(1)(k), 74(1), 89(1), 93(3)(d) and 104(2).

Applicable Ontario Regulation

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 183(1) and 203.1(1).

Applicable Ontario Rule

OSC Rule 45-503 - Trades to Employees, Executives and Consultants - ss. 2.2, 2.4, 3.3 and 3.5.

Applicable Instrument

Multilateral Instrument 45-501 - Resale of Securities - s. 2.14(1).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO, BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, NEW BRUNSWICK, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
KRAFT FOODS INC.
AND PHILIP MORRIS COMPANIES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland and Labrador (the "**Jurisdictions**") has received an application from Kraft Foods Inc. ("**Kraft**") and Philip Morris Companies Inc. ("**Philip Morris**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that: (i) the requirements contained in the Legislation to be registered to trade in a security (the "**Registration Requirements**") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "**Prospectus Requirements**") (collectively, the "**Registration and Prospectus Requirements**") shall not apply to certain trades in securities of Kraft made in connection with the Kraft Foods Inc. 2001 Incentive Plan (the "**PIP**"), the Philip Morris Companies Directed Share Program (the "**DSP**") and the Kraft Foods Inc. Stock Option Grant Program (the "**KSOGP**") (the PIP, DSP and the KSOGP are collectively, the "**Plans**"); (ii) the Registration Requirements shall not apply to first trades of shares of class A common stock of Kraft ("**Class A Kraft Shares**") acquired under the Plans made through the Agent (defined below) on an exchange or market outside of Canada; and (iii) the requirements contained in the Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, financing, identical consideration, collateral benefits, and form filing (the "**Issuer Bid Requirements**") shall not apply to certain acquisitions by Kraft of Class A Kraft Shares pursuant to the Plans in each of the Jurisdictions;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Kraft and Philip Morris have represented to the Decision Makers as follows:

1. Kraft is a corporation incorporated under the laws of the State of Virginia. The executive offices of Kraft are located in Northfield, Illinois.

2. Philip Morris is a corporation incorporated under the laws of the State of Virginia. The principal executive offices of Philip Morris are located in New York, New York.

3. Neither Kraft nor Philip Morris is a reporting issuer or the equivalent in any Jurisdiction and neither has a present intention of becoming a reporting issuer or the equivalent in any Jurisdiction. The majority of the directors and senior officers of Kraft and Philip Morris reside outside of Canada.

4. The authorized share capital of Kraft consists of 3 billion Class A Kraft Shares, 2 billion shares of Class B common stock ("**Class B Kraft Shares**"), and 500,000 shares of preferred stock ("**Preferred Kraft Shares**"). As of August 17, 2001, there were 555 million Class A Kraft Shares, 1.18 billion Class B Kraft Shares and 0 Preferred Kraft Shares issued and outstanding.

5. Prior to the initial public offering ("**IPO**") of Class A Kraft Shares in June 2001, Kraft was a wholly-owned subsidiary of Philip Morris. Subsequent to the IPO, Philip Morris retains approximately an 84% ownership of Kraft, including 100% of the outstanding Class B Kraft Shares and Preferred Kraft Shares.

6. Kraft and Philip Morris are subject to the requirements of the *Securities Exchange Act of 1934*, as amended,

of the United States, including the reporting requirements thereof.

7. The purpose of the PIP is to support Kraft's ongoing efforts to attract and retain outstanding employees and to provide Kraft with the ability to provide incentives to employees of Kraft and its affiliates ("**Kraft Companies**") that are directly linked to the profitability of Kraft and to increases in shareholder value.

8. Subject to adjustment as described in the PIP, the maximum number of Class A Kraft Shares that may be issued under the PIP is 75 million.

9. The purpose of the KSOGP is to provide an incentive to selected employees of Philip Morris or its affiliates ("**Philip Morris Companies**") by providing an opportunity to benefit from the profitability of Kraft and increases in Kraft shareholder value.

10. The purpose of the DSP is to provide selected employees of Philip Morris and its affiliates with the opportunity to purchase Class A Kraft Shares at their offering price, in conjunction with the IPO of the Class A Kraft Shares that took place in June 2001.

11. Class A Kraft Shares offered under the Plans are registered with the Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933.

12. The Class A Kraft Shares are listed for trading on the New York Stock Exchange (the "**NYSE**").

13. Awards extended to employees of the Kraft Companies under the PIP may include options ("**Options**") exercisable for Class A Kraft Shares, performance-based awards ("**Performance-Based Awards**"), stock appreciation rights ("**SARs**"), restricted stock ("**Restricted Shares**"), other stock-based awards ("**Other Stock Based Awards**"), dividends or dividends equivalents ("**Dividends or Dividends Equivalents**") and incentive awards ("**Incentive Awards**"). Awards extended to employees of the Philip Morris Companies under the KSOGP, include Options. Awards under the DSP extended to selected employees of the Philip Morris Companies were comprised of the opportunity to purchase Class A Kraft Shares ("**DSP Rights**"). (All of the foregoing are collectively, "**Awards**").

14. Participation in the Plans by Canadian employees is voluntary and such persons are not induced to participate in the Plans or to exercise their Awards by expectation of employment or continued employment with the Kraft Companies.

15. As of September 19, 2001, there were: (i) 731 employees resident in Canada eligible to receive Options under the PIP, including 14 in British Columbia, 38 in Alberta, 7 in Saskatchewan, 3 in Manitoba, 527 in Ontario; 2 in New Brunswick, 13 in Nova Scotia and 2 in Newfoundland; (ii) 1 employee resident in Canada eligible to participate in the KSOGP, residing in Ontario; and (iii) 9 employees resident in Canada, all of whom reside in Ontario, who chose to participate in the DSP.

16. Kraft and Philip Morris intend to use the services of one or more agents/brokers (an "**Agent**") under the Plans. The current Agent for the DSP is Fidelity Brokerage Services LLC. The current Agent for the PIP and KSOGP is UBS PaineWebber Inc. The current Agents are, and if replaced, or if additional Agents are appointed, will be registered under applicable U.S. securities or banking legislation and have been or will be authorized by Kraft or Philip Morris to provide services under one or more of the Plans. The current Agents are not registered to conduct retail trades in any of the Jurisdictions and, if replaced, or if additional Agents are appointed, are not expected to be so registered in any of the Jurisdictions.

17. The Agents' role in the Plans may include: (a) assisting with the administration of the Plans, including record-keeping functions; (b) facilitating the exercise of Awards granted under the PIP and the KSOGP, including cashless and stock-swap exercises to the extent that they are exercisable for Class A Kraft Shares; (c) holding in broker accounts Class A Kraft Shares issued under the Plans on behalf of employees of Kraft or the Kraft Companies who participate in the Plans ("**Participants**"), Former Participants (as defined below) and Permitted Transferees (as defined below); (d) facilitating the cancellation and surrender of Awards as permitted under the Plans; (e) facilitating the payment of withholding taxes; and (f) facilitating the resale of the Class A Kraft Shares issued in connection with the Plans.

18. Unless otherwise determined by the committee administering the relevant Plan, Awards are not transferable other than by will or pursuant to the laws of intestacy.

19. Under the PIP, Options, Performance-Based Awards, SARs, Restricted Shares, Dividends or Dividends Equivalents or Other Stock-Based Awards (collectively, "**PIP Awards**"), may be granted to employees of the Kraft Companies.

20. The PIP is administered by the board of directors of Kraft ("**Kraft Board**") and/or a committee appointed by the Kraft Board ("**Kraft Committee**").

21. The Kraft Committee shall establish procedures governing the exercise of Options. Generally, in order to exercise an Option, a Participant, Former Participant or Permitted Transferee must submit to Kraft or the Agent a notice of exercise in the form and manner prescribed by the Kraft Committee ("**Notice of Exercise**") identifying the Option and number of Class A Kraft Shares being purchased, together with full payment for the Class A Kraft Shares.

22. Under the DSP, an opportunity to acquire Class A Kraft Shares at the offering price ("**DSP Purchase Entitlements**") was extended to selected employees of the Philip Morris Companies.

23. 446,700 Class A Kraft Shares were issued under the DSP.

24. Following the termination of a Participant's relationship with the Kraft Companies or with the Phillip Morris Companies for reasons of death, disability, retirement, or any other reason, a former Participant ("**Former Participant**") and on the death of a Participant, where the Award has been transferred by will or pursuant to the laws of intestacy or otherwise, as permitted by the Kraft Committee, to permitted transferees ("**Permitted Transferees**"), the Former Participants and Permitted Transferees may continue to have rights in respect of the Plans ("**Post-Termination Rights**"). Post-Termination Rights may include, among other things, the right to exercise an Award for a period determined in accordance with the PIP or the KSOGP following termination and the right to sell Class A Kraft Shares acquired under all of the Plans through the Agents.

25. The Kraft Committee may elect to "cash out" all or a portion of the Class A Kraft Shares to be purchased by an Option holder by paying the Option holder an amount in cash, Class A Kraft Shares or both equal to the fair market value of the Class A Kraft Shares to be purchased, less the exercise costs for such Class A Kraft Shares. In the event of a merger, share exchange, reorganization, consolidation, stock dividend, recapitalization, distribution or stock split, reverse stock split, stock split up, spin-off, issuance of rights or warrants registrations or event affecting the Class A Kraft Shares, the Kraft Board is authorized to make an Award in substitution for an outstanding Award or to make cash payments to the holder of the PIP Awards. On a Change of Control (as defined in the Plan) the value of all outstanding Options, Stock Appreciation Rights, Restricted Shares and other Stock Based Awards shall, at the discretion of the Kraft Committee be cashed out on the basis of the Change of Control price. Subject to the discretion of the Kraft Committee the Participant may on a Change in Control give notice to Kraft within the Exercise Period to elect to surrender all or part of the Options, SARs, Restricted Stock or Other Stock-Based Awards to Kraft and to receive in cash a prescribed amount. Any Incentive Award relating to the Performance Cycle (as defined in the Plans) prior to the Performance Cycle in which the Change in Control occurs that has been earned but not paid shall be immediately payable in cash (collectively along with any forfeiture of Restricted Shares ("**Repurchase and Surrender Rights**").

26. Withholding obligations for tax purposes arising from Awards may be settled with Class A Kraft Shares ("**Tax Withholding Exercises**").

27. A prospectus prepared according to U.S. securities laws describing the terms and conditions of the Plans will be delivered to each Participant who is eligible to participate in the Plans or who receives an Award under any of the Plans. The annual reports, proxy materials and other materials Kraft is required to file with the SEC will be provided or made available to Canadian Participants at the same time and in the same manner as the documents are provided or made available to U.S. Participants.

28. As at October 29, 2001, Canadian shareholders did not own, directly or indirectly, more than 10% of the issued and outstanding Class A Kraft Shares and did not represent more than 10% of the shareholders of Kraft.

29. As there is no market for the Class A Kraft Shares in Canada and none is expected to develop, it is expected that the resale by Participants, Former Participants and Permitted Transferees of the Class A Kraft Shares acquired under the Plans will be effected through the NYSE.

30. Participants, Former Participants or Permitted Transferees may sell Class A Kraft Shares acquired under the Plans through the Agent.

31. The Legislation of certain of the Jurisdictions does not contain exemptions from the Registration and Prospectus Requirements for Award exercises by Participants, Former Participants or Permitted Transferees through the Agent where the Agent is not a registrant.

32. Where the Agent sells Class A Kraft Shares on behalf of Canadian Participants, Former Participants or Permitted Transferees, none of them is able to rely on the exemption from the Registration Requirements contained in the Legislation of certain Jurisdictions to effect such sales.

33. The exemptions in the Legislation from the Issuer Bid Requirements are not available for certain acquisitions by Kraft of its Class A Kraft Shares from Participants, Former Participants or Permitted Transferees in accordance with the terms of the Plans, since acquisitions relating to stock-swap exercises ("**Stock-Swap Exercises**") may occur at a price that is not calculated in accordance with the "market price", as that term is defined in the Legislation; as under the Plans, Kraft will acquire such tendered Class A Kraft Shares at their fair market value, as determined in accordance with such Plans.

AND WHEREAS pursuant to the System, this Decision Document evidences the decision of each Decision Maker (collectively, the "**Decision**");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that:

(a) the Registration and Prospectus Requirements shall not apply to any trade or distribution of Awards or Class A Kraft Shares made in connection with the Plans, including trades or distributions involving Kraft, Philip Morris or their affiliates, the Agent, Canadian

Participants, Former Participants or Permitted Tranferees, provided that:

(i) the first trade in Class A Kraft Shares acquired under the Plans pursuant to this Decision in a Jurisdiction shall be deemed a distribution under the Legislation of such Jurisdiction unless the conditions in section 2.14(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied; and

(ii) Kraft will be subject to the relevant filing and fee requirements contained in the Legislation of certain Jurisdictions which, but for this Decision, would apply to initial distributions of Awards and Kraft Class A Shares made pursuant to the Plans;

(b) the first trade by Canadian Participants, Former Participants or Permitted Transferees in Kraft Class A Shares acquired pursuant to this Decision, including first trades effected through the Agent, shall not be subject to the Registration Requirements, provided such first trade is executed through a stock exchange or market outside of Canada; and

(c) the Issuer Bid Requirements of the Legislation shall not apply to the acquisition by Kraft of Kraft Class A Shares from Canadian Participants, Former Participants and Permitted Transferees in connection with Stock-Swap Exercises, Repurchase and Surrender Rights, or Tax Withholding Exercises made in connection with the provisions of the Plans.

February 5, 2002.

"R. Stephen Paddon" "H. Lorne Morphy"

2.1.13 Versacold Income Fund et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from registration and prospectus requirements granted for trades in connection with a statutory arrangement where exemptions not available for technical reasons - Relief not granted for potential *in specie* distribution of securities of holding company held by reporting issuer on a redemption of units by a unitholder - First trade in securities acquired under decision deemed a distribution unless certain conditions of Multilateral Instrument 45-102 - *Resale of Securities* are satisfied.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as amended, s. 25, 53 and ss. 74(1).

Applicable Ontario Rules

OSC Rule 45-501 - Exempt Distributions (2001) 24 OSCB 5549, s. 2.8.

Multilateral Instrument Cited

MI 45-102 - Resale of Securities (2001) 24 OSCB 5522, s. 2.6.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ALBERTA, BRITISH COLUMBIA, MANITOBA, NEW BRUNSWICK, NEWFOUNDLAND AND LABRADOR, THE NORTHWEST TERRITORIES, NOVA SCOTIA, NUNAVUT, ONTARIO, PRINCE EDWARD ISLAND, QUÉBEC, SASKATCHEWAN AND THE YUKON TERRITORY

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
VERSACOLD INCOME FUND, VERSACOLD HOLDINGS CORP. AND VERSACOLD GROUP PARTNERSHIP

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (collectively, the "Decision Makers") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and the Yukon Territory (the "Jurisdictions") has received an application from Versacold Income Fund (the

"Fund"), Versacold Holdings Corp. ("Versacold Holdings") and Versacold Group Partnership (the "Partnership") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements under the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement"), shall not apply to certain trades of securities in connection with the Partnership and Versacold Holdings' acquisition of the issued and outstanding common shares ("Versacold Common Shares") of Versacold Corporation (the "Company") pursuant to a plan of arrangement (the "Plan of Arrangement") under section 252 of the *Company Act* (British Columbia) (the "Company Act") involving the Company and its shareholders (the "Transaction");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS the Fund, Versacold Holdings and the Partnership have represented to the Decision Makers that:

1. The Fund is an open-ended, limited purpose trust established, under the laws of British Columbia pursuant to a declaration of trust dated December 19, 2001, to hold the securities of Versacold Holdings.

2. On December 24, 2001 the Fund filed a preliminary prospectus in each of the Jurisdictions and on January 4, 2002 the Fund filed an amended and restated preliminary prospectus in each of the Jurisdictions; the Fund will file a final prospectus in each of the Jurisdictions prior to closing of the Transaction and, upon receipt of the MRRS decision document with respect to such final prospectus, the Fund will become a reporting issuer or the equivalent in each of the Jurisdictions.

3. The Fund was established with nominal capitalization and currently has only nominal assets and no liabilities and the only activity currently anticipated to be carried on by the Fund will be the holding of securities of Versacold Holdings.

4. The Fund is authorized to issue an unlimited number of trust units designated as units ("Fund Units") and an unlimited number of trust units designated as special voting units ("Special Voting Units"); as of January 10, 2002, one Fund Unit was issued and outstanding and owned by the Company and no Special Voting Units were outstanding.

5. The Fund has received conditional approval from the Toronto Stock Exchange (the "TSE") for the listing on the TSE of the Fund Units issuable in connection with the Transaction subject to, among other things, completion of the Transaction.

6. Versacold Holdings is a wholly-owned subsidiary of the Fund and was incorporated under the laws of British Columbia on December 14, 2001 to participate in the Transaction by acquiring Versacold Common Shares (other than those to be acquired by the Partnership).

7. The authorized capital of Versacold Holdings consists of 500,000,000 common voting shares, 500,000,000 common non-voting shares and 500,000,000 preferred shares issuable in series of which, as of January 10, 2002, there were 10 common voting shares outstanding, all of which were owned by the Fund; following the completion of the Transaction, all of the issued and outstanding securities of Versacold Holdings will be owned by the Fund.

8. Versacold Holdings is not a reporting issuer (or the equivalent) in any of the Jurisdictions.

9. The Company is incorporated under the Company Act and is the leading supplier within Canada of public refrigerated warehousing and distribution services.

10. The authorized capital of the Company consists of 50,000,000 Versacold Common Shares and 20,000,000 Preferred Shares of which, as of January 10, 2002, there were 9,670,605 Versacold Common Shares outstanding and 389,500 Versacold Common Shares were reserved, in the aggregate, for issuance upon the exercise of outstanding options; an aggregate of 1,000 Preferred Shares of the Company are outstanding and held by the Partnership; under the Plan of Arrangement, on the effective date ("Effective Date"), a new class of Non-Voting Common Shares of the Company will be created; following the completion of the Transaction, all of the outstanding shares of the Company will be owned by the Partnership or by direct or indirect subsidiaries of the Fund.

