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2

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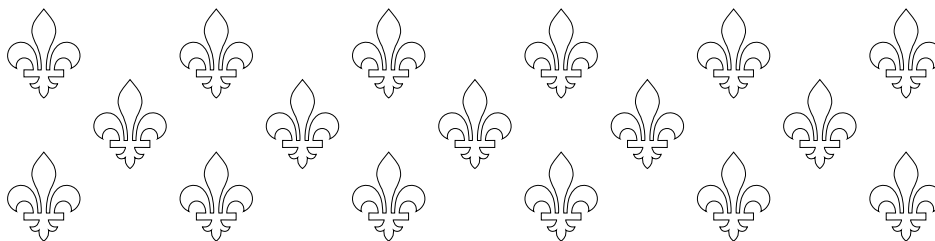
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NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-SEVENTH LEGISLATURE

Bill 230

(Private)

An Act respecting Ville de Gaspé

Introduced 12 May 2005

Passage in principle 16 June 2005

Passage 16 June 2005

Assented to 17 June 2005

**Québec Official Publisher
2005**

Bill 230

(Private)

AN ACT RESPECTING VILLE DE GASPÉ

AS it is in the interest of Ville de Gaspé that certain powers be granted to it;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 1 of the Act respecting Ville de Gaspé (2003, chapter 32) is amended by adding the following paragraph at the end:

“The city may also adopt an industrial revitalization program for sectors it delimits within the industrial zone of the Parc des Augustines described in the description and shown on the accompanying plan prepared by Christian Roy, land surveyor in Gaspé, dated 26 April 2005 and bearing number 5989 of his minutes.”

2. The city may lease or alienate immovables, in all or in part, gratuitously or for a consideration, for the benefit of the Government or a minister or government body. Despite section 12 of the Act respecting municipal industrial immovables (R.S.Q., chapter I-0.1), the city may thus lease or alienate an immovable it has acquired, built or converted for industrial purposes.

The city may also lease or alienate an immovable situated in the industrial zone of the Parc des Augustines for the benefit of a person who has entered into an agreement with the Government or a minister or government body regarding all or part of the immovable. In such a case, sections 6, 6.0.1 and 6.0.2 of the Act respecting municipal industrial immovables apply.

The city may enter into an agreement with a non-profit organization pursuing the same purposes as those referred to in the first paragraph, lend money or grant subsidies to such an organization, or transfer or lease to such an organization, gratuitously or for a consideration, immovables owned by the city. To secure the performance of the commitments made in the agreement, the city may be granted any hypothec or other security it considers sufficient or may be granted other advantages.

3. Neither the agreements entered into by the Minister of Agriculture, Fisheries and Food and Ville de Gaspé since 3 November 1995 regarding the Rivière-au-Renard fisheries industrial park and certain vacant lots in the Sandy Beach sector, nor the agreements on the management of a seawater supply system for industry, may be invalidated on the grounds that it was not within the jurisdiction of the city to make them.

4. The city may acquire and operate a seawater supply system and a waste seawater treatment system to service the industries located in the Rivière-au-Renard fisheries industrial park.

Despite the Municipal Aid Prohibition Act (R.S.Q., chapter I-15), the city may assist the industries referred to in the first paragraph by granting them a preferential rate for the provision of the services referred to in that paragraph for a period of not more than five years from the coming into force of this Act.

5. The city is deemed to have had the powers granted under section 4 of this Act since 3 November 1995.

6. This Act comes into force on 17 June 2005.



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-SEVENTH LEGISLATURE

Bill 232

(Private)

**An Act to amend various loan by-laws
issued by Ville de Montréal**

Introduced 12 May 2005

Passage in principle 16 June 2005

Passage 16 June 2005

Assented to 17 June 2005

**Québec Official Publisher
2005**

Bill 232

(Private)

AN ACT TO AMEND VARIOUS LOAN BY-LAWS ISSUED BY VILLE DE MONTRÉAL

AS it is in the interest of Ville de Montréal that various by-laws be amended;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. The loan by-laws of the former municipalities to which Ville de Montréal succeeded on 1 January 2002, under which repayment in whole or in part is provided for by the imposition of a special tax on all taxable immovable property in the territory of the former municipality or by the annual allocation of a portion of its general revenues and the object of which has not been carried out in whole or in part before that date, apply with regard to the expenditures made by the city under those by-laws between that date and 31 December 2005 as though the repayment of the portion of the loan relating to those expenditures was made out of the city's general revenues.

For the purpose of determining the expenditures made since 1 January 2002, those expenditures are excluded that, according to the information in the audited financial reports of the former municipalities referred to in the first paragraph, are among the expenditures of any fiscal year preceding the 2002 fiscal year.

2. This Act has effect from 1 January 2002.

3. This Act comes into force on 17 June 2005.

Regulations and other acts

Gouvernement du Québec

O.C. 752-2005, 17 August 2005

Professional Code
(R.S.Q., c. C-26)

Conseillers et conseillères d'orientation et psychoéducateurs et psychoéducatrices — Conciliation and arbitration procedure for the accounts of members of the Ordre

Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre des conseillers et conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec

WHEREAS, under section 88 of the Professional Code (R.S.Q., c. C-26), the Bureau of the Ordre des conseillers et conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec must establish, by regulation, a conciliation and arbitration procedure for the accounts of the members of the order which may be used by persons having recourse to the services of the members;

WHEREAS the Bureau of the Ordre des conseillers et conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec made the Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre des conseillers et conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec;

WHEREAS, under section 95.3 of the Professional Code, a draft Regulation was sent to every member of the order at least 30 days before being made by the Bureau;

WHEREAS, under section 95 of the Code and subject to sections 95.1 and 95.2 of the Code, every regulation made by the Bureau of a professional order under the Code or an Act constituting a professional order shall be transmitted to the Office des professions du Québec for examination and be submitted, with the recommendation of the Office, to the Government which may approve it with or without amendment;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the Regulation was published in Part 2 of the *Gazette officielle du Québec* of 13 April 2005 with a notice that it could be submitted to the Government for approval on the expiry of 45 days following that publication;

WHEREAS, in accordance with section 95 of the Professional Code, the Office des professions du Québec has examined the Regulation and made its recommendation;

WHEREAS it is expedient to approve the Regulation with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister responsible for the administration of legislation respecting the professions:

THAT the Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre des conseillers et conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec, attached to this Order in Council, be approved.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre des conseillers et conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec

Professional Code
(R.S.Q., c. C-26, s. 88)

DIVISION I CONCILIATION

- 1.** The syndic shall send a copy of this Regulation to any person who requests it.
- 2.** A client who has a dispute with a member of the Ordre des conseillers et conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec concerning the amount of an account for professional services must apply for conciliation by the syndic before applying for arbitration of the account.
- 3.** A member may not institute proceedings in respect of an account before the expiry of a period of 60 days following the date of receipt of the account by the client or the date on which the client became aware that a sum

had been withdrawn or withheld by the member directly from the funds the member holds or has received for or on behalf of the client.

A member may not institute proceedings in respect of an account as of the date on which the syndic received an application for conciliation in respect of an account, so long as the dispute can be settled by conciliation or arbitration.

The member may, however, apply for provisional measures in accordance with article 940.4 of the Code of Civil Procedure (R.S.Q., c. C-25).

4. An application for conciliation in respect of an account for professional services that has been unpaid or partially paid must be sent to the syndic within the 60-day period referred to in section 3.

An application for conciliation of an account or part of an account that has not been paid may be sent to the syndic after the expiry of the 60-day period referred to in section 3, provided that it is sent before proceedings on the account are served on the client.

5. Every application for conciliation must be formulated in writing. Upon receipt of the application, the syndic shall send a copy of this Regulation and a copy of Schedule I to the client, to be completed and returned to the syndic as additional information.

6. The syndic shall notify the member in question of the application for conciliation as soon as possible.

7. The syndic shall proceed with the conciliation in the manner he or she considers most appropriate.

8. Any agreement reached by the client and the member during conciliation must be in writing. The writing may consist of a letter from the syndic to the client and the member acknowledging the agreement.

If the syndic considers it necessary, the syndic may ask that the agreement reached by the client and the member be acknowledged in terms similar to those in Schedule II.

9. If conciliation does not lead to an agreement within 45 days of receipt of the application for conciliation, the syndic shall send a report on the dispute to the client and the member by registered or certified mail.

The report must pertain to, where applicable,

- (1) the amount of the account in dispute;
- (2) the amount that the client acknowledges as owing;

(3) the amount that the member acknowledges having to refund or is willing to accept in settlement of the dispute; and

(4) the amount suggested by the syndic during conciliation as payment to the member or refund to the client.

The syndic shall also send the client the form in Schedule III and indicate to the client the procedure and deadline for submitting the dispute to arbitration.

DIVISION II ARBITRATION

§1. *Application for arbitration*

10. If conciliation does not lead to an agreement, the client may apply for arbitration of the account within 30 days of receipt of the conciliation report from the syndic.

The application for arbitration must be in the form set out in Schedule III and sent to the secretary of the Order by registered or certified mail.

11. The secretary shall, upon receipt of an application for arbitration, notify the member concerned.

12. An application for arbitration may be withdrawn only in writing and with the consent of the member.

13. A member who acknowledges having to refund an amount to a client shall deposit the amount with the secretary, who shall then remit it to the client.

In such a case, the arbitration shall pertain only to the amount still in dispute.

14. Any agreement reached by the client and the member after the application for arbitration must be in writing, in terms similar to those in Schedule II, signed by the parties, and filed with the secretary.

If the agreement is reached after the council of arbitration has been formed, the agreement shall be recorded in the arbitration award and the council shall decide the expenses as provided in the second paragraph of section 27.

§2. *Council of arbitration*

15. The council of arbitration shall be composed of three arbitrators where the amount in dispute is \$1,500 or more, and of a single arbitrator where the amount is less than \$1,500.

16. The administrative committee shall designate, from among the members of the Order, the member or members of the council of arbitration and, if the council consists of three arbitrators, the administrative committee shall designate the chair.

The secretary shall inform the member or members of the council of arbitration and the parties in writing that a council of arbitration has been formed.

17. Before acting, the arbitrators shall take the oath in Schedule II to the Professional Code (R.S.Q., c. C-26).

18. An application for the recusation of an arbitrator may be made only on one of the grounds provided for in article 234 of the Code of Civil Procedure. It must be sent in writing to the secretary, to the council of arbitration and to the parties or their advocates within 10 days of receipt of the written notice sent pursuant to the second paragraph of section 16, or 10 days after the cause for recusation becomes known.

The administrative committee shall rule on the application and, where required, the secretary shall see to the replacement of the recused arbitrator.

19. In the event of an arbitrator's death, absence or inability to act, the remaining arbitrators shall see the matter to its completion. If that arbitrator is the chair of the council of arbitration, the secretary shall designate one of the remaining two members to act as chair.

If the council of arbitration consists of a single arbitrator, that arbitrator shall be replaced by a new arbitrator appointed by the administrative committee and the dispute shall be reheard.

§3. Hearing

20. The council of arbitration shall give the parties at least 10 days' written notice of the date, time and place of the hearing.

21. The parties are entitled to be represented by an advocate.

22. The council of arbitration may require the parties to submit to it, within a specified time, a statement of their claims together with supporting documents.

23. The council of arbitration shall, with diligence, hear the parties, receive their evidence or record their failure to appear. To that end, the council shall apply the rules of evidence of courts of civil jurisdiction, follow the procedure it considers most appropriate and decide the matter according to the rules of law.

24. Each party shall bear the expenses it incurs for the arbitration and may not recover them from the adverse party.

A party requesting that the testimony be recorded shall assume the cost of the recording.

§4. Arbitration award

25. The council of arbitration shall issue its award within 30 days after completion of the hearing.

26. The award shall be rendered by a majority of the members of the council of arbitration; failing a majority, the award shall be rendered by the chair.

The award must be reasoned and signed by the single arbitrator or the concurring arbitrators. If an arbitrator refuses or is unable to sign, the award shall indicate that fact and the award shall have the same effect as though signed by all the arbitrators. However, a dissenting member may enter in the award the reasons for his or her refusal.

27. In its award, the council of arbitration may uphold or reduce the amount of the account in dispute; it may also determine, if appropriate, the refund to which a party may be entitled. To that end, it may in particular take into account the quality of the services rendered.

The council of arbitration may decide the arbitration expenses, namely the expenses incurred by the Order for the arbitration. The total amount of the expenses must not, however, exceed 15% of the amount in dispute.

When the account in dispute is maintained in whole or in part or when a refund is awarded, the council of arbitration may also add interest and an indemnity as provided in articles 1618 and 1619 of the Civil Code, calculated from the date of the application for conciliation.

28. The arbitration award is final, binds the parties and is executory in accordance with articles 946.1 to 946.6 of the Code of Civil Procedure.

29. The council of arbitration shall file its award with the secretary, who shall send a copy of the award to the parties or their advocates and to the syndic.

The council of arbitration shall also send to the secretary the complete arbitration record, copies of which may be sent solely to the parties or their advocates and the syndic.

30. This Regulation replaces the Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre des conseillers et

conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec, approved by Order in Council 47-94 dated 10 January 1994. The latter Regulation continues, however, to govern the conciliation and arbitration procedure for the accounts for which conciliation by the syndic or an application for arbitration was made before the date of coming into force of this Regulation.

31. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

SCHEDULE I

(s. 5)

APPLICATION FOR CONCILIATION

I, the undersigned _____, declare that:
(name and address of client)

1. _____ is
(name and address of member)

claiming from me the sum of \$ _____
for professional services rendered between _____
_____ and _____ as evidenced by:
(date) (date)

the account a copy of which is attached hereto

or

the document a copy of which is attached hereto,
indicating that the amount has been withdrawn
or withheld.

I am contesting the account for the following reasons:

3. I acknowledge owing the sum of \$ _____
for the professional services mentioned in the account.

4. (a) I have not paid the account

or

(b) I have paid the account in full

or

(c) I have paid a portion of the account,
in the amount of \$ _____

or

(d) The sum of \$ _____ has been
withdrawn or withheld directly from the funds
the member holds or has received for or
on my behalf.

5. I am applying for conciliation by the syndic under the Regulation respecting the procedure for the conciliation and arbitration of accounts of members of the Ordre des conseillers et conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec.

And I have signed on _____
(date)

(client's signature)

SCHEDULE II

(ss. 8 and 14)

AGREEMENT RESPECTING A DISPUTE
SUBMITTED TO CONCILIATION
OR
TO ARBITRATION

Entered into between:

(name and address of client)

hereinafter referred to as "the client",

and

(name and address of member)

who state and agree as follows:

An agreement has been entered into
between the client and the member
concerning the dispute submitted
to conciliation

or

to arbitration

applied for on _____
(date)

The agreement provides for the following terms and conditions:

The client and the member request that the

conciliation

or

arbitration

proceedings be stayed.

 (client's signature)

Signed at _____
 (place)

on _____
 (date)

 (member's signature)

Signed at _____
 (place)

on _____
 (date)

SCHEDULE III

(ss. 9 and 10)

APPLICATION FOR ARBITRATION OF AN ACCOUNT

I, the undersigned _____,
 (name and address of client)

declare under oath that:

1. _____
 (name and address of member)

is claiming from me (or refuses to refund to me) a sum of money for professional services.

2. I have attached a copy of the conciliation report.

3. I am applying for arbitration of the account under the Regulation respecting the conciliation and arbitration procedure for the accounts of members of the Ordre des conseillers et conseillères d'orientation et des psychoéducateurs et psychoéducatrices du Québec, a copy of which I have received and have taken cognizance.

4. I agree to abide by the procedure provided for in the Regulation and, where required, to pay to the member concerned the amount of the arbitration award.

And I have signed on _____
 (date)

 (client's signature)

7064

Gouvernement du Québec

O.C. 757-2005, 17 August 2005

An Act respecting threatened or vulnerable species (R.S.Q., c. E-12.01 ; 2004, c.11)

Threatened or vulnerable plant species and their habitats

Regulation respecting threatened or vulnerable plant species and their habitats

WHEREAS section 10, amended by section 70 of chapter 11 of the Statutes of 2004, and sections 16, 17 and 39 of the Act respecting threatened or vulnerable species (R.S.Q., c. E-12.01) confer on the Government the power to make regulations on the matters set forth therein;

WHEREAS the Government made the Regulation respecting threatened or vulnerable plant species and their habitats by Order in Council 489-98 dated 8 April 1998;

WHEREAS it is expedient to replace the Regulation;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft regulation was published in the *Gazette officielle du Québec* of 11 August 2004 with a notice that it could be made by the Government on the expiry of 45 days following that publication;

WHEREAS, in the light of the comments received, it is expedient to make the Regulation with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of Sustainable Development, Environment and Parks:

THAT the Regulation respecting threatened or vulnerable plant species and their habitats, attached to this Order in Council, be made.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

Regulation respecting threatened or vulnerable plant species and their habitats

An Act respecting threatened or vulnerable species (R.S.Q., c. E-12.01, s. 10, s. 16, 2nd par., subpar. 1, s. 17, 2nd par., subpars. 1 and 3, and s. 39, 1st par., subpars. 1 to 3, and 2nd par.; 2004, c. 11, s. 70)

DIVISION I GENERAL

1. For the purposes of this Regulation, all the specimens of a plant species that grow naturally in their native habitat constitute a wild population.

No human intervention, including transplantation into a host environment, may operate to destroy the fundamental nature of a wild population or of a specimen of a wild population.

DIVISION II THREATENED PLANT SPECIES

2. The following are designated as threatened plant species:

— putty-root (*Aplectrum hyemale* (Muhlenberg ex Willdenow) Nuttall);

— green dragon (*Arisaema dracontium* (Linnaeus) Schott);

— Griscom's arnica (*Arnica griscomii* Fernald subsp. *griscomii*);

— butterfly weed (*Asclepias tuberosa* (Linnaeus) var. *interior* (Woodson) Shinners);

— Indian's dream (*Aspidotis densa* (Brackenridge in Wilkes) Lellinger);

— white wood aster (*Eurybia divaricata* (Linnaeus) Nesom);

— Anticosti aster (*Symphyotrichum anticostense* (Fernald) Nesom);

— Gulf of St. Lawrence aster (*Symphyotrichum laurentianum* (Fernald) Nesom);

— Fernald's milk-vetch (*Astragalus robbinsii* (Oakes) A. Gray var. *fernaldii* (Rydberg) Barneby);

— American alpine lady-fern (*Athyrium alpestre* (Hoppe) Clairville subsp. *americanum* (Butters) Lellinger);

— false hop sedge (*Carex lupuliformis* Sartwell);

— American water-willow (*Justicia americana* (Linnaeus) M. Vahl);

— meadow thistle (*Cirsium scariosum* Nuttall);

— Victorin's water-hemlock (*Cicuta maculata* Linnaeus var. *victorinii* (Fernald) Boivin);

— autumn coral-root (*Corallorhiza odontorhiza* (Willdenow) Poiret var. *pringlei* (Greenman) Freudenstein);

— broom crowberry (*Corema conradii* (Torrey) Torrey);

— sparrow's-egg lady's-slipper (*Cypripedium passerinum* Richardson);

— wall-rue (*Asplenium ruta-muraria* Linnaeus);

— Parker's pipewort (*Eriocaulon parkeri* B.L. Robinson);

— dwarf huckleberry (*Gaylussacia dumosa* (Andrews) Torrey & A. Gray var. *bigeloviana* Fernald);

— Macoun's fringed gentian (*Gentianopsis procera* (Th. Holm) Ma subsp. *macounii* (Th. Holm) Iltis var. *macounii*) where it grows in the territory of Municipalité régionale de comté de Bonaventure;

— Victorin's gentian (*Gentianopsis procera* (Th. Holm) Ma subsp. *macounii* (Th. Holm) Iltis var. *victorinii* (Fernald) Iltis);

— American ginseng (*Panax quinquefolius* Linnaeus) as regards its wild populations;

- lizard's tail (*Saururus cernuus* Linnaeus);
- serpentine stitchwort (*Minuartia marcescens* (Fernald) House);
- slender muhly (*Muhlenbergia tenuiflora* (Willdenow) Britton, Sterns and Poggenburg var. *tenuiflora*);
- soft-hair marble-seed (*Onosmodium bejariense* A. de Candolle var. *hispidissimum* (Mackenzie) B.L. Turner);
- cork elm (*Ulmus thomasi* Sargent);
- broad beech fern (*Phegopteris hexagonoptera* (Michaux) Fée);
- pitch pine (*Pinus rigida* P. Miller);
- May apple (*Podophyllum peltatum* Linnaeus);
- Van Brunt's Jacob's ladder (*Polemonium vanbruntiae* Britton);
- mountain holly fern (*Polystichum scopulinum* (D.C. Eaton) Maxon);
- woodland pinedrops (*Pterospora andromedea* Nuttall);
- hooded arrowhead (*Sagittaria montevidensis* Chamisso & Schlechtendal subsp. *spongiosa* (Engelmann) C. Bogin);
- green-scaled willow (*Salix chlorolepis* Fernald);
- round-leaf ragwort (*Packera obovata* (Muhlenberg ex Willdenow) W.A. Weber and A. Löve);
- dwarf arctic ragwort (*Packera cymbalaria* (Pursh) W.A. Weber);
- bog fern (*Thelypteris simulata* (Davenport) Nieuwland);
- Mt. Albert goldenrod (*Solidago simplex* Kunth subsp. *simplex* var. *chlorolepis* (Fernald) Ringius);
- Provancher's fleabane (*Erigeron philadelphicus* Linnaeus subsp. *provancheri* (Victorin and Rousseau) J.K. Morton);
- narrow-leaf vervain (*Verbena simplex* Lehmann);
- blunt-lobed woodsia (*Woodsia obtusa* (Sprengel) Torrey subsp. *obtusa*).

DIVISION III VULNERABLE PLANT SPECIES

3. The following are designated as vulnerable plant species:

- maidenhair fern (*Adiantum pedatum* Linnaeus);
- wild leek (*Allium tricoccum* Aiton var. *tricoccum* and *Allium tricoccum* Aiton var. *burdickii* Hanes);
- Canadian wild ginger (*Asarum canadense* Linnaeus);
- crinkleroot (*Cardamine diphylla* (Michaux) A. Wood);
- large toothwort (*Cardamine maxima* (Nuttall) A. Wood);
- ram's-head lady's-slipper (*Cypripedium arietinum* R. Brown);
- false mermaidweed (*Floerkea proserpinacoides* Willdenow);
- woodland sunflower (*Helianthus divaricatus* Linnaeus);
- Canada lily (*Lilium canadense* Linnaeus);
- ostrich fern (*Matteuccia struthiopteris* (Linnaeus) Todaro);
- Douglas' knotweed (*Polygonum douglasii* E.L. Greene subsp. *douglasii*);
- bloodroot (*Sanguinaria canadensis* Linnaeus);
- fragrant sumac (*Rhus aromatica* Aiton var. *aromatica*);
- white trillium (*Trillium grandiflorum* (Michaux) Salisbury);
- large-flowered bellwort (*Uvularia grandiflora* J.E. Smith);
- marsh valerian (*Valeriana uliginosa* (Torrey and A. Gray) Rydberg ex Britton).

4. Despite the prohibitions referred to in section 16 of the Act respecting threatened or vulnerable species (R.S.Q., c. E-12.01), a person may have wild leek (*Allium tricoccum* var. *tricoccum* and *Allium tricoccum* var. *burdickii*) in his or her possession outside its natural

environment or may harvest it for the purposes of personal consumption in an annual quantity not exceeding 200 grams of any of its parts or a maximum of 50 bulbs or 50 plants, provided that those activities do not take place in

— a park within the meaning of the Parks Act (R.S.Q., c. P-9);

— an ecological reserve, biodiversity reserve, aquatic reserve or man-made landscape within the meaning of the Natural Heritage Conservation Act (R.S.Q., c. C-61.01);

— a wildlife preserve within the meaning of the Act respecting the conservation and development of wildlife (R.S.Q., c. C-61.1);

— a site acquired under section 8 of the Act respecting threatened or vulnerable species;

— a regional park within the meaning of article 688 of the Municipal Code of Québec (R.S.Q., c. C-27.1) located on lands in the domain of the State;

— the Boisé-de-Marly plant habitat provided for in section 7; or

— any of the following parks listed in Schedule D to the Charter of Ville de Montréal (R.S.Q., c. C-11.4):

- Parc du Mont-Royal;
- Parc de l'Anse-à-l'Orme;
- Parc du Cap-Saint-Jacques;
- Parc du Bois-de-l'Île-Bizard;
- Parc du Bois-de-Liesse;
- Parc de l'Île-de-la-Visitation;
- Parc de la Pointe-aux-Prairies;
- Parc du Bois-de-Saraguay.

5. The prohibitions referred to in section 16 of the Act respecting threatened or vulnerable species (R.S.Q., c. E-12.01) do not apply to the maidenhair fern, Canadian wild ginger, crinkleroot, large toothwort, Canada lily, ostrich fern, bloodroot, white trillium or large-flowered bellwort, except as regards the annual harvesting from a wild population of more than five whole specimens or underground parts of any of those species or the trading in any whole specimen or any underground part harvested from a wild population.

The prohibitions also do not apply if the specimens of a wild population of the species are situated in a habitat that is to be irremediably altered as a result of the carrying out of a project authorized under the Environment Quality Act (R.S.Q., c. Q-2).

DIVISION IV **PLANT HABITATS**

6. For the purposes of this Division, natural high-water mark is the high-water mark defined in the Protection Policy for Lakeshores, Riverbanks, Littoral Zones and Floodplains adopted by Order in Council 468-2005 dated 18 May 2005.