11. The Versacold Common Shares are presently listed on the TSE and the Company is a reporting issuer (or the equivalent) in each of the Jurisdictions; following the Effective Date, the Versacold Common Shares will be delisted from the TSE and the Company will apply to cease to be a reporting issuer, where applicable.

12. The Partnership is currently a general partnership formed under the laws of British Columbia which is comprised of two wholly-owned subsidiaries of the Company.

13. Prior to the completion of the Transaction, the partnership agreement governing the Partnership will be amended to convert the Partnership from a general partnership to a limited partnership and to create two classes of limited partnership units designated as "Class A Limited Partnership Units" (the "Class A LP Units"), and "Class B Limited Partnership Units" (the "Class B LP Units"); upon completion of the Transaction, all issued and outstanding general partnership interests and Class A LP Units will be held by the present general partners of the Partnership and all Class B LP Units will be held by former holders of Versacold Common Shares who have elected to exchange their Versacold Common Shares for Class B LP Units.

14. The Partnership is not a reporting issuer (or the equivalent) in any of the Jurisdictions.

15. The Transaction will be effected by way of the Plan of Arrangement, which will require (i) the approval of three-quarters of the votes cast by the holders of Versacold Common Shares present in person or by proxy at the extraordinary general meeting (the "Meeting") of such holders to be held to consider and approve the Transaction, and (ii) the approval of the Supreme Court of British Columbia.

16. The management information circular (the "Circular") delivered to holders of Versacold Common Shares in connection with the Meeting conforms with the Company Act and applicable securities laws and an interim order of the Supreme Court of British Columbia (the "Interim Order") and contains prospectus-level disclosure of the business and affairs of the Fund, the Company and the Partnership and a detailed description of the Transaction and the Plan of Arrangement.

17. On the Effective Date, in accordance with elections made or deemed to be made by holders of Versacold Common Shares:

    (i) the outstanding Versacold Common Shares (except those held by eligible holding companies or by shareholders who exercise their rights of dissent in accordance with the Interim Order) will be exchanged for Class B LP Units or notes ("Notes") of Versacold Holdings, or a combination of the foregoing;

    (ii) outstanding shares of eligible holding companies will be exchanged for Notes;

    (iii) all Notes will be exchanged for Fund Units; and

    (iv) all Versacold Common Shares acquired by the Partnership in exchange for Class B LP Units will be exchanged for Non-Voting Common Shares of the Company under the Plan of Arrangement.

18. Upon the completion of the Transaction, all of the issued and outstanding Versacold Common Shares will be held by Versacold Holdings or by eligible holding companies wholly-owned by Versacold Holdings, and all of the Preferred Shares and Non-Voting Common Shares of the Company will be held by the Partnership.

19. The rights, privileges, restrictions and conditions attaching to the Class B LP Units under the limited partnership agreement (the "Limited Partnership Agreement") governing the Partnership, together with the Exchange Agreement and the investment agreement described below, will provide the holders of the Class B LP Units with a security having economic rights which are, as nearly as practicable, equivalent to those of a Fund Unit and will give holders of Versacold Common Shares who are residents of Canada the opportunity to pursue certain tax efficiencies with respect to the exchange of their Versacold Common Shares; the Class B LP Units will be exchangeable by the holders for Fund Units on a one-for-one basis at any time at the option of the holder, and must be exchanged upon the occurrence of certain events.

20. The Limited Partnership Agreement will provide that the Class B LP Units will be entitled to vote only in certain limited circumstances (except as required by applicable law) and each Class B LP Unit will entitle the holder to distributions from the Partnership payable at the same time as, and equivalent to, each distribution paid by the Fund on a Fund Unit; on the liquidation, dissolution or winding-up of the Partnership, a holder of Class B LP Units will be entitled to receive from the Partnership an amount equal to all declared and unpaid distributions on each such Class B LP Unit held by the holder on any distribution record date prior to the date of liquidation, dissolution or winding-up but will not otherwise be entitled to participate in a distribution of the assets of the Partnership; Class B LP Units may only be transferred in certain limited circumstances.

21. The Limited Partnership Agreement will further provide that upon certain actions, such as distributions of stock dividends, options, rights or warrants for the purchase of securities or other assets, subdivisions, reclassifications, reorganizations and other changes, being taken in respect of the Fund Units generally, the same or an economically equivalent action will be taken by the Partnership in respect of the Class B LP Units.

22. Under the Plan of Arrangement, each of the holders of Class B LP Units will receive one Special Voting Unit for each Class B LP Unit it receives; each Special Voting Unit will entitle the holder to one vote at meetings of the Fund's unitholders but will have none of the other rights attached to Fund Units; the Special Voting Units to be issued to the holders of Class B LP Units may be transferred only under the same circumstances as the associated Class B LP Units, will be evidenced only by the certificates representing such Class B LP Units and will be automatically redeemed for nominal consideration upon the exchange of Class B LP Units for Fund Units.

23. Under an exchange agreement (the "Exchange Agreement") to be entered into by Versacold Holdings, the Fund, the Partnership and each holder of Class B LP Units contemporaneously with the closing of the Transaction:

    (i) Versacold Holdings will grant to the holders of the Class B LP Units a put right (the "Exchange Right"), to require Versacold Holdings to purchase from a holder of Class B LP Units all or any part of his or her Class B LP Units for an amount per unit equal to the current market price of a Fund Unit, to be satisfied by the delivery to the holder of one Fund Unit; and

    (ii) Versacold Holdings will have the right (the "Call Right") to acquire the Class B LP Units of a holder in certain circumstances, as described in the Circular for an amount per unit equal to the

current market price of a Fund Unit, to be satisfied by the delivery of one Fund Unit.

24. Under the Exchange Agreement the Fund has agreed that, to the extent further Class B LP Units are issued, it will issue a corresponding number of Special Voting Units to the holders of the Class B LP Units.

25. Upon the insolvency of Versacold Holdings or in any other event in which Versacold Holdings is unable to purchase Class B LP Units upon exercise of the Exchange Right, the Partnership shall redeem the Class B LP Units which are the subject of such request for nominal consideration and the former holder of such Class B LP Units will then have the right, under the Exchange Agreement, to acquire a corresponding number of Fund Units directly from the Fund for nominal consideration.

26. At the closing of the Transaction, the Fund and the Partnership will enter into an investment agreement which will provide that the Fund will purchase certain securities of Versacold Holdings in exchange for Fund Units in sufficient numbers to allow Versacold Holdings to meet its obligations, from time to time, under the Exchange Agreement.

27. The steps under the Transaction and the attributes of the Class B LP Units contained in the Limited Partnership Agreement and the Exchange Agreement involve or may involve a number of trades of securities (all such trades, other than any trade of securities of Versacold Holdings by the Fund to holders of Fund Units upon exercise of the right of redemption attached to such Fund Units are, collectively, the "Trades").

28. There may be no registration or prospectus exemptions available under the Legislation for certain of the Trades.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that:

1. The Registration Requirement and the Prospectus Requirement shall not apply to the Trades.

2. The first trade in Class B LP Units and Special Voting Units, other than in exchange for Fund Units, and the first trade of Fund Units, acquired under the Decision shall be deemed to be a distribution or a primary distribution to the public, unless:

   (a) except in Québec, the conditions in subsections (3), (4) or (5) of section 2.6 of Multilateral Instrument 45-102 Resale of Securities ("MI 45-102") are satisfied, except that for the purposes of determining the period of time that the Fund has been a reporting issuer under section 2.6 of MI 45-102 the period of time that the Company was a reporting issuer immediately before the Transaction may be included; and

   (b) in Québec,

      (i) the issuer is and has been a reporting issuer in Québec for the 12 months immediately preceding the trade,

      (ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade,

      (iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade, and

      (iv) if the selling shareholder is an insider or officer of the issuer, the selling shareholder has no reasonable grounds to believe that the issuer is in default of securities legislation.

January 31, 2002.

"Derek E. Patterson"

2.1.14 Newmont Mining Corporation and Franco-Nevada Mining Corporation Limited - MRRS Decision

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NOVA SCOTIA, NEW BRUNSWICK, NEWFOUNDLAND AND LABRADOR, PRINCE EDWARD ISLAND, QUEBEC, NORTHWEST TERRITORIES, NUNAVUT AND YUKON TERRITORY

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
NEWMONT MINING CORPORATION AND FRANCO-NEVADA MINING CORPORATION LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**"), in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Quebec, the Yukon Territory, the Northwest Territories and Nunavut (collectively, the "**Jurisdictions**") has received an application from Newmont Mining Corporation (together with its successor corporations, "**Newmont**"), and two of its affiliates, Newmont Callco ("Callco"), and Newmont Canada ("Exchangeco") (collectively, the "**Applicant**"), for a decision under the securities legislation, regulations, rules and/or policies of the Jurisdictions (the "**Legislation**") that:

(i) certain trades in securities made in connection with or resulting from the proposed acquisition (the "Acquisition") pursuant to an arrangement agreement dated November 14, 2001 (the "**Arrangement Agreement**") by Newmont of all of the common shares in the capital of Franco-Nevada Mining Corporation Limited ("**Franco-Nevada**"), to be effected by way of a plan of arrangement (the "**Arrangement**") under section 192 of the Canada Business Corporations Act, as amended (the "**CBCA**") shall be exempt from the requirements contained in the Legislation to be registered to trade in a security (the "**Registration Requirements**") and to file a preliminary prospectus and a prospectus and receive receipts therefor (the "**Prospectus Requirements**");

(ii) Exchangeco be exempt from any requirements of the Legislation, where applicable, to (a) issue press releases and file reports regarding material changes, to deliver to its security holders and file with the applicable Decision Makers annual reports, interim and annual financial statements (including interim and annual management discussion and analysis), to file and deliver information circulars, (the "**Continuous Disclosure Requirements**"), and (b) file with the Decision Makers in Ontario, Quebec and Saskatchewan an annual information form and management discussion and analysis thereon (the "**Local AIF and MD&A Requirements**"); and

(iii) insiders of Exchangeco be exempt from the requirement contained in the Legislation to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of Exchangeco (the "**Insider Reporting Requirement**");

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS the Applicant has represented to the Decision Makers that:

1. Newmont is incorporated under the laws of the State of Delaware. Newmont is engaged in the production of gold, the exploration for gold and the acquisition and development of gold properties worldwide. Newmont has operations in Canada, United States, Mexico, Peru, Bolivia, Australia, Mexico and Uzbekistan.

2. Newmont's corporate headquarters are in Denver, Colorado.

3. As at November 30, 2001, Newmont's share capital consisted of (i) 250,000,000 shares of Newmont common stock (the "Newmont Common Shares"), par value US$1.60 per share, of which 196,129,592 were outstanding; and (ii) 5,000,000 shares of US$3.25 convertible preferred stock, par value US$5.00 per share, of which 2,299,980 were outstanding. As part of the Arrangement, Newmont will issue the Newmont Special Voting Share (as defined below) to the Trustee pursuant to the Voting and Exchange Trust Agreement (as defined below).

4. The Newmont Common Shares are listed and trade principally on the New York Stock Exchange (the "NYSE") under the symbol "NEM" and are also listed on the Brussels Stock Exchange and the Swiss Stock Exchange. Application has been made by Newmont to the NYSE to list the Newmont Common Shares issued pursuant to the Arrangement, or issuable from time to time in exchange for exchangeable shares in the capital of Exchangeco (the "Exchangeable Shares") and upon exercise of Franco-Nevada Options (as defined below).

5. Newmont is subject to the reporting requirements of securities legislation in the United States. Newmont is currently a "reporting issuer" or the equivalent under the Legislation of each of British Columbia, Alberta, Saskatchewan, Manitoba and Quebec.

6. Callco will be incorporated as a direct or indirect wholly-owned subsidiary of Newmont. Callco will hold

the various call rights related to the Exchangeable Shares.

7. The authorized capital of Callco will consist of 1,000,000,000 common shares. Upon completion of the Arrangement, all of the issued and outstanding common shares of Callco will be held directly or indirectly by Newmont.

8. Exchangeco will be incorporated as a direct or indirect subsidiary of Newmont for the purpose of implementing the Arrangement and will be the continuing corporation following the amalgamation of Exchangeco, Franco-Nevada and others as contemplated by the Arrangement. Exchangeco's only material assets prior to such amalgamation will be the issued and outstanding Franco-Nevada Common Shares and shares of holding companies, the only assets of which will be Franco-Nevada Common Shares.

9. The authorized share capital of Exchangeco will consist of an unlimited number of common shares, an unlimited number of preference shares, an unlimited number of Special Shares (as hereinafter defined) and an unlimited number of Exchangeable Shares. Upon completion of the Arrangement, all of the outstanding common shares and Special Shares of Exchangeco will be held directly or indirectly by Newmont and all of the outstanding Exchangeable Shares will be held by the former Franco-Nevada Shareholders who elect to receive Exchangeable Shares in exchange for their Franco-Nevada Common Shares under the Arrangement.

10. Exchangeco will initially be a "closely-held issuer" within the meaning of that term under Ontario Securities Commission Rule 45-101: Exempt Distributions. Upon the completion of the Arrangement and if Exchangeable Shares are issued pursuant to the Arrangement, the Exchangeable Shares will be listed on the TSE and Exchangeco will become a reporting issuer under the provisions of applicable Canadian provincial and territorial securities legislation. It is a condition precedent of the Arrangement that the Exchangeable Shares be conditionally approved for listing on The Toronto Stock Exchange (the "TSE"). On December 28, 2001, the TSE conditionally approved the Exchangeable Shares for listing.

11. Franco-Nevada was originally incorporated under the CBCA by articles of incorporation dated October 5, 1982. It amalgamated with Euro-Nevada Mining Corporation Limited effective September 20, 1999 pursuant to articles of arrangement dated September 20, 1999 to form the current Franco-Nevada.

12. The primary business of Franco-Nevada is the acquisition of: (i) direct interests in mineral properties and, when appropriate, developing those properties; (ii) royalty interests in producing precious metals mines and precious metals properties in the development or advanced exploration stage; (iii) direct interests in mineral properties for the purpose of exploration, when appropriate, and selling, leasing or joint venturing those properties to established mine operators and retaining royalty interests; and (iv) indirect interests in mineral deposits through strategic interests in companies that own interests in mineral deposits. Franco-Nevada's principal executive offices are located at Suite 1900, 20 Eglinton Avenue West, Toronto, Ontario M4R 1K8.

13. In the year ended March 31, 2001, Franco-Nevada generated revenue of approximately CDN$284.3 million, earnings before tax of approximately CDN$164.6 million and earnings of approximately CDN$113.4 million. Total shareholders' equity at March 31, 2001 was approximately CDN$1.55 billion.

14. Franco-Nevada's authorized capital consists of an unlimited number of Franco-Nevada Common Shares and an unlimited number of first preferred shares issuable in series. As at November 14, 2001, 158,420,430 Franco-Nevada Common Shares were issued and outstanding, Stock Options to acquire 5,040,356 Franco-Nevada Common Shares were granted and outstanding, Class A Warrants to acquire 8,895,344 Franco-Nevada Common Shares were issued and outstanding and Class B Warrants to acquire an aggregate of 6,571,953 Franco-Nevada Common shares were issued and outstanding.

15. Franco-Nevada Common Shares are listed on the TSE under the symbol "FN". The Class A Warrants are listed on the TSE under the symbol "FN.WT". The Class B Warrants are quoted on the Canadian Venture Exchange under the symbol "YFN WT.B". Franco-Nevada is reporting issuer in all provinces of Canada.

16. On September 21, 2000, Franco-Nevada and Montreal Trust Company of Canada entered into a shareholder rights agreement providing for a shareholder rights plan which was approved by shareholders of Franco-Nevada on the same date. In the Arrangement Agreement, Franco-Nevada confirmed that its board of directors acting in good faith considered it necessary and desirable to extend the Separation Time (as such term is defined in the shareholder rights agreement) until after the vote by Franco-Nevada Shareholders at the Franco-Nevada Meeting and has agreed to obtain the consent of the Franco-Nevada Shareholders to waive the application of the shareholder rights agreement to the Arrangement and the transactions contemplated thereby.

17. The Acquisition will be effected by way of Arrangement, which will require: (i) the approval of holders of the Franco-Nevada Common Shares (the "Franco-Nevada Shareholders") holding not less than 66 and 2/3% of the votes cast at the meeting of such Franco-Nevada Shareholders (the "Franco-Nevada Meeting") (currently scheduled to be held on or about January 30, 2002) by Franco-Nevada Shareholders present in person or represented by proxy; and (ii) the final approval of the Court (as defined below). Each holder of Franco-Nevada Common Shares will be entitled to one vote for each Franco-Nevada Common Share held.

18. In connection with the Arrangement, Franco-Nevada has mailed to the Franco-Nevada Shareholders a management information circular (the "Circular"). The Circular contains, among other things, prospectus-level disclosure of the business and affairs of each of Newmont and Exchangeco and the particulars of the Arrangement, the Exchangeable Shares and Newmont Common Shares. The Circular also discloses that Newmont and Exchangeco will apply for exemptive relief from prospectus and registration requirements for certain trades to be made in connection with Acquisition, and that Exchangeco be exempt from certain continuous disclosure requirements and that insiders of Exchangeco be exempt from certain insider reporting requirements of the Legislation.

19. On December 27, 2001, the Superior Court of Justice (Ontario) (the "Court") granted an interim order in respect of the Arrangement providing for the calling and holding of the Franco-Nevada Meeting and certain other procedural matters including providing for approval of the Arrangement to be made by the affirmative vote of not less than 66 and 2/3% of the votes cast at the Franco-Nevada Meeting by Franco-Nevada Shareholders present in person or represented by proxy.