7. The following are plant habitats of threatened species and vulnerable species:

Abitibi-Témiscamingue

— Île-Brisseau plant habitat;

The habitat corresponds to a place known and designated as “Île Brisseau” in Lac Témiscamingue, in the territory of Municipalité de Duhamel-Ouest, Municipalité régionale de comté de Témiscamingue;

Bas-Saint-Laurent

— Mont-Fortin plant habitat;

The habitat corresponds to the ledges, rock faces and colluvium on the steep slopes of the schist cliffs of Mont Fortin in the Fernald ecological reserve, in the unorganized territory of Municipalité régionale de comté de Matane;

— Mont-Logan plant habitat;

The habitat corresponds to the main ridge on Mont Logan and to the prairies, snow beds and stream banks of the subalpine and alpine belts of the Mont Logan Pease watershed, as well as the ledges, rock faces and colluvium on the steep slopes of Mont Griscom in Parc national de la Gaspésie, in the unorganized territory of Municipalité régionale de comté de Matane;

— Mont-Matawees plant habitat;

The habitat corresponds to the ridges, ravines and ledges of the schist cliffs of Mont Matawees in the Fernald ecological reserve, in the unorganized territory of Municipalité régionale de comté de Matane;

— Premier-Lac-des-Îles plant habitat;

The habitat corresponds to the Premier lac des Îles sector situated in Parc national de la Gaspésie, in the unorganized territory of Municipalité régionale de comté de Matane;

— Tourbière-de-Lac-Casault plant habitat;

The habitat corresponds to an open black spruce-tamarack-sphagnum forest in the township of La Vérendrye, in the unorganized territory of Municipalité régionale de comté de La Matapédia. The habitat is demarcated on a chart prepared by the Minister;

— Tourbière-de-Saint-Valérien plant habitat;

The habitat corresponds to a cedar-black spruce-speckled alder forest, in the territory of Municipalité de la paroisse de Saint-Valérien, Municipalité régionale de comté de Rimouski-Neigette. The habitat is demarcated on a chart prepared by the Minister;

Capitale-Nationale

— Boisé-de-Marly plant habitat;

The habitat corresponds to the Marly wooded area, in the territory of Ville de Québec (Sainte-Foy), and comprises parts of lots 1 406 540, 1 660 355 and 1 660 358 of the cadastre of Québec;

— Marches-Naturelles plant habitat;

The habitat corresponds to the bed and littoral of the Montmorency river, up to the natural high-water mark, between the Des Marches-Naturelles dam and the bridge on Highway 360, in the territory of Municipalité de Boischatel, Municipalité régionale de comté de La Côte-de-Beaupré. The habitat is demarcated on a chart prepared by the Minister;

— Parc-de-la-Plage-Jacques-Cartier plant habitat;

The habitat corresponds to a 6,000-square-metre quadrilateral on a section of the rocky cliffs of the Québec hills, in the territory of Ville de Québec (Sainte-Foy). The quadrilateral is bounded to the north by land owned by Canadian National and to the south by a break of slope; the eastern and western limits are 20 metres and 80 metres, respectively, from the ram's-head lady's-slipper population;

— Rives-Calcaires-du-Pont-Déry plant habitat;

The habitat corresponds to the bed and littoral of the Jacques-Cartier river, up to the natural high-water mark, between the Déry bridge and the first dam upstream

from the bridge, in the territory of Ville de Pont-Rouge, Municipalité régionale de comté de Portneuf. The habitat is demarcated on a chart prepared by the Minister;

Centre-du-Québec

— Rivière-Godefroy plant habitat;

The habitat corresponds to a 250-metre-wide strip of land in the southern part of the Léon-Provancher ecological reserve and to the northern and southern littoral of the Godefroy river, up to the natural high-water mark, between the Autoroute 30 bridge and Saint-Paul lake, in the territory of Ville de Bécancour, Municipalité régionale de comté de Bécancour. The habitat is demarcated on a chart prepared by the Minister;

Chaudière-Appalaches

— Anse-Ross plant habitat;

The habitat corresponds to the intertidal zone, up to the natural high-water mark, of a place known and designated as "anse Ross" on the shores of the St. Lawrence River, in the territory of Ville de Lévis (Saint-Nicolas). The habitat is demarcated on a chart prepared by the Minister;

— Éboulis-de-Serpentine-du-Mont-Caribou plan habitat;

The habitat corresponds to an escarpment and talus on the eastern flank of Mont Caribou, within the Serpentine-de-Coleraine ecological reserve, in the territory of Municipalité de Saint-Joseph-de-Coleraine, Municipalité régionale de comté de L'Amiante. The habitat is demarcated on a chart prepared by the Minister;

— Marais-de-l'Anse-du-Cap plant habitat;

The habitat corresponds to the intertidal zone, up to the natural high-water mark, of an area situated on either side of the mouth of the Vincelotte river on the St. Lawrence River, in the territory of Municipalité de Cap-Saint-Ignace, Municipalité régionale de comté de Montmagny. The habitat is demarcated on a chart prepared by the Minister;

— Marais-de-l'Anse-Verte plant habitat;

The habitat corresponds to the intertidal zone, up to the natural high-water mark, of a place known and designated as "anse Verte" on the shores of the St. Lawrence River, in the territory of Municipalité de Berthier-sur-Mer, Municipalité régionale de comté de Montmagny. The habitat is demarcated on a chart prepared by the Minister;

— Marais-de-la-Pointe-de-La Durantaye plant habitat ;

The habitat corresponds to the intertidal zone, up to the natural high-water mark, of a place known and designated as “pointe de la Durantaye” on the shores of the St. Lawrence River, in the territory of Municipalité de Saint-Michel-de-Bellechasse, Municipalité régionale de comté de Bellechasse. The habitat is demarcated on a chart prepared by the Minister ;

Côte-Nord

— Merritt-Lyndon-Fernald plant habitat ;

The habitat corresponds to escarpments to the east and to the west of Blanc-Sablon, in the territory of Municipalité de Blanc-Sablon. The habitat is demarcated on a chart prepared by the Minister ;

Gaspésie-Îles-de-la-Madeleine

— Baie-du-Havre-aux-Basques plant habitat ;

The habitat corresponds to a series of sites on Îles-de-la-Madeleine between the Havre Aubert and Cap aux Meules islands on the periphery of Havre aux Basques bay. The habitat is demarcated on a chart prepared by the Minister ;

— Barachois-de-Bonaventure plant habitat ;

The habitat corresponds to a series of islands that form part of the barachois in the Bonaventure river, in the territory of Ville de Bonaventure, Municipalité régionale de comté de Bonaventure. The habitat is demarcated on a chart prepared by the Minister ;

— Barachois-de-Fatima plant habitat ;

The habitat corresponds to a barachois immediately north of a place known and designated as “cap Vert” on Îles-de-la-Madeleine. The habitat is demarcated on a chart prepared by the Minister ;

— Bassin-aux-Huîtres plant habitat ;

The habitat corresponds to a site on De la Grande Entrée island on the periphery of Bassin aux Huîtres on Îles-de-la-Madeleine. The habitat is demarcated on a chart prepared by the Minister ;

— Dune-du-Nord plant habitat ;

The habitat corresponds to a site on Îles-de-la-Madeleine on the south-east side of Highway 199 between Aux Loups and Grosse-Île islands at a place

known and designated as “Dune du Nord.” The habitat is demarcated on a chart prepared by the Minister ;

— Falaise-du-Mont-Saint-Alban plant habitat ;

The habitat corresponds to the eastern face of the limestone cliffs of Mont Saint-Alban in Forillon Park, in the territory of Ville de Gaspé, Municipalité régionale de comté de La Côte-de-Gaspé ;

— Marais-de-Listuguj plant habitat ;

The habitat corresponds to a part of the intertidal zone, up to the natural high-water mark, of a habitat situated approximately 1 kilometre east of a place known and designated as “pointe à Bourdeau”, in the territory of Municipalité de Pointe-à-la-Croix, Municipalité régionale de comté d’Avignon. The habitat is demarcated on a chart prepared by the Minister ;

— Marais-de-la-Pointe-à-Bourdeau plant habitat ;

The habitat corresponds to the intertidal zone, up to the natural high-water mark, of a habitat the greater part of which is situated to the west of a place known and designated as “pointe à Bourdeau”, in the territory of Municipalité du canton de Ristigouche-Partie-Sud-Est and Municipalité de Pointe-à-la-Croix, Municipalité régionale de comté d’Avignon. The habitat is demarcated on a chart prepared by the Minister ;

— Montagne-de-Roche plant habitat ;

The habitat corresponds to the ledges and crevices of the limestone cliffs of Montagne de Roche in Forillon Park, in the territory of Ville de Gaspé, Municipalité régionale de comté de La Côte-de-Gaspé ;

— Platières-de-la-Grande-Rivière plant habitat ;

The habitat corresponds to the banks of the Grande-Rivière in the Gaspésie, up to the natural high-water mark, in the territory of Ville de Grande-Rivière, Municipalité régionale de comté du Rocher-Percé ;

— Serpentine-du-Mont-Albert plant habitat ;

The habitat corresponds to the tundra vegetation growing on the serpentine plateau of Mont Albert, to the rocky serpentine slopes of the Du Diable ravine and to the east and south flanks of the mountain from an elevation of 550 metres upward, in Parc National de la Gaspésie, in the unorganized territory of Municipalité régionale de comté de La Haute-Gaspésie ;

— Les Sillons plant habitat ;

The habitat corresponds to a series of sites on Îles-de-la-Madeleine on either side of Highway 199 on Havre aux Maisons island, in particular along the places known and designated as “les Sillons” and “la dune du Sud.” The habitat is demarcated on a chart prepared by the Minister;

— Tourbière-du-Lac-Maucôque plant habitat;

The habitat corresponds to a peat bog on Havre Aubert island on Îles-de-la-Madeleine. The habitat is demarcated on a chart prepared by the Minister;

— Tourbière-de-Mont-Albert plant habitat;

The habitat corresponds to a part of the open black spruce-tamarack-ericaceous forest along Highway 198, in the unorganized territory of Municipalité régionale de comté de La Haute-Gaspésie. The habitat is demarcated on a chart prepared by the Minister;

— Vallée-du-Cor plant habitat;

The habitat corresponds to the prairies, snow beds and stream banks of the subalpine and alpine belts of the McGerrigle mountains in Parc national de la Gaspésie, in the unorganized territory of Municipalité régionale de comté de La Haute-Gaspésie;

Lanaudière

— Marécage-de-la-Grande-Île plant habitat;

The habitat corresponds to lots 278, 279 and 280 and a 100-metre-wide strip of land along the south-east side of lots 299 and 302 and to the part of lot 299 situated south-west of lot 300, in the Grande-Île wildlife sanctuary, in the territory of Municipalité de la paroisse de Saint-Ignace-de-Loyola, Municipalité régionale de comté de D’Autray;

— Marécage-de-l’Île-Bouchard plant habitat;

The habitat corresponds to an area of silver maple-red ash forest approximately 1.5 hectares in size on lots 251 and 252, at the south-east tip of the largest pond forming part of “Grand Marais” on Bouchard island in the Îles de Verchères archipelago, in the territory of Municipalité de la paroisse de Saint-Sulpice, Municipalité régionale de comté de L’Assomption;

Laurentides

— Érablière-de-la-Baie-Durand plant habitat;

The habitat corresponds to a sugar maple forest in the territory of Municipalité de Notre-Dame-du-Laus, Municipalité régionale de comté d’Antoine-Labelle. The habitat is demarcated on a chart prepared by the Minister;

— Hêtraie-du-Calvaire-d’Oka plant habitat;

The habitat corresponds to the beech-red oak-sugar maple forest on the upper part of the southern slope of Colline du Calvaire d’Oka in Parc national d’Oka, in the territory of Municipalité d’Oka, Municipalité régionale de comté de Deux-Montagnes;

— Marais-de-l’Île-des-Juifs plant habitat;

The habitat corresponds to part of the littoral and floodplain in the southern part of Des Juifs island, in the territory of Ville de Rosemère, Municipalité régionale de comté de Thérèse-De-Blainville. The habitat is demarcated on a chart prepared by the Minister;

— Ormes-Lièges-du-Canton-de-Chatham plant habitat;

The habitat corresponds to part of lot 194 of the 1st concession of the cadastre of the township of Chatham, in the territory of Ville de Brownsburg-Chatham, Municipalité régionale de comté d’Argenteuil. The habitat is demarcated on a chart prepared by the Minister;

Laval

— Alvar-de-l’Île-de-Pierre plant habitat;

The habitat corresponds to an island known and designated as “Île de Pierre” on the Des Prairies river, in the territory of Ville de Laval. The habitat is demarcated on a chart prepared by the Minister;

Montérégie

— Baie-des-Anglais plant habitat;

The habitat corresponds to the western part of lot 1 of the Marcel-Raymond ecological reserve, in the territory of Municipalité d’Henryville, Municipalité régionale de comté du Haut-Richelieu;

— Chenal-Proulx plant habitat;

The habitat corresponds to the bed and littoral, up to the natural high-water mark, of the channel known and designated as “Chenal Proulx” in the vicinity of Claude island and the Sainte-Anne rapids in Vaudreuil bay, in the territory of Ville de L’Île-Perrot, Municipalité régionale de comté de Vaudreuil-Soulanges. The habitat is demarcated on a chart prepared by the Minister;

— Grand-Bois-de-Saint-Grégoire plant habitat;

The habitat corresponds to the wooded part of lots 49-P, 51-P and 52-P of the third range of the cadastre of the parish of Saint-Grégoire, in the territory of Municipalité de Mont-Saint-Grégoire, Municipalité régionale de comté du Haut-Richelieu. The habitat is demarcated on a chart prepared by the Minister;

— Îles-Arthur-et-Bienville plant habitat;

The habitat corresponds to Arthur and Bienville islands, which form part of the Micocoulier ecological reserve, in the territory of Municipalité de Coteau-du-Lac, Municipalité régionale de comté de Vaudreuil-Soulanges. The habitat is demarcated on a chart prepared by the Minister;

— Île-Beaugard plant habitat;

The habitat corresponds to lots 805, 806 and 807 of Beaugard island and to the Beaugard island nature reserve, forming part of the Îles de Verchères archipelago, in the territory of Municipalité de Verchères, Municipalité régionale de comté de Lajemmerais;

— Marais-de-l'Île-Avelle plant habitat;

The habitat corresponds to a part of the south-eastern littoral of Avelle island, forming part of the Îles-Avelle-Wight-et-Hiam ecological reserve, in the territory of Ville de Vaudreuil-Dorion, Municipalité régionale de comté de Vaudreuil-Soulanges. The habitat is demarcated on a chart prepared by the Minister;

— Marécage-de-l'Île-Lacroix plant habitat;

The habitat corresponds to the north-eastern part of Lacroix island, forming part of the Îles de Sorel archipelago, in the territory of Municipalité de la paroisse de Sainte-Anne-de-Sorel, Municipalité régionale de comté du Bas-Richelieu. The habitat is demarcated on a chart prepared by the Minister;

— Marécage-de-l'Île-Marie plant habitat;

The habitat corresponds to a 2.5-hectare strip of silver maple-red ash forest situated on lot 793, along the western channel of the northern tip of Marie island, forming part of the Îles de Verchères archipelago, in the territory of Municipalité de Verchères, Municipalité régionale de comté de Lajemmerais;

Montréal

— Île-Rock plant habitat;

The habitat corresponds to a rocky island named “Île Rock” in the Lachine Rapids, between Île des Soeurs and Aux Chèvres islands, in the territory of Ville de Montréal (LaSalle);

— Parc-du-Mont-Royal plant habitat;

The habitat corresponds to a part of the sugar maple-bitternut hickory forest, covering an area of approximately 30,000 square metres, delimited by zones H-15, I-6 and I-11 on the emergency measures location plan of Mont-Royal park, in the territory of Ville de Montréal.

DIVISION V SPECIAL PROVISIONS

8. The prohibitions from mutilating or destroying any specimen of a threatened or vulnerable species set out in section 16 of the Act respecting threatened or vulnerable species and the prohibitions set out in section 17 of the Act do not apply to Hydro-Québec’s ordinary overhead electric power line servicing and upgrading activities carried on in the plant habitats of Baie-du-Havre-aux-Basques, Barachois-de-Bonaventure, Dune-du-Nord, Les Sillons and Tourbière-de-Mont-Albert, on the condition that access to the equipment is by existing roads, where they exist, and the servicing and upgrading activities are carried out without jeopardizing the viability of the threatened or vulnerable species and the components of the surroundings that ensure their survival.

The prohibitions also do not apply to major servicing and upgrading work such as land decontamination or the reconstruction, renovation or construction of all or any portion of a power line in the same habitats and under the same conditions as those described in the first paragraph. Hydro-Québec must, however, before undertaking the work, obtain authorization pursuant to subparagraph 2 of the first paragraph of section 18 of that Act from the Minister of Sustainable Development, Environment and Parks.

9. The prohibitions from mutilating or destroying any specimen of a threatened or vulnerable species set out in section 16 of the Act respecting threatened or vulnerable species and the prohibitions set out in section 17 of the Act do not apply to activities carried out in an emergency situation on Hydro-Québec’s overhead power line network.

DIVISION VI FINAL

10. This Regulation replaces the Regulation respecting threatened or vulnerable plant species and their habitats made by Order in Council 489-98 dated 8 April 1998.

11. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

7063

Gouvernement du Québec

O.C. 767-2005, 17 August 2005

An Act respecting transportation services by taxi (R.S.Q., c. S-6.01)

Amendment to Order in Council 736-2002 dated 12 June 2002 fixing the maximum number of taxi owner's permits per taxi servicing area and certain conditions of operation

WHEREAS, under the first paragraph of section 10 of the Act respecting transportation services by taxi (R.S.Q., c. S-6.01), the Commission des transports du Québec shall issue the taxi owner's permits to be used in a servicing area after sending a notice to the Association professionnelle des chauffeurs de taxi du Québec and after taking into consideration, where applicable, the maximum number of taxi owner's permits it is authorized to issue pursuant to an order made under the third paragraph of that section;

WHEREAS, under the third paragraph of that section, the Government may, for each servicing area it specifies, fix the maximum number of taxi owner's permits that may be issued by the Commission des transports du Québec according to the services specified by the Government and, where applicable, the conditions determined by the Government;

WHEREAS, under Order in Council 736-2002 dated 12 June 2002, the Commission des transports du Québec may not issue, for each area established and delimited under subparagraph 4 of the first paragraph of section 79 of the Act, more taxi owner's permits than the maximum number appearing in the Schedule attached to that Order in Council for each area indicated therein;

WHEREAS under Order in Council 1250-2003 dated 26 November 2003, the Schedule to Order in Council 736-2002 dated 12 June 2002 was amended so that the maximum number of taxi owner's permits that may be issued by the Commission des transports du Québec for servicing area A.39 Saint-Hyacinthe, bearing Administrative Number 102039, was increased to 37;

WHEREAS the holders of taxi owner's permits in servicing area A.39 Saint-Hyacinthe have requested that the maximum number of taxi owner's permits in their servicing area be increased;

WHEREAS it is expedient to again modify the maximum number of taxi owner's permits fixed for servicing area A.39 Saint-Hyacinthe;

IT IS ORDERED, therefore, on the recommendation of the Minister of Transport and Minister responsible for the Capitale-Nationale region:

THAT the Schedule to Order in Council 736-2002 dated 12 June 2002, amended by Order in Council 1250-2003 dated 26 November 2003, be amended to increase the maximum number of taxi owner's permits that may be issued by the Commission des transports du Québec to 38 for servicing area A.39 Saint-Hyacinthe, bearing Administrative Number 102039.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

7062

Gouvernement du Québec

O.C. 777-2005, 17 August 2005

An Act respecting the Société d'habitation du Québec (R.S.Q., c. S-8)

Nunavik — Conditions for the leasing of dwellings in low-rental housing

By-law respecting the conditions for the leasing of dwellings in low-rental housing in Nunavik

WHEREAS, under subparagraph *g* of the first paragraph of section 86 of the Act respecting the Société d'habitation du Québec (R.S.Q., c. S-8), the Société d'habitation du Québec may, by by-law, establish the conditions upon which leases may be taken or granted by a municipality, a bureau or by any organization or person who obtains a loan, subsidy or allowance for the carrying out of a housing program;

WHEREAS, under the second paragraph of section 86 of the Act, the by-laws relating to matters referred to in subparagraph *g* may, subject to the Charter of human rights and freedoms (R.S.Q., c. C-12) and the Canadian

Charter of Rights and Freedoms (Part I of Schedule B to the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom), include distinctions, exclusions or preferences based on age, handicap or any element pertaining to the situation of a person;

WHEREAS, under a housing program, the Kativik Municipal Housing Bureau manages the low-rental dwellings located in Nunavik whose operating deficit is subsidized by the Société d'habitation du Québec;

WHEREAS the Société d'habitation du Québec has agreed with the Kativik Regional Government and the Kativik Municipal Housing Bureau on a new rent scale that takes into account the financial capacity of the tenants;

WHEREAS, by Resolution No. 2005-023 dated 5 April 2005, the board of directors of the Société d'habitation du Québec adopted the By-law respecting the conditions for the leasing of dwellings in low-rental housing in Nunavik;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the By-law respecting the conditions for the leasing of dwellings in low-rental housing in Nunavik was published in Part 2 of the *Gazette officielle du Québec* of 4 May 2005 with a notice that it could be submitted to the Government for approval on the expiry of 45 days following that publication;

WHEREAS, under section 87 of the Act respecting the Société d'habitation du Québec, the by-laws of the Société shall be subject to approval by the Government;

WHEREAS no comments on the draft By-law were received;

WHEREAS it is expedient to approve the By-law without amendment;

IT IS ORDERED, therefore, on the recommendation of the Premier, the Minister of Municipal Affairs and Regions and the Minister for Native Affairs:

THAT the By-law respecting the conditions for the leasing of dwellings in low-rental housing in Nunavik, attached to this Order in Council, be approved.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

By-law respecting the conditions for the leasing of dwellings in low-rental housing in Nunavik

An Act respecting the Société d'habitation du Québec (R.S.Q., c. S-8, s. 86, 1st par., subpar. g, and 2nd par.)

DIVISION I PURPOSE

1. The purpose of this By-law is to establish conditions for the leasing of dwellings in low-rental housing in the villages of Akulivik, Aupaluk, Inukjuak, Ivujivik, Kangiqsujuaq, Kangirsuk, Kangiqsualujuaq, Kuujuaq, Kuujuarapik, Puvirnituk, Quaqtaq, Salluit, Tasiujaq and Umiujaq.

DIVISION II MONTHLY RENT AND MAXIMUM AND MINIMUM RENT

2. The monthly rent is the maximum rent established in accordance with Schedule I. A lessee may request the lessor to establish the rent on the basis of his or her income, in accordance with Division III. If the rent thus obtained is less than the minimum rent established in accordance with Schedule II, the latter rent prevails.

The lessee must give the lessor the documents required in support of his or her request.

3. The monthly rent is adjusted on 1 July of each year as of 1 July 2006. For 2005, the monthly rent is adjusted within 3 months of the date of coming into force of this By-law.

If a permanent change occurs in the situation of the lessee or the lessee's spouse and results in a decrease in total income calculated as provided in section 5, the lessee may request in the course of the year that the monthly rent be adjusted. The lessee may make a similar request if, in the year, the lessee or the lessee's spouse attains 60 years of age, in which case the rent is adjusted pursuant to section 6.

4. The minimum rents established in accordance with Schedule II are indexed on 1 July of each year according to the rate of change in the general Consumer Price Index, for Québec, as determined by Statistics Canada under the Statistics Act (R.S.C. 1985, c. S-19), calculated on the basis of the average of the indices for the 12 months of the preceding year.

The amount of the indexed rent is reduced to the nearest dollar if it contains a fraction of a dollar less than \$0.50; it is increased to the nearest dollar if it contains a fraction of a dollar equal to or greater than \$0.50.

The Société d'habitation du Québec informs the public of the annual indexing under this section through the *Gazette officielle du Québec* or by such other means as the Société considers appropriate.

DIVISION III CALCULATION OF RENT ACCORDING TO LESSEE'S INCOME

5. The rent is obtained using the following formula:

$$\frac{25\% [A - (B + C + D)]}{12}$$

where

(1) "A" is the total income of the lessee and the lessee's spouse for the taxation year preceding the year for which the rent is calculated. The total income is the income calculated using the fiscal return prescribed under section 1000 of the Taxation Act (R.S.Q., c. I-3) and confirmed by the notice of assessment for that return;

(2) "B" is the annual total of the amounts to be paid monthly by the lessee as support under an order or a judgment of a competent court, as rent for the lodging of a person in a private nursing home or in a facility maintained by a private institution not under agreement within the meaning of the Act respecting health services and social services (R.S.Q., c. S-4.2), and as the contribution required under section 512 of that Act of a user lodged in a facility maintained by a public or private institution under agreement or taken in charge by an intermediate resource of a public institution or by a family-type resource;

(3) "C" is an amount of \$5,000 for each person residing with the lessee and who is

(a) a child of the lessee or of the lessee's spouse, is under 18 years of age and is not on the labour market or receiving last resort financial assistance;

(b) a child of the lessee or of the lessee's spouse, is 18 years of age or older and is pursuing full-time studies; if the child is not residing with the lessee, the lessee or the lessee's spouse assumes expenses for the child's subsistence;

(c) 60 years of age or older, is receiving last resort financial assistance and is the father or mother of the lessee or of the lessee's spouse; or

(d) a handicapped person.

(4) "D" is the total of the following amounts:

(a) 41% of $[A - (B + C)]$ for the portion of $[A - (B + C)]$ that is less than \$20,000;

(b) 35% of $[A - (B + C)]$ for the portion of $[A - (B + C)]$ that is equal to or greater than \$20,000 but less than \$40,000;

(c) 20% of $[A - (B + C)]$ for the portion of $[A - (B + C)]$ that is equal to or greater than \$40,000.

For the purposes of subparagraph 1, if the lessee or the lessee's spouse earns an income from a business, that income is the net income from the business within the meaning of the Taxation Act without, however, subtracting the deductions under sections 130 and 130.1 of that Act.

6. If the lessee or the lessee's spouse is 60 years of age or older and if the lessee so requests, the monthly rent is established according to the lowest of

(1) the maximum rent established in accordance with Schedule I;

(2) the rent established in accordance with section 5; and

(3) a rent of \$100, plus 2% of the income in excess of the first \$20,000 of income resulting from the application of the formula $[A - (B + C)]$ having the parameters defined in section 5; despite section 2, the rent may be lower than the minimum rent established in accordance with Schedule II.

DIVISION IV MISCELLANEOUS AND FINAL

7. As of 1 July 2010 and each year thereafter, the maximum rent corresponds to the maximum rent of the preceding year increased by 8%.

The amount of the rent thus increased is reduced to the nearest dollar if it contains a fraction of a dollar less than \$0.50; it is increased to the nearest dollar if it contains a fraction of a dollar equal to or greater than \$0.50.

8. The Programme de construction et de reconstruction de logements à loyer modique en milieu inuit, made by Order in Council 891-82 dated 8 April 1982, is revoked.