20. Upon the Arrangement becoming effective, in accordance with elections made by holders of Franco-Nevada Common Shares, the outstanding Franco-Nevada Common Shares (except those held by shareholders who exercise their rights of dissent and are ultimately entitled to be paid the fair value thereof) will be acquired, at the option of the holder thereof, by either Exchangeco or Callco and each holder of Franco-Nevada Common Shares shall be entitled to receive in consideration therefor either: (i) 0.80 Exchangeable Shares per Franco-Nevada Common Share acquired by Exchangeco; or (ii) 0.80 Newmont Common Shares per Franco-Nevada Common Share acquired by Callco.

21. Alternatively, holders of Franco-Nevada Common Shares shall be entitled to transfer their Franco-Nevada Common Shares to a newly incorporated corporation ("Holdco") and sell all issued and outstanding shares in the capital of Holdco ("Holdco Shares") to either Callco or Exchangeco, provided certain conditions are satisfied, including, among other things that the holder is a resident of Canada for the purposes of the ITA, Holdco has no indebtedness or liabilities and owns no assets other than the Franco-Nevada Common Shares and the holder transfers its Franco-Nevada Common Shares to Holdco solely in consideration for the Holdco Shares. If the Holdco Shares are sold to Exchangeco, the holder of such Holdco Shares shall be entitled to receive in consideration therefor, 0.80 Exchangeable Shares per Franco-Nevada Common Share owned by Holdco. If the Holdco Shares are sold to Callco, the holder of such Holdco Shares shall be entitled to receive in consideration therefor, 0.80 Newmont Common Shares per Franco-Nevada Common Share owned by Holdco.

22. Each issued and outstanding Franco-Nevada Common Share and Holdco Share acquired by Callco will be transferred by Callco to Exchangeco in consideration for the issuance of 1,000 special shares (the "Special Shares") in the capital of Exchangeco.

23. Pursuant to the Arrangement, each holder: of (i) options to acquire Franco-Nevada Common Shares ("Stock Options") issued pursuant to the Franco-Nevada employee stock option plan; (ii) Class A Warrants to acquire Franco-Nevada Common Shares issued by Franco-Nevada ("Class A Warrants"); or (iii) Class B Warrants to acquire Franco-Nevada Common Shares issued by Franco-Nevada ("Class B Warrants") (the Stock Options, the Class A Warrants and the Class B Warrants collectively referred to herein as the "Franco-Nevada Options") shall be entitled to receive upon the subsequent exercise of such holder's Franco-Nevada Options, in accordance with its terms, and shall accept in lieu of the number of Franco-Nevada Common Shares to which such holder was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of Newmont Common Shares, that such holder would have been entitled to receive as a result of the transactions contemplated by the Arrangement if, on the effective date of the Arrangement, such holder had been the registered holder of the number of Franco-Nevada Common Shares to which such holder was theretofore entitled upon such exercise, subject to adjustment to account for fractional shares.

24. Subject to adjustments, each Exchangeable Share will be exchangeable by the holder at any time for one Newmont Common Share. Each Exchangeable Share shall be redeemed for one Newmont Common Share on the seventh anniversary of the date on which Exchangeable Shares are first issued or earlier in certain circumstances, including when fewer than 1,000,000 Exchangeable Shares are held by non-Newmont entities. Provided the Exchangeable Shares are listed on a prescribed stock exchange in Canada (which currently includes the TSE), the Exchangeable Shares will be "qualified investments" under the Income Tax Act (Canada), as amended (the "ITA") for certain investors. In addition, provided that the Exchangeable Shares are so listed and certain other criteria is satisfied (which criteria Newmont has agreed to use its best efforts to satisfy), the Exchangeable Shares will not be "foreign property" under the ITA.

25. In connection with the Arrangement, Newmont, Exchangeco and a trustee (the "Trustee") will enter into a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") and Newmont, Callco and Exchangeco will enter into a support agreement (the "Support Agreement"). These agreements, together with the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (the "Exchangeable Share Provisions") and the rights attaching to the special voting share in the capital of Newmont ("Newmont Special Voting Share") issued to

the Trustee pursuant to the Voting and Exchange Trust Agreement, which allows the Trustee, as trustee for and on behalf of all registered holders of the Exchangeable Shares (other than affiliates of Newmont) to receive for no additional consideration, the Voting Rights, the Automatic Exchange Right, the Automatic Exchange Rights on Liquidation (each of which are hereinafter defined) and any other similar rights that may be available from time to time to holders of the Exchangeable Shares, result in the economic attributes of the Exchangeable Shares being substantially equivalent in all material respects to the economic attributes of the Newmont Common Shares.

26. Franco-Nevada, Exchangeco and all of the Holdcos will amalgamate and continue as one corporation under the CBCA to continue under the name "Franco-Nevada Mining Corporation". Each common share in the capital of Exchangeco shall become one common share in the capital of the amalgamated corporation. Each Special Share in the capital of Exchangeco shall become one Special Share in the capital of the amalgamated corporation. Each Exchangeable Share in the capital of Exchangeco shall become one Exchangeable Share in the capital of the amalgamated corporation. Each share in the capital of Franco-Nevada and each share in the capital of each Holdco shall be cancelled. For the purposes of this Decision, Exchangeco means the corporation that issues the Exchangeable Shares pursuant to the Arrangement and following the amalgamation described in the first sentence of this clause, the corporation continuing as a result of that amalgamation.

27. The Exchangeable Shares will be entitled to a preference over the common shares of Exchangeco, the Special Shares and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of a liquidation, dissolution or winding-up of Exchangeco, whether voluntary or involuntary, or any other distribution of the assets of Exchangeco among its shareholders for the purpose of winding-up its affairs. The Exchangeable Share Provisions will provide that each Exchangeable Share will entitle the holder to dividends from Exchangeco payable at the same time as, and equivalent to, each dividend paid by Newmont on a Newmont Common Share. Subject to the overriding Liquidation Call Right of Callco or Newmont, as the case may be, defined below, on the liquidation, dissolution or winding-up of Exchangeco, a holder of Exchangeable Shares will be entitled, subject to applicable law, to receive from the assets of Exchangeco for each Exchangeable Share held, an amount equal to the current market price of a Newmont Common Share on the last business day prior to the liquidation date, to be satisfied by the delivery of one Newmont Common Share, plus an amount equal to all declared and unpaid dividends on each such Exchangeable Share held by such holder on any dividend record date which occurred prior to the liquidation date (such aggregate amount, the "Liquidation Amount"). Upon a proposed liquidation, dissolution or winding-up of Exchangeco, Callco or Newmont, as the case may be, will have an overriding call right (the "Liquidation Call Right") to purchase all of the outstanding Exchangeable Shares from the holders thereof for a price per share equal to the Liquidation Amount.

28. The Exchangeable Shares will be non-voting (except as required by applicable law) and will be retractable at the option of the holder at any time. Subject to the overriding Retraction Call Right of Callco or Newmont, as the case may be, defined below, upon retraction, the holder will be entitled to receive from Exchangeco, for each Exchangeable Share retracted, an amount equal to the current market price for a Newmont Common Share, to be satisfied by the delivery of one Newmont Common Share, plus an amount equal to all declared and unpaid dividends on each such Exchangeable Share held by such holder on any dividend record date which occurred prior to the retraction date (such aggregate amount, the "Retraction Price"). Upon being notified by Exchangeco of a proposed retraction of Exchangeable Shares, Callco or Newmont, as the case may be, will have an overriding call right (the "Retraction Call Right") to purchase from the holder all of the Exchangeable Shares that are the subject of the retraction notice for a price per share equal to the Retraction Price.

29. Subject to applicable law and to the overriding Redemption Call Right of Callco or Newmont, as the case may be, referred to below in this paragraph, Exchangeco shall redeem all the Exchangeable Shares then outstanding on the date (the "Redemption Date"), if any, fixed by the board of directors of Exchangeco for the redemption of the Exchangeable Shares, such Redemption Date not being earlier than the seventh anniversary of the date on which the Exchangeable Shares are first issued. The Redemption Date may be earlier than the seventh anniversary of the date on which the Exchangeable Shares are first issued in certain circumstances, as described in the Circular, including if there are fewer than 1,000,000 Exchangeable Shares outstanding (other than Exchangeable Shares held by Newmont and its affiliates and subject to necessary adjustments to such number of shares to reflect permitted changes to Exchangeable Shares). Upon such redemption, a holder will be entitled to receive from Exchangeco, for each Exchangeable Share redeemed, an amount equal to the current market price of a Newmont Common Share, to be satisfied by the delivery of one Newmont Common Share, plus an amount equal to all declared and unpaid dividends on each such Exchangeable Share held by such holder on any dividend record date which occurred prior to the redemption date (such aggregate amount, the "Redemption Price"). Upon being notified by Exchangeco of a proposed redemption of Exchangeable Shares, Callco and Newmont, as the case may be, will have an overriding call right (the "Redemption Call Right") to purchase from the holders all of the outstanding Exchangeable Shares for a price per share equal to the Redemption Price.

30. Any approval required to be given by the holders of the Exchangeable Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Exchangeable Shares or any other matter requiring the approval or consent of the holders of the Exchangeable Shares in accordance with applicable law will be deemed to have been sufficiently given if it has been given in accordance with applicable law, subject to a minimum requirement that such approval be evidenced by a resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Exchangeable Shares duly called and held at which the holders of at least 10% of the outstanding Exchangeable Shares are present or represented by proxy.

31. The Exchangeable Shares, together with the Voting and Exchange Trust Agreement will provide holders thereof with a security of a Canadian issuer having economic rights which are, as nearly as practicable, equivalent to those of Newmont Common Shares. Exchangeable Shares may be received by certain holders of Franco-Nevada Common Shares on a Canadian tax-deferred rollover basis and, provided such shares are listed on a prescribed stock exchange (which currently includes the TSE), will be "qualified investments" for certain investors. In addition, provided that the Exchangeable Shares are so listed and certain other criteria are satisfied (which criteria Newmont has agreed to use its best efforts to satisfy), the Exchangeable Shares will not constitute "foreign property" under the ITA.

32. Pursuant to the Voting and Exchange Trust Agreement, Newmont will issue to the Trustee one Newmont Special Voting Share to be held of record by the Trustee as trustee for and on behalf of, and for the use and benefit of, the registered holders from time to time of Exchangeable Shares (other than affiliates of Newmont) and in accordance with the provisions of the Voting and Exchange Trust Agreement. During the term of the Voting and Exchange Trust Agreement, Newmont is not permitted to issue any additional Newmont Special Voting Shares without the consent of the holders of Exchangeable Shares.

33. Under the Voting and Exchange Trust Agreement, the Trustee will be entitled to all of the voting rights, including the right to vote in person or by proxy, attaching to the Newmont Special Voting Share on all matters that may properly come before the shareholders of Newmont at a meeting of shareholders. The Newmont Special Voting Share has a number of votes, which may be cast by the Trustee at any meeting at which Newmont shareholders are entitled to vote, equal to the lesser of the number of outstanding Exchangeable Shares (other than shares held by Newmont or its affiliates) and 10% of the total number of votes attached to the Newmont Common Shares then outstanding.

34. Each holder of an Exchangeable Share (other than Newmont or its affiliates) on the record date for any meeting at which Newmont shareholders are entitled to vote will be entitled to instruct the Trustee to exercise the lesser of one of the votes attached to the Newmont Special Voting Share for (i) such Exchangeable Share, or (ii) every 10 votes attaching to the outstanding Newmont Common Shares. The Trustee will exercise each vote attached to the Newmont Special Voting Share only as directed by the relevant holder and, in the absence of instructions from a holder as to voting, the Trustee will not have voting rights with respect to such Exchangeable Shares. A holder may, upon instructing the Trustee, obtain a proxy from the Trustee entitling the holder to vote directly at the relevant meeting the votes attached to the Newmont Special Voting Share to which the holder is entitled.

35. The Trustee will send to the holders of the Exchangeable Shares the notice of each meeting at which the Newmont shareholders are entitled to vote, together with the related meeting materials and a statement as to the manner in which the holder may instruct the Trustee to exercise the votes attaching to the Newmont Special Voting Share, at the same time as Newmont sends such notice and materials to the Newmont shareholders. The Trustee will also send to the holders of Exchangeable Shares copies of all information statements, interim and annual financial statements, reports and other materials sent by Newmont to the Newmont shareholders at the same time as such materials are sent to the Newmont shareholders. To the extent such materials are provided to the Trustee by Newmont, the Trustee will also send to the holders all materials sent by third parties to Newmont shareholders generally, including under U.S. securities laws, including dissident proxy circulars and tender and exchange offer circulars, as soon as possible after such materials are first sent to Newmont shareholders.

36. All rights of a holder of Exchangeable Shares to exercise votes attached to the Newmont Special Voting Share will cease upon the exchange of such holder's Exchangeable Shares for Newmont Common Shares.

37. Under the Voting and Exchange Trust Agreement, upon the liquidation, dissolution or winding-up of Exchangeco, Newmont will be required to purchase each outstanding Exchangeable Share and each holder will be required to sell all of its Exchangeable Shares (such purchase and sale obligations are hereafter referred to as the "Automatic Exchange Right"). The purchase price for each Exchangeable Share purchased by Newmont will be satisfied by the delivery to the Trustee, on behalf of the holder, of one Newmont Common Share, together with, on the designated payment date therefor and to the extent not already paid by Exchangeco, all declared and unpaid dividends on each such Exchangeable Share.

38. Under the Voting and Exchange Trust Agreement, upon the liquidation, dissolution or winding-up of Newmont, Newmont will be required to purchase on the fifth business day prior to the effective date of such liquidation, dissolution or winding-up each outstanding Exchangeable Share and each holder will be required

to sell all of its Exchangeable Shares (such purchase and sale obligations are hereafter referred to as the "Automatic Exchange Rights on Liquidation"). The purchase price will be satisfied by the delivery to the Trustee, on behalf of the holder, of one Newmont Common Share, together with, on the designated payment date therefor and to the extent not already paid by Exchangeco, all declared and unpaid dividends on each such Exchangeable Share.

39. Contemporaneously with the closing of the Arrangement, Newmont, Exchangeco and Callco will enter into a Support Agreement. Pursuant to the Support Agreement, Newmont has covenanted that, so long as Exchangeable Shares not owned by Newmont or its affiliates are outstanding, Newmont will, among other things: (a) not declare or pay any dividend on the Newmont Common Shares unless (i) on the same day Exchangeco declares or pays, as the case may be, an equivalent dividend on the Exchangeable Shares and (ii) Exchangeco has sufficient money or other assets or authorized but unissued securities available to enable the due declaration and the due and punctual payment, in accordance with applicable law, of an equivalent dividend on the Exchangeable Shares; (b) advise Exchangeco in advance of the declaration of any dividend on the Newmont Common Shares and take other actions reasonably necessary to ensure that the declaration date, record date and payment date for dividends on the Exchangeable Shares are the same as those for any corresponding dividends on the Newmont Common Shares; (c) ensure that the record date for any divided declared on the Newmont Common Shares is not less than seven days after the declaration date of such dividend; and (d) take all actions and do all things reasonably necessary or desirable to enable and permit Exchangeco, in accordance with applicable law, to pay the Liquidation Amount, the Retraction Price or the Redemption Price to the holders of the Exchangeable Shares in the event of a liquidation, dissolution or winding-up of Exchangeco, a retraction request by a holder of Exchangeable Shares or a redemption of Exchangeable Shares by Exchangeco, as the case may be.

40. The Support Agreement will also provide that, without the prior approval of Exchangeco and the holders of the Exchangeable Shares, actions such as distributions of stock dividends, options, rights and warrants for the purchase of securities or other assets, subdivisions, reclassifications, reorganizations and other changes cannot be taken in respect of the Newmont Common Shares without the same or an economically equivalent action being taken in respect of the Exchangeable Shares.