9. This By-law comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

SCHEDULE I

(ss. 2 and 6)

MAXIMUM RENT

Household	Type	Rent scale in force on 1 July 2004		Maximum rent			
		Rent	2005	1 July 2006	1 July 2007	1 July 2008	1 July 2009
Recipient of last resort financial assistance	studio 1 bedroom	\$122	\$129	\$138	\$148	\$158	\$170
	large studio	\$147	\$154	\$161	\$168	\$175	\$182
	2 bedrooms	\$177	\$187	\$199	\$212	\$226	\$241
		\$210	\$220	\$230	\$241	\$253	\$265
	3 bedrooms	\$211	\$223	\$235	\$248	\$262	\$276
		\$213	\$223	\$235	\$248	\$262	\$276
	4 bedrooms	\$214	\$228	\$241	\$254	\$270	\$286
		\$217	\$228	\$241	\$254	\$270	\$286
	5 bedrooms	\$220	\$235	\$249	\$264	\$281	\$300
	6 bedrooms	\$229	\$250	\$271	\$293	\$316	\$340
Other	studio 1 bedroom	\$160	\$172	\$186	\$203	\$222	\$245
	large studio	\$194	\$204	\$214	\$224	\$234	\$245
	2 bedrooms	\$231	\$244	\$261	\$281	\$303	\$330
		\$238	\$251	\$267	\$285	\$307	\$330
	3 bedrooms	\$271	\$283	\$298	\$316	\$337	\$359
		\$256	\$274	\$297	\$322	\$348	\$375
	4 bedrooms	\$312	\$328	\$348	\$369	\$391	\$415
		\$299	\$319	\$342	\$367	\$395	\$426
	5 bedrooms	\$353	\$371	\$392	\$415	\$441	\$470
	6 bedrooms	\$389	\$411	\$436	\$463	\$494	\$526
		\$415	\$440	\$471	\$505	\$541	\$579

SCHEDULE II

(ss. 2 and 4)

MINIMUM RENT

Type of dwelling	Category of household	
	Recipient of last resort financial assistance	Other
studio and 1 bedroom	\$125	\$145
2 bedrooms	\$160	\$210
3 bedrooms	\$185	\$230
4 bedrooms	\$210	\$270
5 bedrooms	\$235	\$350
6 bedrooms	\$250	\$375

7060

Gouvernement du Québec

O.C. 781-2005, 17 August 2005

An Act respecting collective agreement decrees
(R.S.Q., c. D-2)

Automotive services industry
— **Lanaudière-Laurentides**
— **Amendments**

CONCERNING the Decree respecting the automotive services industry in the Lanaudière-Laurentides regions

WHEREAS the Government has made the Decree respecting the automotive services industry in the Lanaudière-Laurentides regions (R.R.Q., 1981, c. D-2, r.44);

WHEREAS the contracting parties to this Decree petitioned the Minister of Labour to have amendments made to this collective agreement Decree;

WHEREAS sections 2 and 6.1 of the Act respecting collective agreement decrees (R.S.Q., c. D-2) authorize the Government to amend a collective agreement decree;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1) and sections 5 and 6.1 of the Act respecting collective agreement decrees, a draft of the Decree to amend the Decree was published in Part 2 of the *Gazette officielle du Québec* of 23 February 2005 and, the following days, in two French-language news-

papers and one English-language newspaper, with a notice that it could be made by the Government upon the expiry of the 45 days following that publication;

WHEREAS no comment was put forward following that publication;

WHEREAS it is expedient to make the draft Decree without amendments;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Labour:

THAT the Decree to amend the Decree respecting the automotive services industry in the Lanaudière-Laurentides regions, attached hereto, be made.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

Decree to amend the Decree respecting the automotive services industry in the Lanaudière-Laurentides regions*

An Act respecting collective agreement decrees
(R.S.Q., c. D-2, s. 2 and 6.1)

1. Section 1.01 of the Decree respecting the automotive services industry in the Lanaudière-Laurentides regions is amended by replacing subparagraphs *a* and *b* of paragraph 6 with the following:

“(a) are married or in a civil union and cohabiting;

(b) being of opposite sex or the same sex, are living together in a *de facto* union and are the father and mother of the same child;”.

2. Sections 3.03 to 3.05 are replaced by the following:

“**3.03.** An employee is deemed to be at work in the following situations:

1. while available to the employer at the place of employment and required to wait for work to be assigned;

* The last amendments to the Decree respecting the automotive services industry in the Lanaudière-Laurentides regions (R.R.Q., 1981, c. D-2, r.44) were made by the regulation made under Order in Council No. 102-2003 dated 29 January 2003 (2003, *G.O.* 2, 906). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2005, updated to 1 march 2005.

2. subject to paragraph 2 of section 3.04, during the time allocated for breaks granted under the Act, the Decree or by the employer;

3. when travel is required by the employer;

4. during any trial period or training required by the employer.

3.04. An employee is entitled:

1. to a weekly minimum rest period of 32 consecutive hours;

2. to one hour of rest without pay for meals and the employer may not oblige the employee to work more than five consecutive hours between each meal; however, this meal period must be paid when the employee is not authorized to leave his work station;

3. except in the case of an event beyond his control, to an indemnity equal to three hours of work at his prevailing hourly rate and, if such is the case, increased due to the application of section 4.01, if the employee reports for work at the express demand of his employer or in the regular course of his employment and who works fewer than three consecutive hours.

3.05. An employee is entitled to refuse to work:

1. more than 4 hours after his regular daily working hours or more than 14 working hours per 24-hour period, whichever period is the shortest;

2. more than 12 hours per 24-hour period if his daily working hours are flexible or non-continuous;

3. more than 50 working hours per week.”

3. The title of Division 4.00 is replaced by the following:

“**4.00. Overtime hours and night-shift premium**”.

4. Section 5.00 is repealed.

5. Sections 6.01 to 6.07 are replaced by the following:

“**6.01.** The following days are statutory general holidays:

1. 1 and 2 January;

2. Good Friday or Easter Monday, at the option of the employer;

3. the Monday preceding 25 May;

4. 1 July or, if this date falls on a Sunday, 2 July;

5. the first Monday of September;

6. the second Monday of October;

7. 25 and 26 December.

6.02. To be entitled to a holiday provided in section 6.01, the employee must not have been absent from work on the first working day of his work schedule preceding or following the holiday, except if:

1. the absence of the employee is authorized by an act or by the employer or is for a valid reason and the employee does not receive any indemnity for the holiday from the Commission de la santé et de la sécurité du travail;

2. the employee has been laid off less than 30 days preceding or following the holiday.

6.03. For each statutory general holiday, the employer must pay the employee an indemnity equal to 1/20 of the wages earned during the four complete weeks of pay preceding the week of the holiday, or preceding the layoff of the employee, excluding overtime hours.

6.04. If an employee must work on one of the general holidays provided for in section 6.01, the employee is remunerated for the hours worked at his prevailing rate, in addition to the indemnity provided in section 6.03.

6.05. If a general holiday provided for in section 6.01 coincides with a non-working day, the general holiday may be taken within the 15 days preceding or following the general holiday, on the condition that an agreement has been reached between the employer and the employee on the day when the general holiday is to be taken.

6.06. If an employee is on annual leave on one of the general holidays provided for in section 6.01, the employer must pay the employee the indemnity provided for in section 6.03 or grant him a compensatory holiday of one day, on a date agreed upon between the employer and the employee.

6.07. St. John the Baptist’s Day is a statutory general holiday under the National holiday Act (R..S.Q., c. F-1.1).”

6. Section 7.03 is amended by replacing the third paragraph with the following:

“Where the employee so requests, he is also entitled to an additional annual leave without pay for a period equal to the number of days needed to bring his annual leave to three weeks.

This annual leave without pay need not follow that provided in the first paragraph and may not be divided or replaced by a compensating indemnity.”.

7. Section 7.05 is amended by replacing the second paragraph by the following:

“However, under a written agreement between the employer and the employee, the annual leave may be taken, entirely or partly, during the reference year.

If, at the end of the 12 months that follow the end of a reference year, the employee is absent owing to sickness or accident, or is absent or on leave for family or parental matters, in accordance with the Act respecting Labour Standards, the annual leave may be deferred, upon written agreement between the employer and the employee, to the following year. If there is no agreement for deferring the annual leave, the employer must then pay the employee the annual leave indemnity to which he is entitled.

A period of employment insurance, sickness, or disability, interrupted by a leave taken in accordance with this section, continues, if such is the case, after the leave, as if it had not been interrupted.”.

8. The Decree is amended by adding the following after section 7.11:

“**7.12.** An employer may not reduce the duration of the employee’s annual leave mentioned in section 9.10.1 or modify the calculation of the indemnity for the leave, with respect to that granted to the other employees who do the same tasks in the same establishment, for the sole reason that he generally works less hours per week.”.

9. Section 8.04 is amended:

1. by inserting, in the first paragraph, after the words “wedding day”, the words “or his civil union”;

2. by inserting, in the second paragraph, after the words “wedding day”, the words “or day of the civil union”.

10. Section 8.05 is amended:

1. by substituting, in the first paragraph, the words “the adoption of a child or the termination of pregnancy in or after the twentieth week of pregnancy”, for the words “or the adoption of a child”;

2. by adding, in the second paragraph, after the words “or mother”, the words “or, if such is the case, the termination of pregnancy”.

11. The Decree is amended by adding the following after section 8.05:

“**8.06.** An employee may be absent from work, without pay, for ten days a year to fulfil obligations relating to the care, health or education of the employee’s child or the child of the employee’s spouse, or because of the state of health of the employee’s spouse, father, mother, brother, sister or one of the employee’s grandparents.

The leave may be divided into days. A day may also be divided if the employer consents thereto.

The employee must advise his employer of his absence as soon as possible and take the reasonable steps within his power to limit the leave and its duration.

8.07. An employee who has three consecutive months of service may be absent from work without pay for a period of not more than 26 weeks over a 12-month period for sickness or accident.

However, this section does not apply if the occupational injury is within the meaning of the Act respecting industrial diseases and occupational accidents (R.S.Q., c. A-3.001).

8.08. In the case mentioned in section 8.07, the employee must advise his employer of his absence as soon as possible and the reasons for the absence.

8.09. An employee’s participation in the group insurance and pension plans recognized in the employee’s place of employment shall not be affected by the absence from work provided in section 8.07, subject to regular payment of the contributions payable under those plans, the usual part of which is paid by the employer.

8.10. At the end of the absence mentioned in section 8.07, the employer shall reinstate the employee in the employee’s former position with the same benefits, including the wages to which the employee would have been entitled had the employee remained at work. If the position held by the employee no longer exists when the employee returns to work, the employer shall recognize all the rights and privileges to which the employee would have been entitled if the employee had been at work at the time the position ceased to exist.

Nothing in the first paragraph shall prevent an employer from dismissing, suspending or transferring an employee if the consequences of the sickness or accident or the repetitive nature of the absences constitute good or sufficient cause depending on the circumstances.

8.11. If the employer makes dismissals or layoffs that would have included the employee had the employee remained at work, the employee retains the same rights with respect to a return to work as the employees who were dismissed or laid off.

8.12. This section shall not grant to an employee any benefit to which the employee would not have been entitled if the employee had remained at work.

8.13. An employee who is credited with three months of uninterrupted service may be absent from work, without pay, for a period of not more than 12 weeks over a period of 12 months where he must stay with his child, spouse, the child of his spouse, his father, mother, brother, sister or one of his grandparents because of a serious illness or a serious accident.

An employee must advise the employer as soon as possible of an absence from work and, at the employer's request, furnish a document justifying the absence.

However, if a minor child of the employee has a serious and potentially mortal illness, attested by a medical certificate, the employee is entitled to an extension of the absence, which shall end at the latest 104 weeks after the beginning thereof.

Section 8.09, the first paragraph of section 8.10 and sections 8.11 and 8.12 apply, with the necessary modifications to the employee's absence."

12. Section 9.02 is amended by substituting, in the third paragraph, the words "written agreement with the majority of", for the words "agreement with his".

13. Section 9.07 is replaced by the following :

"**9.07.** An employer may make deductions from wages only if he is required to do so pursuant to an act, a regulation, a court order, a collective agreement, a decree or a mandatory supplemental pension plan.

The employer may also make deductions from wages if the employee consents thereto in writing, for a specific purpose mentioned in the writing.

The employee may at any time revoke that authorization, except where it pertains to membership in a group insurance plan or a supplemental pension plan.

The employer shall remit, within the 30 days, the sums so withheld to their intended receiver."

14. Section 9.08 is amended :

1. by substituting, in the second sentence, the words "entirely to the employee who rendered the service," for the words "to the employee";

2. by adding, at the end, the following paragraphs :

"The employer may not impose an arrangement to share gratuities or tips. Nor may the employer intervene, in any manner whatsoever, in the establishment of an arrangement to share gratuities or tips. Such an arrangement must result solely from the free and voluntary consent of the employees entitled to gratuities or tips.

An employer may not require an employee to pay credit card costs."

15. The Decree is amended by adding, after section 9.10, the following :

"**9.10.1.** An employer may not remunerate an employee at a lower rate of wage than that granted to other employees performing the same tasks in the same establishment for the sole reason that the employee usually works less hours each week.

The first paragraph does not apply to an employee remunerated at a rate of pay which is more than twice the rate of the minimum wage."

16. Section 10.01 is amended by inserting, in the third paragraph, after the word "null", the words "absolute nullity".

17. Section 10.02 is amended by substituting, in subparagraph 4, the words "of an event beyond his control", for the words "of a fortuitous event."

18. Section 10.03 is amended by adding, at the end, the following paragraphs :

"The indemnity of the employee paid wholly or partly on commission is based on his average weekly wage during the complete pay periods included in the three months preceding the employee's termination of employment or layoff.

The compensating indemnity provided for in section 84.0.13 of the Act respecting Labour Standards, in case of a collective dismissal, may not be cumulated by a same employee. However, an employee shall receive the greater of the indemnities to which he is entitled."

19. Section 12.01 is replaced by the following:

“**12.01.** Where an employer requires the employee to wear a uniform or special clothing, identified or not with the employer’s establishment, such uniform or clothing must be supplied at no cost to the employee.

The employer cannot require an amount of money from an employee for the purchase, use or upkeep of the uniform or special clothing.

12.02. An employer is required to reimburse an employee for reasonable expenses incurred where, at the request of the employer, the employee must travel or undergo training.”.

20. This Decree comes into force on the date of its publication in the *Gazette officielle du Québec*.

7059

Gouvernement du Québec

O.C. 782-2005, 17 August 2005

An Act respecting collective agreement decrees (R.S.Q., c. D-2)

**Industrie des services automobiles
— Saguenay–Lac-Saint-Jean
— Monthly report of the Comité paritaire**

Regulation respecting the monthly report of the Comité paritaire de l’industrie des services automobiles de la région Saguenay–Lac St-Jean

WHEREAS under subparagraph *h* of section 22 of the Act respecting collective agreement decrees (R.S.Q., c. D-2), the Comité paritaire de l’industrie des services automobiles de la région Saguenay–Lac St-Jean may, by regulation approved by the Government, force a professional employer to submit to it a monthly report;

WHEREAS the parity committee made the Regulation to amend the Regulation respecting the monthly report of the Comité paritaire de l’industrie des services automobiles de la région Saguenay–Lac St-Jean at its meeting held in November 2004;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the Regulation attached hereto was published in Part 2 of the *Gazette officielle du Québec* of 27 april 2005 with a notice that it could be made by the Government upon the expiry of the 45 days following that publication;

WHEREAS it is expedient to approve the Regulation with amendments;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Labour:

THAT the Regulation respecting the monthly report of the Comité paritaire de l’industrie des services automobiles de la région Saguenay–Lac St-Jean, attached hereto, be approved.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

Regulation respecting the monthly report of the Comité paritaire des services automobiles de la région Saguenay–Lac Saint-Jean

An Act respecting collective agreement decrees (R.S.Q., c. D-2, s. 22, subpar. *h*)

1. A professional employer governed by the Decree respecting the automotive services industry in Chapais, Chibougamau, Lac Saint-Jean and Saguenay (R.R.Q., 1981, c. D-2, r.50) must submit to the Committee a monthly report, on or before the 10th of each month and covering the preceding month, and containing, for each employee, the following information:

- (1) surname and given name;
- (2) address;
- (3) social insurance number;
- (4) employee’s competency or classification;
- (5) number of regular and overtime hours worked each week;
- (6) type of work performed;
- (7) wage paid, and compensation of a pecuniary value.

2. The monthly report must be produced even if no work was performed.

3. A professional employer must use the form provided by the Parity Committee for the preparation and submission of the report.

4. The monthly report may be sent by regular mail or electronically.

5. This Regulation replaces the Regulation respecting the monthly report of the Comité paritaire de l'industrie de l'automobile de la région Saguenay-Lac-Saint-Jean for which the notice of approval was published in the *Gazette officielle du Québec* of 25 July 1984.

6. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

7058

Gouvernement du Québec

O.C. 783-2005, 17 August 2005

An Act respecting collective agreement decrees (R.S.Q., c. D-2)

Industrie des services automobiles
— Saguenay-Lac-Saint-Jean
— Keeping of a system of registration of the Comité paritaire
— Amendments

Regulation to amend the Regulation respecting the keeping of a system of registration of the Comité paritaire de l'industrie des services automobiles de la région Saguenay-Lac St-Jean

WHEREAS, under subparagraph *g* of section 22 of the Act respecting collective agreement decrees (R.S.Q., c. D-2), the Comité paritaire de l'industrie des services automobiles de la région Saguenay-Lac St-Jean may, by regulation approved by the Government, render obligatory for any professional employer a system of registration or the keeping of register;

WHEREAS the parity committee made the Regulation to amend the Regulation respecting the keeping of a system of registration, at its meeting held in November 2004;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the Regulation attached hereto was published in Part 2 of the *Gazette officielle du Québec* of 27 April 2005 with a notice that it could be made by the Government upon the expiry of the 45 days following that publication;

WHEREAS it is expedient to approve the Regulation without amendment;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Labour:

THAT the Regulation to amend the Regulation respecting the keeping of a system of registration of the Comité paritaire de l'industrie des services automobiles de la région Saguenay-Lac St-Jean, attached hereto, be approved.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the keeping of a system of registration of the Comité paritaire de l'industrie des services automobiles de la région Saguenay-Lac Saint-Jean*

An Act respecting collective agreement decrees (R.S.Q., c. D-2, s. 22, subpar. *g*)

1. Section 1 of the Regulation respecting the keeping of a system of registration of the Comité paritaire de l'industrie des services automobiles de la région Saguenay-Lac Saint-Jean is amended:

(1) by substituting, in the first paragraph, "Decree respecting the automotive services industry in Chapais, Chibougamau, Lac Saint-Jean and Saguenay" for "Decree respecting garage employees in the Saguenay-Lac-Saint-Jean region";

(1) by adding, after subparagraph 3 of the first paragraph, after the word "hours", the words "paid or replaced by a day off with the increase applicable".

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

7057

* The Regulation respecting the keeping of a system of registration of the Comité paritaire de l'industrie des services automobiles de la région Saguenay-Lac-Saint-Jean was approved by Order in Council No. 1745 dated 1 August 1984 (1984, *G.O.*, 3244).

Gouvernement du Québec

Agreement

An Act respecting elections and referendums in municipalities
(R.S.Q., c. E-2.2)

AGREEMENT CONCERNING NEW METHODS OF VOTING USING “PERFAS-MV” BALLOT BOXES

AGREEMENT ENTERED INTO

BETWEEN

The CITY OF SAINT-HYACINTHE, a legal person established in the public interest, having its head office at 700, avenue de l’Hôtel-de-Ville, Saint-Hyacinthe, Province de Québec, J2S 5B2 represented by the mayor, Claude Bernier, and the clerk, Hélène Beauchesne, under a resolution bearing number 05-357

The CITY OF GRANBY, a legal person established in the public interest, having its head office at 87, rue Principale, Granby, Province de Québec, J2G 2T8, represented by the mayor, André-Guy Racine, and the clerk, M^e Catherine Bouchard, under a resolution bearing number 05/06/0522

The TOWN OF OTTERBURN PARK, a legal person established in the public interest, having its head office at 472, rue du Prince-Edward, Otterburn Park, Province de Québec, J3H 1W4, represented by the mayor, Guy Dubé, and the clerk, Clément Vautour, under a resolution bearing number 200506274

The MUNICIPALITY OF SAINT-MATHIAS-SUR-RICHELIEU, a legal person established in the public interest, having its head office at 300, chemin des Patriotes, Saint-Mathias-sur-Richelieu, Province de Québec, J3L 6Z5 represented by the mayor, Clément Giard, and the clerk, Alain Gilbert, under a resolution bearing number 05-06-21816 (23)

The CITY OF COWANSVILLE, a legal person established in the public interest, having its head office at 220, place Municipale, Province de Québec, J2K 1T4, represented by the mayor, Arthur Fauteux, and the clerk, M^e Jacques Leblond, under a resolution bearing number 261-06-2005, hereinafter called

THE MUNICIPALITY

AND

Mr. Marcel Blanchet, in his capacity as CHIEF ELECTORAL OFFICER OF QUÉBEC, duly appointed to that office under the Election Act (R.S.Q., c. E-3.3), acting in

that capacity and having his main office at 3460, rue de La Pérade, Sainte-Foy, Province de Québec, hereinafter called

THE CHIEF ELECTORAL OFFICER

AND

Mrs. Nathalie Normandeau, in her capacity as MINISTER OF MUNICIPAL AFFAIRS AND REGIONS, having her main office at 10, rue Pierre-Olivier-Chauveau, Québec, Province de Québec, hereinafter called

THE MINISTER

WHEREAS the council of the CITY OF SAINT-HYACINTHE, by its resolution No. 05-227, passed at its meeting of April 14, 2005, the CITY OF GRANBY, by its resolution No. 05/05/401, passed at its meeting of May 2, 2005, the TOWN OF OTTERBURN PARK, by its resolution No. 200505215, passed at its meeting of May 16, 2005, the MUNICIPALITY OF SAINT-MATHIAS-SUR-RICHELIEU, by its resolution No. 05-03-21660 (18), passed at its meeting of March 14, 2005, the CITY OF COWANSVILLE, by its resolution No. 200-05-2005, passed at its meeting of May 3, 2005, expressed the desire to avail itself of the provisions of the Act respecting elections and referendums in municipalities to enter into an agreement with the CHIEF ELECTORAL OFFICER and the MINISTER in order to allow the use of electronic ballot boxes for the general election of November 6, 2005 in the MUNICIPALITY;

WHEREAS sections 659.2 and 659.3 of the Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2) provide the following:

“**659.2.** A municipality may, in accordance with an agreement made with the Minister of Municipal Affairs, Sports and Recreation and the Chief Electoral Officer, test new methods of voting during a poll. The agreement may provide that it also applies to polling held after the poll for which the agreement was entered into; in such case, the agreement shall provide for its period of application.

The agreement must describe the new methods of voting and mention the provisions of this Act it amends or replaces.

The agreement has the effect of law.

659.3. After polling during which a test mentioned in section 659.2 is carried out, the municipality shall send a report assessing the test to the Minister of Municipal Affairs, Sports and Recreation and the Chief Electoral Officer.”;

WHEREAS the MUNICIPALITY expressed the desire to avail itself of those provisions for the general election held on November 6, 2005 and could, with the necessary adaptations, avail itself of those provisions for elections held after the date of the agreement, the necessary adaptations to be included in an addendum to this agreement;

WHEREAS it is expedient to provide the procedure that applies to the territory of the MUNICIPALITY for that general election;

WHEREAS an agreement must be entered into between the MUNICIPALITY, the CHIEF ELECTORAL OFFICER and the MINISTER;

WHEREAS the MUNICIPALITY is solely responsible for the technological choice elected;

WHEREAS the council of the CITY OF SAINT-HYACINTHE passed, at its meeting of June 6, 2005, resolution No. 05-357, the CITY OF GRANBY passed, at its meeting of June 6, 2005, resolution No. 05/06/0522, the TOWN OF OTTERBURN PARK passed, at its meeting of June 20, 2005, resolution No. 200506274, the MUNICIPALITY OF SAINT-MATHIAS-SUR-RICHELIEU passed, at its meeting of June 13, 2005, resolution No. 05-06-21816 (23), the CITY OF COWANSVILLE passed, at its meeting of June 7, 2005, resolution No. 261-06-2005, approving the text of the agreement and authorizing the mayor and the clerk or secretary-treasurer to sign this agreement; approving the text of the agreement and authorizing the mayor and the clerk or secretary-treasurer to sign this agreement;

WHEREAS the returning officer of the MUNICIPALITY is responsible for the application of this agreement and the means necessary to carry it out;

THEREFORE, the parties agree to the following:

1. PREAMBLE

The preamble to this agreement is an integral part of the agreement.

2. INTERPRETATION

Unless stated otherwise, expressly or as a result of the context of a provision, the following expressions, terms and words have, for the purposes of this agreement, the meaning and application given in this section.

2.1 “electronic voting system” means an apparatus consisting of the following devices:

— a computer containing in its memory the list of electors, used for the preparation of electronic voting cards;

— a reader of electronic voting cards;

— one or more printers;

— one or more autonomous voting terminals;

— electronic cards used to place the terminals in “election” mode, to vote (electronic voting cards), to place the terminals in “end of election” mode, and to record the results from each autonomous voting terminal;

2.2 “voting terminal” means an independent device containing a display with a graphical representation of a ballot paper, buttons used by electors to vote, and a memory card to record and compile the votes cast by electors;

2.3 “electronic card reader” means a device allowing the information required for an elector to vote to be transferred onto an electronic card;

2.4 “rejected ballot paper” means a ballot paper for which the button corresponding to “I do not wish to vote for the office of mayor” or “I do not wish to vote for the office of councillor” has been pushed by an elector on the voting terminal;

2.5 “operations trail” means a print-out of the operations (audit) of a voting terminal.

3. ELECTION

3.1 For the purposes of the general election of November 6, 2005 in the municipality, a sufficient number of “PERFAS-MV” model electronic voting systems will be used.

3.2 Before the publication of the notice of election, the municipality must take the necessary steps to provide its electors with adequate information concerning the testing of the new method of voting.

4. SECURITY MECHANISMS

Each electronic voting system must include the following security mechanisms:

(1) a report displaying a total of “zero” must be automatically produced by the electronic ballot box when a voting terminal is turned on on the first day of advance polling and on polling day;

(2) a verification report must be generated on a continuous basis and automatically saved on the memory card of the voting terminal, and must record each procedural operation;

(3) a mechanism which prevents a voting terminal from being placed in “end of election” mode while polling is still under way, because the terminal can only be placed in “end of election” mode by the insertion of an “end of election” card;

(4) a mechanism to ensure that the compilation of results is not affected by any type of interference once the electronic ballot box has been placed in “election” mode;

(5) each voting terminal must be equipped with seals, two to prevent the opening of the box and one covering the screws of the voting terminal;

(6) each voting terminal must be equipped with a back-up power source (battery) able to operate for two to five hours, unless all the terminals are connected to a generator;

(7) if a voting terminal is defective, its internal memory card may be removed and transferred immediately into another voting terminal in order to allow the procedure to continue.

5. PROGRAMMING

Each electronic voting system used is specially programmed by the firm PG Elections inc. for the municipality in order to recognize and tally ballot papers in accordance with this agreement.

6. AMENDMENTS TO THE ACT RESPECTING ELECTIONS AND REFERENDUMS IN MUNICIPALITIES

6.1 Election officers

Section 68 of the Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2) is amended by inserting the words “senior deputy returning officer, assistant to the senior deputy returning officer” after the word “assistant,”.

6.2 Senior deputy returning officer, assistant to the senior deputy returning officer, deputy returning officer and poll clerk

The following is substituted for section 76 of the Act:

“**76.** The returning officer shall appoint the number of senior deputy returning officers and assistants to the senior deputy returning officer that he deems necessary for each polling place.

The returning officer shall appoint a deputy returning officer and a poll clerk for each polling station.”.

6.3 Duties of the senior deputy returning officer, assistant to the senior deputy returning officer and deputy returning officer

The following is substituted for section 80 of the Act:

“**80.** The senior deputy returning officer shall, in particular,

(1) see to the installation and preparation of the electronic voting systems (voting terminal and electronic card reader);

(2) ensure that the polling is properly conducted and maintain order in the vicinity of the voting terminals in the polling place;

(3) facilitate the exercise of the right to vote and ensure that voting is secret;

(4) ensure that the electronic voting systems function correctly;

(5) print out the results compiled by the voting terminals at the closing of the poll;

(6) complete an overall statement of votes from the partial statements and the results compiled by each voting terminal;

(7) give the returning officer, at the closing of the poll, the results compiled by each voting terminal, the overall statement of votes and the number of electors at each polling station who were given an electronic voting card;

(8) give the returning officer the memory card on which the results of each voting terminal are recorded, the card used to place terminals in “end of election” mode, and the voting terminals in sealed cases.