41. The steps under the Arrangement and the attributes of the Newmont Common Shares and Exchangeable Shares involve a number of trades and/or distributions of securities, including trades and/or distributions related to the issuance of Newmont Common Shares and Exchangeable Shares pursuant to or in connection with the Arrangement or upon the issuance of Newmont Common Shares in exchange for Exchangeable Shares or the exercise of Franco-Nevada Options. The trades and/or distributions and possible trades and/or distributions in securities to which the Arrangement gives rise (the "Trades") include the following:

(a) the issuance by Newmont of Newmont Common Shares to enable Callco to deliver Newmont Common Shares in connection with the Arrangement;

(b) the delivery of Newmont Common Shares by Callco to certain holders of Franco-Nevada Common Shares and Holdco Shares and the transfer of Franco-Nevada Common Shares or Holdco Shares by such holders to Callco;

(c) the issuance by Exchangeco of Exchangeable Shares in connection with the Arrangement and the delivery thereof to certain holders of Franco-Nevada Common Shares or Holdco Shares and the transfer of Franco-Nevada Common Shares or Holdco Shares by such holders to Exchangeco;

(d) the transfer by Callco of the Franco-Nevada Common Shares and Holdco Shares to Exchangeco and the issuance of Special Shares to Callco;

(e) the issuance and delivery of Newmont Common Shares by Newmont to a holder of a Franco-Nevada Option upon the exercise thereof;

(f) the grant to the Trustee for the benefit of holders of Exchangeable Shares pursuant to the Voting and Exchange Trust Agreement, the Automatic Exchange Right, the Automatic Exchange Rights on Liquidation and the voting rights pursuant to the Newmont Special Voting Share;

(g) the grant of the Liquidation Call Right, the Retraction Call Right and the Redemption Call Right;

(h) the issuance by Newmont, pursuant to the Voting and Exchange Trust Agreement, of the Newmont Special Voting Share to the Trustee for the benefit of the holders of the Exchangeable Shares;

(i) the issuance by Newmont of Newmont Common Shares to enable Exchangeco to deliver Newmont Common Shares to a holder of Exchangeable Shares upon its retraction of Exchangeable Shares, and the subsequent delivery thereof by Newmont (at the direction of Exchangeco) upon such retraction;

(j) the transfer of Exchangeable Shares by the holder to Exchangeco upon the holder's retraction of Exchangeable Shares;

(k) the issuance by Newmont of Newmont Common Shares to enable Callco to deliver Newmont Common Shares to a holder of Exchangeable Shares in connection with Callco's exercise of the Retraction Call Right, and the subsequent delivery thereof by Newmont (at the direction of Callco) upon such exercise of the Retraction Call Right;

(l) the transfer of Exchangeable Shares by the holder to Callco or Newmont, as the case may be, upon Callco or Newmont, as the case may be, exercising the Retraction Call Right;

(m) the issuance by Newmont of Newmont Common Shares to enable Exchangeco to deliver Newmont Common Shares to holders of Exchangeable Shares upon the redemption of the Exchangeable Shares, and the subsequent delivery thereof by Newmont (at the direction of Exchangeco) upon such redemption;

(n) the transfer of Exchangeable Shares by the holder to Exchangeco upon the redemption of Exchangeable Shares;

(o) the issuance by Newmont of Newmont Common Shares to enable Callco to deliver Newmont Common Shares to holders of Exchangeable Shares in connection with Callco's exercise of the Redemption Call Right, and the subsequent delivery thereof by Newmont (at the direction of Callco) upon such exercise of the Redemption Call Right;

(p) the transfer of Exchangeable Shares by the holder to Callco or Newmont, as the case may be, upon Callco or Newmont, as the case may be, exercising the Redemption Call Right;

(q) the issuance by Newmont of Newmont Common Shares to enable Exchangeco to deliver Newmont Common Shares to holders of Exchangeable Shares on the liquidation, dissolution or winding-up of Exchangeco and the subsequent delivery thereof by Exchangeco upon such liquidation, dissolution or winding-up;

(r) the transfer of Exchangeable Shares by the holder to Exchangeco on the liquidation, dissolution or winding-up of Exchangeco;

(s) the issuance by Newmont of Newmont Common Shares to enable Callco to transfer Newmont Common Shares to holders of Exchangeable Shares in connection with Callco's exercise of the Liquidation Call Right, and the subsequent delivery thereof by Newmont (at the direction of Callco) upon such exercise of the Liquidation Call Right;

(t) the transfer of Exchangeable Shares by the holder to Callco or Newmont, as the case may be, upon Callco or Newmont, as the case may be, exercising the Liquidation Call Right;

(u) the issuance of Newmont Common Shares by Newmont to a holder of Exchangeable Shares upon its exercise of the Automatic Exchange Rights on Liquidation; and

(v) the transfer of Exchangeable Shares by a holder to Newmont upon its exercise of the Automatic Exchange Rights on Liquidation.

42. The fundamental investment decision to be made by a holder of Franco-Nevada Common Shares, Franco-Nevada Options and Holdco Shares is made at the time of the Franco-Nevada Meeting when such holder votes in respect of the Arrangement and on February 15, 2002 (or such later date prior to the closing of the Arrangement) which is the deadline for holders to elect between receiving Exchangeable Shares or Newmont Common Shares. As a result of this decision, any holder of Franco-Nevada Common Shares or Holdco Shares (other than a holder who exercises its right of dissent) receives Exchangeable Shares or Newmont Common Shares in exchange for such Franco-Nevada Common Shares or Holdco Shares. Moreover, holders of Franco-Nevada Options will be entitled to Newmont Common Shares upon exercise thereof. As the Exchangeable Shares will provide certain Canadian tax benefits to certain Canadian holders but will otherwise have economic rights that are, as nearly as practicable, equivalent to that of the Newmont Common Shares, all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision to acquire Newmont Common Shares on the Arrangement. Moreover, it is the information relating to Newmont not Exchangeco that will be relevant to holders of Newmont Common Shares and the Exchangeable Shares. As mentioned above, that investment decision will be made on the basis of the Circular, which contains prospectus-level disclosure of the business and affairs of each of Newmont, Exchangeco, the particulars of the Arrangement and the securities to be issued in connection therewith. The Circular also contains consolidated financial statements of Newmont and Franco-Nevada, as well as pro forma combined condensed financial statements of Newmont.

43. Newmont will send to all holders of Newmont Common Shares resident in Canada contemporaneously all disclosure material sent to holders of Newmont Common Shares resident in the United States.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met,

THE DECISION of the Decision Makers pursuant to the Legislation is that:

1. the Trades are not subject to the Registration and Prospectus Requirements, provided that:

   (a) except in Quebec, the first trade in Exchangeable Shares acquired as contemplated by this Decision will be a distribution or primary distribution to the public unless the conditions in subsections (3) or (4) of section 2.6 of Multilateral Instrument 45-102: Resale of Securities ("MI 45-102") are satisfied, and for the purpose of determining the period of time that Exchangeco has been a reporting issuer under section 2.6, the period of time that Franco-Nevada was a reporting issuer may be included; and

   (b) except in Quebec, the first trade in Newmont Common Shares acquired as contemplated by this Decision (including, for greater certainty, upon the exchange of an Exchangeable Share or upon the exercise of a Franco-Nevada Option) will be a distribution or primary distribution to the public unless, at the time of the trade:

      (i) if Newmont is a reporting issuer in any Jurisdiction listed in Appendix B to MI 45-102 other than Quebec, the conditions in subsections (3) or (4) of section 2.6 of MI 45-102 are satisfied; and

      (ii) if Newmont is not a reporting issuer in any Jurisdiction other than Quebec, such first trade is made through an exchange, or a market, outside of Canada.

2. in Quebec, to the extent that there is no exemption available from the Registration and Prospectus Requirements in respect of any of the Trades, the Trades are not subject to the Registration and Prospectus Requirements, provided that the issuer or one of the parties to the Arrangement (including, for greater certainty, Franco-Nevada) is and has been a reporting issuer in Quebec and has complied with the applicable requirements for the twelve months immediately preceding the Trades (and for the purpose of determining the period of time that the issuer or one of the parties to the Arrangement has been a reporting issuer in Quebec, the period of time that Franco-Nevada was a reporting issuer may be included).

3. the Continuous Disclosure Requirements and the Insider Reporting Requirements shall not apply to Exchangeco or any insider of Exchangeco, so long as:

   (a) Newmont sends to all holders of Exchangeable Shares resident in Canada contemporaneously, all disclosure material furnished to holders of Newmont Common Shares in the United States including, without limitation, copies of its annual and interim financial statements and sends to holders of Exchangeable Shares resident in Canada all proxy solicitation materials;

   (b) Newmont files with each Decision Maker copies of all documents required to be filed by it with the United States Securities and Exchange Commission under the United States Securities and Exchange Act of 1934 including, without limitation, copies of any Form 20-F, Form 6-K and proxy solicitation material, and all such filings are made under Exchangeco's SEDAR profile and the filing fees which would otherwise be payable by Exchangeco in connection with such filings are paid;

   (c) Newmont complies with the requirements of the United States Securities and Exchange Commission and the NYSE in respect of making public disclosure of material information on a timely basis and forthwith issues and files any press release that discloses a material change in Newmont's affairs;

   (d) Exchangeco complies with the requirements in the Legislation to issue press releases and file reports regarding material changes in respect of material changes in the affairs of Exchangeco that would be material to holders of Exchangeable Shares but would not be material to holders of Newmont Common Shares;

   (e) Newmont includes in all future mailings of proxy solicitation materials (if any) to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to Newmont and not in relation to Exchangeco, such statement to include a reference to the economic equivalency between the Exchangeable Shares and the Newmont, Common Shares and the right to direct voting at Newmont's shareholders meetings pursuant to the Voting and Exchange Trust Agreement (without taking into account tax effects);

   (f) Newmont remains the direct or indirect beneficial owner of all the issued and outstanding common shares of Exchangeco;

   (g) Exchangeco has not issued any securities to the public other than the Exchangeable Shares and the Franco-Nevada Options; and

with respect to relief from complying with the Insider Reporting Requirements, further provided that:

   (h) such insider of Exchangeco does not receive or have access to information as to material facts or material changes concerning Newmont before the material facts or material changes are disclosed; or

(i) such insider of Exchangeco is not also an insider of a "major subsidiary" of Newmont (as such term is defined in National Instrument 55-101: Exemptions from Certain Insider Reporting Requirements as if Newmont were a reporting issuer).

January 30, 2002.

"R Stephen Paddon" "H. Lorne Morphy"

AND THE FURTHER DECISION of the Decision Makers is that the Local AIF and MD&A Requirements shall not apply to Exchangeco provided that the conditions set out in paragraphs 3(a) to (g) of the operative portion of the Decision are complied with.

January 30, 2002.

" Margo Paul"

2.2 Orders

2.2.1 Java Joe's International Corporation - s. 144

Headnote

Cease-trade order revoked where the issuer has remedied its default in respect of disclosure requirements under the Act.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1)2, 127(5), 127(8), 144.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
JAVA JOE'S INTERNATIONAL CORPORATION

ORDER
(Section 144)

WHEREAS the securities of

JAVA JOE'S INTERNATIONAL CORPORATION (the "Reporting Issuer")

currently are subject to a Temporary Order (the "Temporary Order") made by a Director on behalf of the Ontario Securities Commission (the "Commission"), pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, on the 14th day of August, 2001, as extended by a further order (the "Extension Order") of a Director, made on the 27th day of August, 2001, on behalf of the Commission pursuant to subsection 127(8) of the Act, that trading in the securities of the Reporting Issuer cease until the Temporary Order, as extended by the Extension Order, is revoked by a further Order of Revocation;

AND WHEREAS the Temporary Order and Extension Order were each made on the basis that the Reporting Issuer was in default of certain filing requirements;

AND WHEREAS the undersigned Manager is satisfied that the Reporting Issuer has remedied its default in respect of the filing requirements and is of the opinion that it would not be prejudicial to the public interest to revoke the Temporary Order as extended by the Extension Order;

NOW THEREFORE, IT IS ORDERED, pursuant to section 144 of the Act, that the Temporary Order and Extension Order be and they are hereby revoked.

December 28, 2001.

"John Hughes"

2.3 Rulings

2.3.1 Aberdeen G7 Trust - ss. 74(1) of the Act and ss. 59(1) of Schedule I of the Regulation

Headnote

Subsection 74(1) - Issuer exempt from sections 25 and 53 of the Act in connection with the writing of over-the-counter covered call options, subject to certain conditions.

Subsection 59(1), Schedule I - Issuer exempt from the fees prescribed by subsection 28(2) of Schedule I of the Regulation in connection with the writing of over-the-counter covered call options.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53 and 74(1).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 28(2) and 59(1) of Schedule I.

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, CHAPTER S. 5, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
R.R.O. 1990, REGULATION 1015, AS AMENDED
(the "Regulation")

AND

IN THE MATTER OF
ABERDEEN G7 TRUST

RULING AND EXEMPTION
(Subsection 74(1) of the Act and Subsection 59(1) of Schedule I of the Regulation)

UPON the application of Aberdeen Asset Managers (C.I.) Limited (the "Investment Manager"), as the investment manager of Aberdeen G7 Trust (the "Trust"), to the Ontario Securities Commission (the "Commission") for a ruling:

(i) pursuant to subsection 74(1) of the Act that the writing of certain over-the-counter covered call options and cash covered put options (collectively, the "OTC Options") by the Trust is not subject to sections 25 and 53 of the Act; and

(ii) pursuant to subsection 59(1) of Schedule I of the Regulation, exempting the Trust from the payment of the fees required to be paid under section 28 of Schedule I of the Regulation in connection with the writing of certain OTC Options by the Trust;

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON the Investment Manager having represented to the Commission as follows:

1. The Trust is an investment trust established under the laws of Ontario pursuant to a trust agreement dated January 24, 2002 between State Street Trust Company Canada, as trustee of the Trust, and the Investment Manager.

2. The principal office of the Trust is State Street Financial Centre, Suite 1100, 30 Adelaide Street East, Toronto, Ontario M5C 3G6.

3. The Trust is authorized to issue an unlimited number of transferable, redeemable trust units (the "Units") of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

4. In connection with the public offering (the "Offering") of the Units, the Trust obtained a receipt for its (final) prospectus dated January 24, 2002 (the "Prospectus") from the Director and also from the securities regulatory authority in each of the other provinces and territories of Canada (collectively, the "Canadian Securities Regulatory Authorities") under SEDAR Project No. 408611.

5. The Units are redeemable at the option of the holder on a monthly basis at a price computed by reference to the value of a proportionate interest in the net assets of the Trust. As a result, the Trust is a "mutual fund" under the securities legislation of certain provinces of Canada (excluding the Province of Quebec).

6. However, the operation of the Trust differs from that of a conventional mutual fund as contemplated in National Instrument 81-102 ("NI 81-102") in several ways. These differences are elaborated in the decision document dated January 24, 2002 issued by the Commission on behalf of the Canadian Securities Regulatory Authorities (other than the securities regulatory authority in the Province of Quebec) (under SEDAR Project No. 408622) pursuant to which the Trust was exempted from certain requirements of NI 81-102.

7. The Investment Manager is a corporation organized under the laws of the Channel Islands and will provide investment advisory and portfolio management services to the Trust.

8. The Investment Manager is registered under the Act as a non-Canadian adviser in the categories of investment counsel and portfolio manager. Chris Fishwick, a director of the Investment Manager who is principally responsible for supervising the management of the Portfolio (as defined below), is registered with the

Commission as a counselling officer of the Investment Manager.

9. The Trust's investment objectives are: (i) to provide holders of the Units (the "Unitholders") with a stable stream of monthly distributions targeted at $0.125 per Unit ($1.50 per annum or 10.00% on the original issue price); and (ii) to preserve and potentially enhance the value of the Portfolio in order to return at least the original issue price of the Units ($15.00 per Unit) to Unitholders upon the termination of the Trust on December 31, 2008.

10. The Trust will invest the net proceeds of the Offering in a diversified portfolio (the "Portfolio") consisting principally of equity securities issued primarily by companies selected from the Morgan Stanley Capital International World Index (or, in the event that index ceases to be maintained, an equivalent replacement or substitute index determined by the Investment Manager in its sole discretion) having a market capitalization in excess of US $5 billion and listed for trading on a major North American stock exchange, a major international stock exchange or on the Nasdaq National Market®.

11. To generate additional returns above the dividend income generated by the Portfolio, the Trust will, from time to time write covered call options in respect of all or part of the securities in the Portfolio. In addition, the Trust may write cash covered put options on securities in which the Trust is permitted to invest.

12. The Trust may, from time to time, hold a portion of its assets in cash and cash equivalents. The Trust may from time to time, utilize such cash and cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options.

13. The purchasers of OTC Options written by the Trust will be "Qualified Parties" as defined in Appendix "A" to this ruling.

14. The writing of OTC Options by the Trust will not be used as a means for the Trust to raise new capital.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED, pursuant to subsection 74(1) of the Act, that the writing of OTC Options by the Trust, as contemplated by paragraphs 11 and 12 of this ruling, shall not be subject to sections 25 and 53 of the Act provided that:

(a) the portfolio adviser advising the Trust with respect to such activities is registered as an adviser under the Act and has satisfied, or has been exempted from satisfying, any applicable proficiency requirements in Ontario for advising with respect to such options; and

(b) each purchaser of an OTC Option written by the Trust is a "Qualified Party" as defined in Appendix "A" to this ruling.

AND PURSUANT to subsection 59(1) of Schedule I to the Regulation, the Trust is hereby exempted from the fees which would otherwise be payable pursuant to section 28 of Schedule I of the Regulation in connection with any OTC Options written by the Trust in reliance on the above ruling.

January 29, 2002

"Robert W. Korthals" "H. Lorne Morphy"

APPENDIX "A"

QUALIFIED PARTIES

Interpretation

1. The terms "subsidiary" and "holding body corporate" used in paragraphs (w), (x) and (y) of paragraph 3 of this Appendix have the same meaning as they have in the *Business Corporations Act* (Ontario).

2. All requirements contained in this Appendix that are based on the amounts shown on the balance sheet of an entity apply to the consolidated balance sheet of the entity.

Qualified Parties Acting as Principal

3. The following are qualified parties for all OTC derivatives transactions, if acting as principal:

Banks

(a) A bank listed in Schedule I, II or III to the *Bank Act* (Canada).

(b) The Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada).

(c) A bank subject to the regulatory regime of a country that is a member of the Basel Accord or that has adopted the banking and supervisory rules set out in the Basel Accord, if the bank has a minimum paid up capital and surplus, as shown on its last audited balance sheet, in excess of $25 million or its equivalent in another currency.

Credit Unions and Caisses Populaires

(d) A credit union central, federation of caisses populaires, credit union or regional caisse populaire, located, in each case, in Canada.

Loan and Trust Companies

(e) A loan corporation or trust corporation registered under the *Loan and Trust Corporations Act* (Ontario) or under the *Trust and Loan*

Companies Act (Canada), or under comparable legislation in any other province or territory of Canada.

(f) A loan company or trust company subject to the regulatory regime of a country that is a member of the Basel Accord or that has adopted the banking and supervisory rules set out in the Basel Accord, if the loan company or trust company has a minimum paid up capital and surplus, as shown on its last audited balance sheet, in excess of $25 million or its equivalent in another currency.

Insurance Companies

(g) An insurance company licensed to do business in Canada or a province or territory of Canada.

(h) An insurance company subject to the regulatory regime of a country that is a member of the Basel Accord or that has adopted the banking and supervisory rules set out in the Basel Accord, if the insurance company has a minimum paid up capital and surplus, as shown on its last audited balance sheet, in excess of $25 million or its equivalent in another currency.

Sophisticated Entities

(i) A person or company that, together with its affiliates,

(i) has entered into one or more transactions involving OTC derivatives with counterparties that are not its affiliates, if

(A) the transactions had a total gross dollar value of or equivalent to at least $1 billion in notional principal amount; and

(B) any of the contracts relating to one of these transactions was outstanding on any day during the previous 15-month period, or

(ii) had total gross marked-to-market positions of or equivalent to at least $100 million aggregated across counterparties, with counterparties that are not its affiliates in one or more transactions involving OTC derivatives on any day during the previous 15-month period.