80.1. The assistant to the deputy returning officer shall, in particular,

(1) assist the senior deputy returning officer in the latter’s duties;

(2) receive any elector referred by the senior deputy returning officer;

(3) verify the polling booths in the polling place.

80.2. The deputy returning officer shall, in particular,

- (1) see to the arrangement of the polling station;
- (2) see that the polling is properly conducted and maintain order at the polling station;
- (3) facilitate the exercise of the right to vote and ensure that voting is secret;
- (4) make sure of electors' identity;
- (5) give electors an electronic voting card to exercise their right to vote;
- (6) check that each electronic voting card returned after the vote has been used. If a card has not been used, a record shall be made in the poll book that an elector has failed to exercise the right to vote;
- (7) at the close of the poll, give the senior deputy returning officer a statement indicating the total number of electors given an electronic voting card by the deputy returning officer at the polling station.”.

6.4 Duties of the poll clerk

The following is substituted for section 81 of the Act:

“**81.** The poll clerk shall, in particular,

- (1) enter in the poll book the particulars relating to the conduct of the polling;
- (2) note on the screen and on the paper list of electors “has voted” next to the names of electors to whom the deputy returning officer has given electronic voting cards;
- (3) assist the deputy returning officer.”.

6.5 Discretion of the Chief Electoral Officer upon observing an error, emergency or exceptional circumstance

The following is substituted for section 90.5 of the Act:

“**90.5.** Where, during the election period, within the meaning of section 364, it comes to the attention of the Chief Electoral Officer that, subsequent to an error, emergency or exceptional circumstance, a provision referred to in section 90.1 or in the agreement provided for in section 659.2 of the Act respecting elections and referendums in municipalities does not meet the demands of the resultant situation, the Chief Electoral Officer may adapt the provision in order to achieve its object.

The Chief Electoral Officer shall first inform the Minister of Municipal Affairs and Regions of the decision he intends to make.

Within 30 days following polling day, the Chief Electoral Officer shall transmit to the President or the Secretary General of the National Assembly a report of the decisions made pursuant to the first paragraph. The President shall table the report in the National Assembly within 30 days of receiving it or, if the National Assembly is not sitting, within 30 days of resumption.”.

6.6 Notice of election

The following is added after paragraph 7 of section 99:

“(8) the fact that the method of voting is by means of an electronic voting system.”

6.7 Polling subdivisions

The following is substituted for section 104 of the Act:

“**104.** The returning officer shall divide the list of electors into polling subdivisions, each comprising not more than 750 electors.

The returning officer shall provide a sufficient number of polling stations at each polling place to receive electors, establish their identity and give them an electronic voting card.

In the polling place, the electors may report to any polling station. They shall be directed to the first available voting terminal to exercise their right to vote.”.

6.8 Verification of electronic voting systems

The Act is amended by inserting the following subdivision after subdivision 1 of Division IV of Chapter VI of Title I:

“**§1.1** *Verification of electronic voting systems*

173.1. The returning officer shall, not later than the fifth day preceding the first day of advance polling and the fifth day preceding polling day, test the electronic voting system to ensure that it tallies the number of votes cast accurately and precisely, in the presence of the candidates or their representatives if they so wish.

173.2. During the testing of the electronic voting system, adequate security measures must be taken by the returning officer to guarantee the integrity of the system as a whole and of each component used to record, compile and memorize results. The returning officer

must ensure that No. electronic communication that could change the programming of the system, the recording of data, the tallying of votes, the memorization of results or the integrity of the system as a whole may be established.

173.3. The returning officer shall conduct the test by performing the following operations:

(1) he shall prepare a pre-determined number of electronic voting cards and transfer onto them the information relating to one of the positions to be filled;

(2) he shall record on the voting terminal a pre-determined number of votes that have been manually tallied. The votes shall include:

(a) a pre-determined number of votes in favour of one of the candidates for the office of mayor and councillor;

(b) a pre-determined number of votes corresponding to the statement “I do not wish to vote for the office of mayor” or “I do not wish to vote for the office of councillor”;

(c) a pre-determined number of votes for a candidate for the office of mayor and the same pre-determined number of votes for a candidate for a position as a councillor;

(3) he shall ensure that it is not possible to record more than one vote for the same position;

(4) he shall ensure that the button used to record a vote can be pushed only after the button used to vote for the mayor or corresponding to the statement “I do not wish to vote for the office of mayor”, and the button used to vote for a councillor or corresponding to the statement “I do not wish to vote for the office of councillor”, have been pushed;

(5) he shall ensure that the information relating to the positions to be filled contained on the electronic voting cards is consistent with the information transferred to the cards by the returning officer;

(6) he shall place the system in “end of election” mode and ensure that the results compiled by the voting terminal are consistent with the results compiled manually;

(7) once the test has been successfully completed, he shall reset the voting terminal to zero and replace it in a sealed case; the candidates or their representatives may affix their signature if they so wish;

(8) where an error in the compilation of the results compiled by the terminals is detected, the returning officer shall determine with certitude the cause of error, proceed with a further test, and repeat the operation until a perfect compilation of results is obtained; any error or discrepancy shall be noted in the test report;

(9) he may not change the programming established by the firm PG Elections inc.”.

6.9 Advance polling

The following is substituted for sections 182, 183 and 185 of the Act:

“**182.** At the close of the advance polling station, the poll clerk shall enter the following particulars in the poll book:

(1) the number of electors who were given an electronic voting card;

(2) the total number of votes recorded on each terminal, as transmitted by the senior deputy returning officer;

(3) the names of the persons who performed duties as election officers or as representatives.

The deputy returning officer shall place in separate envelopes the forms, the verification reports printed out at each terminal, the poll book and the list of electors, and shall then seal the envelopes. The deputy returning officer, the poll clerk and the representatives who wish to do so shall affix their initials to the seals of the envelopes. The envelopes, except the envelope containing the list of electors, shall be given to the senior deputy returning officer for deposit in a large envelope. The large envelope shall be sealed. The persons present may affix their initials to the seal.

182.1. At the close of the advance polling station, the senior deputy returning officer shall:

(1) place the voting terminals in “end of election” mode;

(2) transfer the data contained in the memory of the electronic ballot box onto a memory card;

(3) print the operations trail (audit);

(4) place the memory card (memory chip) and the operations trail in separate envelopes, and seal the envelopes;

(5) forward the envelopes to the returning officer, who shall keep them safely in separated locations;

(6) set each voting terminal to zero, seal it and place it in its plastic case;

(7) affix his initials to all the seals and give the candidates or representatives present an opportunity to affix their initials.

182.2. The senior deputy returning officer shall place the card used to place the terminals in “election” mode and “end of election” mode in the large envelope.

The senior deputy returning officer shall seal the large envelope and each terminal. The senior deputy returning officer and the representatives who wish to do so shall affix their initials to the seal of the large envelope.

The senior deputy returning officer shall then give the large envelope, the envelopes containing the list of electors, the memory card and the operations trail, as well as the voting terminals, to the returning officer or the person designated by the returning officer.

The returning officer shall keep in safety, in separate locations, the envelopes containing the memory card and the operations trail.

182.3. The returning officer shall, using the various lists of electors used in the advance polling, draw up an integrated list of all the electors who voted in the advance poll. The returning officer shall make as many copies of the list as there are to be polling stations on polling day.

183. Immediately before the time fixed for the opening of the polling station on the second day, where applicable, the senior deputy returning officer, before the persons present, shall open the large envelope and give each deputy returning officer the poll books and the forms. Each deputy returning officer shall open the envelopes and take custody of their contents.

The senior deputy returning officer shall take possession of the verification reports indicating the total number of votes recorded on each terminal, the card used to place the terminals in “election” mode and the card used to place the terminals in “end of election” mode.

The senior deputy returning officer shall verify for each terminal, using the memory card, that the number of votes recorded matches the number entered the previous day in the poll book by the poll clerk for that polling station.

The returning officer, or the person designated by the returning officer, shall return the list of electors to each deputy returning officer.

At the close of the advance poll on the second day, the senior deputy returning officer, the returning officer and the poll clerk shall perform the same actions as at the close of the advance poll on the first day.

185. From 7:00 p.m. on polling day, the returning officer or the person designated by the returning officer shall, using the memory card or cards on which the results are recorded, print out the results compiled by each voting terminal used in the advance poll in the presence of the deputy returning officers, the poll clerks and the representatives who wish to be present.

The results shall be printed out at the location determined by the returning officer. The print-out shall be performed in accordance with the rules applicable to the printing-out of the results from polling day, adapted as required.”.

6.10 Revocation

Sections 186 and 187 of the Act are revoked.

6.11 Polling place

The following is substituted for the first paragraph of section 188 of the Act:

“**188.** The polling place must be in premises that are spacious and easily accessible to the public.”.

6.12 Booths

The following is substituted for section 191 of the Act:

“**191.** Where electronic voting systems are used in an election, each polling station shall have the number of polling booths determined by the returning officer.”.

6.13 Ballot papers and electronic voting cards

The following is substituted for section 192 of the Act:

“**192.** The returning officer shall ensure that a sufficient number of electronic voting cards are available to facilitate the exercise of the electors’ right to vote.”.

The following is substituted for sections 193 to 195 of the Act:

“**193.** The graphical representation of a ballot paper that appears on the voting terminal shall be consistent with the model set out in Schedule I to the agreement provided for in section 659.2 of the Act respecting elections and referendums in municipalities.”

6.14 Identification of the candidates

The following is substituted for section 196 of the Act:

“**196.** The graphical representation of a ballot paper that appears on the voting terminal must allow each candidate to be identified.

Depending on the number of positions to be filled, the representation shall have one or more columns on one or more pages, showing:

(1) the name of each candidate, the given name preceding the surname;

(2) under each name, the name of the authorized party or recognized ticket to which the candidate belongs, where such is the case;

(3) a rectangle for the elector’s mark opposite the particulars pertaining to each candidate.

All rectangles, as the space between consecutive rectangles, must be of the same size.

Where several independent candidates for the same office have the same name, the graphical representation of the ballot paper used in the polling for that office shall indicate the address of each candidate under the candidate’s name and, where such is the case, above the indication of the candidate’s political affiliation.

The particulars must appear in alphabetical order of the candidates’ surnames and, as the case may be, of the candidates’ given names. Where two or more candidates for the same office have the same name, the order in which the particulars relating to each of them appear shall be determined by a drawing of lots carried out by the returning officer.

The particulars pertaining to the candidates must correspond to those contained in the nomination papers, unless, in the meantime, the authorization of the party or the recognition of the ticket has been withdrawn, or the name of the party or ticket appearing on the nomination papers is inaccurate.”

6.15 Reverse of ballot paper

Section 197 is revoked.

6.16 Withdrawal of a candidate

The following is substituted for section 198 of the Act:

“**198.** Where an electronic voting system is used in an election, the returning officer shall ensure that the memory card is adjusted so that it does not take into account the candidates who have withdrawn.

Any vote in favour of those candidates before or after their withdrawal is null.”

6.17 Withdrawal of authorization or recognition

The following is substituted for section 199 of the Act:

“**199.** Where electronic voting systems are used in an election, the returning officer shall ensure that they are adjusted so that they do not take into account the party or ticket from which authorization or recognition has been withdrawn.”

6.18 Number of voting terminals

The following is substituted for sections 200 and 201 of the Act:

“**200.** The returning officer shall ensure that a sufficient number of electronic voting systems are available for the election.

201. The upper surface of the voting terminal must be in conformity with the model described in Schedule II to this Agreement.

The voting terminal must be designed so that the button used to vote for a candidate is placed opposite the particulars relating to that candidate.

The instructions to the electors on how to vote must be clearly indicated on the upper surface of the voting terminal.”

6.19 Provision of polling materials

The following is substituted for section 204 of the Act:

“**204.** Not later than one hour before the time fixed for the opening of the polling station, the returning officer shall give or make available to the deputy returning officer, in a sealed envelope, after affixing his initials to the seals,

(1) the copy of the list of electors for the polling subdivision used for the advance poll and comprising the electors who are entitled to vote at that polling station;

(2) a poll book;

(3) electronic voting cards;

(4) the forms and other documents necessary for the poll and the closing of the polling station.

The returning officer shall give or make available to the deputy returning officer, as well as to the senior deputy returning officer, any other materials required for the poll, the closing of the polling office, and the tallying and the recording of votes.”

6.20 Examination of polling materials and documents

The following is substituted for section 207 of the Act:

“**207.** In the hour preceding the opening of the polling stations, the senior deputy returning officer, before the persons present, shall initialize the electronic voting system for the polling place. The senior deputy returning officer shall ensure that the system computer displays a total of zero electors having voted, and that each voting terminal displays a total of zero recorded votes, by verifying the printed reports from those devices.

The senior deputy returning officer shall ensure that as many small envelopes are available for the memory cards used to record results as there are voting terminals under his responsibility.

The senior deputy returning officer must inform the returning officer of any discrepancy observed upon activating a voting terminal or during the poll.

The senior deputy returning officer shall keep the reports and show them to any person present who wishes to examine them.

The senior deputy returning officer must, in addition, before the persons present, ensure that two seals are affixed to each terminal.

In the hour preceding the opening of the polling stations, each deputy returning officer and poll clerk shall examine the polling documents and materials provided by the returning officer.”

POLLING PROCEDURE

6.21 Presence at the polling station

The following is substituted for the third paragraph of section 214 of the Act:

“In addition, only the deputy returning officer, the poll clerk and the representatives assigned to the polling station, together with the returning officer, the election clerk, the assistant to the returning officer, the senior deputy returning officer and the assistant to the senior deputy returning officer may be present at the station. The officer in charge of information and order may be present, at the request of the deputy returning officer for as long as may be required. The poll runner may be present for the time required to perform his duties. Any other person assisting an elector under section 226 may be present for the time required to enable the elector to exercise his right to vote.”

6.22 Electronic voting cards

The following is substituted for section 221 of the Act:

“**221.** The deputy returning officer shall give each elector admitted to vote an electronic voting card to which the information required to exercise the right to vote has been transferred.

In no case may the information transferred to the card allow a link to be established between the casting of a vote and the identity of an elector.”

6.23 Voting

The following is substituted for section 222 of the Act:

“**222.** The elector shall enter the polling booth and exercise the right to vote by:

(1) inserting the electronic voting card in the opening provided for that purpose and clearly identified on the upper surface of the voting terminal;

(2) pressing the button placed opposite the particulars relating to the candidate in whose favour the elector wishes to vote as mayor and councillor or councillors, causing a mark to appear in the rectangle;

(3) recording the vote by pressing the red button placed on the upper surface of the voting terminal, causing the red lights placed above the button to go out.”

6.24 Following the vote

The following is substituted for section 223 of the Act :

“**223.** After removing the electronic voting card from the voting terminal, the elector shall leave the booth and give the electronic voting card to the polling officer designated for that purpose by the returning officer.

If an elector indicates one or more votes but leaves the booth without recording them, the senior deputy returning officer or the latter’s assistant shall record the votes.

If an elector fails to indicate and record one or more votes and leaves the polling place, the senior deputy returning officer or the latter’s assistant shall press the button corresponding to the statement “I do not wish to vote for the office of mayor” or “I do not wish to vote for the office of councillor” or both, as the case may be, and shall then record the voter’s vote.

The electronic voting card shall then be removed from the voting terminal and given to the deputy returning officer. The occurrence shall be recorded in the poll book.”.

6.25 Cancelled and spoiled ballot papers

Sections 224 and 225 of the Act are revoked.

6.26 Assistance for electors

The following is substituted for section 226 of the Act :

“**226.** An elector who declares under oath, before the senior deputy returning officer or the assistant to the senior deputy returning officer, that he is unable to use the electronic ballot box or to vote, may be assisted either:

(1) by a person who is the elector’s spouse or a relative within the meaning of section 131 ;

(2) by the senior deputy returning officer, in the presence of the assistant to the senior deputy returning officer.

A deaf or mute elector may be assisted, for the purposes of communicating with the election officers and representatives, by a person capable of interpreting the sign language of the deaf.

The senior deputy returning officer shall advise the deputy returning officer concerned that an elector has availed himself of this section, and the occurrence shall be entered in the poll book.”.

6.27 Transfer of information to electronic voting cards

The following is substituted for section 228 of the Act :

“**228.** The electronic voting system shall ensure that the information required for an elector to exercise the right to vote is transferred once only to the electronic voting card.”.

6.28 Compilation of results and tallying of votes

The following is substituted for section 229 of the Act :

“**229.** After the closing of the poll, the senior deputy returning officer shall compile the results by :

(1) placing the election terminals of the polling place in “end of election” mode ;

(2) recording the results of each voting terminal ;

(3) printing out the results compiled by each voting terminal.

The reports on the compiled results shall indicate the total number of voters who have voted, the number of valid votes, the number of rejected ballot papers and the number of votes for each candidate.

The senior deputy returning officer shall gather from each poll clerk the number of electors admitted to vote.

The senior deputy returning officer shall allow each person present to consult the results.”.

6.29 Entries in poll book

The following is substituted for section 230 of the Act :

“**230.** After the closing of the poll, the poll clerk of each polling station shall enter in the poll book :

(1) the number of electors who have voted ;

(2) the names of the persons who have performed duties as election officers or as representatives assigned to that polling station.

230.1. The deputy returning officer shall place the poll book and the list of electors in separate envelopes.

The deputy returning officer shall seal the envelopes, and the representatives assigned to the polling station who wish to do so shall affix their initials to the seals.”.

The deputy returning officer shall then give the envelopes to the senior deputy returning officer.”.

6.30 Compiling sheet

Section 231 of the Act is revoked.

6.31 Counting of the votes

Section 232 of the Act is revoked.

6.32 Rejected ballot papers

The following is substituted for section 233 of the Act :

“**233.** The electronic voting system shall be programmed in such a way that every ballot paper for which the button corresponding to “I do not wish to vote for the office of mayor” or “I do not wish to vote for the office of councillor” is pushed by the elector on the voting terminal is rejected.

For the purposes of the poll, the memory card shall be programmed in such a way that the electronic voting system processes and conserves all the votes cast, in other words both the valid ballot papers and the rejected ballot papers.”.

Sections 234 to 237 of the Act are revoked.

6.33 Partial statement of votes and copy for representatives

The following is substituted for sections 238 and 240 of the Act :

“**238.** The deputy returning officer shall draw up the partial statement of votes, setting out the total number of electors admitted to vote.

A separate statement shall be drawn up for each polling station.

The deputy returning officer shall draw up sufficient copies of the partial statement of votes for himself, the senior deputy returning officer, the returning officer and every representative assigned to the polling station.

238.1. Using the partial statements of votes and the results compiled by the electronic voting system, the senior deputy returning officer shall draw up an overall statement of votes.

240. The senior deputy returning officer shall immediately give a copy of the overall statement of votes to the representatives.

The senior deputy returning officer shall retain a copy of the statement and a second copy for the returning officer for the purposes of section 244.”.

6.34 Separate envelopes

The following is substituted for section 241 of the Act :

“**241.** After printing out the results compiled by each voting terminal in the polling place, the senior deputy returning officer shall :

(1) place the memory card used to record the results from each voting terminal in a small envelope bearing the serial number of the terminal concerned, seal the envelope and affix his initials, along with those of the representatives who wish to do so ;

(2) place all the reports on the results compiled in an envelope, together with the partial statements and the overall statement of votes.”.

6.35 Seals

The following is substituted for section 242 of the Act :

“**242.** The senior deputy returning officer shall place in a large envelope :

(1) the small envelopes prepared pursuant to paragraph 1 of section 241 ;

(2) the envelopes provided for in section 230.1 ;

(3) the card used in the polling place to place the terminals in “election” mode and “end of election” mode ;

(4) the electronic voting cards.

The senior deputy returning officer shall seal the large envelope. The senior deputy returning officer and the representatives who wish to do so shall affix their initials to the seal of the large envelope.”.

6.36 Placing in ballot box

Section 243 of the Act is revoked.

6.37 Delivery to returning officer

The following is substituted for section 244 of the Act :

“**244.** The senior deputy returning officer shall deliver to the returning officer or the person designated by the returning officer :

(1) the envelope containing the reports of the results compiled by each voting terminal, the partial statements and the overall statement of votes;

(2) the large envelope provided for in section 242.”

6.38 Addition of votes

The following is substituted for section 247 of the Act:

“**247.** The returning officer shall proceed with the addition of the votes using the overall statement of votes drawn up by each senior deputy returning officer.”

6.39 Adjournment of the addition of votes

The following is substituted for section 248 of the Act:

“**248.** The returning officer shall, if unable to obtain an overall statement of votes that should have been provided, adjourn the addition of votes until the statement is obtained.

Where it is not possible to obtain an overall statement of votes, or the printed report on the results and a partial statement of votes, the returning officer shall, in the presence of the senior deputy returning officer and the candidates in question or of their representatives if they so wish, print out a new report using the appropriate memory card for recording results and the copy of the partial statements of votes taken from the large envelope, opened in the presence of the aforementioned persons.”

6.40 Placing in envelope

The following is substituted for section 249 of the Act:

“**249.** After printing out the results, the returning officer shall place the memory card used to record results in an envelope, seal the envelope, and affix his initials and allow the candidates or their representatives to affix their initials if they so wish. He shall place the copy of the partial statements of votes in the large envelope, seal it, and allow the candidates or representatives present to affix their initials.”

6.41 New counting of the votes

Section 250 of the Act is revoked.

6.42 Notice to the Minister

The following is substituted for section 251 of the Act:

“**251.** Where it is impossible to obtain the electronic cards used to record the results, where applicable, the returning officer shall advise the Minister of Municipal

Affairs and Regions in accordance with Division III of Chapter XI.”

6.43 Access to voting papers

Section 261 of the Act is revoked.

6.44 Application for a recount or re-addition

The following is substituted for the first paragraph of section 262 of the Act:

“**262.** Any person who has reasonable grounds to believe that a voting terminal has produced an inaccurate statement of the number of votes cast, or that a deputy returning officer has drawn up an inaccurate partial statement of votes, or that a senior deputy returning officer has drawn up an inaccurate overall statement of votes, may apply for a new compilation of the results. The applications may be limited to one or more voting terminals, but the judge is not bound by that limitation.”

6.45 Notice to candidates

The following is substituted for section 267 of the Act:

“**267.** The judge shall give one clear day’s advance notice in writing to the candidates concerned of the date, time and place at which he will proceed with the new compilation of the results or re-addition of the votes.

The judge shall summon the returning officer and order him to bring the electronic cards on which the results of the votes are recorded, the reports of the compiled results, and the partial and overall statements of vote. Where the new compilation is limited to one or certain polling subdivisions, the judge shall order only the electronic cards on which the results of the votes are recorded, the reports of the compiled results, and the partial and overall statements of votes he will need.”

6.46 Procedure for a new compilation of results or re-addition of votes

The following is substituted for section 268 of the Act:

“**268.** On the appointed day, the judge, in the presence of the returning officer shall, in the case of a new compilation of results, print out the results compiled by the voting terminal display or displays under inquiry.

In the case of a re-addition of votes, the judge shall examine the reports of the compiled results and the partial and overall statements of votes.

The candidates concerned or their mandataries and the returning officer may, at that time, examine all the documents and items examined by the judge.”.

6.47 Repeal

Section 269 is revoked.

6.48 Missing electronic card for recording results and partial statements of votes

The following is substituted for the first paragraph of section 270 of the Act:

“**270.** If an electronic card on which results are recorded or a required document is missing, the judge shall use appropriate means to ascertain the results of the vote.”.

6.49 Custody of items and documents, and verification

The following is substituted for sections 271, 272 and 273 of the Act:

“**271.** During a new compilation or a re-addition, the judge shall have custody of the voting system and of the items and documents entrusted to him.

272. As soon as the new compilation is completed, the judge shall confirm or rectify each report of compiled results and each report on a partial statement of votes and carry out a re-addition of the votes.

273. After completing the re-addition of the votes, the judge shall certify the results of the poll.

The judge shall give the returning officer the electronic cards used to record the results and all the other documents used to complete the new compilation or the re-addition.”.

7. DURATION AND APPLICATION OF AGREEMENT

The returning officer of the municipality is responsible for the application of this agreement and, consequently, for the proper conduct of the trial application of the new method of voting during general elections and by-elections held before December 31, 2013.

8. AMENDMENT

The parties agree that this agreement may be amended if need be to ensure the proper conduct of the general election to be held on November 6, 2005 and of any subsequent election provided for in the agreement. Mention of that fact shall be made in the assessment report.

9. ASSESSMENT REPORT

Within 120 days following the general election held on November 6, 2005, the returning officer of the municipality shall forward, in accordance with section 659.3 of the Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2), an assessment report to the Chief Electoral Officer and the Minister addressing, in particular, the following issues:

— the preparations for the election (choice of the new method of voting, communications plan, etc.);

— the conduct of the advance poll and the poll;

— the cost of using the electronic voting system;

— the cost of adapting election procedures;

— non-recurrent costs likely to be amortized;

— a comparison between the actual polling costs and the estimated polling costs using the new methods of voting and the projected cost of holding the general election on November 6, 2005 using traditional methods;

— the number and duration of incidents during which voting was stopped, if any;

— the advantages and disadvantages of using the new method of voting;

— the results obtained during the addition of the votes and the correspondence between the number of votes cast and the number of electors admitted to vote.

10. APPLICATION OF THE ACT RESPECTING ELECTIONS AND REFERENDUMS IN MUNICIPALITIES

The Act respecting elections and referendums in municipalities shall apply to the general election held on November 6, 2005 in the municipality, subject to the provisions of the Act that this agreement amends or replaces.

11. EFFECT OF AGREEMENT

This agreement has effect from the time when the returning officer performs the first act for the purposes of an election to which this agreement applies.