Individuals

(j) An individual who, either alone or jointly with the individual's spouse, has a net worth of at least $5 million, or its equivalent in another currency, excluding the value of his or her principal residence.

Governments/Agencies

(k) Her Majesty in right of Canada or any province or territory of Canada and each crown corporation, instrumentality and agency of a Canadian federal, provincial or territorial government.

(l) A national government of a country that is a member of the Basel Accord, or that has adopted the banking and supervisory rules of the Basel Accord, and each instrumentality and agency of that government or corporation wholly-owned by that government.

Municipalities

(m) Any Canadian municipality with a population in excess of 50,000 and any Canadian provincial or territorial capital city.

Corporations and other Entities

(n) A company, partnership, unincorporated association or organization or trust, other than an entity referred to in paragraph (a), (b), (c), (d), (e), (g) or (h), with total revenue or assets in excess of $25 million or its equivalent in another currency, as shown on its last financial statement, to be audited only if otherwise required.

Pension Plan or Fund

(o) A pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission, if the pension fund has total net assets, as shown on its last audited balance sheet, in excess of $25 million, provided that, in determining net assets, the liability of a fund for future pension payments shall not be included.

Mutual Funds and investment Funds

(p) A mutual fund or non-redeemable investment fund if each investor in the fund is a qualified party.

(q) A mutual fund that distributes its securities in Ontario, if the portfolio manager of the fund is registered as an adviser, other than a securities adviser, under the Act or securities legislation elsewhere in Canada.

(r) A non-redeemable investment fund that distributes its securities in Ontario, if the portfolio manager of the fund is registered as an adviser, other than a securities adviser, under the Act or securities legislation elsewhere in Canada.

Brokers/Investment Dealers

(s) A person or company registered under the Act or securities legislation elsewhere in Canada as a broker or an investment dealer or both.

(t) A person or company registered under the Act as an international dealer if the person or company has total assets, as shown on its last audited balance sheet, in excess of $25 million or its equivalent in another currency.

Futures Commission Merchants

(u) A person or company registered under the CFA as a dealer in the category of futures commission merchant, or in an equivalent capacity elsewhere in Canada.

Charities

(v) A registered charity under the *Income Tax Act* (Canada) with assets not used directly in charitable activities or administration, as shown on its last audited balance sheet, of at least $5 million or its equivalent in another currency.

Affiliates

(w) A wholly-owned subsidiary of any of the organizations described in paragraph (a), (b), (c), (d), (e), (f), (g), (h), (j), (n), (o), (s), (t) or (u).

(x) A holding body corporate of which any of the organizations described in paragraph (w) is a wholly-owned subsidiary.

(y) A wholly-owned subsidiary of a holding body corporate described in paragraph (x).

(z) A firm, partnership, joint venture or other form of unincorporated association in which one or more of the organizations described in paragraph (w), (x) or (y) have a direct or indirect controlling interest.

Guaranteed Party

(aa) A party whose obligations in respect of the OTC derivatives transaction for which the determination is made is fully guaranteed by another qualified party.

Qualified Party Not Acting as Principal

4. The following are qualified parties, in respect of all OTC derivative transactions:

Managed Accounts

(a) Accounts of a person, company, pension fund or pooled fund trust that are fully managed by a portfolio manager or financial intermediary referred to in paragraphs (a), (d), (e), (g), (s), (t), (u) or (w) of paragraph 3 or a broker or investment dealer acting as a trustee or agent for the person, company, pension fund or pooled fund trust under section 148 of the Regulation.

Subsequent Failure to Qualify

5. A party is a qualified party for the purpose of any OTC derivatives transaction if it, he or she is a qualified party at the time it, he or she enters into the transaction.

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Chapter 3

Reasons: Decisions, Orders and Rulings

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
CTM Cafes Inc.	18 Jan 02	30 Jan 02	30-Jan-02	
Firstlane Inc.	22 Jan 02	01 Feb 02		05 Feb 02
Meadowvale Gardens Apartment Project - Phase I	22 Jan 02	01 Feb 02	01 Feb 02	
Interprovincial Venture Capital Corporation	24 Jan 02	05 Feb 02	05-Feb-02	
MacDonald Oil Exploration Ltd.	24 Jan 02	05 Feb 02	05-Feb-02	
M.L. Cass Petroleum Corporation	25 Jan 02	06 Feb 02		
Explorers Alliance Corporation	30 Jan 02	11 Feb 02		
Aludra Inc.	01 Feb 02	13 Feb 02		
Consolidated Grandview Inc.	5 Feb 02	15 Feb 02		
Minpro International Ltd.	04-Feb-02	15-Feb-02		
World Sales & Merchandising Inc.	04-Feb-02	15-Feb-02		
Dimensional Media Inc.	5 Feb 02	15 Feb 02		

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Explorers Alliance Corporation	7 Dec 01	20 Dec 01	20 Dec 01	-	30 Jan 02
World Sales & Merchandising Inc.	27 Dec 01	9 Jan 02	9 Jan 02		04-Feb-02

4.3.1 Lapsed Cease Trading Orders

Company Name	Date of Lapse/Expire
Image Sculpting International Inc.	20 Dec 01
Marine Mining Corp.	21 Dec 01
Goldbrook Explorations Inc.	23 Jan 02
Firstlane Inc.	05 Feb 02

Chapter 5

Rules and Policies

5.1.1 CSA Staff Notice - NI 43-101 Standards of Disclosure Frequently Asked Questions Revised

CSA / ACVM

Canadian Securities Administrators

Autorités canadiennes en valeurs mobilières

CANADIAN SECURITIES ADMINISTRATORS STAFF NOTICE 43-303

Frequently Asked Questions
Revised February 8, 2002

NATIONAL INSTRUMENT 43-101 (NI 43-101)
Standards of Disclosure for Mineral Projects

NI 43-101 is a rule that governs how issuers disclose scientific and technical information about their mineral projects to the public. To assist mining industry participants and their advisors in understanding and applying NI 43-101, we compiled a summary of questions and CSA staff responses (Frequently Asked Questions) that was published on October 19, 2001.

We intend to update the summary of Frequently Asked Questions from time to time to assist in the interpretation and application of NI 43-101 as new issues arise. We will continuously update this summary of Frequently Asked Questions rather than create supplemental summaries in order to retain one repository of interpretative guidance for the rule. We intend to publish a comprehensive update later this year.

In the February 8, 2002 revision which accompanies this notice, we have addressed the current status of the Association of Geoscientists of Ontario (AGO) and the Association of Professional Geoscientists of Ontario (APGO) under the rule. When NI 43-101 came into effect, it was anticipated that an Ontario based professional association for geoscientists, APGO, would be established by February 1, 2002. However, the application process for membership has only recently commenced. It is anticipated that this process will be completed by mid 2002. AGO only qualified as a professional association under the rule until February 1, 2002.

After February 1, 2002, an issuer that retains a geoscientist who is a member of AGO, but not a member of a professional association for purposes of the rule, must submit an application for exemptive relief to the appropriate Commissions for that person to be considered a qualified person under the rule. We anticipate that, until the APGO membership process is completed, relief will be granted in virtually all cases where the geoscientist is a member in good standing of AGO and has submitted his/her application to become a member of APGO.

In order to update the Frequently Asked Questions to reflect the above, we have:

- amended section 2.1 by adding the Association of Professional Geoscientists of Ontario (APGO) to the list of Canadian professional associations which is included in the second paragraph of the response and replacing the first sentence of the third paragraph of the response with: "The Association of Geoscientists of Ontario (AGO) qualified as a professional association until February 1, 2002, at which time APGO was expected to be fully established."

- added section 2.1(a) to address how a geoscientist, who is member of AGO, can satisfy the requirement for a qualified person to be a member in good standing of a professional association subsequent to February 1, 2002.

- amended section 2.2 by deleting "AGO" in the second bullet of the response and replacing it with "APGO".

The following is the text of section 2.1(a) which has been added to the Frequently Asked Questions.

2.1(a) How can a geoscientist who is a member of AGO satisfy the "professional association" requirement to be a qualified person subsequent to February 1, 2002?

One of the conditions to be a qualified person is membership in a "professional association" as defined in section 1.2 of NI 43-101. When NI 43-101 came into effect, it was anticipated that an Ontario based professional association for geoscientists, APGO, would be established by February 1, 2002. However, the application process for membership has only recently commenced. It is anticipated that this process will be completed by mid 2002. AGO only qualified as a professional association under the rule until February 1, 2002.

After February 1, 2002, an issuer that retains a geoscientist who is a member of AGO, but not a member of a professional association for purposes of the rule, must submit an application for exemptive relief to the appropriate Commissions for that person to be considered a qualified person under the rule. We anticipate that, until the APGO membership process is completed, relief will be granted in virtually all cases where the geoscientist is a member in good standing of AGO and has submitted his/her application to become a member of APGO.

5.1.2 National Instrument 43-101 Standards of Disclosure for Mineral Projects

CSA / ACVM

Canadian Securities Administrators

Autorités canadiennes en valeurs mobilières

CANADIAN SECURITIES ADMINISTRATORS

Frequently Asked Questions
Revised February 8, 2002

NATIONAL INSTRUMENT 43-101 ("NI 43-101") STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

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CANADIAN SECURITIES ADMINISTRATORS STAFF NOTICE 43-302

Frequently Asked Questions
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NATIONAL INSTRUMENT 43-101 ("NI 43-101") STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

To assist mining industry participants and their advisors in understanding and applying NI 43-101, Canadian Securities Administrators (CSA) staff have compiled this summary of questions and CSA staff responses.

PART 1 APPLICATION OF NI 43-101

1.1 What is NI 43-101?

NI 43-101 is a rule that governs how issuers disclose scientific and technical information about their mineral projects to the public. It covers oral statements as well as written documents and websites. It requires that all disclosure be based on advice by a "qualified person" (a term defined in NI 43-101) and in some circumstances that the person be independent of the issuer and the property. NI 43-101 also requires issuers to file technical reports at certain times and there is a prescribed format for the technical report. Issuers are required to make disclosure of reserves and resources using definitions approved by the CIM, except for coal and diamonds.

NI 43-101, together with its Companion Policy 43-101CP and Form 43-101F1 *Technical Report,* can be found on our websites:

B.C.	**www.bcsc.bc.ca**
Ontario	**www.osc.gov.on.ca**
Quebec	**www.cvmq.com**
Alberta	**www.albertasecurities.com**

Exchanges may impose requirements on their listed issuers that are in addition to the requirements contained in NI 43-101.

1.2 Does NI 43-101 apply to all of an issuer's scientific and technical disclosure?

No. NI 43-101 only applies to scientific and technical disclosure that an issuer makes concerning mineral projects on properties that are material to the issuer. However, issuers do have general obligations regarding all disclosure that they make.

1.3 Does NI 43-101 apply to non-reporting issuers?

Yes. NI 43-101 applies to any issuer that discloses scientific and technical information to the public about a mineral project.

An **issuer** is any entity that issues a security. Issuers can include partnerships and grubstakes, as well as companies. **Securities** include interests in properties, profits, earnings and royalties, as well as shares and options.

It does not matter whether the issuer is listed on an exchange, or whether it is a "reporting issuer" under securities legislation or a non-reporting issuer. For example, if an issuer raises money under an offering memorandum before it goes public, NI 43-101 applies and the issuer is required to file a technical report that a qualified person prepares.

1.4 Are assessment work reports covered by NI 43-101?

No. NI 43-101 does not cover assessment work reports that an issuer files to keep its properties in good standing.

1.5 What if the issuer is doing a "private" placement?

Certain kinds of "private" placements involve public disclosure and therefore NI 43-101 applies. For example, a rights offering circular that contains scientific or technical disclosure about a mineral project is covered by NI 43-101 because when it is filed with securities regulators it is available to the public on request.

1.6 Does a prospector have to be concerned with NI 43-101?

No, a prospector who is carrying out the ordinary business of prospecting mineral properties and selling the properties to an exploration or mining company, does not have to be concerned about NI 43-101.

However, the situation changes if the prospector decides that he or she wants to raise money to finance exploration on the property. As soon as there is a "security" involved, securities legislation applies and if the prospector makes disclosure available to the public, NI 43-101 applies.

The *Securities Act* covers all "issuers" of securities, including individuals and partnerships, as well as companies. A security is not only a share of stock in a company. Profit sharing agreements and other arrangements where the investor's return is based primarily on the efforts of the prospector can also be securities.

As an example, if a prospector meets with his family and close personal friends and raises money to do work on a mineral property to increase its value before the prospector plans to sell it to a junior company, and offers a return to those investors that is based on the sale of the property, the prospector is probably offering a "security". Even in that case however, the prospector is not likely to be making disclosure that will be available to the public and therefore NI 43-101 does not apply.

If the circle gets wider, and friends of friends are investing, the "public" is involved. The prospector should make sure an exemption from the registration and prospectus requirements of the *Securities Act* is available. If the prospector relies on an exemption from registration and prospectus requirements that requires the use of an offering memorandum, NI 43-101 will apply, and the scientific and technical disclosure the prospector makes will have to be based on a technical report or other information prepared by a qualified person.

Prospectors engaged in the ordinary business of selling their properties should avoid calling the property information they prepare a "technical report" or an "investment package" as those terms could be misleading.

PART 2 THE QUALIFIED PERSON REQUIREMENT

2.1 How can a person satisfy the "professional association" requirement to be a qualified person?

One of the conditions to be a qualified person is membership in a "professional association" as defined in section 1.2 of NI 43-101. Any self-regulatory organization of engineers and/or geoscientists that meets the definition is a professional association, wherever it is located in the world.

For example, the following Canadian associations are professional associations:

- Association of Professional Engineers and Geoscientists of the Province of British Columbia (APEGBC)
- Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA)
- Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS)
- Association of Professional Engineers and Geoscientists of Manitoba (APEGM)
- Association of Professional Geoscientists of Ontario (APGO)
- Professional Engineers of Ontario (PEO)
- Ordre des ingenieurs du Québec (OIQ)
- Ordre des Géologues du Québec (OGQ)
- Association of Professional Engineers of Prince Edward Island (APEPEI)
- Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB)
- Association of Professional Engineers of Nova Scotia (APENS)
- Association of Professional Engineers and Geoscientists of Newfoundland (APEGN)
- Association of Professional Engineers of Yukon (APEY)
- Association of Professional Engineers, Geologists & Geophysicists of the Northwest Territories (NAPEGG) (representing NWT and Nunavut Territory)

The Association of Geoscientists of Ontario (AGO) qualified as a professional association until February 1, 2002, at which time APGO was expected to be fully established. The APGO will be a professional association under NI 43-101.

Geoscientist associations in other Canadian provinces that do not have associations that are created or recognized by statute qualify as professional associations until February 1, 2003, when it is anticipated that these associations will be recognized by statute. Geoscientists that are members of these associations meet the requirement of belonging to a professional association.

There are other self-regulatory organizations outside of Canada that may not entirely meet the definition of "professional association" in NI 43-101 because they have not been given authority or recognition by statute. However, for the purpose of being a "member of a professional association" under NI 43-101, CSA staff will accept a person who

- is licensed or certified in a state in the United States that is a member of the National Association of State Boards of Geology (ASBOG). Currently these include: Alabama, Arizona, Arkansas, California, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maine, Minnesota, Mississippi, Missouri, North Carolina, Oregon, Pennsylvania, Puerto Rico, South Carolina, Virginia, Wisconsin and Wyoming
- is certified by the American Institute of Professional Geologists (AIPG) as a Certified Professional Geologist
- holds the title European Geologist from the European Federation of Geologists (EFG)
- is a Fellow or Member of the Australasian Institute of Mining and Metallurgy (AusIMM)
- is a Fellow of the Institution of Mining and Metallurgy (IMM)
- is a Fellow or Member of the Australian Institute of Geoscientists (AIG)
- is a Fellow of the South African Institute of Mining and Metallurgy (SAIMM)
- holds a licence, other than a limited licence, under the *Engineers and Geoscientists Act* (British Columbia)

This list may be amended in the future.

Any self-regulatory association of geoscientists and/or engineers that meets the definition of "professional association" in NI 43-101 is a professional association. If a qualified person is not a "member of a professional association" (as set out in NI 43-101 or in this FAQs), then the issuer would require exemptive relief.

2.1(a) How can a geoscientist who is a member of AGO satisfy the "professional association" requirement to be a qualified person subsequent to February 1, 2002?

One of the conditions to be a qualified person is membership in a "professional association" as defined in section 1.2 of NI 43-101. When NI 43-101 came into effect, it was anticipated that an Ontario based professional association for geoscientists, APGO, would be established by February 1, 2002. However, the application process for membership has only recently commenced. It is anticipated that this process will be completed by mid 2002. AGO only qualified as a professional association under the rule until February 1, 2002.

After February 1, 2002, an issuer that retains a geoscientist who is a member of AGO, but not a member of a professional association for purposes of the rule, must submit an application for exemptive relief to the appropriate Commissions for that person to be considered a qualified person under the rule. We anticipate that, until the APGO membership process is completed, relief will be granted in virtually all cases where the geoscientist is a member in good standing of AGO and has submitted his/her application to become a member of APGO.

2.2 What can an issuer do in order to rely on the advice or technical report of a foreign person who does not satisfy the professional association requirement, but would otherwise be a qualified person?

The issuer may

- look to a person in its own organization or, if an independent technical report is required, retain an outside consultant that is a qualified person to review and take responsibility for the foreign person's advice or technical report
- arrange for the person to join one of the Canadian associations that accepts foreign citizens/residents as members or licensees, for example APGO or APEGBC
- apply for an exemption from the professional association requirement for the foreign person.

2.3 Will securities regulators grant an exemption from the requirement that a qualified person belong to a professional association?

Yes, in certain circumstances. We will likely limit the exemption to a particular property or area, or to a particular task, and grant the exemption for a limited period of time.

Where an issuer wishes to retain a person who is well qualified and who does not belong to a professional association because no association exists in his or her jurisdiction or because it is not common practice for members of his or her profession to be registered in the jurisdiction, we will consider granting an exemption.