AGREEMENT SIGNED IN SEVEN COPIES

In Saint-Hyacinthe, this 7th day of June 2005

CITY OF SAINT-HYACINTHE

By:

CLAUDE BERNIER, *Mayor*

HÉLÈNE BEAUCHESNE, *Clerk*

In Granby, this 13th day of June 2005

CITY OF GRANBY

By:

ANDRÉ-GUY RACINE, *Mayor*

CATHERINE BOUCHARD, *Clerk*

In Otterburn Park, this 22nd day of June 2005

TOWN OF OTTERBURN PARK

By:

GUY DUBÉ, *Mayor*

CLÉMENT VAUTOUR, *Clerk*

In Saint-Mathias-sur-Richelieu, this 21st day of June 2005

MUNICIPALITY OF SAINT-MATHIAS-SUR-RICHELIEU

By:

CLÉMENT GIARD, *Mayor*

ALAIN GILBERT, *Secretary-Treasurer*

In Cowansville, this 15th day of June 2005

CITY OF COWANSVILLE

By:

ARTHUR FAUTEUX, *Mayor*

JACQUES LEBLOND, *Clerk*

In Québec, on this 29th day of June 2005

THE CHIEF ELECTORAL OFFICER

MARCEL BLANCHET

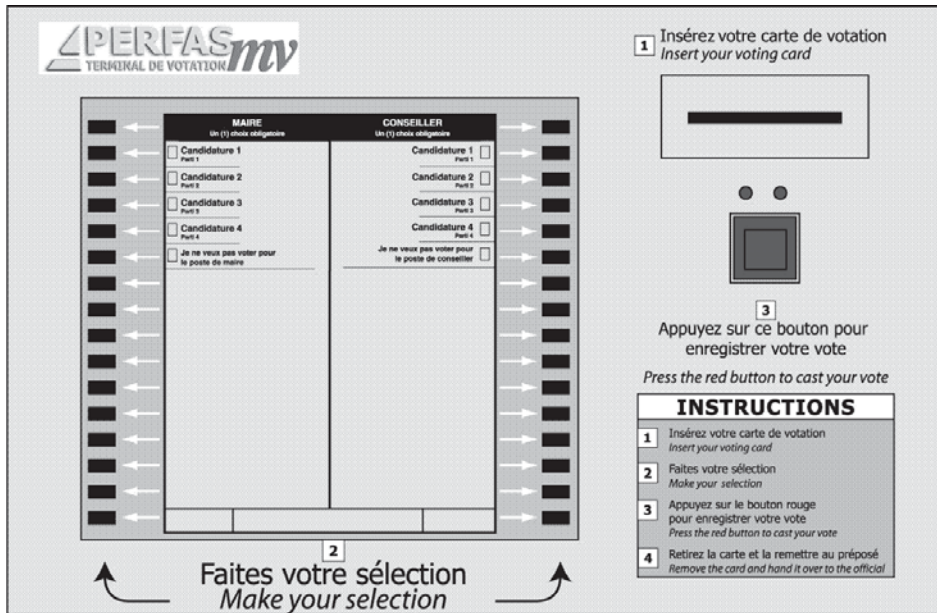
In Québec, on this 14th day of July 2005

THE MINISTER OF MUNICIPAL AFFAIRS AND REGIONS

DENYS JEAN, *Deputy Minister*

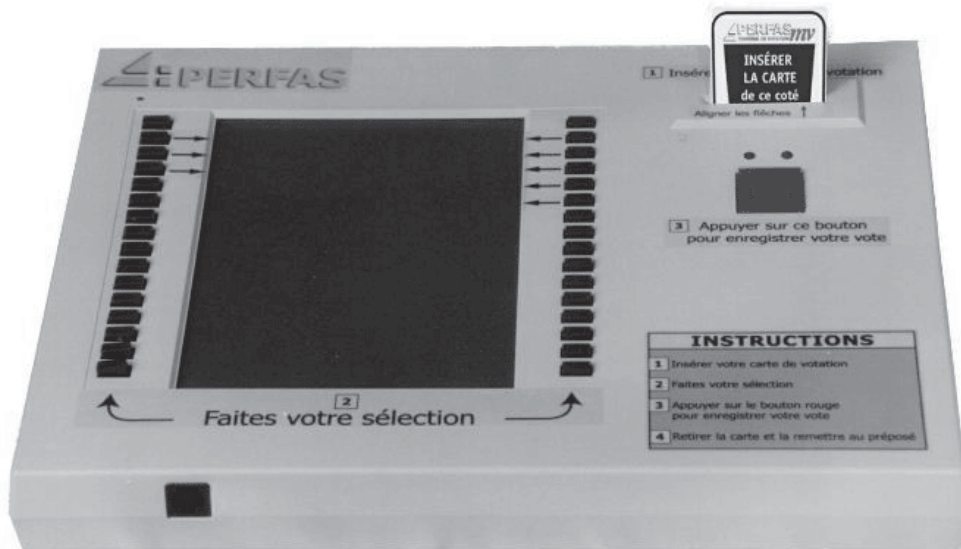
SCHEDULE I

BALLOT PAPER



SCHEDULE II

VOTING TERMINAL



M.O., 2005-22**Order number V-1.1-2005-22 of the Minister of Finance dated 17 August 2005**

Securities Act
(R.S.Q., c. V-1.1; 2004, c. 37)

CONCERNING amendments to concordant regulations to Regulation 45-106 respecting prospectus and registration exemptions

WHEREAS the Securities Act (R.S.Q., c. V-1.1) has been amended by the chapter 37 of the statutes of 2004;

WHEREAS paragraphs 1 to 4, 6, 8, 9, 11, 14, 18.2, 19, 20 and 34 of section 331.1 and section 334 of the Securities Act stipulate that the Autorité des marchés financiers may make regulations concerning the matters referred to in those paragraphs and that a regulation made under this Act may confer a discretionary power on the Authority;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act stipulate that a draft regulation shall be published in the Bulletin of the Authority, accompanied with the notice required under section 10 of the Regulations Act (R.S.Q., c. R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section stipulate that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS sections 691 and 696 of chapter 45 of the statutes of 2002 stipulate, in particular, that sections 331.1 and 331.2 of the Securities Act are amended by replacing “Commission” wherever it appears by “Agency”, and making the necessary modifications;

WHEREAS sections 37 and 38 of chapter 37 of the statutes of 2004 stipulate, in particular, that sections 331.1 and 331.2 of the Securities Act are amended by replacing “Agency” wherever it appears by “Authority”;

WHEREAS the following regulations have been made by the Commission des valeurs mobilières du Québec :

— Policy statement Q-3, Options on April 8, 2003 by the decision No. 2003-C-0135;

— Regulation 13-101 respecting the system for electronic document analysis and retrieval (SEDAR) on June 12, 2001 by the decision No. 2001-C-0272;

— Policy statement 14-501Q on Definitions on April 3, 2003 by the decision No. 2003-C-0128;

— National instrument 32-101, Small securityholder selling and purchase arrangements on May 22, 2001 by the decision No. 2001-C-0196;

— Regulation 45-101 respecting rights offerings on June 12, 2001 by the decision No. 2001-C-0247;

— National instrument 62-101, Control block distribution issues on March 18, 2003 by the decision No. 2003-C-0108;

— Regulation 62-103 respecting the early warning system and related take-over bid and insider reporting issues on March 18, 2003 by the decision No. 2003-C-0109;

WHEREAS the government, by order-in-council No. 660-83 of March 30, 1983, enacted the Securities Regulation (1983, *G.O.* 2, 1269);

WHEREAS the following draft regulations were published in accordance with section 331.2 of Securities Act and made by the Autorité des marchés financiers :

— Regulation to amend the Securities Regulation published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 2, No. 10 of March 11, 2005 and No. 27 of July 8, 2005, and made on August 15, 2005, by the decision No. 2005-PDG-0252;

— Regulation to amend Policy statement Q-3, Options published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 2, No. 10 of June 11, 2005 and made on August 15, 2005, by the decision No. 2005-PDG-0259;

— Regulation to amend Regulation 13-101 respecting the system for electronic document analysis and retrieval (SEDAR) published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 2, No. 10 of March 11, 2005 and made on August 15, 2005, by the decision No. 2005-PDG-0253;

— Regulation to amend Policy statement 14-501Q on Definitions published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 2, No. 27 of July 8, 2005 and made on August 15, 2005, by the decision No. 2005-PDG-0254;

— Regulation to repeal National instrument 32-101, Small securityholder selling and purchase arrangements published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 1, No. 46 of December 17, 2004 and made on August 15, 2005, by the decision No. 2005-PDG-0255;

— Regulation to amend Regulation 45-101 respecting rights offerings published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 1, No. 46 of December 17, 2005 and made on August 15, 2005, by the decision No. 2005-PDG-0256;

— Regulation to repeal National instrument 62-101, Control block distribution issues published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 1, No. 46 of December 17, 2005 and made on August 15, 2005, by the decision No. 2005-PDG-0257;

— Regulation to amend Regulation 62-103 respecting the early warning system and related take-over bid and insider reporting issues published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 1, No. 46 of December 17, 2005 and made on August 15, 2005, by the decision No. 2005-PDG-0258;

WHEREAS there is cause to approve those regulations without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the following regulations appended hereto:

— Regulation to amend the Securities Regulation;

— Regulation to amend Policy statement Q-3, Options;

— Regulation to amend Regulation 13-101 respecting the system for electronic document analysis and retrieval (SEDAR);

— Regulation to amend Policy statement 14-501Q on Definitions;

— Regulation to repeal National instrument 32-101, Small securityholder selling and purchase arrangements;

— Regulation to amend Regulation 45-101 respecting rights offerings;

— Regulation to repeal National instrument 62-101, Control block distribution issues;

— Regulation to amend Regulation 62-103 respecting the early warning system and related take-over bid and insider reporting issues.

August 17, 2005

MICHEL AUDET
Minister of Finance

Regulation to amend the Securities Regulation*

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, subpars. 1 to 4, 6, 8, 9, 11, 14, 18.2, 19 and 20, and s. 334; 2004, c. 37)

1. The Securities Regulation is amended by inserting the following after section 3:

“**3.1.** For the purposes of paragraph 9 of the definition of “distribution” in section 5 of the Act, the determined portion that must be held by a person or group of persons is more than 20% of the voting securities and the determined portion that the person or group of persons must dispose of in accordance with the provisions determined by regulation is a single security.”.

2. Section 13 of the Regulation is amended by replacing the number “33” with the number “33.2”.

3. Sections 66 to 70.3 of the Regulation are repealed.

4. Section 94 of the Regulation is amended by deleting the words “or pursuant to the exemption provided by section 66”.

5. Sections 101, 102 and 104 to 114.4 of the Regulation are repealed.

6. The heading of Chapter I of Title III of the Regulation is replaced with the following:

* The Securities Regulation, enacted pursuant to Order-in-Council No. 660-83 dated March 30, 1983 (1983, *G.O.* 2, 1269), was last amended by the regulations approved by Ministerial Orders No. 2005-04 dated May 19, 2005 (2005, *G.O.* 2, 1496) and No. 2005-17 dated August 2, 2005 (2005, *G.O.* 2, 3523). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2005, updated to March 1, 2005.

“ISSUER DEEMED TO HAVE MADE A DISTRIBUTION OF SECURITIES TO THE PUBLIC

115.0.1. For the purposes of subparagraph 8 of the second paragraph of section 68 of the Act, an issuer may be designated by the Authority as deemed to have made a distribution of securities to the public where it has met any of the following criteria:

(1) The performance of the securities of a reporting issuer or of an issuer deemed to have made a distribution of securities to the public referred to in subparagraphs 1 to 7 of the second paragraph of section 68 of the Act arises from the performance of the securities of such person;

(2) This person’s financial information is necessary for a decision to invest in the issuer;

(3) Its outstanding securities are listed on a stock exchange or on a published market and are held by at least 50 beneficial holders residing in Québec who hold at least 2% of all these securities.

Notwithstanding the first paragraph, the Authority may, at its discretion, decide to designate any other issuer where, in its opinion, such designation is necessary in the interest of investors.

CHAPTER I.1 PERIODICAL DISCLOSURE”.

7. The Regulation is amended by adding by adding the following after section 119:

“**119.01.** An issuer that has distributed securities under a prospectus exemption provided for under sections 47 or 48 of the Act as they read prior to their repeal is required to file with the Authority and send to every securityholder audited annual financial statements and unaudited semi-annual financial statements in the form and within the time limit determined by regulation.

The issuer must notify the Authority in writing of the sending of these financial statements and file, no later than one day following the date of sending, two copies of any document sent to the holders.”.

8. Sections 124 and 125 of the Regulation are repealed.

9. Section 140 of the Regulation is replaced with the following:

“**140.** An issuer of securities to which is attached a fiscal benefit is required to furnish holders the information that they will need to claim in their tax return this fiscal benefit.”.

10. The Regulation is amended by adding the following after section 194:

“**194.1.** Registration as a dealer is not required for the following:

(1) an issuer that limits its activities as a dealer to the distribution, under a prospectus exemption pursuant to section 41 of the Act, of securities of its own issue, provided that such distributions are only a secondary activity of the issuer;

(2) a bank or an authorized foreign bank listed in Schedule I, II or III to the Bank Act, the Caisse centrale Desjardins du Québec established under the Act respecting the Mouvement Desjardins (2000, c. 77), a financial services cooperative within the meaning of the Act respecting financial services cooperatives (R.S.Q., c. C-67.3) or a trust company licensed under the Act respecting trust companies and savings companies that limits its activities as a dealer to the distribution or sale of a promissory note payable in one year or less under the prospectus exemption referred to in paragraph 3 of section 41 of the Act.

194.2. Registration as an adviser is not required for a person that acts as an adviser only to accredited investors referred to in paragraph *a, b, c, d, f, g, i, p*, in subparagraph *i* of paragraph *q* or in paragraph *v* of the definition of “accredited investor” provided for in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions approved by Ministerial Order No. 2005-20 dated August 12, 2005 and in respect of whom the exemption provided for in section 2.3 thereof applies.

The first paragraph does not apply to a person that carries on business in respect of a trust company or trust corporation registered or authorized to carry on business in a foreign jurisdiction referred to in paragraph *p* of the definition of “accredited investor” or in respect of a person registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a foreign jurisdiction referred to in subparagraph *i* of paragraph *q* of this definition.”.

11. Schedules VI, XVI and XVII to the Regulation are repealed.

12. This Regulation comes into force on September 14, 2005.

Regulation to amend Policy Statement Q-3, Options*

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, subpars. 3, 11 and 15;
2004, c. 37)

1. The heading of Title One and sections 1 to 2.2 of Policy Statement Q-3, Options are repealed.

2. Section 10 of the Policy Statement is amended by replacing the word “Commission” in the first paragraph with the words “Autorité des marchés financiers”.

3. This Regulation comes into force on September 14, 2005.

Regulation to amend Regulation 13-101 respecting the system for electronic document analysis and retrieval (SEDAR)**

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, subpars. 1, 2 and 11;
2004, c. 37)

1. Appendix A of Regulation 13-101 respecting the system for electronic document analysis and retrieval (SEDAR) is amended by deleting paragraph 2 in part II A c.

2. This Regulation comes into force on September 14, 2005.

* Policy Statement Q-3, Options, adopted on April 8, 2003 pursuant to decision No. 2003-C-0135 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, volume 34, No. 19, dated May 16, 2003, has not been amended since its adoption.

** The amendments to Regulation 13-101 respecting the system for electronic document analysis and retrieval (SEDAR), adopted on June 12, 2001 pursuant to decision No. 2001-C-0272 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, volume 32, No. 26, dated June 29, 2001, were made by the policy adopted on June 12, 2001 pursuant to decision No. 2001-C-0273 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, volume 32, No. 26, dated June 29, 2001 and the regulations approved by Ministerial Orders No. 2005-06 dated May 19, 2005 (2005, G.O. 2, 2368) and No. 2005-17 dated August 2, 2005 (2005, G.O. 2, 3523).

Regulation to amend Policy Statement 14-501Q on Definitions*

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, subpar. 34; 2004, c. 37)

1. The title of Policy Statement 14-501Q on Definitions is replaced with the following:

“Regulation 14-501Q respecting definitions”.

2. The Policy Statement is amended by adding the following after section 1:

1.1. A mutual fund within the meaning of a regulation made under the Act is an issuer whose primary purpose is to invest money provided by its securityholders and whose securities entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets, including a separate fund or trust account, of the issuer.

1.2. In a regulation, the acronym CUSIP stands for Committee on Uniform Securities Identification Procedures, which is a standard system for identifying and describing securities used for electronically processing and recording securities transactions in North America and the CUSIP number means a number designating a single issue of a Canadian or U.S. security and its issuer.

1.3. In a regulation, unless otherwise indicated by the context:

(1) “board of directors” means, in addition to a board of directors, an individual or a group of individuals who play a similar role with a person or company that does not have a board of directors;

(2) “manager” means a person or company that directs the business, operations and affairs of the issuer.”

3. This Regulation comes into force on September 14, 2005.

* Policy Statement 14-501Q on Definitions, adopted on April 3, 2003 pursuant to decision No. 2003-C-0128 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, volume 34, No. 14, dated April 11, 2003, has not been amended since its adoption.

Regulation to repeal National Instrument 32-101, Small Securityholder Selling and Purchase Arrangements *

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, subpars. 11 and 34; 2004, c. 37)

- 1.** National Instrument 32-101, Small Securityholder Selling and Purchase Arrangements is repealed.
- 2.** This Regulation comes into force on September 14, 2005.

Regulation to amend Regulation 45-101 respecting rights offerings **

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, subpars. 1, 3, 11, 14 and 34; 2004, c. 37)

- 1.** Section 1.1 of Regulation 45-101 respecting rights offerings is amended:

(a) by deleting “*a* in all jurisdictions except Quebec,” and subparagraph *b* in the definition of “acceptance date”;

(b) by replacing the definition of “rights offering” with the following:

““rights offering”: the issuance by an issuer to its current securityholders of a right to purchase additional securities of the issuer’s own issue;”.

- 2.** This Regulation comes into force on September 14, 2005.

Regulation to repeal National Instrument 62-101, Control Block Distribution Issues *

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, subpars. 11 and 34; 2004, c. 37)

- 1.** National Instrument 62-101, Control Block Distribution Issues is repealed.
- 2.** This Regulation comes into force on September 14, 2005.

Regulation to amend Regulation 62-103 respecting the early warning system and related take-over bid and insider reporting issues **

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, subpars. 1, 3, 11 and 34; 2004, c. 37)

- 1.** Section 1.1 of Regulation 62-103 respecting the early warning system and related take-over bid and insider reporting issues is amended by deleting subparagraph *f* in the definition of “applicable provisions”.

- 2.** Section 6.1 of the Regulation is amended by replacing subparagraphs 1 and 2 with the following:

“(1) An entity is exempt from the early warning requirements and the obligation to report under Part 4 in connection with an increase in the securityholding percentage of the entity in a class of securities of a reporting issuer that arises without any action being taken by the entity and solely from a reduction in outstanding securities that occurs as a result of redemptions or other repurchases by the reporting issuer that affect or are offered to all securityholders of the relevant class.

* National Instrument 32-101, Small Securityholder Selling and Purchase Arrangements, adopted on May 22, 2001 pursuant to decision No. 2001-C-0196 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, vol. 32, No. 22, dated June 1, 2001, has not been amended since its adoption.

** Regulation 45-101 respecting rights offering, adopted on June 12, 2001 pursuant to decision No. 2001-C-0247 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, vol. 32, No. 25, dated June 22, 2001, was amended solely by the Regulation approved by Ministerial Order No. 2005-17 dated August 2, 2005 (2005, G.O. 2, 3523).

* National Instrument 62-101, Control Block Distribution Issues, adopted on March 18, 2003 pursuant to decision No. 2003-C-0108 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, vol. 34, No. 19 dated May 16, 2003, has not been amended since its adoption.

** Regulation 62-103 respecting the early warning system and related take-over bid and insider reporting issues, adopted on March 18, 2003 pursuant to decision No. 2003-C-0109 and published in the Supplement to the Bulletin of the Commission des valeurs mobilières du Québec, volume 34, No. 19, dated May 16, 2003, was amended solely by the Regulation approved by Ministerial Order No. 2005-04 dated May 19, 2005 (2005, G.O. 2, 2363).

(2) An entity is exempt from the early warning requirements and the obligation to report under Part 4 in connection with a decrease in the securityholding percentage of the entity in a class of securities of a reporting issuer that arises without any action being taken by the entity and solely from an increase in outstanding securities that occurs as a result of treasury issuances of securities by the reporting issuer.”

3. Appendix A of the Regulation is amended:

(a) by replacing “1fiii” next to the jurisdiction of Alberta and after the word “Clause” with “1piii”;

(b) by replacing the words “Paragraph *b* of the definition of “primary distribution to the public” contained in section 1 of the Security Frauds Prevention Act” next to the jurisdiction of New Brunswick with the words “Paragraph *c* of the definition of “distribution” contained in subsection 1(1) of the Securities Act”;

(c) by adding the following after the jurisdiction of Ontario:

“Quebec Subparagraph (9) of the definition of “distribution” provided for in section 5 of the Securities Act (R.S.Q., c. V-1.1)”.

4. Appendix B of the Regulation is amended:

(a) by replacing “141(1), 141(2), and 141(3)” next to the jurisdiction of Alberta and after the word “Subsections” with “176(1), 176(2) and 176(3)”;

(b) by adding the following after the jurisdiction of Manitoba:

“New Brunswick Subsections 126(1) and (2) of the Securities Act (New Brunswick)”.

5. This Regulation comes into force on September 14, 2005.

7069

M.O., 2005-21

Order number V-1.1-2005-21 of the Minister of Finance dated 12 August 2005

Securities Act
(R.S.Q., c. V-1.1, c. 37; 2004, c. 37)

CONCERNING the Regulation 45-102 respecting resale of securities

WHEREAS the Securities Act (R.S.Q., c. V-1.1) has been amended by the chapter 37 of the statutes of 2004;

WHEREAS subparagraphs 1, 3, 4, 11, and 34 of section 331.1 of the Securities Act stipulate that the Autorité des marchés financiers may make regulations concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2 of the said Act stipulate that a draft regulation shall be published in the Bulletin of the Authority, accompanied with the notice required under section 10 of the Regulations Act (R.S.Q., c. R-18.1) and may not be submitted for approval or be made before 30 days have elapsed since its publication;

WHEREAS the first and fifth paragraphs of the said section stipulate that every regulation made under section 331.1 must be approved, with or without amendment, by the Minister of Finance and comes into force on the date of its publication in the *Gazette officielle du Québec* or any later date specified in the regulation;

WHEREAS sections 691 and 696 of chapter 45 of the statutes of 2002 stipulate, in particular, that sections 331.1 and 331.2 of the Securities Act are amended by replacing “Commission” wherever it appears by “Agency”, and making the necessary modifications;

WHEREAS sections 37 and 38 of chapter 37 of the statutes of 2004 stipulate, in particular, that sections 331.1 and 331.2 of the Securities Act are amended by replacing “Agency” wherever it appears by “Authority”;

WHEREAS the draft Regulation 45-102 respecting resale of securities was published in the Supplement to the Bulletin concerning securities of the Autorité des marchés financiers, volume 1, No. 46 of December 17, 2004;

WHEREAS on August 11, 2005, by the decision No. 2005-PDG-0260, the Authority made the Regulation 45-102 respecting resale of securities;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation 45-102 respecting resale of securities appended hereto.

August 12, 2005

MICHEL AUDET,
Minister of Finance

Regulation 45-102 respecting resale of securities

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (4), (11) and (34); 2004, c. 37)

PART 1 DEFINITIONS

1.1 Definitions

In this Regulation

“control distribution” means a trade described in the provisions of securities legislation listed in Appendix A;

“convertible security” means a security of an issuer that is convertible into, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a security of the same issuer;

“distribution date” means

(a) in respect of a trade that is not a control distribution, the date the security that is the subject of the trade was distributed in reliance on an exemption from the prospectus requirement by the issuer or, in the case of a control distribution, by the selling security holder,

(b) in respect of a trade that is a control distribution, the date the security that is the subject of the trade was acquired by the selling security holder,

(c) in respect of a trade of an underlying security that is not a control distribution, the date the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed in reliance on an exemption from the prospectus requirement by the issuer or, in the case of a control distribution, by the selling security holder, or

(d) in respect of a trade of an underlying security that is a control distribution, the date the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was acquired by the selling security holder;

“exchangeable security” means a security of an issuer that is exchangeable for, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a security of another issuer;

“multiple convertible security” means a security of an issuer that is convertible into, or exchangeable for, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a convertible security, an exchangeable security or another multiple convertible security;

“private company” has the same meaning as in securities legislation;

“private issuer” means, as the context requires,

(a) a private issuer as defined in securities legislation, excluding paragraphs b and c;

(b) a private issuer as defined in Regulation 45-106 respecting Prospectus and Registration Exemptions approved by Ministerial Order No. 2005-20 dated August 12, 2005, or

(c) in Ontario for purposes of the definition of private issuer as it existed in 1998 Ontario Securities Commission Rule 45-501, Exempt Distributions (as defined in the Ontario transitional provisions in Appendix D) prior to its repeal on November 30, 2001, a person that

i. is not a reporting issuer or a mutual fund, within the meaning of the Ontario Securities Act (R.S.O. 1990, c. S.5);

ii. is an issuer all of whose issued and outstanding shares

(A) are subject to restrictions on transfer contained in the constating documents of the issuer or one or more agreements among the issuer and the holders of its securities; and

(B) are beneficially owned, directly or indirectly, by not more than 50 persons or companies counting any two or more joint registered holders as one beneficial owner, exclusive of persons

I. that are employed by the issuer or an affiliated entity of the issuer, or

II. that beneficially owned, directly or indirectly, shares of the issuer while employed by it or an affiliated entity of it and at all times since ceasing to be so employed have continued to beneficially own, directly or indirectly, at least one share of the issuer, and

iii. has not distributed any securities to the public ;

“SEDAR” has the same meaning as in Regulation 13-101 respecting The System for Electronic Document Analysis and Retrieval (SEDAR), adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0272 dated June 12, 2001 ;

“trade”, in Québec, has the same meaning as in Regulation 45-106 respecting Prospectus and Registration Exemptions ; and

“underlying security” means a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security.

PART 2 FIRST TRADES

2.1 Application

In Manitoba and Yukon, sections 2.2 to 2.7 and 2.10 to 2.14 do not apply.

2.2 Removal of Resale Provisions

In Newfoundland and Labrador, Nova Scotia and Ontario, the provisions in securities legislation listed in Appendix C, respectively, do not apply.

2.3 Section 2.5 Applies

If a security was distributed under any of the provisions listed in Appendix D, the first trade of that security is subject to section 2.5.

2.4 Section 2.6 Applies

If a security was distributed under any of the provisions listed in Appendix E, the first trade of that security is subject to section 2.6.

2.5 Restricted Period

(1) The trade is a distribution that does not require a prospectus if it is subject to this section in accordance with section 2.3 or other securities legislation, provided the conditions in subsection (2) are satisfied.

(2) Subject to subsection (3), for the purposes of subsection (1) the conditions are :

1. The issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.

2. At least four months have elapsed from the distribution date.

3. If the distribution date is on or after March 30, 2004, or in Québec on or after the coming into force of this Regulation, and

(a) the issuer is a reporting issuer on the distribution date, the certificate representing the security carries a legend, or an ownership statement issued under a direct registration system or other electronic book-entry system acceptable to the regulator and, in Québec, the securities regulatory authority, bears a legend restriction notation, stating :

“Unless permitted under securities legislation, the holder of this security must not trade the security before [*insert the date that is 4 months and a day after the distribution date*].”

or

(b) the issuer is not a reporting issuer on the distribution date, the certificate representing the security carries a legend, or an ownership statement issued under a direct registration system or other electronic book-entry system acceptable to the regulator and, in Québec, the securities regulatory authority, bears a legend restriction notation, stating :

“Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of *i* [*insert the distribution date*], and *ii* the date the issuer became a reporting issuer in any province or territory.”

4. The trade is not a control distribution.

5. No unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade.

6. No extraordinary commission or consideration is paid to a person or company in respect of the trade.

7. If the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

(3) Item 3.a of subsection (2) does not apply to a trade of an underlying security if the certificate representing the underlying security or the ownership statement issued under a direct registration book-entry system or other electronic system acceptable to the regulator and, in Québec, the securities regulatory authority, is issued at least four months after the distribution date.

2.6 Seasoning Period

(1) The trade is a distribution that does not require a prospectus if it is subject to this section in accordance with section 2.4 or other securities legislation, provided the conditions in subsection (3) are satisfied.

(2) The first trade of securities issued by a private company or private issuer made after the issuer has ceased to be a private company or private issuer is a distribution that does not require a prospectus, provided the conditions in subsection (3) are satisfied.

(3) For the purposes of subsections (1) and (2), the conditions are:

1. The issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.

2. The trade is not a control distribution.

3. No unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade.

4. No extraordinary commission or consideration is paid to a person or company in respect of the trade.

5. If the selling security holder is an insider or officer of the issuer, the selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

2.7 Exemption for a Trade if the Issuer Becomes a Reporting Issuer After the Distribution Date

Item 1 of subsection 2.5(2), 2.6(3) or 2.8(2) does not apply if the issuer became a reporting issuer after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B and is a reporting issuer in a jurisdiction of Canada at the time of the trade.

2.8 Exemption for a Trade by a Control Person

(1) The prospectus requirement does not apply to a control distribution, or a distribution by a lender, pledgee, mortgagee or other encumbrancer for the purpose of

liquidating a debt made in good faith by selling or offering for sale a security pledged, mortgaged or otherwise encumbered in good faith as collateral for the debt if the security was acquired by the lender, pledgee, mortgagee or other encumbrancer in a control distribution, if the conditions in subsection (2) are satisfied.

(2) For the purposes of subsection (1), the conditions are:

1. The issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.

2. The selling security holder, or the lender, pledgee, mortgagee or other encumbrancer if the distribution is for the purpose of liquidating a debt, has held the securities for at least four months.

3. No unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade.

4. No extraordinary commission or consideration is paid to a person or company in respect of the trade.

5. The selling security holder has no reasonable grounds to believe that the issuer is in default of securities legislation.

(3) The selling security holder, or the lender, pledgee, mortgagee or other encumbrancer if the distribution is for the purpose of liquidating a debt, under subsection (2) must

(a) sign Form 45-102F1 no earlier than one business day before the form is filed;

(b) file Form 45-102F1 on SEDAR at least seven days before the first trade of the securities that is part of the distribution; and

(c) file, within three days after the completion of any trade, an insider report prepared in accordance with either Form 55-102F2 or Form 55-102F6 under National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2003-C-0069 dated March 3, 2003.

(4) A Form 45-102F1 filed under subsection (3) expires thirty days from the date the form was filed.

2.9 Determining Time Periods

(1) In determining the period of time that an issuer was a reporting issuer in a jurisdiction of Canada for the purposes of section 2.5, 2.6 or 2.8, if the issuer was a party to an amalgamation, merger, continuation or arrangement, the selling security holder may include the period of time that one of the parties to the amalgamation, merger, continuation or arrangement was a reporting issuer in a jurisdiction of Canada immediately before the amalgamation, merger, continuation or arrangement.

(2) In determining the period of time that a selling security holder has held a security for the purposes of section 2.5 or 2.8, if the selling security holder acquired the security from an affiliate of the selling security holder, the selling security holder may include the period of time that the affiliate held the security.

(3) In determining the period of time that a selling security holder has held an underlying security for the purposes of section 2.8, the selling security holder may include the period of time the selling security holder held the convertible security, exchangeable security or multiple convertible security.

(4) In determining the period of time that a lender, pledgee, mortgagee or other encumbrancer has held a security under item 2 of subsection 2.8(2), the selling security holder may include the period of time the debtor held the security.

(5) In determining the period of time that a lender, pledgee, mortgagee or other encumbrancer has held an underlying security under item 2 of subsection 2.8(2), the selling security holder may include the period of time the debtor held the convertible security, exchangeable security or multiple convertible security.

2.10 Exemption for a Trade in an Underlying Security if the Convertible Security, Exchangeable Security or Multiple Convertible Security is Qualified by a Prospectus

Section 2.6 does not apply to a trade in an underlying security issued or transferred under the terms of a convertible security, exchangeable security or multiple convertible security if

(a) a receipt was obtained for a prospectus qualifying the distribution of the convertible security, exchangeable security or multiple convertible security;

(b) the trade is not a control distribution; and

(c) the issuer of the underlying security is a reporting issuer at the time of the trade.

2.11 Exemption for a Trade in a Security Acquired in a Take-over Bid or Issuer Bid

Section 2.6 does not apply to a trade of a security of an offeror if

(a) a securities exchange take-over bid circular or securities exchange issuer bid circular relating to the distribution of the security was filed by the offeror on SEDAR;

(b) the trade is not a control distribution; and

(c) the offeror was a reporting issuer on the date the securities of the offeree issuer were first taken up under the take-over bid or issuer bid.

2.12 Exemption for a Trade in an Underlying Security if the Convertible Security, Exchangeable Security or Multiple Convertible Security is Qualified by a Securities Exchange Take-over Bid Circular or Issuer Bid Circular

Section 2.6 does not apply to a trade in an underlying security issued or transferred under the terms of a convertible security, exchangeable security or multiple convertible security if

(a) a securities exchange take-over bid circular or a securities exchange issuer bid circular relating to the distribution of the convertible security, exchangeable security or multiple convertible security was filed by the offeror on SEDAR;

(b) the trade is not a control distribution;

(c) the offeror was a reporting issuer on the date the securities of the offeree issuer were first taken up under the take-over bid or issuer bid; and

(d) the issuer of the underlying security is a reporting issuer at the time of the trade.

2.13 Trades by Underwriters

A trade by an underwriter of securities distributed under any of the provisions listed in Appendix F is a distribution.

2.14 First Trades in Securities of a Non-Reporting Issuer Distributed under a Prospectus Exemption

(1) The prospectus requirement does not apply to the first trade of a security distributed under an exemption from the prospectus requirement if

(a) the issuer of the security

i. was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

ii. is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

i. did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series, and

ii. did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series; and

(c) the trade is made

i. through an exchange, or a market, outside of Canada, or

ii. to a person or company outside of Canada.

(2) The prospectus requirement does not apply to the first trade of an underlying security if

(a) the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed under an exemption from the prospectus requirement;

(b) the issuer of the underlying security

i. was not a reporting issuer in any jurisdiction of Canada at the distribution date of the convertible security, exchangeable security or multiple convertible security, or

ii. is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(c) the conditions in paragraph (1)*b* would have been satisfied for the underlying security at the time of the initial distribution of the convertible security, exchangeable security or multiple convertible security; and

(d) the condition in paragraph (1)*c* is satisfied.

PART 3
EXEMPTION**3.1 Exemption**

(1) The regulator or the securities regulatory authority may grant an exemption from this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) In Québec, this exemption is granted pursuant to section 263 of the Securities Act (R.S.Q., c. V-1.1).

PART 4
EFFECTIVE DATE**4.1 Effective Date**

This Regulation comes into force on September 14, 2005.

APPENDIX A**CONTROL DISTRIBUTIONS**

Jurisdiction	Securities Legislation Reference
Alberta	Definition of “control person” in section 1(l) and subclause <i>iii</i> of the definition of “distribution” contained in section 1 <i>p</i> of the Securities Act (R.S.A. 2000, c. S-4)
British Columbia	Paragraph <i>c</i> of the definition of “distribution” contained in section 1(1) of the Securities Act (R.S.B.C. 1996, c. 418)
Manitoba	Paragraph <i>b</i> of the definition of “primary distribution to the public” contained in subsection 1(1) of the Securities Act (C.C.S.M. c. S50)
Newfoundland and Labrador	Clause 2(1)(l) <i>iii</i> of the Securities Act (R.S.N.L. 1990, c. S-13)
New Brunswick	Definition of “control person” and clause <i>c</i> of the definition of “distribution” contained in subsection 1(1) of the Securities Act (S.N.B. 2004, c. S-5.5)

Northwest Territories	Definition of “control person” and paragraph <i>iii</i> of the definition of “distribution” contained in subsection 1(1) of Blanket Order No. 1 of the Registrar of Securities.
Nova Scotia	Clause 2(1)(1) <i>iii</i> of the Securities Act (R.S.N.S. 1989, c. 418)
Nunavut	Definition of “control person” and paragraph <i>iii</i> of the definition of “distribution” contained in subsection 1(1) of Blanket Order No. 1 of the Registrar of Securities.
Ontario	Paragraph <i>c</i> of the definition of “distribution” contained in subsection 1(1) of the Securities Act (R.S.O. 1990, c. S.5)
Prince Edward Island	Clause <i>iii</i> of the definition of “distribution” in section 1 of the Securities Act (R.S.P.E.I. 1998, c. S-3)
Québec	Paragraph 9 of the definition of “distribution” contained in section 5 of the Securities Act (R.S.Q., c. V-1.1)
Saskatchewan	Subclauses 2(1) <i>r iii, iv and v</i> of The Securities Act, 1988 (S.S. 1988-89, c. S-42.2)

APPENDIX B

REPORTING ISSUER JURISDICTIONS

Alberta
British Columbia
Manitoba
Nova Scotia
Ontario
Québec
Saskatchewan

APPENDIX C

(s. 2.2)

NON-APPLICABLE RESALE PROVISIONS

Jurisdiction	Securities Legislation Reference
Newfoundland and Labrador	Clause 54(5) <i>a</i> , subsections 54(7), 54(9), 54(10), 73(4), 73(5), 73(6) as it relates to clause 72(1) <i>r</i> , 73(7) but not as it relates to subsections 54(6) and 54(7), 73(12), 73(18), 73(19) and 73(24) of the Securities Act (Newfoundland and Labrador)
Nova Scotia	Subsections 77(5), 77(6), 77(7), 77(7A), 77(7B), 77(8), 77(9), 77(10) <i>a</i> and 77(11) of the Securities Act (Nova Scotia)
Ontario	Subsections 72(4), 72(5), 72(6) as it relates to clause 72(1) <i>r</i> , and 72(7) of the Securities Act (Ontario)

APPENDIX D

(s. 2.3)

RESTRICTED PERIOD TRADES

Except in Manitoba and the Yukon, the following exemptions from the prospectus requirement in Regulation 45-106 respecting Prospectus and Registration Exemptions:

— subsection 2.3(2) [Accredited investor];

— subsection 2.5(2) [Family, friends and business associates] (except in Ontario);

— subsection 2.7(2) [Founder, control person and family] (Ontario);

— subsection 2.8(2) [Affiliates];

— subsection 2.9(3) [Offering memorandum] (in British Columbia, New Brunswick, Nova Scotia, and Newfoundland and Labrador);

— subsection 2.9(5) [Offering memorandum] (in Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec and Saskatchewan);

— subsection 2.10(2) [Minimum amount investment];

— subsection 2.12(2) [Asset acquisition];

— subsection 2.13(2) [Petroleum, natural gas and mining properties];

— subsection 2.14(2) [Securities for debt];

— subsection 2.19(2) [Additional investment in investment funds];

— subsection 2.30(2) [Isolated trade by issuer];

— subsection 2.40(2) [RRSP/RRIF], if the security acquired under section 2.40 was initially acquired by an individual or an associate of the individual or an RRSP or RRIF established for or by that individual or under which that individual is a beneficiary under

(a) one of the exemptions listed above,

(b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of this Regulation, or

(c) an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.5 of Multilateral Instrument 45-102, Resale of Securities in effect on March 30, 2004, hereafter referred to as “MI 45-102”;

— subsection 2.42(3) [Conversion, exchange or exercise] if the security acquired in the circumstances referred to in clause *a* of subsection 2.42(1) was acquired in accordance with the terms and conditions of a previously issued security under

(a) one of the exemptions listed above,

(b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of this Regulation, or

(c) an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.5 of MI 45-102;

— section 5.2 [TSX Venture exchange offering], if the security acquired under section 5.2 was acquired by

(a) a purchaser that, at the time the security was acquired, was an insider or promoter of the issuer of the security, the issuer’s underwriter, or a member of the underwriter’s “professional group” (as defined in Regulation 33-105 respecting Underwriting Conflicts approved by Ministerial Order No. 2005-14 dated August 2, 2005), or

(b) any other purchaser who purchases securities in excess of \$40,000;

as well as the following local exemptions from the prospectus requirement:

— section 3.1 of Alberta Securities Commission Rule 72-501 Distributions to Purchasers Outside Alberta;

— clauses 77(1)*u* and *w* and subclauses 77(1)*abii* and *iii* of the Securities Act (Nova Scotia);

— an exemption from the prospectus requirement in a jurisdiction of Canada that specifies that the first trade is subject to section 2.5 of this Regulation.

Transitional Provisions

1. General

An exemption from the prospectus requirement listed in Appendix D of MI 45-102 or an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.5 of MI 45-102. The exemptions listed in Appendix D on March 30, 2004 were:

— Sections 131(1)*b*, *c*, (1), and *m* of the Securities Act (Alberta);

— Section 122*d* and 122.2 of the Alberta Securities Commission Rules, section 3.1 of Alberta Securities Commission Rule 72-501 Distributions to Purchasers Outside Alberta, subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of Multilateral Instrument 45-103, Capital Raising Exemptions prior to its repeal on September 14, 2005, hereafter referred to as “MI 45-103”, or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Section 131(1)*fiii* of the Securities Act (Alberta), if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under the Securities Act (Alberta), the Alberta Securities Commission Rules or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Sections 74(2)(1) to (6), (16), (18), (19), (23) and (25) of the Securities Act (British Columbia);

— Sections 128*a*, *b*, *c*, *e*, *f* and *h* of the British Columbia Securities Rules (B.C. Reg. 194/97) and subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Sections 74(2)(11)*ii*, 74(2)(11)*iii* and 74(2)(13) of the Securities Act (British Columbia) if the security acquired by the selling security holder or the right to purchase, convert or exchange or otherwise acquire, was initially acquired by a person or company under any of the sections of the Securities Act (British Columbia), the Securities Rules (British Columbia) or MI 45-103 referred to in this Appendix, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Section 74(2)(12) of the Securities Act (British Columbia) if the security acquired by the selling security holder under the realization on collateral was initially acquired by a person or company under any of the sections of the Securities Act (British Columbia), the Securities Rules (British Columbia) or MI 45-103 referred to in this Appendix, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Clauses 54(3)*f* and *g* and 73(1)*a, b, c, d, h, l, m, p* and *q* of the Securities Act (Newfoundland and Labrador), subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103, or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Subclause 73(1)*fiii* of the Securities Act (Newfoundland and Labrador) if the right to purchase, convert or exchange was previously acquired under one of the above listed exemptions under the Securities Act (Newfoundland and Labrador) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Paragraphs 3*a, b, c, k, l, m, r, s, t, u, w* and *z* of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories), subsections 3.1(2), 4.1(2), 4.1(4), 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Subparagraph 3*eiii* of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Clauses 77(1)*a, b, c, d, l, m, p, q, u, w, y, ab* and *ad* of the Securities Act (Nova Scotia), subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Subclause 77(1)*fiii* of the Securities Act (Nova Scotia) if the right to purchase, convert or exchange was previously acquired under one of the above listed exemptions under the Securities Act (Nova Scotia) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Paragraphs 3*a, b, c, k, l, m, r, s, t, u, w* and *z* of Blanket Order No.1 of the Registrar of Securities (Nunavut), subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Subparagraph 3*eiii* of Blanket Order No.1 of the Registrar of Securities (Nunavut) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under Blanket Order No. 1 of the Registrar of Securities (Nunavut) or MI 45-103, or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Clauses 13(1)*a, b, c, g* and *i* of the Securities Act (Prince Edward Island), subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Subclause 13(1)*eiii* of the Securities Act (Prince Edward Island) if the right to purchase, convert or exchange was previously acquired under one the above-listed exemptions under the Securities Act (Prince Edward Island) or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Clauses 81(1)*a, b, c, d, m, n, s, t, v, w, z, bb* and *ee* of The Securities Act, 1988 (Saskatchewan) and subsections 3.1(2), 4.1(2), 4.1(4), and 5.1(2) of MI 45-103 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Subclauses 81(1)*fiii* and *iv* of The Securities Act, 1988 (Saskatchewan) if the convertible security, exchangeable security or multiple convertible security was acquired under one of the exemptions of The Securities Act, 1988 (Saskatchewan) or MI 45-103 referred to in this Appendix or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102;

— Clause 81(1)*e* of The Securities Act, 1988 (Saskatchewan) if the person or company from whom the securities were acquired obtained the securities under one of the exemptions of The Securities Act, 1988 (Saskatchewan) referred to in this Appendix.

2. Québec Provisions

— Sections 43, 47, 48 and 51 of the Securities Act (Québec) as they read prior to their amendment or repeal by sections 7 and 8 of An Act to amend the Securities Act and other legislative provisions (S.Q., 2004, c. 37);

— Prospectus and registration exemptions granted pursuant to section 263 of the Securities Act (Québec) before March 30, 2004 if the exemption included as a condition a restricted period of 12 months.

3. Ontario Provisions

Definitions

In this Appendix

“1998 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on December 22, 1998;

“2001 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on November 30, 2001;

“2004 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on January 12, 2004;

“2005 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Ontario Prospectus and Registration Exemptions that came into force on September 14, 2005;

“convertible security” means, in Ontario, a security of an issuer that is convertible into, or carries the right of the holder to purchase, or of the issuer to cause the purchase of, a security of the same issuer;

“exchangeable security” means, in Ontario, a security of an issuer that is exchangeable for, or carries the right of the holder to purchase, or the right of the issuer to cause the purchase of, a security of another issuer;

“exchange issuer” means, in Ontario, an issuer that distributes securities of a reporting issuer held by it in accordance with the terms of an exchangeable security of its own issue;

“multiple convertible security” means, in Ontario, a security of an issuer that is convertible into or exchangeable for, or carries the right of the holder to purchase, or of the issuer or exchange issuer to cause the purchase of, a convertible security, an exchangeable security or another multiple convertible security;

“OSC Rule 45-502” means Ontario Securities Commission Rule 45-502 Dividend or Interest Reinvestment and Stock Dividend Plans;

“Type 1 trade” means, in Ontario, a distribution in a security under an exemption from the prospectus requirement in:

(a) clause 72(1)*a, b, c, d, l, m, p* or *q* of the Securities Act (Ontario);

(b) section 2.4, 2.5 or 2.11 of the 1998 OSC Rule 45-501;

(c) section 2.3, 2.12, 2.13 or 2.14 of the 2001 OSC Rule 45-501; or

(d) section 2.3, 2.12, 2.13, 2.14 or 2.16 of the 2004 OSC Rule 45-501; and

“underlying security” means, in Ontario, a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security.

(a) Securities Act (Ontario)

Clauses 72(1)*a, b, c, d, (l), m, p* and *q* of the Securities Act (Ontario) and subclause 72(1)*fiii* of the Securities Act (Ontario) if the right to purchase, convert or exchange was previously acquired under one of the above-listed exemptions under the Securities Act (Ontario), or an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of MI 45-102.

(b) 2005 OSC Rule 45-501

Section 2.1 of the 2005 OSC Rule 45-501.

Section 2.2 of the 2005 OSC Rule 45-501.

(c) 2001 OSC Rule 45-501 and 2004 OSC Rule 45-501

Section 2.3 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501.

Section 2.11 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501 if section 2.5 of MI 45-102 would have been applicable to a first trade in that secu-

riety by the person making the exempt distribution under section 2.11 of the 2001 OSC Rule 45-501 or the 2004 OSC Rule 45-501.

Section 2.12 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501.

Section 2.13 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501.

Section 2.14 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501.

Section 2.16 of the 2004 OSC Rule 45-501.

(d) 1998 OSC Rule 45-501

Section 2.4 of the 1998 OSC Rule 45-501.

Section 2.5 of the 1998 OSC Rule 45-501.

Section 2.11 of the 1998 OSC Rule 45-501.

(e) Other

Any provision under which an underlying security was distributed on conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired in a Type 1 trade or in a trade under section 2.4, 2.5 or 2.11 of the 1998 OSC Rule 45-501.

APPENDIX E

(s. 2.4)

SEASONING PERIOD TRADES

Except in Manitoba and the Yukon, the following exemptions from the prospectus requirement in Regulation 45-106 respecting Prospectus and Registration Exemptions:

- subsection 2.1(2) [Rights offering];
- subsection 2.2(4) [Reinvestment plan];
- subsection 2.4(2) [Private issuer];
- subsection 2.11(2) [Business combination and reorganization];
- subsection 2.16(2) [Take-over bid and issuer bid];
- subsection 2.17(2) [Offer to acquire to security holder outside local jurisdiction];
- subsection 2.18(6) [Investment fund reinvestment];

— subsection 2.20(2) [Private investment club];

— subsection 2.21(3) [Private investment fund - loan and trust pools];

— subsection 2.24(4) [Employee, executive officer, director and consultant];

— subsection 2.26(3) [Trades among current or former employees, executive officers, directors or consultants of non-reporting issuer];

— subsection 2.27(4) [Permitted transferees];

— subsection 2.30(3) [Incorporation or organization];

— subsection 2.31(3) [Dividends and distributions];

— subsection 2.40(2) [RRSP/RRIF], if the security acquired under section 2.40 was initially acquired by an individual or an associate of the individual or an RRSP or RRIF established for or by that individual or under which that individual is a beneficiary under

(a) one of the exemptions listed above,

(b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of this Regulation, or

(c) an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.6 of Multilateral Instrument 45-102, Resale of Securities in effect on March 30, 2004, hereafter referred to as “MI 45-102”;

— subsection 2.42 (3) [Conversion, exchange or exercise - security of own issue] if the security acquired in the circumstances referred to in clause *a* of subsection 2.42 (1) was acquired in accordance with the terms and conditions of a previously issued security under

(a) one of the exemptions listed above,

(b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of this Regulation, or

(c) an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.6 of MI 45-102;

— section 2.42 (3) [Conversion, exchange or exercise - security of a reporting issuer] for a security being traded in the circumstances referred to in clause (b) of subsection 2.42 (1);

— as well as the following local exemptions from the prospectus requirement:

— Alberta Securities Commission Rule 45-502 Trade with RESP, if not included in Appendix D;

— Nova Scotia Securities Commission Blanket Order No. 46;

— Prince Edward Island Local Rule 45-510 - Exempt Distributions - Exemptions for Trades Pursuant to Take-over Bids and Issuer Bids;

— an exemption from the prospectus requirement in a jurisdiction of Canada that specifies that the first trade is subject to section 2.6 of this Regulation.

Transitional Provisions

1. General

An exemption from the prospectus requirement listed in Appendix E of MI 45-102 in effect on March 30, 2004 or an exemption from the prospectus requirement that specified prior to September 14, 2005 that the first trade was subject to section 2.6 of MI 45-102. The exemptions listed in Appendix E of MI 45-102 on March 30, 2004 were:

— Section 131(1)*f* if not included in Appendix D, sections 131(1)*h*, *i*, *j*, *k*, and *y* of the Securities Act (Alberta) and sections 107(1)*j*.1 and *k*.1 prior to their repeal by section 5 of the Securities Amendment Act, 1989 (Alberta), subsection 2.1(2) of Multilateral Instrument 45-103, Capital Raising Exemptions prior to its repeal on September 14, 2005, hereafter referred to as “MI 45-103”, and sections 2.1, 2.2, 2.3 and 2.4 of Multilateral Instrument 45-105, Trades to Employees, Senior Officers, Directors and Consultants Exemptions prior to its repeal on September 14, 2005, hereafter referred to as “MI 45-105” or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102;

— Section 74(2)(11)*iii* if not included in Appendix D or F and sections 74(2)(7), (8) if not included in Appendix F, (9) to (11), (13), (22) and (24) of the Securities Act (British Columbia);

— Section 128*g* of the Securities Rules (British Columbia), section 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102;

— Section 74(2)(12) of the Securities Act (British Columbia), if the security acquired by the selling security holder under the realization on collateral was initially acquired by a person or company under any of the sections of the Securities Act (British Columbia), the Securities Rules (British Columbia) or a multilateral instrument referred to in this Appendix or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102;

— Clauses 54(3) and 73(1)*f* if not included in Appendix D or F, *i* if not included in Appendix F, *j*, *k* and *n* of the Securities Act (Newfoundland and Labrador), subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102;

— Paragraphs 3*e*, *f*, *g*, *h*, *i*, *n*, *x*, *y* and *mm* of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories), except for a trade made under subparagraph 3*e* *iii* of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) that is included in Appendix D or F or a trade made under paragraph 3*g* that is included in Appendix F, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102;

— Clause 77(1)*f* of the Securities Act (Nova Scotia) if not included in Appendix D or F, and clauses 77(1) *h*, *i* if not included in Appendix F, *j*, *k*, *n*, *v*, *va*, *ac*, *ae* and *af* of the Securities Act (Nova Scotia), and clause 78(1)*a* of the Securities Act (Nova Scotia) as it relates to clause 41(2)*j* of the Securities Act (Nova Scotia) and Blanket Order No. 37, 38 if not included in Appendix F, 46 and 45-503 if not included in Appendix F, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102;

— Paragraphs 3*e*, *f*, *g*, *h*, *i*, *n*, *x*, *y* and *mm* of Blanket Order No. 1 of the Registrar of Securities (Nunavut), except for a trade made under subparagraph 3*e**iii* of Blanket Order No. 1 of the Registrar of Securities (Nunavut) that is included in Appendix D or F or a trade made under paragraph 3*g* that is included in Appendix F, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102;

Clauses 13(1)*e* if not included in Appendix D or F, *f* if not included in Appendix F, *h* and *k* of the Securities Act (Prince Edward Island) or section 3.1 or 3.2 of Rule 45-501, section 1.1 of Prince Edward Island Rule 45-502, section 2.1 or 2.2 of Prince Edward Island Rule 45-506 or section 2.1 or 2.2 of Prince Edward Island Rule 45-510, subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102;

— Clauses 81(1)*a.1*, *e* if not included in Appendix D, *f* if not included in Appendix D or F, *f.1*, *g*, *h*, *i* if not included in Appendix F, *i.1*, *j*, *k*, *o*, *cc* and *dd* of The Securities Act, 1988 (Saskatchewan), subsection 2.1(2) of MI 45-103 and sections 2.1, 2.2, 2.3 and 2.4 of MI 45-105 or under an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102.

2. Québec Provisions

— Sections 50 and 52 of the Securities Act (Québec) as they read prior to their repeal by section 8 of An Act to amend the Securities Act and other legislative provisions;

— Prospectus and registration exemptions granted pursuant to section 263 of the Securities Act (Québec) before March 30, 2004 if the exemption included as a condition a seasoning period of 12 months.