However, if the person wishes to continue to provide services either to the same issuer or to another issuer that makes public disclosure in Canada, then the person will be urged to join a professional association, as we will not provide continued relief.

We will generally not grant relief to an issuer that has qualified persons available to it in management positions, as these qualified persons should take responsibility for the issuer's scientific and technical disclosure on their mineral projects.

An exemption does not relieve the issuer of the responsibility to ensure that the person that the issuer plans to rely on has the required experience to carry out the responsibilities of a qualified person for the tasks at hand.

We remind issuers to comply with local laws governing the practice of engineering and geoscience. If the property is located in Canada, we expect that the qualified person will have the appropriate Canadian registration. We encourage issuers to check with the local professional association where the property is located.

2.4 Does every person who works on a mineral project have to be a qualified person?

No. Only the person who the issuer relies on in making public disclosure of scientific and technical information on its mineral projects must be a qualified person. Other people may work on the project. If a qualified person relies on the work of people who are not qualified persons (under the definition in NI 43-101) to prepare a technical report or to provide information or advice to the issuer, it is up to the qualified person to take whatever steps are appropriate, in his or her professional

judgment, to ensure that the information that he or she relies upon is sound. A qualified person is required to visit the site.

2.5 When does an issuer have to name the qualified person it is relying on?

NI 43-101 requires issuers to name the qualified person they are relying on and that person's relationship to the issuer, if any, in all written disclosure of scientific and technical information, except in news releases. However, the exchanges require that listed issuers name the qualified person they are relying on and that person's relationship to the issuer, if any, in news releases that disclose scientific and technical information.

2.6 In deciding whether a qualified person is not independent, do you calculate his or her aggregate income over a three-year period?

No. The test is whether the qualified person has received the majority of his or her income in each of the previous three years from the issuer and its affiliates and insiders.

PART 3 RESOURCES AND RESERVES

3.1 When a qualified person reclassifies an issuer's previously disclosed resources and reserves to the definitions in NI 43-101, does this issuer have to name the qualified person?

Yes. A listed issuer is required to name the qualified person and disclose the relationship of the qualified person to the issuer in all written disclosure. Non-listed issuers are not required to name the qualified person in a news release.

3.2 Is an issuer required to retain an independent qualified person to reclassify the issuer's previously disclosed resources and reserves to the definitions in NI 43-101?

The answer depends on what triggers the disclosure of the reclassified reserves and resources.

The answer is yes if the reclassified resources and reserves are disclosed in a document that requires a technical report prepared by an independent qualified person. This includes a long form prospectus, a valuation and documents filed when an issuer becomes a reporting issuer.

3.3 Will securities regulators permit disclosure of preliminary feasibility and feasibility studies that include inferred resources?

NI 43-101 prohibits the inclusion of inferred resources in an economic evaluation in a preliminary feasibility or feasibility study. The prohibition is based on the guidance under the CIM definition of Inferred Mineral Resource that reads, in part:

> "...Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies."

If the economic evaluation in the issuer's preliminary feasibility or feasibility includes inferred resources, the issuer must "back out" the inferred resources in public disclosure of the economic evaluation contained in the study.

However, there will be some circumstances where securities regulators will grant an exemption to permit the issuer to disclose, as an alternative case, an evaluation that includes inferred resources. One example is an evaluation of an open pit that is designed based on proven and probable reserves or measured and indicated resources, and contains inferred resources within the pit. Securities regulators will not generally grant an exemption if the pit's design is based on inferred resources.

If securities regulators permit disclosure, the issuer will be required to disclose both cases: a base case without inferred resources, and an alternative case that includes inferred resources. The alternative case must be accompanied by the disclosure required for preliminary assessments in section 2.3 (3)(b) of NI 43-101.

Whether securities regulators will grant an exemption to permit disclosure will depend on the particular circumstances of each deposit. The test will be stringent in view of the CIM's expressed concern. We will consider granting relief where the pit or mine plan has been developed based on proven and probable reserves and it is reasonable to defer further development of the inferred resources. We will look at various factors including the percentage of inferred resources, their location in the deposit and other technical factors.

3.4 Can issuers report resources and reserves under any other foreign codes in addition to the JORC Code, USGS Circular 831 and the IMM system?

These are the only codes permitted by NI 43-101. If an issuer wishes to report using another foreign code, the issuer must apply to securities regulators for exemptive relief.

We have granted relief to permit an issuer to report using the South African Code for Reporting of Mineral Resources and Mineral Reserves (the "SAMREC Code") on terms consistent with those set out in section 7.1 of NI 43-101, including a reconciliation to the CIM definitions.

3.5 What definitions should be used for estimating and reporting coal resources and reserves?

Coal resources and reserves should be estimated and reported using the Geological Survey of Canada (GSC) Paper 88-21, A Standardized Coal Resource/Reserve Reporting System for Canada. We acknowledge that this is not clear in NI 43-101 and we intend to clarify this in a future amendment to NI 43-101.

3.6 What definitions must be used for estimating and reporting diamond resources and reserves?

Diamond resources and reserves should be estimated and reported using the Guidelines for Reporting of Diamond Exploration Results, Identified Mineral Resources and Ore Reserves, published by the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories.

3.7 Do the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines apply to the estimation and reporting of industrial minerals?

Yes, plus the additional guidelines set out in section 1.5(a) of Companion Policy 43-101CP.

PART 4 TECHNICAL REPORTS

4.1 Who can prepare a technical report?

A technical report is required to be prepared by, or under the supervision of, a qualified person. Persons who are not "qualified persons" under NI 43-101, but have the experience and skill necessary may prepare portions of the technical report provided that a qualified person takes responsibility for the person's work. The qualified person must take whatever steps are appropriate, in his or her professional judgment, to ensure that the work is sound. A qualified person must conduct the site visit.

4.2 Must a technical report follow Form 43-101F1 exactly?

Yes. The form is mandatory.

However, it may be easier and less costly to an issuer for a qualified person to update an existing report prepared by a qualified person under National Policy Statement No. 2-A or in another reasonable format so that it complies with NI 43-101 than to prepare a new technical report, if there has been no significant work done on the property since the report was prepared.

Therefore, a report prepared prior to February 1, 2001 under National Policy Statement No. 2-A or in another reasonable format will be acceptable under NI 43-101 provided there has been no significant work done on the property since the report was prepared, and the report is accompanied by:

- an addendum that includes any information required by NI 43-101 that is not included in the report
- the certificate of a qualified person required by NI 43-101 and
- a cross-reference sheet listing the headings required by Form 43-101F1 and referencing the location of the disclosure required by the headings in the report.

The addendum should include an update on the status of the property and the new information required by NI 43-101. If the changes to the existing report are considerable or the work that has been done since the report affects the interpretation, conclusion or recommendations, a new technical report will be required.

If the issuer is required to file a technical report that is prepared by an independent qualified person and the prior report was not, the issuer can satisfy this requirement by having an independent qualified person prepare the addendum and give the certificate, taking responsibility for the information in the report, amended by his or her addendum.

All technical reports prepared after February 1, 2001 are required to follow Form 43-101F1.

Where the technical report is required to be filed with an exchange, the exchange may have additional requirements.

4.3 Where are the requirements for the qualified person's certificate and consent that must accompany the technical report that the issuer is required to file?

The requirements can be found in Part 8 of NI 43-101.

Issuers are required to provide a certificate and consent from the qualified person who visited the site.

4.4 Must preliminary feasibility and feasibility studies be filed in full?

No. Preliminary feasibility and feasibility studies typically provide more technical detail than the investing public requires. Rather than filing these studies in full, we would prefer that issuers file a technical report that provides a summary in NI 43-101 format of the material information contained in the preliminary feasibility or feasibility study. However, we may request a copy of the full study for our review.

4.5 Must an issuer file a technical report with a rights offering circular?

An issuer is only required to file a technical report if there is scientific or technical disclosure in the rights offering circular. There is no specific requirement that a rights offering circular contain scientific and technical disclosure.

4.6 Must an issuer file a technical report with an offering memorandum?

Yes. An issuer is required to file a technical report to support the scientific or technical disclosure in the offering memorandum.

4.7 Can an issuer obtain an extension of time to file a technical report?

We understand that the industry may need some time to adjust to the new requirements. We will consider granting short extensions in appropriate cases during the first year or so that NI 43-101 is in effect. As the industry becomes more familiar with NI 43-101, we will expect issuers to carry out their responsibilities within the required time unless there are compelling circumstances.

The time for filing technical reports is contained in section 4.2 (2)-(6) of NI 43-101. If an issuer needs an extension of time, it should apply to the securities regulators for an exemption order.

4.8 When an issuer agrees to buy a property with resources and perhaps reserves, must the issuer disclose the resources and reserves under NI 43-101 definitions? Must the issuer file a technical report, and if so, when?

When an issuer options or agrees to buy a property, the issuer can disclose an estimate of resources and reserves made before February 1, 2001 using the terminology of the estimate as long as the issuer follows section 2.4 of NI 43-101.

The issuer is required to file a technical report on the property if

i. the property, or interest in the property, is material to the issuer and
ii. the acquisition of the resources and reserves is a material change in the affairs of the issuer within 30 days of the issuer's disclosure.

In most cases the 30 day period will not begin to run until the issuer enters into a legally binding purchase or option agreement, which should allow the issuer time to complete its due diligence and have the technical report prepared.

4.9 Must an issuer file technical reports on SEDAR?

Yes, technical reports are required to be filed electronically.

Technical reports can be lengthy and costly to file on SEDAR if they are not prepared with SEDAR filing in mind. We have the following suggestions:

- Do not insert photographs or maps that are larger than 8 ½" x 11"
- Limit the image resolution of the document. The image resolution must not exceed 300 dots per inch in any event, and may be less provided the document remains readable.
- Limit the use of colour.
- Do not scan documents into electronic format.
- Wherever possible, have technical reports prepared and transmitted in electronic format.
- Wherever possible, limit the size of the technical report. Many personal computers have limited ability to download larger files.

4.10 How can an electronic document be signed and sealed?

If a person's name appears in an electronic document with (signed by) or (sealed) next to the person's name or there is a similar indication in the document, we will consider that the document has been signed or sealed by that person.

4.11 If a CDNX listed issuer must become a reporting issuer in Ontario because it has a "significant connection to Ontario", must the issuer file technical reports on all its material properties with the OSC?

An issuer is required to file a technical report upon becoming deemed a reporting issuer in Ontario. Requests for relief from this requirement will be considered where an issuer is applying to be deemed a reporting issuer in consequence of the recent re-organization of Canadian exchanges and the issuer having a "significant connection with Ontario". OSC staff anticipate that this relief will be granted in virtually all cases. The relief may be denied in exceptional circumstances such as where an issuer is unable to demonstrate a reasonably up-to-date and accurate record of continuous disclosure.

An issuer should include the request for relief in the application to the OSC to be deemed to be a reporting issuer. OSC staff also anticipate exemptions from the fee associated with this request for relief will be granted in virtually all cases.

4.12 If a Bourse de Montréal listed issuer is being transferred to CDNX as a consequence of the re-organization of the Canadian exchanges, must the issuer file technical reports on all its material properties with the BCSC and the ASC?

No.

4.13 In circumstances other than the ones described in 4.11 and 4.12, will an issuer that is a reporting issuer in one or more Canadian jurisdictions and becomes a reporting issuer in another Canadian jurisdiction be required to file technical reports on all its material properties in the new jurisdiction?

Yes, and if the issuer is not a producing issuer the qualified person that prepares the technical report is required to be independent. If a report has been previously filed in another jurisdiction it may be updated, as set out in 4.2 of these FAQs. If an issuer needs relief from these requirements, it should make application to the securities regulator in the new jurisdiction.

PART 5 PRELIMINARY ASSESSMENTS

5.1 What is a "preliminary assessment"?

A preliminary assessment, commonly known as a "scoping study", is an assessment of the potential viability of the mineral project taken at an early stage of the project, prior to a preliminary feasibility study. It is generally used as a tool for management decisions on further advancement of the project. The term "preliminary assessment" is used in NI 43-101 to identify this type of study that contains an economic evaluation that includes inferred mineral resources.

5.2 Why are there restrictions on disclosure of preliminary assessments?

Although preliminary assessments can provide important information to the market, because of the early stage of the

project, the information has a high degree of uncertainty and can be used as the basis for abusive market tactics.

An issuer must disclose a preliminary assessment that is a material change in its affairs. An issuer must follow section 2.3(3)(b) of NI 43-101 when it discloses a preliminary assessment. This section was written to help an investor understand the information.

A preliminary assessment must be either in the form of a technical report, or be supported by a technical report. If the issuer is reporting in Ontario, the issuer is required to pre-file with the OSC, 5 days in advance of the proposed disclosure, the proposed disclosure, the preliminary assessment and, if there is a separate technical report, the technical report. In other jurisdictions the issuer may file these documents at the time of the disclosure.

PART 6 GENERAL DISCLOSURE QUESTIONS

6.1 Can an issuer put some of the disclosure required by NI 43-101 on its website, instead of in the body of its news release?

Yes. The issuer may put detailed information of a background nature on the issuer's website, provided the news release clearly refers the reader to the issuer's website for the information.

Issuers are reminded that their news releases must not be misleading and that statements that are required to be "proximate" to disclosure that is made in a news release (for example, the statements that are required to be made proximate to disclosure of a preliminary assessment under section 2.3(3)(b) of NI 43-101) cannot be omitted from a news release. Information required by sections 3.1 (for a listed issuer) and 3.2 (for all issuers) should not be omitted from a news release.

6.2 Do the rules for disclosure in Form 43-101F1 apply to written disclosure other than technical reports?

No, not specifically. However, where the rules in the Form reflect good professional practice, we strongly suggest issuers follow these rules in all their written disclosure.

Good examples are:

19(j) that requires an issuer that is reporting a quantity of contained metal to state the grade or quality, quantity and category of resources and reserves.
19(k) that requires an issuer that is reporting the grade of a polymetallic resource as a metal equivalent to report the individual grade of each metal, among other things.

PART 7 EXEMPTION ORDERS

7.1 Where should an issuer apply for an exemption order?

An issuer that wants to obtain an exemption from any of the requirements of NI 43-101 or the form of technical report should apply to the securities regulators in all of the jurisdictions where the issuer is a reporting issuer for an order granting the exemption. A separate fee may apply in each jurisdiction. If the issuer is reporting in more than one jurisdiction please see National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications* for details on the application process.

7.2 When should an issuer apply for an exemption order?

Please apply well in advance of the time the relief is required. Where more than one jurisdiction is involved the process typically takes several weeks. Exemption orders cannot cure a default that has already occurred.

If an issuer plans on using a technical report to support disclosure, the issuer should apply for any relief from NI 43-101 before the issuer is required to file the technical report. For example, if the issuer requires relief from the requirements of NI 43-101 in connection with a technical report it plans to file with a preliminary prospectus, the issuer must make application for that relief before it files the preliminary prospectus.

7.3 Does an issuer need a separate exemption order if it obtains a prospectus receipt?

An issuer that requires relief from the requirements of NI 43-101 for disclosure in a prospectus is required to specifically request the securities regulator for the relief when it files the prospectus (or before it files the prospectus—see 7.2 above). If the regulator grants the exemption, the prospectus receipt will be the evidence that the exemption was granted. The issuer is not required to make a separate application for an exemption order in this situation.

7.4 What if someone has questions about NI 43-101?

If you have any questions about NI 43-101, please call:

Terry Macauley, Chief Mining Consultant, BCSC
(604) 899-6723
Adrianne Marskell, Lead Counsel, Deregulation Project, BCSC
(604) 899-6645
Deborah McCombe, Chief Mining Consultant, OSC
(416) 593-8151
Pierre Martin, Legal Counsel, CVMQ
(514) 940-2199(x4557)
Stephen Murison, Legal Counsel, ASC
(403) 297-4233

We will be pleased to discuss your questions and to assist you in deciding whether you need to apply for an exemption. Please note that staff cannot guarantee that their

Commissions will grant the relief requested in a particular application.

7.5 Where can I find exemptions that securities regulators have granted?

Most of our exemption orders are posted on our websites.

For orders granted by the B.C. Securities Commission visit the BCSC website at **www.bcsc.bc.ca**. Click on "Commission Documents Database" and "Search" for "43-101" for a list of documents relating to NI 43-101. To view exemption orders, look at the documents classified as "D&O" (Decisions and Orders).

For orders granted by the Ontario Securities Commission visit the OSC website at **www.osc.gov.on.ca**. Click on "Rules and Regulation" followed by "Orders and Rulings" to find a list of orders and rulings organized in alphabetical order.

7.6 Does the CSA foresee changes to NI 43-101 in the future?

Yes, some changes are likely. We are monitoring NI 43-101 and are prepared to make changes to it in the future. We have established the Mining Technical Advisory and Monitoring Committee (MTAMC), whose members are drawn from the Canadian mining and exploration industry and who represent a broad geographic and professional spectrum. With the assistance of MTAMC, we are identifying areas where relief is required and matters that need clarification. We welcome industry input and comments, and will work with MTAMC to address industry concerns. Until NI 43-101 is amended, we will provide relief and clarification through orders and these FAQs.

Chapter 6

Request for Comments

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

Exempt Financings

The Ontario Securities Commission reminds issuers and other parties relying on exemptions that they are responsible for the completeness, accuracy, and timely filing of Forms 45-501F1 and 45-501F2, and any other relevant form, pursuant to section 72 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

Reports of Trades Submitted on Form 45-501F1

Trans. Date	Purchaser	Security	Price ($)	Amount
01Jan01 to 31Dec01	8 Purchasers	Adaly M&A Opportunity Fund - Limited Partnership Units	1,540,000	973
07Sep00		Aes Corporation, The - 9.375% Senior Notes due 2010	2,259,471	1,515,000
11Jan02	Gerald Z. Wright	Arrow Global RSP MultiManager Fund - Class A Trust Units	25,000	2,495
11Jan02 & 18Jan02	3 Purchasers	Arrow Global MulitManager II Fund - Class I Trust Units	148,922	1,470
11Jan02	Gerald Z. Wright and Robert Bridel	Arrow Goodwood Fund - Class A Trust Units	125,000	11,814
11Jan02 & 18Jan02	3 Purchasers	Arrow North American MultiManager Fund - Class A Trust Units	75,000	7,512
14Sep00		Atlas Air - Common Stock	1,630,053	25,000
21Dec01	7 Purchasers	Atlas Energy Ltd. - Flow-Through and Common Shares	4,924,100, 247,500	2,402,000, 150,000 Resp.
21Sep00		Atmel - Common Shares	691,391	25,000
25Oc00		Boston Properties, Inc. - Common Stock	3,588,046	60,000
28Dec01	Elaine Politsky	BPI American Opportunities Fund - Units	1,510,597	12,472
21Dec01	3 Purchasers	BPI American Opportunities Fund - Units	344,057	2,847
14Dec01	3 Purchasers	BPI American Opportunities Fund - Units	790,525	6,546
14Dec01	3 Purchasers	BPI Global Opportunities III Fund - Units	700,362	7,216
21Dec01	Fundex Investments Inc. and BMO Nesbitt Burns Inc.	BPI Global Opportunities III Fund - Units	2,445,404	25,215
28Dec01	4 Purchasers	BPI Global Opportunities III Fund - Units	327,900	3,378
21Jan02	3 Purchasers	Canadian Golden Dragron Resources Ltd. - Units	20,000	133,333
18Jan02	1427537 Ontario Ltd.	Castle Bay Enterprises Ltd. - Special Warrants	25,000	20,000
01Jul99 to 01Jan01		Casurina Limited Partnership - Limited Partnership Units	64,143,318	64,143,318
		Casurina Limited Partnership - Limited Partnership Units	120,000	120,000
14Jan02		CC&L Money Market Fund -	103,000	103,00
15Jan02		CC&L Private Client Bond Fund -	25,000	2,382
14Dec01	Rocket Trust	CDO Collateral Trust - Notes	$104,000,000	$104,000,000

Trans. Date	Purchaser	Security	Price ($)	Amount
01Aug01	CIBC	CIBC Oppenheimer Deauville Europe Fund, Ltd. - Shares	3,000,000	29,841
31Dec01	Queens University at Kingston	Commonfund Capital International Partners IV, L.P. - Limited Partnership Interest	6,372,000	6,372,000
31Dec01	Queens University at Kingston	Commonfund Capital Leaders II, L.P. - Limited Partnership Interest - Amended	3,982,500	3,982,500
31Dec01	Queens University at Kingston	Commonfund Capital Ventures Partners VI, L.P. - Limited Partnership Interest - Amended	9,558,000	9,558,000
0ct to Dec01		Connor Clark Private Trust -	4,196,310	4,196,310
0ct to Dec01		Connor Clark Private Trust -	441,554	441,554
16Jan02	The VenGrowth Investment Fund Inc. and The VenGrowth II Investment Fund Inc.	Convertible Technology Ltd. - Convertible Promissory Notes	$639,720	$2
21Jan01	3 Purchasers	Corridor Resources Inc. - Class A Special Warrants	601,800	354,000
20Dec01	Shenkman Corporation	CTA Networks Inc. - Convertible Debentures	250,000	$250,000
13Nov01		Duke Energy - Equity Units	2,662,935	66,000
27Sep00		Durect - Common Stock	395,709	22,000
20Jan02	Sal Abela	Dynamic Fuel Systems Inc. - Common Shares	65,000	130,000
20Jan02	Mawfred Kuhn	Dynamic Fuel Systems Inc. - Common Shares	35,000	70,000
20Jan02	Myr Wyse	Dynamic Fuel Systems Inc. - Common Shares	3,000	4,000
18Jan02	7 Purchasers	eBuild.ca Inc. - Common Shares and Series A Preferred Shares	285,000, 1,000,000	570,000, 2,000,000 Resp.
20Dec01		EchoStar DBS Corporation - 9⅛% Senior Notes due 2009	$6,348,000	$6,348,000
29Jun01		Engyro Inc. - Special Warrants	US$665,001	369,445
29Jun01		Engyro Inc. - Special Warrants	US$665,001	369,445
28Sep00		Head N.V. - Ordinary Shares	7,544	500
24Jan02	Royal Bank Investment Management	Household Finance Corporation - 5.75% Notes due January 30, 2007	$7,976,358	US$5,000,000
20Dec01	7 Purchasers	Innergex Income Fund - Common Units and Preferred Units - Revised	30,000, 770,000	30,000, 770,000 Resp.
03Dec01	Nova Scotia Association of Health Organizations	KBSH Money Market Fund - Units - Revised	150,000	15,000
22Jun01		Key3Media Group, Inc. - 11.25% Senior Subordinated Notes due 2011	$2,302,350	US$1,500,000
30Nov01	3 Purchasers	Kingwest Avenue Portfolio - Units - Revised	34,264	1,758
14Dec01	3 Purchasers	Kingwest Avenue Portfolio - Units - Revised	49,500	2,506
21Dec01	3 Purchasers	Landmark Global Opportunities Fund - Units	415,000	3,942
28Dec01	3 Purchasers	Landmark Global Opportunities Fund - Units	213,256	2,015
14Dec01	16 Purchasers	Landmark Global Opportunities Fund - Units	670,906	6,428
30Nov01 to 14Dec01	8 Purchasers	Leeward Bull & Bear Fund L.P. - Limited Partnership Units	1,305,066	1,103
02Nov99		LTV Corporation, The - 11¾% Senior Notes due 2009	$249,592	$170,000
16Jan02	Universal Music	Maplecore Ltd. - Convertible Class A and B Preferred Shares	1,000,000, 550,000	5,000,000, 2,750,000 Resp.
25Oc01		Medsure Medical Products Corp. - Special Warrants	75,000	500,000
17Nov99		Metasolv Software, Inc. - Common Stock	1,167,420	41,600
22Jan02	Robert Leck	Morgain Minerals Inc. - Units	5,000	20,000

Trans. Date	Purchaser	Security	Price ($)	Amount
19Oct00		Morgan Stanley Dean Witter Capital 1 Trust 2000-Life 2 - Commercial Mortgage Pass-Through Certificate, Series 2000- Life 2	$318,222	US$209,000
17Jan02 & 25Jan02	6 Purchasers	Negociar Investments Limited Partnership - Limited Partnership Units	540,000	54
23May01		Nextel Communications, Inc. - 6% Convertible Senior Notes due 2011	$7,774,500	US$5,000,000
08Jan02	Arthur & Catherine Blackledge	North Growth U.S. Equity Fund - Units	150,000	7,851
17Jan02	Graham Midwinter	Northland Systems Training Inc. - Convertible Debentures	$50,000	$50,000
13Nov01		PartnerRe Capital Trust 1- 7.90% Preferred Securities	1,008,687	12,500
17Jan02	Elliot & Page	Regal Cinemas Corporation - 9.375% Senior Subordinated Notes due February 1, 2012	$1,609,800	US$1,000,000
03Nov99		SanDisk - Common Stock	1,231,126	12,200
28Dec01	19 Purchasers	SHAAE (2001) Master Limited Partnership - Limited Partnership Units	30,808,350	1,901
31Dec01	11 Purchasers	SHAAE (2001) Master Limited Partnership - Limited Partnership Units	3,787,884	233
03Dec01	Michael Kitt	Silvercreek Limited Partnership - Units in a Limited Partnership - Revised	175,484	4,000
21Dec01	7 Purchasers	SimEx Inc. - Series 2 Debentures	$7,625,000	$7,625,000
30May01		Sprint Corporation - FON Common Stock, Series 1	92,948,073	3,154,300
12Jan02	Maslabey Bodo	Sprucegrove Investment Corp. - Debentures	200,000	200
14Jan01 & 18Jan01	Canterbury Financial Services Limited	Strandhill Limited Partnership - Limited Partnership Units	US$101,000	10,100
03Nov99		Tickets.com - Common Stock	332,045	17,900
28Dec01	143 Purchasers	Triax Media Ventures No. 2 Limited Partnership - Limited Partnership Units	57,787,490	54,007
21Dec01	3 Purchasers	Trident Global Opportunities Fund - Units	165,000	1,550
14Dec01	4 Purchasers	Trident Global Opportunities Fund - Units	867,742	8,242
18Dec01	Experian Marketing Solutions, Inc.	Twenty-Ten Inc. - Class A Convertible Preference Shares	86,520	55
18Dec01	Experian Marketing Solutions, Inc.	Twenty-Ten Inc. - Class A Convertible Preference Shares	228,099	145
18Dec01	Experian Marketing Solutions, Inc.	Twenty-Ten Inc. - Class A Convertible Preference Shares	19,663	12
18Dec01	Experian Marketing Solutions, Inc.	Twenty-Ten Inc. - Class A Convertible Preference Shares	19,663	12
18Dec01	Experian Marketing Solutions, Inc.	Twenty-Ten Inc. - Class A Convertible Preference Shares	19,663	12
18Dec01	Experian Marketing Solutions, Inc.	Twenty-Ten Inc. - Class A Convertible Preference Shares	2,752,925	1,750
18Dec01	Experian Marketing Solutions, Inc.	Twenty-Ten Inc. - Class A Convertible Preference Shares	19,663	12
02Dec99		United Globalcom, Inc. - 7% Series D Senior Cumulation Convertible Preferred Stock	22,523,791	298,200
21Dec01	5 Purchasers	Ventus Energy Ltd. - Common Shares issued on Flow-Through Basis - Revised	5,025,200	1,500,000
01Jan01 to 31Dec01	Aggregate Industries Employee Pension Plan and Canada Life Assurance Co.	YMG Balanced Pooled Fund - Units	2,117,282	199,234
01Jan01 to 31Dec01	3 Purchasers	YMG Bond Pooled Fund - Units	302,430	64,601
01Jan01 to 31Dec01	5 Purchasers	YMG Canadian Equity Pooled Fund - Units	5,616,291	497,375

Trans. Date	Purchaser	Security	Price ($)	Amount
30Nov01	ICI Canada Pension Trust Fund	YMG Institutional Fixed Income Trust - Units - Revised	790,000	74,481
30Nov01	PCI Chemicals Canada Inc.	YMG Institutional Fixed Income Fund - Units - Revised	870,000	82,024
01Jan01 to 31Dec01	29 Purchasers	YMG International Equity Pooled Fund - Units	21,895,995	1,844,683
01Jan01 to 31Dec01	12 Purchasers	YMG Private Wealth Opportunities Fund - Units	2,977,635	280,575
01Jan01 to 31Dec01	8 Purchasers	YMG Short Term Investment Pooled Fund - Units	8,726,917	603,003
01Jan01 to 31Dec01	5 Purchasers	YMG Special International Equity Pooled Fund - Units	2,119,579	121,813
01Jan01 to 31Dec01	4 Purchasers	YMG Special U.S. Equity Pooled Fund - Units	3,204,000	151,830
01Jan01 to 31Dec01	YMG Special U.S. Equity Pooled Fund	YMG U.S. Equity Pooled Fund - Units	8,543,600	1,622,595

Notice of Intention to Distribute Securities and Accompanying Declaration under Section 2.8 of Multilateral Instrument 45-102 Resale of Securities - Form 45-102F3

Seller	Security	Amount
Belzberg, Sidney H.	Belzberg Technologies Inc. - Common Shares	50,000
Belzberg, Alicia	Belzberg Technologies Inc. - Common Shares	50,000
Beva Holdings Inc.	Brampton Brick Limited - Class A Subordinate Voting Shares	30,000
Southwestern Resources Corp.	Canabrava Diamond Corporation - Common Shares	1,500,000
Mullan, Glenn J.	Canadian Royalties Inc. -	400,000
Gaasenbeek, Thomas M.	e-Manufacturing Networks Inc. - Common Shares	1,678,666
Brady, James M.	Hornby Bay Exploration Limited - Common Shares	2,000,000
Gastle, William J.	Mcrobix Biosystems Inc. - Common Shares	495,000
Gastle, Susan M.S.	Microbix Biosystems Inc. - Common Shares	235,000
Lindal, Gaylord G.	Viceroy Homes Limited - Class A Subordinate Voting Shares	50,000

Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Acclaim Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 1st, 2002
Mutual Reliance Review System Receipt dated February 1st, 2002
Offering Price and Description:
$12,075,000 - 3,500,000 Units @ $3.45 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #418858

Issuer Name:
Agnico-Eagle Mines Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 1st, 2002
Mutual Reliance Review System Receipt dated February 1st, 2002
Offering Price and Description:
US$125,000,000 - 4.50% Convertible Subordinated Debentures due 2012.
Price 100% plus accrued interest, if any.
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
CIBC World Markets Inc.
Research Capital Corporation
Promoter(s):
-
Project #418662

Issuer Name:
BCE Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated February 5th, 2002
Mutual Reliance Review System Receipt dated February 5th, 2002
Offering Price and Description:
$510,000,000 - 20,000,000 Shares Cumulative Redeemable First Preferred Shares, Series AA @ $25.50 per Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #419362

Issuer Name:
BCE Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Shelf Prospectus dated February 5th, 2002
Mutual Reliance Review System Receipt dated February 6th, 2002
Offering Price and Description:
$1,000,000,000 - Debt Securities (Unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #419438

Issuer Name:
Burgundy European Foundation Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated January 31st, 2002
Mutual Reliance Review System Receipt dated February 6th, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):

Promoter(s):
Burgundy Asset Management Ltd.
Project #418820

Issuer Name:
Enbridge Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 1st, 2002
Mutual Reliance Review System Receipt dated February 1st, 2002
Offering Price and Description:
$200,000,000 - 7.80% Preferred Securities due March 31, 2051 ($25.00 Principal Amount per Security)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #418808

Issuer Name:
Firm Capital Mortgage Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 6th, 2002
Mutual Reliance Review System Receipt dated February 6th, 2002
Offering Price and Description:
$ * - * Units @ $* per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #419547

Issuer Name:
Indigo Books & Music Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated February 1st, 2002
Mutual Reliance Review System Receipt dated February 4th, 2002
Offering Price and Description:
$14,853,443 - Issue of 16,975,365 Rights to Subscribe for up to 4,243,841 Common Shares at a price of
$3.50 per Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #418877

Issuer Name:
Legacy Hotels Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 31st, 2002
Mutual Reliance Review System Receipt dated January 31st, 2002
Offering Price and Description:
$150,000,000 - 7.75% Convertible Unsecured Subordinated Debentures due 2007.
Price 100% plus accrued interest, if any
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #418433

Issuer Name:
Morguard Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 1st, 2002
Mutual Reliance Review System Receipt dated February 1st, 2002
Offering Price and Description:
$50,000,000 - 8.5% Convertible Unsecured Subordinated Debentures due 2007
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Trilon Securities Corporation
Promoter(s):
-
Project #418790

Issuer Name:
PanGeo Pharma Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated January 30th, 2002
Mutual Reliance Review System Receipt dated January 31st, 2002
Offering Price and Description:
$27,600,000 - 9,200,000 Common Shares (issuable upon the exercise of an equal number of
Special Warrants)
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
Dundee Securities Inc.
Yorkton Securities Inc.
TD Securities Inc.
Octagon Capital Corporation
Promoter(s):
-
Project #418245

Issuer Name:
Rally Energy Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated January 30th, 2002
Mutual Reliance Review System Receipt dated February 4th, 2002
Offering Price and Description:
550,000 Common Shares upon the exercise of 550,000 Common Special Warrants; and 2,144,000 Common Shares upon the exercise of 2,144,000 Flow-Through Special Warrants; and 4,033,336 Common Shares and 2,016,668 Purchase Warrants upon the exercise of 4,033,336 August Special Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
John G. F. McLeod
Blair Coady
Lamont Tolley
Project #418889

Issuer Name:
Royal Host Real Estate Investment Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 6th 2002
Mutual Reliance Review System Receipt dated February 6th, 2002
Offering Price and Description:
$35,000,000 - 9.25% Convertible Unsecured Subordinated Debentures due 2007
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Promoter(s):

Project #419583

Issuer Name:
Transat A.T. Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated January 31st, 2002
Mutual Reliance Review System Receipt dated January 31st, 2002
Offering Price and Description:
$50,000,000 - 9% Convertible Unsecured Subordinated Debentures due 2007
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Natinal Bank Financial Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #418456

Issuer Name:
Ventax Robotics Corporation
Type and Date:
Preliminary Prospectus dated January 31st, 2002
Receipt dated February 4th, 2002
Offering Price and Description:
$3,500,000 - 2,800,000 Units (Upon the exercise of an equal number of Special Warrants) (Each Unit is composed of One Common Share and One-half of One Common Share Purchase Warrant)
@ $1.25 per Special Warrant
Underwriter(s) or Distributor(s):
Standard Securities Capital Corporation
Promoter(s):
Hans Armin Ohlmann
Project #418934

Issuer Name:
Wi-LAN Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 31st, 2002
Mutual Reliance Review System Receipt dated January 31st, 2002
Offering Price and Description:
$4,692,000 - 1,380,000 Units @ $3.40 per Unit
Underwriter(s) or Distributor(s):
Research Capital Corporation
Yorkton Securities Inc.
Acumen Capital Finance Partners Limited
Promoter(s):
-
Project #418575

Issuer Name:
Crystal Enhanced Index RSP Fund
(Formerly Crystal Balanced Momentum Fund)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated January 31st, 2002 to Simplified Prospectus and Annual Information Form dated June 7th, 2001
Mutual Reliance Review System Receipt dated 6th day of February, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Crystal Wealth Management System Limited
Promoter(s):
-
Project #353801