3. Ontario provisions

Definitions

In this Appendix

“1998 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on December 22, 1998;

“2001 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on November 30, 2001;

“2004 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on January 12, 2004;

“2005 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Ontario Prospectus and Registration Exemptions that came into force on September 14, 2005;

“convertible security” means, in Ontario, a security of an issuer that is convertible into, or carries the right of the holder to purchase, or of the issuer to cause the purchase of, a security of the same issuer;

“exchangeable security” means, in Ontario, a security of an issuer that is exchangeable for, or carries the right of the holder to purchase, or the right of the issuer to cause the purchase of, a security of another issuer;

“exchange issuer” means, in Ontario, an issuer that distributes securities of a reporting issuer held by it in accordance with the terms of an exchangeable security of its own issue;

“multiple convertible security” means, in Ontario, a security of an issuer that is convertible into or exchangeable for, or carries the right of the holder to purchase, or of the issuer or exchange issuer to cause the purchase of, a convertible security, an exchangeable security or another multiple convertible security;

“OSC Rule 45-502” means Ontario Securities Commission Rule 45-502 Dividend or Interest Reinvestment and Stock Dividend Plans;

“OSC Rule 45-503” means Ontario Securities Commission Rule 45-503 Trades to Employees, Executives and Consultants;

“Type 1 trade” means, in Ontario, a distribution in a security under an exemption from the prospectus requirement in:

(a) clause 72(1)*a, b, c, d, l, m, p* or *q* of the Securities Act (Ontario);

(b) section 2.4, 2.5 or 2.11 of the 1998 OSC Rule 45-501;

(c) section 2.3, 2.12, 2.13 or 2.14 of the 2001 OSC Rule 45-501; or

(d) section 2.3, 2.12, 2.13, 2.14 or 2.16 of the 2004 OSC Rule 45-501; and

“Type 2 trade” means, in Ontario, a distribution in a security under an exemption from the prospectus requirement in:

(a) clause 72(1)*f* of the Securities Act (Ontario) other than a distribution to an associated consultant or investor consultant as defined in OSC Rule 45-503 or a distribution to an associated consultant or investor relations person as defined in MI 45-105;

(b) clause 72(1)h, i, j, k or n of the Securities Act (Ontario); or

(c) section 2.5, 2.8 or 2.15 of the 2001 OSC Rule 45-501; or

(d) section 2.5, 2.8 or 2.15 of the 2004 OSC Rule 45-501; and

“underlying security” means, in Ontario, a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security.

(a) Securities Act (Ontario)

Clauses 72(1)fi if not included in Appendix F, j, k and n of the Securities Act (Ontario), except for a trade made under 72(1)fi of the Securities Act (Ontario) that is:

i. included in Appendix D or F, or

ii. contemplated by section 6.5 of Ontario Securities Commission Rule 45-501 Exempt Distributions; and

an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of MI 45-102.

Clause 72(1)h of the Securities Act (Ontario) except for a distribution under clause 72(1)h of the Securities Act (Ontario) of an underlying security that was distributed on conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired in a Type 1 trade.

(b) 2001 OSC Rule 45-501 and 2004 OSC Rule 45-501

Section 2.1 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501.

Section 2.5 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501.

Section 2.6 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501 if an underlying security was distributed under section 2.6 of the 2001 OSC Rule 45-501 or the 2004 OSC Rule 45-501 on a forced conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired:

(a) in a Type 2 trade;

(b) under section 2.2, 3.1, 3.2, 3.3, 5.1 or 8.1 of OSC Rule 45-503, other than a trade by an associated consultant or investor consultant as defined in OSC Rule 45-503; or

(c) under a provision in Part 2 of MI 45-105.

Section 2.7 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501 if an underlying security was distributed under section 2.7 of the 2001 OSC Rule 45-501 or the 2004 OSC Rule 45-501 on a forced conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired:

(a) in a Type 2 trade;

(b) under section 2.2, 3.1, 3.2, 3.3, 5.1 or 8.1 of OSC Rule 45-503, other than a trade by an associated consultant or investor consultant as defined in OSC Rule 45-503; or

(c) under a provision in Part 2 of MI 45-105.

Section 2.8 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501.

Section 2.11 of the 2001 OSC Rule 45-501 and the 2004 OSC Rule 45-501 if section 2.6 of MI 45-102 would have been applicable to a first trade in that security by the person making the exempt distribution under section 2.11 of the 2001 OSC Rule 45-501 or the 2004 OSC Rule 45-501.

Section 2.15 of the 2004 OSC Rule 45-501.

(c) 1998 OSC Rule 45-501

Section 2.7 of the 1998 OSC Rule 45-501.

Section 2.8 of the 1998 OSC Rule 45-501.

Section 2.9 of the 1998 OSC Rule 45-501 if an underlying security was distributed under section 2.9 of the 1998 OSC Rule 45-501 on a forced conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired by the holder in a Type 2 trade.

Section 2.10 of the 1998 OSC Rule 45-501 if an underlying security was distributed under section 2.10 of the 1998 OSC Rule 45-501 on a forced conversion or exchange of a multiple convertible security, convertible security or exchangeable security acquired by the holder in a Type 2 trade.

Section 2.17 of the 1998 OSC Rule 45-501.

Subsection 2.18(1) of the 1998 OSC Rule 45-501 after the issuer had ceased to be a private issuer for the purposes of the Securities Act (British Columbia).

(d) Other

Sections 2.1 and 3.1 of Ontario Securities Commission Rule 45-502.

APPENDIX F

(s. 2.13)

UNDERWRITERS

Subsection 2.33 (2) [Acting as underwriter] of Regulation 45-106 respecting Prospectus and Registration Exemptions and subsection 2.11(2) [Business combination and reorganization] or 2.42 (3) [Conversion, exchange or exercise] of Regulation 45-106, if the original security was acquired under subsection 2.33 (2) of Regulation 45-106 or one of the underwriter exemptions in the transitional provisions listed below.

Transitional Provisions

An exemption from the prospectus requirement listed in Appendix F of Multilateral Instrument 45-102 Resale of Securities in effect on March 30, 2004, hereafter referred to as “MI 45-102”. Exemptions listed in Appendix F of MI 45-102 on March 30, 2004 were:

— Section 74(2)(15) of the Securities Act (British Columbia) and section 74(2)(8) or 74(2)(11)*iii* of the Securities Act (British Columbia) if the original security was acquired under section 74(2)(15) of the Securities Act (British Columbia);

— Clause 73(1)*r* of the Securities Act (Newfoundland and Labrador) and section 73(1)*i* or 73(1)*fiii* of the Securities Act (Newfoundland and Labrador) if the original security was acquired under section 73(1)*r* of the Securities Act (Newfoundland and Labrador);

— Paragraph 3*v* of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) and paragraph 3*g* or subparagraph 3*eiii* of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories) if the original security was acquired under paragraph 3*v* of Blanket Order No. 1 of the Registrar of Securities (Northwest Territories);

— Clause 77(1)*r* of the Securities Act (Nova Scotia) and clause 77(1)*i* or 77(1)*fiii* of the Securities Act (Nova Scotia) or Blanket Order No. 38 or 45-503 if the original security was acquired under clause 77(1)*r* of the Securities Act (Nova Scotia);

— Paragraph 3*v* of Blanket Order No. 1 of the Registrar of Securities (Nunavut) and paragraph 3*g* or subparagraph 3*eiii* of Blanket Order No. 1 of the Registrar of Securities (Nunavut) if the original security was acquired under paragraph 3*v* of Blanket Order No. 1 of the Registrar of Securities (Nunavut);

— Clause 72(1)*fiii* of the Securities Act (Ontario) if the original security was acquired under clause 72(1)*r* of the Securities Act (Ontario);

— Clause 72(1)*i* of the Securities Act (Ontario) if the original security was acquired under clause 72(1)*r* of the Securities Act (Ontario);

— Clause 72(1)*r* of the Securities Act (Ontario);

— Section 2.1 of Prince Edward Island Rule 45-509 and subclause 13(1)*eiii* or clause 13(1)*f* of the Securities Act (Prince Edward Island) or section 1.1 of Prince Edward Island Rule 45-502 if the original security was acquired under section 2.1 of Prince Edward Island Rule 45-509;

— Section 55 of the Securities Act (Québec) as it read prior to its repeal by section 8 of An Act to amend the Securities Act and other legislative provisions;

— Clause 81(1)*u* of The Securities Act, 1988 (Saskatchewan) and clause 81(1)*i* or subclause 81(1)*fiii* of The Securities Act, 1988 (Saskatchewan) if the original security was acquired under clause 81(1)*u* of The Securities Act, 1988 (Saskatchewan).

FORM 45-102F1

**NOTICE OF INTENTION TO DISTRIBUTE
SECURITIES UNDER SECTION 2.8 OF
REGULATION 45-102 RESPECTING RESALE
OF SECURITIES**

Reporting issuer

1. Name of reporting issuer:

Selling security holder

2. Your name:

3. The offices or positions you hold in the reporting issuer:

4. Are you selling securities as a lender, pledgee, mortgagee or other encumbrancer?

5. Number and class of securities of the reporting issuer you beneficially own:

Distribution

6. Number and class of securities you propose to sell:

7. Will you sell the securities privately or on an exchange or market? If on an exchange or market, provide the name.

Warning

It is an offence to submit information that, in a material respect and in light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

I certify that

(1) I have no knowledge of a material fact or material change with respect to the issuer of the securities that has not been generally disclosed; and

(2) the information given in this form is true and complete.

Date _____

Your name (Selling security holder)

Your signature (or if a company, the signature of your authorized signatory)

Name of your authorized signatory

INSTRUCTION

File this form electronically through SEDAR with the securities regulatory authority in each jurisdiction where you sell securities and with the Canadian exchange on which the securities are listed. Where the securities are being sold on an exchange, the form should be filed in every jurisdiction across Canada.

Notice to selling security holders - collection and use of personal information

The personal information required in this form is collected for and used by the listed securities regulatory authorities to administer and enforce securities legislation in their jurisdictions. This form is publicly available by authority of Regulation 45-102 and the securities

legislation in each of the jurisdictions. The personal information collected will not be used or disclosed other than for the stated purposes without first obtaining your consent. Corporate filers should seek the consent of any individuals whose personal information appears in this form before filing this form.

If you have questions about the collection and use of your personal information, or the personal information of your authorized signatory, contact any of the securities regulatory authorities listed below.

Alberta Securities Commission

4th Floor, 300 - 5th Avenue SW
Calgary, AB T2P 3C4
Attention: Information Officer
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, B.C. V7Y 1L2
Attention: Manager, Financial and Insider Reporting
Telephone: (604) 899-6730 or (800) 373-6393
(in B.C.)
Facsimile: (604) 899-6506

Securities Commission of Newfoundland and Labrador

P.O. Box 8700
2nd Floor, West Block
Confederation Building
75 O'Leary Avenue
St. John's NFLD A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Department of Justice, Northwest Territories

Legal Registries
P.O. Box 1320
1st Floor, 5009-49th Street
Yellowknife, NWT X1A 2L9
Attention: Director, Legal Registries
Telephone: (867) 873-7490
Facsimile: (867) 873-0243

Nova Scotia Securities Commission

2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, NS B3J 3J9
Attention: Corporate Finance
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Department of Justice, Nunavut

Legal Registries Division
P.O. Box 1000 - Station 570
1st Floor, Brown Building
Iqaluit, NT X0A 0H0
Attention: Director, Legal Registries Division
Telephone: (867) 975-6190
Facsimile: (867) 975-6194

Ontario Securities Commission

Suite 1903, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
Attention: Administrative Assistant to the Director
of Corporate Finance
Telephone: (416) 593-8314
Facsimile: (416) 593-8177

Prince Edward Island Securities Office

Consumer, Corporate and Insurance Services Division
Office of the Attorney General
P.O. Box 2000
Charlottetown, PE C1A 7N8
Attention: Registrar of Securities
Telephone: (902) 368-4550
Fax: (902) 368-5283

Autorité des marchés financiers

Tour de la Bourse
800 square Victoria
C. P. 246, 22^e étage
Montréal, Québec
H4Z 1G3
Attention: Responsable de l'accès à l'information

**Saskatchewan Financial Services Commission
Securities Division**

6th Floor, 1919 Saskatchewan Drive
Regina, SK S4P 3V7
Attention: Deputy Director, Legal
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

7068

M.O., 2005-20**Order number V-1.1-2005-20 of the Minister of
Finance dated 12 August 2005**

Securities Act
(R.S.Q., c. V-1.1; 2004, c. 37)

CONCERNING the Regulation 45-106 respecting
prospectus and registration exemptions

WHEREAS the Securities Act (R.S.Q., c. V-1.1) has
been amended by the chapter 37 of the Statutes of 2004;

WHEREAS subparagraphs 1, 3, 4, 7, 10, 11, 12, 14 and
34 of section 331.1 of the Securities Act stipulate that the
Autorité des marchés financiers may make regulations
concerning the matters referred to in those paragraphs;

WHEREAS the third and fourth paragraphs of section 331.2
of the said Act stipulate that a draft regulation shall be
published in the Bulletin of the Authority, accompanied
with the notice required under section 10 of the Regula-
tions Act (R.S.Q., c. R-18.1) and may not be submitted
for approval or be made before 30 days have elapsed
since its publication;

WHEREAS the first and fifth paragraphs of the said
section stipulate that every regulation made under sec-
tion 331.1 must be approved, with or without amend-
ment, by the Minister of Finance and comes into force
on the date of its publication in the *Gazette officielle du
Québec* or any later date specified in the regulation;

WHEREAS sections 691 and 696 of chapter 45 of the
statutes of 2002 stipulate, in particular, that sections 331.1
and 331.2 of the Securities Act are amended by replac-
ing "Commission" wherever it appears by "Agency",
and making the necessary modifications;

WHEREAS sections 37 and 38 of chapter 37 of the
statutes of 2004 stipulate, in particular, that sections 331.1
and 331.2 of the Securities Act are amended by replac-
ing "Agency" wherever it appears by "Authority";

WHEREAS the draft Regulation 45-106 respecting pro-
spectus and registration exemptions was published in
the Supplement to the Bulletin concerning securities of
the Autorité des marchés financiers, volume 1, No. 46 of
December 17, 2004;

WHEREAS on August 11, 2005, by the decision
No. 2005-PDG-0251, the Authority made the Regulation
45-106 respecting prospectus and registration exemptions;

WHEREAS there is cause to approve this regulation without amendment;

CONSEQUENTLY, the Minister of Finance approves without amendment the Regulation 45-106 respecting prospectus and registration exemptions appended hereto.

August 12, 2005

MICHEL AUDET,
Minister of Finance

Regulation 45-106 respecting prospectus and registration exemptions

Securities Act
(R.S.Q., c. V-1.1, s. 331.1, par. (1), (3), (4), (7), (10), (11), (12), (14) and (34); 2004, c. 37)

PART 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Regulation

“accredited investor” means

(a) a Canadian financial institution, or a Schedule III bank,

(b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Statutes of Canada, 1995, c. 28),

(c) a subsidiary of any person referred to in paragraphs *a* or *b*, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,

(d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the Securities Act (R.S.O. 1990, c. S. 5) or the Securities Act (R.S.N.L. 1990, c. S-13) of Newfoundland and Labrador,

(e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph *d*,

(f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,

(g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

(h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,

(i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,

(j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1 000 000,

(k) an individual whose net income before taxes exceeded \$200 000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300 000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,

(l) an individual who, either alone or with a spouse, has net assets of at least \$5 000 000,

(m) a person, other than an individual or investment fund, that has net assets of at least \$5 000 000 as shown on its most recently prepared financial statements,

(n) an investment fund that distributes or has distributed its securities only to

i. a person that is or was an accredited investor at the time of the distribution,

ii. a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], and 2.19 [Additional investment in investment funds], or

iii. a person described in paragraph *i* or *ii* that acquires or acquired securities under section 2.18 [Investment fund reinvestment],

(o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,

(p) a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Statutes of Canada, 1991, c. 45) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,

(q) a person acting on behalf of a fully managed account managed by that person

i. is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and

ii. in Ontario, is purchasing a security that is not a security of an investment fund;

(r) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,

(s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs *a* to *d* or paragraph *i* in form and function,

(t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,

(u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser, or

(v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as

i. an accredited investor, or

ii. an exempt purchaser in Alberta or British Columbia after this Regulation comes into force;

“AIF” means

(a) for financial years starting before January 1, 2004, a current AIF as defined in Multilateral Instrument 45-102 Resale of Securities (B.C. Reg. 269/2001) that came into force on November 30, 2001, and

(b) for financial years starting on or after January 1, 2004,

i. an AIF as defined in Regulation 51-102 respecting Continuous Disclosure Obligations, approved by Ministerial Order No. 2005-03 dated May 19, 2005;

ii. a prospectus filed in a jurisdiction, other than a prospectus filed under a CPC instrument, if the issuer has not filed or been required to file an AIF or annual financial statements under Regulation 51-102 respecting Continuous Disclosure Obligations, or

iii. a QT circular if the issuer has not filed or been required to file annual financial statements under Regulation 51-102 respecting Continuous Disclosure Obligations subsequent to filing its QT circular;

“approved credit rating” has the same meaning as in Regulation 81-102 Mutual Funds, adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0209 dated May 22, 2001;

“approved credit rating organization” has the same meaning as in Regulation 81-102 Mutual Funds;

“bank” means a bank named in Schedule I or II of the Bank Act (Statutes of Canada, 1991, c. 46);

“Canadian financial institution” means

(a) an association governed by the Cooperative Credit Associations Act (Statutes of Canada, 1991, c. 48) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

“control person” has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds

(a) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or

(b) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

“CPC Instrument” means a rule or regulation of a jurisdiction of Canada or a rule, regulation or policy of an exchange in Canada that applies only to capital pool companies;

“debt security” means any bond, debenture, note or similar instrument representing indebtedness, whether secured or unsecured;

“director” means

(a) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

“eligibility adviser” means

(a) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and

(b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not

i. have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and

ii. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

“eligible investor” means

(a) a person whose

i. net assets, alone or with a spouse, in the case of an individual, exceed \$400 000,

ii. net income before taxes exceeded \$75 000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year, or

iii. net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125 000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year,

(b) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors,

(c) a general partnership of which all of the partners are eligible investors,

(d) a limited partnership of which the majority of the general partners are eligible investors,

(e) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors,

(f) an accredited investor,

(g) a person described in section 2.5 [Family, friends and business associates],

or

(h) a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser;

“executive officer” means, for an issuer, an individual who is

(a) a chair, vice-chair or president,

(b) a vice-president in charge of a principal business unit, division or function including sales, finance or production,

(c) an officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or

(d) performing a policy-making function in respect of the issuer, other than the individuals referred to in subparagraphs a to c;

“financial assets” means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

“founder” means, in respect of an issuer, a person who,

(a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and

(b) at the time of the trade is actively involved in the business of the issuer;

“fully managed account” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;

“investment fund” has the same meaning as in Regulation 81-106 respecting Investment Fund Continuous Disclosure, approved by Ministerial Order No. 2005-05 dated May 19, 2005;

“marketplace” has the same meaning as in National Instrument 21-101, Marketplace Operation, adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0409 dated August 28, 2001;

“MD&A” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations;

“non-redeemable investment fund” has the same meaning as in Regulation 81-106 respecting Investment Fund Continuous Disclosure;

“person” includes

(a) an individual,

(b) a legal person,

(c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether constituted or not as a legal person, and

(d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;

“QT circular” means an information circular or filing statement in respect of a qualifying transaction for a capital pool company under a CPC instrument;

“qualifying issuer” means a reporting issuer in a jurisdiction of Canada that

(a) is a SEDAR filer,

(b) has filed all documents required to be filed under the securities legislation of that jurisdiction, and

(c) if not required to file an AIF, has filed in the jurisdiction,

i. an AIF for its most recently completed financial year for which annual statements are required to be filed, and

ii. copies of all material incorporated by reference in the AIF not previously filed;

“related liabilities” means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

“reporting issuer” means, in Northwest Territories, Nunavut and Prince Edward Island, an issuer that is a reporting issuer in a jurisdiction of Canada;

“RRIF” means a registered retirement income fund as defined in the Income Tax Act (R.S.C. (1985), c. 1 (5th Supp.));

“RRSP” means a registered retirement savings plan as defined in the Income Tax Act;

“Schedule III bank” means an authorized foreign bank named in Schedule III of the Bank Act;

“SEDAR filer” means an issuer that is an electronic filer under Regulation 13-101 respecting the System for Electronic Document Analysis and Retrieval (SEDAR), adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0272 dated June 12, 2001;

“spouse” means an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (R.S.C. (1985), c. 3 (2nd Supp.)), from the other individual,

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or

(c) in Alberta, is an individual referred to in paragraph *a* or *b*, or is an adult interdependent partner within the meaning of the Adult Interdependent Relationships Act (S.A. 2002, c. A-4.5);

“subsidiary” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

1.2 Affiliate

For the purpose of this Regulation, an issuer is an affiliate of another issuer if

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same person.

1.3 Control

For the purposes of this Regulation, except in Part 2, Division 4, a person (first person) is considered to control another person (second person) if

(a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,

(b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or

(c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

1.4 Registration requirement

(1) An exemption from the dealer registration requirement or from the prospectus requirement that refers to a registered dealer is only available for a trade in a security if the dealer is registered in a category that permits the trade described in the exemption.

(2) An exemption from the dealer registration requirement is deemed to be an exemption from the underwriter registration requirement.

1.5 Definition of distribution - Manitoba and Yukon

For the purpose of this Regulation, in Manitoba and Yukon, “distribution” means a primary distribution to the public.

1.6 Definition of trade – Québec

For the purpose of this Regulation, in Québec, “trade” includes any of the following activities:

(a) any of the activities referred to in the definition of “dealer” in section 5 of the Securities Act (R.S.Q., c. V-1.1);

(b) the sale or disposition of a security for valuable consideration, whether the terms of payment are on margin, installment or otherwise, but does not include, except as provided in paragraph *e*, a transfer, pledge or encumbrance of securities for the purpose of giving collateral for a debt made in good faith, or the purchase of a security;

(c) participation as a trader in any transaction in a security through the facilities of an exchange or a quotation and trade reporting system;

(d) receipt by a registrant of an order to buy or sell a security;

(e) a transfer, pledge or encumbering of securities of an issuer from the holdings of a control person for the purpose of giving collateral for a debt made in good faith;

(f) entering into a derivative;

(g) any activity, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any of the activities referred to in paragraphs *a* to *f*.

PART 2 PROSPECTUS AND REGISTRATION EXEMPTIONS

DIVISION 1 CAPITAL RAISING EXEMPTIONS

2.1 Rights offering

(1) The dealer registration requirement does not apply in respect of a trade by an issuer in a right granted by the issuer to purchase a security of its own issue to a security holder of the issuer if

(a) the issuer has given the regulator or, in Québec, the securities regulatory authority, prior written notice stating the date, amount, nature and conditions of the trade, including the approximate net proceeds to be derived by the issuer on the basis of the additional securities being fully taken up,

(b) except in British Columbia, the regulator or, in Québec, the securities regulatory authority, has not objected in writing to the trade within 10 days of receipt of the notice referred to in paragraph *a* or, if the regulator or securities regulatory authority objects to the trade, the issuer has delivered to the regulator or securities regulatory authority information relating to the securities that is satisfactory to and accepted by the regulator or securities regulatory authority, and

(c) the issuer has complied with the applicable requirements of Regulation 45-101 respecting Rights Offerings, adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0247 dated June 12, 2001.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.2 Reinvestment plan

(1) The dealer registration requirement does not apply in respect of the following trades by an issuer, or by a trustee, custodian or administrator acting for or on behalf of the issuer, to a security holder of the issuer if the trades are permitted by a plan of the issuer:

(a) a trade in a security of the issuer's own issue if dividends or distributions out of earnings, surplus, capital or other sources payable in respect of the issuer's securities are applied to the purchase of the security that is of the same class or series as the securities to which the dividends or distributions out of earnings, surplus, capital or other sources is attributable, and

(b) a trade in a security of the issuer's own issue if the security holder makes optional cash payments to purchase the security of the issuer that is of the same class or series of securities described in paragraph *a* that trade on a marketplace.

(2) The aggregate number of securities issued under the optional cash payment referred to in subsection (1)*b* must not exceed, in any financial year of the issuer during which the trade takes place, 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.

(3) A plan that permits the trades described in subsection (1) must be available to every security holder in Canada to which the dividend or distribution is available.

(4) Subject to subsections (3) and (5), the prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

(5) This section does not apply to a trade in a security of an investment fund.

2.3 Accredited investor

(1) The dealer registration requirement does not apply in respect of a trade in a security if the purchaser purchases the security as principal and is an accredited investor.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

(3) For the purpose of this section, a trust company or trust corporation described in paragraph *p* of the definition of "accredited investor" in section 1.1 [Definitions] is deemed to be purchasing as principal.

(4) Subsection (3) does not apply to a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the Trust and Loan Companies Act (Canada) or under comparable legislation in another jurisdiction of Canada.

(5) For the purpose of this section, a person described in paragraph *q* of the definition of "accredited investor" in section 1.1 [Definitions] is deemed to be purchasing as principal.

(6) This section does not apply to a trade in a security to a person if that person is created or used solely to purchase or hold securities as an accredited investor as described in paragraph *m* of the definition of "accredited investor" in section 1.1 [Definitions].

2.4 Private issuer

(1) In this section, "private issuer" means an issuer

(a) that is not a reporting issuer or an investment fund,

(b) whose securities, other than non-convertible debt securities,

i. are subject to restrictions on transfer that are contained in the issuer's constating documents or security holders' agreements, and

ii. are beneficially owned, directly or indirectly, by not more than 50 persons, not including employees and former employees of the issuer or its affiliates, provided that each person is counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of the issuer in which case each beneficial owner or each beneficiary of the person, as the case may be, must be counted as a separate beneficial owner, and

(c) that has distributed securities only to persons described in this section.

(2) The dealer registration requirement does not apply in respect of a trade in a security of a private issuer to a person who purchases the security as principal and is

(a) a director, officer, employee, founder or control person of the issuer,

(b) a spouse, parent, grandparent, brother, sister or child of a director, executive officer, founder or control person of the issuer,

(c) a parent, grandparent, brother, sister or child of the spouse of a director, executive officer, founder or control person of the issuer,

(d) a close personal friend of a director, executive officer, founder or control person of the issuer,

(e) a close business associate of a director, executive officer, founder or control person of the issuer,

(f) a spouse, parent, grandparent, brother, sister or child of the selling security holder or of the selling security holder's spouse,

(g) a security holder of the issuer,

(h) an accredited investor,

(i) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs *a* to *h*,

(j) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs *a* to *h*, or

(k) a person that is not the public.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (2).

(4) Except for a trade to an accredited investor, no commission or finder's fee may be paid to any director, officer, founder or control person of an issuer in connection with a trade under subsection (2) or (3).

2.5 Family, friends and business associates

(1) Except in Ontario, the dealer registration requirement does not apply in respect of a trade in a security to a person who purchases the security as principal and is

(a) a director, executive officer or control person of the issuer, or of an affiliate of the issuer,

(b) a spouse, parent, grandparent, brother, sister or child of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,

(c) parent, grandparent, brother, sister or child of the spouse of a director, executive officer or control person of the issuer or of an affiliate of the issuer,

(d) a close personal friend of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,

(e) a close business associate of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,

(f) a founder of the issuer or a spouse, parent, grandparent, brother, sister, child, close personal friend or close business associate of a founder of the issuer,

(g) a parent, grandparent, brother, sister or child of a spouse of a founder of the issuer,

(h) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs *a* to *g*, or

(i) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs *a* to *g*.