Issuer Name:
Merrill Lynch Frontiers U.S. Equity RSP Pool
Merrill Lynch Frontiers U.S. Equity Pool
Merrill Lynch Frontiers International Equity RSP Pool
Merrill Lynch Frontiers International Equity Pool
Merrill Lynch Frontiers Global Bond Pool
Merrill Lynch Frontiers Emerging Markets Equity Pool
Merrill Lynch Frontiers Canadian Short Term Income Pool
Merrill Lynch Frontiers Canadian Fixed Income Pool
Merrill Lynch Frontiers Canadian Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated January 31st, 2002 to Simplified Prospectus and Annual Information Form
dated November 26th, 2001
Mutual Reliance Review System Receipt dated 5th day of February, 2002
Offering Price and Description:
Class A and Class F Units
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
Promoter(s):
CM Investment Management Inc.
Project #394370

Issuer Name:
Merrill Lynch Triple A 50 RSP Fund
Merrill Lynch Triple A 50 Fund
Merrill Lynch Global Growth RSP Fund
Merrill Lynch Global Technology RSP Fund
Merrill Lynch Global Technology Fund
Merrill Lynch Select International Growth RSP Fund
Merrill Lynch Select Global Value RSP Fund
Merrill Lynch Global Sectors RSP Fund
Merrill Lynch Global Sectors Fund
Merrill Lynch Canadian Balanced Value Fund
Merrill Lynch U.S. Basic Value Fund
Merrill Lynch Global Growth Fund
Merrill Lynch Canadian Income Trust Fund
Merrill Lynch Canadian Bond Fund
Merrill Lynch Canadian Core Value Fund
Merrill Lynch U.S. Money Market Fund
Merrill Lynch Canadian High Yield Bond Fund
Merrill Lynch Canadian Growth Fund
Merrill Lynch Select Canadian Balanced Fund
Merrill Lynch Canadian T-Bill Fund
Merrill Lynch Canadian Money Market Fund
Merrill Lynch Developing Capital Markets Fund
Merrill Lynch Euro Fund
Merrill Lynch Select International Growth Fund
Merrill Lynch Select Global Value Fund
Merrill Lynch International RSP Index Fund
Merrill Lynch U.S. Fundamental Growth Fund
Merrill Lynch U.S. RSP Index Fund
Merrill Lynch Canadian Small Cap Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated January 31st, 2002 to Simplified Prospectus and Annual Information Form
dated November 1st, 2001
Mutual Reliance Review System Receipt dated 5th day of February, 2002
Offering Price and Description:
Class A and Class F Units
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
Promoter(s):
CM Investment Management Inc.
Project #390176

Issuer Name:
Scotia Canadian Bond Index Fund
Scotia Canadian Stock Index Fund
Scotia American Stock Index Fund
Scotia International Stock Index Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated January 31st, 2002 to Simplified Prospectus and Annual Information Form
dated December 3rd, 2001
Mutual Reliance Review System Receipt dated 6th day of February, 2002
Offering Price and Description:
Class A and Class F Units
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Promoter(s):
The Bank of Nova Scotia
Project #398319

Issuer Name:
Azure Dynamics Corporation
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated January 31st, 2002
Mutual Reliance Review System Receipt dated 5th day of February, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
D. Campbell Deacon
Project #401032

Issuer Name:
Cardiome Pharma Corp
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated January 30th, 2002
Mutual Reliance Review System Receipt dated 31st day of January, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #404114

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Issuer Name:
LIVINGSTON INTERNATIONAL INCOME FUND
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 31st, 2002
Mutual Reliance Review System Receipt dated 1st day of February, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #411655

Issuer Name:
StrategicNova Venture Growth Fund Inc.
Type and Date:
Final Prospectus dated January 30th, 2002
Receipt dated 1st day of February, 2002
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):

Promoter(s):
CFG Sponsor Inc.
StrategicNova Funds Management Inc.
Project #407846

Issuer Name:
Tuscarora Energy Growth Fund Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 31st, 2002
Mutual Reliance Review System Receipt dated 1st day of February, 2002
Offering Price and Description:
Class A Shares, Series I and Class A, Series II
Underwriter(s) or Distributor(s):
-
Promoter(s):
TNG Canada/CWA Sponsor Inc.
Front Street Capital Inc.
Project #399189

Issuer Name:
Versacold Income Fund
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated February 4th, 2002
Mutual Reliance Review System Receipt dated 6th day of February, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Promoter(s):
Versacold Corporation
Project #412259

Issuer Name:
APF Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated February 1st, 2002
Mutual Reliance Review System Receipt dated 1st day of February, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Research Capital Corporation
TD Securities Inc.
Dundee Securities Corporation
Promoter(s):
APF Energy Management Inc.
Project #417288

Issuer Name:
Congress Financial Capital Company
Principal Regulator - Nova Scotia
Type and Date:
Final Short Form Prospectus dated February 4th, 2002
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Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
WACHOVIA CORPORATION
Project #411007

Issuer Name:
Kinross Gold Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 5th, 2002
Mutual Reliance Review System Receipt dated 5th day of February, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #416982

Issuer Name:
Merrill Lynch Financial Assets Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form PREP Prospectus dated February 5th, 2002
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Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #417433

Issuer Name:
Royal Laser Tech Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 4th, 2002
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Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Griffiths McBurney & Partners
Loewen, Ondaatje, McCutcheon Limited
Promoter(s):
-
Project #416687

Issuer Name:
Suncor Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Shelf Prospectus dated February 1st, 2002
Mutual Reliance Review System Receipt dated 1st day of February, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #417033

Issuer Name:
TimberWest Forest Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated February 5th, 2002
Mutual Reliance Review System Receipt dated 5th day of February, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):

Project #417353

Issuer Name:
Westport Innovations Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated February 4th, 2002
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Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Raymond James Ltd.
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #417120

Issuer Name:
ZENON Environmental Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 5th, 2002
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Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Research Capital Corporation
Canacord Capital Corporation
CIBC World Makets Inc.
Loewen Ondaatje McCutcheon Limited
Promoter(s):
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Project #417028

Issuer Name:
Excel China Fund
Excel Canadian Balanced Fund
Excel India Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated February 1st, 2002
Mutual Reliance Review System Receipt dated 6th day of February, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Excel Funds Management Inc.
Promoter(s):
-
Project #411434

Issuer Name:
Indigo Books & Music Inc.
Type and Date:
Rights Offering dated December 7th, 2001
Accepted on 10th day of December, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):

Project #403371

Issuer Name:
Sentry Select International Growth Fund
Sentry Select Money Market Fund
Sentry Select Global Utilities Fund
Sentry Select Global Energy Fund
Sentry Select International Value Fund
Sentry Select Canadian Income Fund
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 31st, 2001
Closed on January 31st, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Sentry Select Capital Corp.
Promoter(s):
-
Project #386316

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Commonwealth Associates Attention: Joseph P. Wynne 830 3rd Avenue New York NY 10022 USA	International Dealer	Feb 01/02

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Rule Amendment - the Constitution

INVESTMENT DEALERS ASSOCIATION OF CANADA – CONSTITUTION

I -- OVERVIEW

A -- Current Rules

The current Constitution of the Investment Dealers Association of Canada ("IDA") does not address the distribution of assets in the event of the dissolution or winding-up of the IDA or the fact that the purposes of the IDA do not include profit.

B -- The Issue

The IDA commissioned a law firm to review its Constitution to ensure that it is consistent with the current operations of the IDA. This firm recommended that the IDA amend its Constitution to address the distribution of assets in the event of the dissolution or winding-up of the IDA. They also recommended that the IDA amend its Constitution to clarify the fact that the purposes of the IDA do not include profit.

C -- Objective

The objective of the change to the Constitution is to address the distribution of assets in the event of the dissolution or winding-up of the IDA and to clarify the fact that the purposes of the IDA do not include profit.

D -- Effect of Proposed Rules

The proposed change merely provides clarification of the existing situation and therefore has no impact on market structure, Members, competition, costs of compliance or other rules.

II -- DETAILED ANALYSIS

A -- Comparison with Similar Provisions

As the issue is peculiar to the IDA and its Constitution, no comparison with similar regulations of regulators and self-regulatory organizations was conducted.

B -- Systems Impact of Rule

The change has no systems impact on the Association or its Members.

C -- Best Interests of the Capital Markets

The Board has determined that the public interest Rule is not detrimental to the best interests of the capital markets.

D -- Public Interest Objective

The proposal is designed to provide for the administration of the affairs of the IDA.

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, Members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

III -- COMMENTARY

A -- Filing in Other Jurisdictions

These proposed amendments will be filed for approval in Alberta, British Columbia, Saskatchewan and Ontario and will be filed for information in Nova Scotia.

B -- Process

The Board of Directors of the IDA has approved the change.

IV -- SOURCES

References:
- The IDA Constitution

V -- OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the accompanying amendments so that the issue referred to above may be considered by OSC staff.

The Association has determined that the entry into force of the proposed amendments would be in the public interest. Comments are sought on the proposed amendments. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Keith Rose, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:
Keith Rose
Vice-President,
Regulatory Policy
Investment Dealers Association of Canada
(416) 943-6907
krose@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA

CONSTITUTION

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby recommends that the Constitution of the Association be amended by adding the following:

10. In no event shall the objects or purposes of the Association include profit and no part of the income, whether current or accumulated, of the Association shall be payable to, or otherwise made available for the benefit of, any Member of the Association.

11. In the event of the dissolution or winding-up of the Association, all of its assets and accumulated income after the payment of its liabilities shall be distributed to one or more organizations in Canada with objects similar to those of the Association and which qualify for exemption under paragraph 149(1) of the Income Tax Act (Canada).

APPROVED BY THE Board of Directors this 16th day of January 2002.

13.1.2 Proposed Amendment to IDA By-law 7 Regarding Parners, Directors and Officers

INVESTMENT DEALERS ASSOCIATION OF CANADA - PROPOSED AMENDMENT TO BY-LAW 7 REGARDING PARTNERS, DIRECTORS AND OFFICERS

I. OVERVIEW

A Current Rules

Currently, By-law 7 sets out the general criteria for the composition of the board of directors or the partners, as the case may be, of a Member. By-law 7.1A states that "no person shall be a partner, director or officer in respect of a Member unless such person has been granted approval by the applicable District Council. A Member must have at least two officers qualified in accordance with By-law 7.1 who are engaged full-time in the business of the Member."

B The Issue

Diversification of the types of Members and changes in business structures have made By-law 7.1A a burden to some Members and prospective Members. Smaller introducing Members may have insufficient business to support two full-time officers. Members offering fully electronic services, such as applicants under the new ATS rules and discount brokers having suitability exemptions under Regulation 1300 and Policy 9 provide a different kind of service from traditional investment dealing, entailing less need for full-time officers.

C Objective

The objective of the proposed amendment is to allow for 1 full-time officer and 1 part-time officer at a Member. While Members will still be required to have two qualified officers, they are not required to have two full-time officers. The Association believes that implementing the proposed amendment will address those issues and streamline the regulatory process.

D Effect of Proposed Amendment

The Association has determined that the entry into force of the proposed amendment to By-law 7.1A would have no effect on market structure or other rules.

II. DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed Policy

The proposed amendment outlined below is the result of the recommendations outlined by the Association.

With respect to small discount brokers and with the proposed regulations for Alternative Trading Systems in Canada, it was concluded that it is inefficient to require two full-time officers at a Member in accordance with By-law 7.1A.

As a result, By-law 7.1A is being amended to allow for 1 full-time officer and 1 part-time officer. The Association also recommended that it would review Member applications on a case by case basis.

B Issues and Alternatives Considered

A number of alternatives were considered, however, the recommended change was chosen as it is the simplest and most effective route of achieving the desired result.

C Systems Impact of Rule

The Association has determined that the proposed rule amendment will have no impact on IDA Members' systems.

D Best Interest of the Capital Markets

The Association has determined that the public interest rule is not detrimental to the best interest of the capital markets.

E Public Interest Objective

The Association believes that the proposed amendments are in the public interest. The proposal is designed to facilitate fair and open competition in securities transactions generally. The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

III. COMMENTARY

A Filing in Other Jurisdictions

The proposed amendments will be filed for approval in Alberta, British Columbia, Saskatchewan and Ontario and will be filed for information in Nova Scotia.

B Effectiveness

These proposed amendments are simple and effective.

C Process

The proposed amendment was developed by staff in consultation with the CSA.

IV. SOURCES

IDA By-law 7

V. OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the accompanying Policy so that the issue referred to above may be considered by OSC staff.

The Association has determined that the entry into force of the proposed Policy would be in the public interest. Comments are sought on the proposed Policy. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Keith Rose, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Keith Rose,
Vice President, Regulatory Policy
Investment Dealers Association of Canada
(416) 943-6907
krose@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA

AMENDMENT TO BY-LAW 7, PARTNERS, DIRECTORS AND OFFICERS

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. By-law 7.1A is repealed and replaced as follows:

"No person shall be a partner, director or officer in respect of a Member unless such person has been granted approval as a partner, director or officer, respectively, for such Member by the applicable District Council. A Member must have 1 full-time and 1 part-time officer qualified in accordance with By-law 7.1 who are engaged in the business of the Member."

PASSED AND ENACTED BY THE Board of Directors this 16th day of January 2002, to be effective on a date to be determined by Association staff.

13.1.3 IDA- Regulation 200 Minimum Records

INVESTMENT DEALERS ASSOCIATION OF CANADA – REGULATION 200, MINIMUM RECORDS

I. OVERVIEW

A Current Rules

IDA Regulation 200.1(c) requires, in part, that statements be sent to customers on at least the following basis: monthly for all customers in whose account there was an entry during the month and a dollar balance or a security position and quarterly for all customers having a dollar balance or security position (including securities held in safekeeping).

B The Issue

IDA Regulations require that a monthly statement be sent to all customers where an entry has been made in their account during the month. This would therefore include regular dividend and interest payments.

However, subsection 39(1) of the Rules made under the Securities Act (Alberta), subsection 38(1) of the Rules made under the Securities Act (British Columbia), subsection 40(1) of the Regulations of the Securities Act (Nova Scotia), subsection 123(1) of the Regulations made under the Securities Act (Ontario), and subsection 34(1) of the Regulations made under the Securities Act (Saskatchewan) (collectively, "the Rules and Regulations") only require a monthly statement of account where the client has effected a transaction. Some of the Rules and Regulations even explicitly exclude the receipt of interest or dividends.

Consequently, the IDA requirement is much more stringent than the requirements under the Rules and Regulations, which only require the sending of monthly statements to those customers who have effected a transaction, and does not require a monthly statement be sent for regular dividend and interest payments.

As a result of the IDA's more onerous provision Member firms are faced with unnecessary compliance and transactional costs and customers receive additional statements that are neither particularly useful nor informative.

C Objective

The objective of the proposed amendment is to not require the preparation and sending of monthly statements resulting from the recording of relatively immaterial entries in a customer's account.

In addition, the language relating to the preparation of quarterly statements will be revised to include clearer language that mirrors more closely the language contained in the Rules and Regulations.

D Effect of Proposed Rule

The Association believes that implementing the proposed changes would have no effect on market structure or other rules. It will however, reduce Member firms' operational costs and improve efficiency.

II. DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed Rule

The requirements under the Rules and Regulations apply where a "client has effected a transaction" or where the "registered dealer records a transaction, other than the receipt of interest or dividends". The securities commissions have determined that monthly statements that simply record dividend and interest payments are inexpedient, yet Member firms are faced with unnecessary costs from both a transactional and compliance perspective as a result of having to prepare and send monthly statements more frequently.

It is proposed that IDA Regulation 200.1(c) be amended to delete the reference to "entry" and more accurately reflect the requirements of the Rules and Regulations. Monthly statements should only be sent to those clients who have effected a transaction in their account.

In addition, it is proposed that the language in Regulation 200.1(c) pertaining to quarterly statements be revised to ensure greater clarity and consistency with the language set out in the Rules and Regulations.

B Issues and Alternatives Considered

There were no alternatives considered.

C Comparison with Similar Provisions

The proposed rule amendment is based upon the Rules and Regulations of the Securities Acts of Alberta, British Columbia, Nova Scotia, Ontario and Saskatchewan.

D Systems Impact of Rule

Systems changes are estimated to be relatively minor. Members may elect not to change their systems.

E Best Interest of the Capital Markets

The Association has determined that the public interest rule is not detrimental to the best interest of the capital markets.

F Public Interest Objective

The Association believes that the proposed amendment is in the public interest in that it will facilitate an efficient, fair and competitive secondary market. The proposal is designed to standardize industry practices without impacting on investor protection. The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, Member firms or others.

III. COMMENTARY

A Filing In Another Jurisdiction

The proposed amendment will be filed for approval in Alberta, British Columbia, Saskatchewan and Ontario and will be filed for information in Nova Scotia.

B Effectiveness

This proposed amendment is simple and effective.

C Process

The proposed amendment was approved by the FAS Statistics Review Subcommittee and input was received from the Financial Administrators Section.

IV. SOURCES

IDA Regulation 200.1(c).

Section 39 of the Rules made under the *Securities Act* (Alberta).

Section 38 of the Rules made under the *Securities Act* (British Columbia).

Section 40 of the Regulations of the *Securities Act* (Nova Scotia).

Section 123 of the Regulations made under the *Securities Act* (Ontario).

Section 34 of the Regulations made under the *Securities Act* (Saskatchewan).

V. OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the proposed amendments so that the issue referred to above may be considered by OSC staff.

The Association has determined that the entry into force of the proposed amendments would be in the public interest. Comments are sought on the proposed amendment. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of the Keith Rose, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Keith Rose
Vice President
Investment Dealers Association of Canada
(416) 943 – 6907

INVESTMENT DEALERS ASSOCIATION OF CANADA

MINIMUM RECORDS

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. The paragraph following Regulation 200.1(c) is amended by replacing the words "there was an entry during the month and a dollar balance or a security position" with the words "the customer has effected a transaction".

2. The paragraph following Regulation 200.1(c) is amended by replacing the words "a dollar balance or security position" with the words "any debit or credit balance or securities or exchange contracts ".

3. The paragraph following Regulation 200.1(c) is amended by adding the following words immediately following the word "safekeeping":

"or in segregation" .

PASSED AND ENACTED BY THE Board of Directors this 16th day of January, 2002, to be effective on a date to be determined by Association staff.

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Chapter 25

Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER

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