(2) Except in Ontario, the prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

(3) No commission or finder's fee may be paid to any director, officer, founder, or control person of an issuer or an affiliate of the issuer in connection with a trade under subsection (1) or (2).

2.6 Family, friends and business associates - Saskatchewan

(1) In Saskatchewan, section 2.5 [Family, friends and business associates] does not apply unless the person making the trade obtains a signed risk acknowledgement from the purchaser in the required form for a trade to

(a) a person described in section 2.5(1)d or e [Family, friends and business associates],

(b) a close personal friend or close business associate of a founder of the issuer, or

(c) a person described in section 2.5(1)h or i [Family, friends and business associates] if the trade is based in whole or in part on a close personal friendship or close business association.

(2) The person making the trade must retain the required form referred to in subsection (1) for 8 years after the trade.

2.7 Founder, control person and family - Ontario

(1) In Ontario, the dealer registration requirement does not apply in respect of a trade in a security to a person who purchases the security as principal and is

(a) a founder of the issuer,

(b) an affiliate of a founder of the issuer,

(c) a spouse, parent, brother, sister, grandparent or child of an executive officer, director or founder of the issuer, or

(d) a person that is a control person of the issuer.

(2) In Ontario, the prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.8 Affiliates

(1) The dealer registration requirement does not apply in respect of a trade by an issuer in a security of its own issue to an affiliate of the issuer that is purchasing as principal.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.9 Offering memorandum

(1) In British Columbia, New Brunswick, Nova Scotia and Newfoundland and Labrador, the dealer registration requirement does not apply in respect of a trade by an issuer in a security of its own issue to a purchaser if

(a) the purchaser purchases the security as principal, and

(b) at the same time or before the purchaser signs the agreement to purchase the security, the issuer

i. delivers an offering memorandum to the purchaser in compliance with subsections (7) to (13), and

ii. obtains a signed risk acknowledgement from the purchaser in compliance with subsection (14).

(2) In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec and Saskatchewan, the dealer registration requirement does not apply in respect of a trade by an issuer in a security of its own issue to a purchaser if

(a) the purchaser purchases the security as principal,

(b) the purchaser is an eligible investor or the acquisition cost to the purchaser does not exceed \$10 000,

(c) at the same time or before the purchaser signs the agreement to purchase the security, the issuer

i. delivers an offering memorandum to the purchaser in compliance with subsections (7) to (13), and

ii. obtains a signed risk acknowledgement from the purchaser in compliance with subsection (14),

and

(d) if the issuer is an investment fund, the investment fund is

i. a non-redeemable investment fund, or

ii. a mutual fund that is

(A) a reporting issuer, and

(B) in Manitoba, Québec and Saskatchewan, is an issuer listed for trading on an exchange or quoted on an over-the-counter market.

(3) In British Columbia, New Brunswick, Nova Scotia and Newfoundland and Labrador, the prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

(4) In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec and Saskatchewan, the prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (2).

(5) In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec and Saskatchewan, this section does not apply to a trade in a security to a person described in paragraph *a* of the definition of “eligible investor” in section 1.1 [Definitions] if that person is created or used solely to purchase or hold securities in reliance on an exemption from the dealer registration requirement or the prospectus requirement set out in subsections (2) and (4).

(6) No commission or finder’s fee may be paid to any person, other than a registered dealer, in connection with a trade to a purchaser in

(a) Northwest Territories, Nunavut and Saskatchewan under subsections (2) and (4), or

(b) New Brunswick under subsections (1) and (3).

(7) An offering memorandum delivered under this section must be in the required form.

(8) If the securities legislation where the purchaser is resident does not provide a comparable right, an offering memorandum delivered under this section must provide the purchaser with a contractual right to cancel the agreement to purchase the security by delivering a notice to the issuer not later than midnight on the 2nd business day after the purchaser signs the agreement to purchase the security.

(9) If the securities legislation where the purchaser is resident does not provide statutory rights of action in the event of a misrepresentation in an offering memorandum delivered under this section, the offering memorandum must contain a contractual right of action against the issuer for rescission or damages that

(a) is available to the purchaser if the offering memorandum, or any information or documents incorporated or deemed to be incorporated by reference into the offer-

ing memorandum, contains a misrepresentation, without regard to whether the purchaser relied on the misrepresentation,

(b) is enforceable by the purchaser delivering a notice to the issuer

i. in the case of an action for rescission, within 180 days after the purchaser signs the agreement to purchase the security, or

ii. in the case of an action for damages, before the earlier of

(A) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action, or

(B) 3 years after the date the purchaser signs the agreement to purchase the security,

(c) is subject to the defence that the purchaser had knowledge of the misrepresentation,

(d) in the case of an action for damages, provides that the amount recoverable

i. must not exceed the price at which the security was offered, and

ii. does not include all or any part of the damages that the issuer proves does not represent the depreciation in value of the security resulting from the misrepresentation, and

(e) is in addition to, and does not detract from, any other right of the purchaser.

(10) An offering memorandum delivered under this section must contain a certificate that states the following:

“This offering memorandum does not contain a misrepresentation.”.

(11) A certificate under subsection (10) must be signed

(a) by the issuer’s chief executive officer and chief financial officer or, if the issuer does not have a chief executive officer or chief financial officer, a person acting in that capacity,

(b) on behalf of the directors of the issuer,

i. by any 2 directors who are authorized to sign, other than the persons referred to in paragraph *a*, or

ii. by all the directors of the issuer, and

(c) by each promoter of the issuer.

(12) A certificate under subsection (10) must be true

(a) at the date the certificate is signed, and

(b) at the date the offering memorandum is delivered to the purchaser.

(13) If a certificate under subsection (10) ceases to be true after it is delivered to the purchaser, the issuer cannot accept an agreement to purchase the security from the purchaser unless

(a) the purchaser receives an update of the offering memorandum,

(b) the update of the offering memorandum contains a newly dated certificate signed in compliance with subsection (11), and

(c) the purchaser re-signs the agreement to purchase the security.

(14) A risk acknowledgement under subsection (1), (2), (3) or (4) must be in the required form and an issuer relying on subsection (1), (2) (3) or (4) must retain the signed risk acknowledgment for 8 years after the distribution.

(15) The issuer must

(a) hold in trust all consideration received from the purchaser in connection with a trade in a security under subsection (1), (2), (3) or (4) until midnight on the 2nd business day after the purchaser signs the agreement to purchase the security, and

(b) return all consideration to the purchaser promptly if the purchaser exercises the right to cancel the agreement to purchase the security described under subsection (8).

(16) The issuer must file a copy of an offering memorandum delivered under this section and any update of a previously filed offering memorandum with the securities regulatory authority on or before the 10th day after the distribution under the offering memorandum or update of the offering memorandum.

(17) If a qualifying issuer uses a form of offering memorandum that allows the qualifying issuer to incorporate previously filed information into the offering memorandum by reference, the qualifying issuer is

exempt from the requirement under Regulation 43-101 respecting Standards of Disclosure for Mineral Projects, adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0199 dated May 22, 2001 to file a technical report to support scientific or technical information about the qualifying issuer's mineral project in the offering memorandum or incorporated by reference into the offering memorandum if the information about the mineral project is contained in a previously filed technical report under Regulation 43-101 respecting Standards of Disclosure for Mineral Projects.

2.10 Minimum amount investment

(1) The dealer registration requirement does not apply in respect of a trade in a security to a person if

(a) that person purchases as principal,

(b) the security has an acquisition cost to the purchaser of not less than \$150 000 paid in cash at the time of the trade, and

(c) the trade is in a security of a single issuer.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

(3) This section does not apply to a trade in a security to a person if that person is created or used solely to purchase or hold securities in reliance on this exemption from the dealer registration requirement or the prospectus requirement.

DIVISION 2 TRANSACTION EXEMPTIONS

2.11 Business combination and reorganization

(1) The dealer registration requirement does not apply in respect of a trade in a security in connection with

(a) an amalgamation, merger, reorganization or arrangement that is under a statutory procedure,

(b) an amalgamation, merger, reorganization or arrangement that

i. is described in an information circular made pursuant to Regulation 51-102 or in a similar disclosure record and the information circular or similar disclosure record is delivered to each security holder whose approval of the amalgamation, merger, reorganization or arrangement is required before it can proceed, and

ii. is approved by the security holders referred to in subparagraph *i*,

or

(*c*) a dissolution or winding-up of the issuer.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.12 Asset acquisition

(1) The dealer registration requirement does not apply in respect of a trade by an issuer in a security of its own issue to a person as consideration for the assets of the person, if those assets have a fair value of not less than \$150 000.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.13 Petroleum, natural gas and mining properties

(1) The dealer registration requirement does not apply in respect of a trade by an issuer in a security of its own issue as consideration for the acquisition of petroleum, natural gas or mining properties or any interest in them.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.14 Securities for debt

(1) The dealer registration requirement does not apply in respect of a trade by a reporting issuer in a security of its own issue to a creditor to settle a bona fide debt of that reporting issuer.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.15 Issuer acquisition or redemption

(1) The dealer registration requirement does not apply in respect of a trade in a security to the issuer of the security.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.16 Take-over bid and issuer bid

(1) The dealer registration requirement does not apply in respect of a trade in a security in connection with a take-over bid or issuer bid.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.17 Offer to acquire to security holder outside local jurisdiction

(1) The dealer registration requirement does not apply in respect of a trade by a security holder outside the local jurisdiction to a person in the local jurisdiction if the trade would have been in connection with a take-over bid or issuer bid made by that person were it not for the fact that the security holder is outside of the local jurisdiction.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

DIVISION 3 INVESTMENT FUND EXEMPTIONS

2.18 Investment fund reinvestment

(1) The dealer registration requirement does not apply in respect of the following trades by an investment fund to a security holder of the investment fund if the trades are permitted by a plan of the investment fund:

(*a*) a trade in a security of the investment fund's own issue if dividends or distributions out of earnings, surplus, capital or other sources payable in respect of the investment fund's securities are applied to the purchase of the security that is of the same class or series as the securities to which the dividends or distributions out of earnings, surplus, capital or other sources are attributable, and

(*b*) a trade in a security of the investment fund's own issue if the security holder makes optional cash payments to purchase the security of the investment fund that is of the same class or series of securities described in paragraph *a* that trade on a marketplace.

(2) The aggregate number of securities issued under the optional cash payment referred to in subsection (1)*b* must not exceed, in any financial year of the investment fund during which the trade takes place, 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.

(3) A plan that permits the trades described in subsection (1) must be available to every security holder in Canada to which the dividend or distribution is available.

(4) No sales charge is payable on a trade described in subsection (1).

(5) The most recent prospectus of the investment fund, if any, must set out

(a) details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of the security,

(b) any right that the security holder has to make an election to receive cash instead of securities on the payment of a dividend or making of a distribution by the investment fund, and

(c) instructions on how the right referred to in paragraph *b* can be exercised.

(6) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.19 Additional investment in investment funds

(1) The dealer registration requirement does not apply in respect of a trade by an investment fund in a security of its own issue to a security holder of the issuer if

(a) the security holder initially acquired securities of the investment fund as principal for an acquisition cost of not less than \$150 000 paid in cash at the time of the trade,

(b) the subsequent trade is for a security of the same class or series as the initial trade, and

(c) the security holder, as at the date of the subsequent trade, holds securities of the investment fund that have

- i. an acquisition cost of not less than \$150 000, or
- ii. a net asset value of not less than \$150 000.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.20 Private investment club

(1) The dealer registration requirement does not apply in respect of a trade in a security of an investment fund if the investment fund

(a) has no more than 50 beneficial security holders,

(b) does not seek and has never sought to borrow money from the public,

(c) does not and has never distributed its securities to the public,

(d) does not pay or give any remuneration for investment management or administration advice in respect of trades in securities, except normal brokerage fees, and

(e) for the purpose of financing the operations of the investment fund, requires security holders to make contributions in proportion to the value of the securities held by them.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.21 Private investment fund - loan and trust pools

(1) The dealer registration requirement does not apply in respect of a trade in a security of an investment fund if the investment fund

(a) is administered by a trust company or trust corporation that is registered or authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada,

(b) has no promoter or manager other than the trust company or trust corporation referred to in paragraph *a*, and

(c) co-mingles the money of different estates and trusts for the purpose of facilitating investment.

(2) A trust company or trust corporation registered under the laws of Prince Edward Island that is not registered under the Trust and Loan Companies Act (Canada) or under comparable legislation in another jurisdiction of Canada is not a trust company or trust corporation for the purpose of subsection (1)*a*.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

DIVISION 4
EMPLOYEE, EXECUTIVE OFFICER, DIRECTOR
AND CONSULTANT EXEMPTIONS

2.22 Definitions

In this Division

“associate”, when used to indicate a relationship with a person, means

(a) an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling the person to more than 10% of the voting rights attached to outstanding voting securities of the issuer,

(b) any partner of the person,

(c) any trust or estate in which the person has a substantial beneficial interest or in respect of which the person serves as trustee or executor or in a similar capacity, or

(d) in the case of an individual, a relative of that individual, including

i. a spouse of that individual, or

ii. a relative of that individual’s spouse

if the relative has the same home as that individual;

“associated consultant” means, for an issuer, a consultant of the issuer or of a related entity of the issuer if

(a) the consultant is an associate of the issuer or of a related entity of the issuer,

or

(b) the issuer or a related entity of the issuer is an associate of the consultant;

“compensation” means an issuance of securities in exchange for services provided or to be provided and includes an issuance of securities for the purpose of providing an incentive;

“consultant” means, for an issuer, a person, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer, that

(a) is engaged to provide services to the issuer or a related entity of the issuer, other than services provided in relation to a distribution,

(b) provides the services under a written contract with the issuer or a related entity of the issuer, and

(c) spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer

and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

“holding entity” means a person that is controlled by an individual;

“investor relations activities” means activities or communications, by or on behalf of an issuer or a security holder of the issuer, that promote or could reasonably be expected to promote the purchase or sale of securities of the issuer, but does not include

(a) the dissemination of information or preparation of records in the ordinary course of the business of the issuer

i. to promote the sale of products or services of the issuer, or

ii. to raise public awareness of the issuer

that cannot reasonably be considered to promote the purchase or sale of securities of the issuer,

(b) activities or communications necessary to comply with the requirements of

i. securities legislation of any jurisdiction of Canada,

ii. the securities laws of any foreign jurisdiction governing the issuer, or

iii. any exchange or market on which the issuer’s securities trade,

or

(c) activities or communications necessary to follow securities directions of any jurisdiction of Canada;

“investor relations person” means a person that is a registrant or that provides services that include investor relations activities;

“issuer bid requirements” means the requirements under securities legislation that apply to an issuer bid;

“listed issuer” means an issuer, any of the securities of which

(a) are listed and not suspended, or the equivalent, from trading on

- i. the Toronto Stock Exchange,
- ii. TSX Venture Exchange Inc.,
- iii. the American Stock Exchange LLC,
- iv. The New York Stock Exchange, Inc.,
- v. the London Stock Exchange Limited, or

(b) are quoted on the Nasdaq Stock Market;

“permitted assign” means, for a person that is an employee, executive officer, director or consultant of an issuer or of a related entity of the issuer,

(a) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the person,

(b) a holding entity of the person,

(c) an RRSP or a RRIF of the person,

(d) a spouse of the person,

(e) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the spouse of the person,

(f) a holding entity of the spouse of the person, or

(g) an RRSP or a RRIF of the spouse of the person;

“plan” means a plan or program established or maintained by an issuer providing for the acquisition of securities of the issuer by persons described in section 2.24(1) [Employee, executive officer, director and consultant] as compensation;

“related entity” means, for an issuer, a person that controls or is controlled by the issuer or that is controlled by the same person that controls the issuer;

“related person” means, for an issuer,

(a) a director or executive officer of the issuer or of a related entity of the issuer,

(b) an associate of a director or executive officer of the issuer or of a related entity of the issuer, or

(c) a permitted assign of a director or executive officer of the issuer or of a related entity of the issuer;

“security holder approval” means an approval for the issuance of securities of an issuer as compensation or under a plan

(a) given by a majority of the votes cast at a meeting of security holders of the issuer other than votes attaching to securities beneficially owned by related persons to whom securities may be issued as compensation or under that plan, or

(b) evidenced by a resolution signed by all the security holders entitled to vote at a meeting, if the issuer is not required to hold a meeting;

“support agreement” includes an agreement to provide assistance in the maintenance or servicing of indebtedness of the borrower and an agreement to provide consideration for the purpose of maintaining or servicing indebtedness of the borrower.

2.23 Interpretation

(1) In this Division, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of

(a) ownership of or direction over voting securities in the second person,

(b) a written agreement or indenture,

(c) being the general partner or controlling the general partner of the second person, or

(d) being a trustee of the second person.

(2) In this Division, participation in a trade is considered voluntary if

(a) in the case of an employee or the employee’s permitted assign, the employee or the employee’s permitted assign is not induced to participate in the trade by expectation of employment or continued employment of the employee with the issuer or a related entity of the issuer,

(b) in the case of an executive officer or the executive officer’s permitted assign, the executive officer or the executive officer’s permitted assign is not induced to participate in the trade by expectation of appointment,

employment, continued appointment or continued employment of the executive officer with the issuer or a related entity of the issuer, and

(c) in the case of a consultant or the consultant's permitted assign, the consultant or the consultant's permitted assign is not induced to participate in the trade by expectation of engagement of the consultant to provide services or continued engagement of the consultant to provide services to the issuer or a related entity of the issuer.

2.24 **Employee, executive officer, director and consultant**

(1) The dealer registration requirement does not apply in respect of

(a) a trade by an issuer in a security of its own issue, or

(b) a trade by a control person of an issuer in a security of the issuer or in an option to acquire a security of the issuer,

with

(c) an employee, executive officer, director or consultant of the issuer,

(d) an employee, executive officer, director or consultant of a related entity of the issuer, or

(e) a permitted assign of a person referred to in paragraph c or d

if participation in the trade is voluntary.

(2) For the purposes of subsection (1), a person referred to in paragraph c, d or e includes a trustee, custodian or administrator acting as agent for that person for the purpose of facilitating a trade.

(3) The dealer registration requirement does not apply in respect of an act by a related entity of an issuer in furtherance of a trade referred to in subsection (1).

(4) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.25 **Unlisted reporting issuer exception**

(1) For the purpose of this section, "unlisted reporting issuer" means a reporting issuer in a jurisdiction of Canada that is not a listed issuer.

(2) Section 2.24 [Employee, executive officer, director and consultant] does not apply to a trade to an employee or consultant of the unlisted reporting issuer who is an investor relations person of the issuer, an associated consultant of the issuer, an executive officer of the issuer, a director of the issuer, or a permitted assign of those persons if, after the trade,

(a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to

i. related persons, exceeds 10% of the outstanding securities of the issuer, or

ii. a related person, exceeds 5% of the outstanding securities of the issuer, or

(b) the number of securities, calculated on a fully diluted basis, issued within 12 months to

i. related persons, exceeds 10% of the outstanding securities of the issuer, or

ii. a related person and the associates of the related person, exceeds 5% of the outstanding securities of the issuer.

(3) Subsection (2) does not apply to a trade if the unlisted reporting issuer

(a) obtains security holder approval, and

(b) before obtaining security holder approval, provides security holders with the following information in sufficient detail to permit security holders to form a reasoned judgment concerning the matter:

i. the eligibility of employees, executive officers, directors, and consultants to be issued or granted securities as compensation or under a plan;

ii. the maximum number of securities that may be issued, or in the case of options, the number of securities that may be issued on exercise of the options, as compensation or under a plan;

iii. particulars relating to any financial assistance or support agreement to be provided to participants by the issuer or any related entity of the issuer to facilitate the purchase of securities as compensation or under a plan, including whether the assistance or support is to be provided on a full-, part-, or non-recourse basis;

iv. in the case of options, the maximum term and the basis for the determination of the exercise price;

v. particulars relating to the options or other entitlements to be granted as compensation or under a plan, including transferability;

vi. the number of votes attaching to securities that, to the issuer's knowledge at the time the information is provided, will not be included for the purpose of determining whether security holder approval has been obtained.

2.26 Trades among current or former employees, executive officers, directors, or consultants of non-reporting issuer

(1) Subject to subsection (2), the dealer registration requirement does not apply in respect of a trade in a security of an issuer by

(a) a current or former employee, executive officer, director, or consultant of the issuer or related entity of the issuer, or

(b) a permitted assign of a person referred to in paragraph *a*,

to

(c) an employee, executive officer, director, or consultant of the issuer or a related entity of the issuer, or

(d) a permitted assign of the employee, executive officer, director, or consultant.

(2) The exemption in subsection (1) is only available if

(a) participation in the trade is voluntary,

(b) the issuer of the security is not a reporting issuer in any jurisdiction of Canada, and

(c) the price of the security being traded is established by a generally applicable formula contained in a written agreement among some or all of the security holders of the issuer to which the transferee is or will become a party.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.27 Permitted transferees

(1) The dealer registration requirement does not apply in respect of a trade in a security of an issuer acquired by a person described in section 2.24(1) [Employee, execu-

tive officer, director and consultant] under a plan of the issuer if the trade

(a) is between

i. a person who is an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, and

ii. the permitted assign of that person,

or

(b) is between permitted assigns of that person.

(2) The dealer registration requirement does not apply in respect of a trade in a security of an issuer by a trustee, custodian or administrator acting on behalf, or for the benefit, of employees, executive officers, directors or consultants of the issuer or a related entity of the issuer, to

(a) an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, or

(b) a permitted assign of a person referred to in paragraph *a*,

if the security was acquired from

(c) an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, or

(d) the permitted assign of a person referred to in paragraph *c*.

(3) For the purposes of the exemption in subsections (1) and (2)c and *d*, all references to employee, executive officer, director, or consultant include a former employee, executive officer, director, or consultant.

(4) The prospectus requirement does not apply to a distribution in the circumstances referred to in subsection (1) or (2), if the security was acquired

(a) by a person described in section 2.24(1) [Employee, executive officer, director, and consultant] under any exemption that makes the resale of the security subject to section 2.6 of Regulation 45-102 respecting Resale of Securities approved by Ministerial Order No. 2005-21 dated August 12, 2005, or

(b) in Manitoba, and the Yukon, by a person described in section 2.24(1) [Employee, executive officer, director, and consultant].

2.28 Resale - non-reporting issuer

The dealer registration requirement does not apply in respect of the resale of a security that was acquired under this Division or by a person described in section 2.24(1) [Employee, executive officer, director, and consultant] if the conditions in section 2.14 of Regulation 45-102 are satisfied.

2.29 Issuer bid

The issuer bid requirements do not apply to the acquisition by an issuer of a security of its own issue that was acquired by a person described in section 2.24(1) [Employee, executive officer, director, and consultant] if

(a) the purpose of the acquisition by the issuer is to

- i. fulfill withholding tax obligations, or
- ii. provide payment of the exercise price of a stock option,

(b) the acquisition by the issuer is made in accordance with the terms of a plan that specifies how the value of the securities acquired by the issuer is determined,

(c) in the case of securities acquired as payment of the exercise price of a stock option, the date of exercise of the option is chosen by the option holder, and

(d) the aggregate number of securities acquired by the issuer within a 12 month period under this section does not exceed 5% of the outstanding securities of the class or series at the beginning of the period.

DIVISION 5

MISCELLANEOUS EXEMPTIONS

2.30 Isolated trade by issuer

(1) The dealer registration requirement does not apply in respect of a trade by an issuer in a security of its own issue if the trade is an isolated trade and is not made

(a) in the course of continued and successive transactions of a like nature, and

(b) by a person whose usual business is trading in securities.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.31 Dividends and distributions

(1) The dealer registration requirement does not apply in respect of a trade by an issuer in a security of its own issue to a security holder of the issuer as a dividend or distribution out of earnings, surplus, capital or other sources.

(2) The dealer registration requirement does not apply in respect of a trade by an issuer to a security holder of the issuer in a security of a reporting issuer as an in specie dividend or distribution out of earnings or surplus.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1) or (2).

2.32 Trade to lender by control person for collateral

(1) The dealer registration requirement does not apply in respect of a trade in a security of an issuer to a lender, pledgee, mortgagee or other encumbrancer from the holdings of a control person of the issuer for the purpose of giving collateral for a bona fide debt of the control person.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.33 Acting as underwriter

(1) The dealer registration requirement does not apply in respect of a trade in a security between a person and a purchaser acting as an underwriter or between or among persons acting as underwriters.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.34 Guaranteed debt

(1) In this section

“Asian Development Bank” means a bank established pursuant to a resolution adopted by the United Nations Economic and Social Commission for Asia and the Pacific in 1965;

“Inter-American Development Bank” means a bank established by the Agreement establishing the Inter-American Development Bank which became effective December 30, 1959, as amended from time to time, of which Canada is a member;

“International Bank for Reconstruction and Development” means the bank established by the Agreement for an International Bank for Reconstruction and Development approved by the Bretton Woods and Related Agreements Act (R.S.C. (1985), c. B-7);

“International Finance Corporation” means the corporation established by Articles of Agreement set out in Schedule IV of the Bretton Woods and Related Agreements Act;

“permitted supranational agency” means the Asian Development Bank, the International Bank for Reconstruction and Development, the Inter-American Development Bank and the International Finance Corporation.

(2) The dealer registration requirement does not apply in respect of a trade in a debt security

(a) of or guaranteed by the Government of Canada or the government of a jurisdiction of Canada,

(b) of or guaranteed by a government of a foreign jurisdiction if the debt security has an approved credit rating from an approved credit rating organization,

(c) of or guaranteed by any municipal corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected by or through the municipality in which the property is situated,

(d) of or guaranteed by a Canadian financial institution or a Schedule III bank, other than debt securities that are subordinate in right of payment to deposits held by the issuer or guarantor of those debt securities,

(e) in Ontario, of any school board in Ontario or of a corporation established under section 248(1) of the Education Act (R.S.O. 1990, c. E.2) of Ontario;

(f) of the Comité de gestion de la taxe scolaire de l'île de Montréal, or

(g) of or guaranteed by a permitted supranational agency if

i. the debt securities are payable in the currency of Canada or the United States of America, and

ii. with respect to those securities, all documents or other information required by the regulator, or in British Columbia, Ontario and in Québec, the securities regulatory authority, are filed with the regulator or securities regulatory authority, as the case may be.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (2).

2.35 Short-term debt

(1) The dealer registration requirement does not apply in respect of a trade in a negotiable promissory note or commercial paper maturing not more than one year from the date of issue, if the note or commercial paper traded

(a) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in this section, and

(b) has an approved credit rating from an approved credit rating organization.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.36 Mortgages

(1) In this section, “syndicated mortgage” means a mortgage in which 2 or more persons participate, directly or indirectly, as a lender in a debt obligation that is secured by a mortgage.

(2) The dealer registration requirement does not apply in respect of a trade in a mortgage on real property in a jurisdiction by a person who is registered or licensed, or exempted from registration or licensing, under mortgage brokerage or mortgage dealer legislation of that jurisdiction.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (2).

(4) In British Columbia, Manitoba, Québec and Saskatchewan, subsections (2) and (3) do not apply to a syndicated mortgage.

2.37 Personal Property Security Act

(1) The dealer registration requirement does not apply in respect of a trade in a security evidencing indebtedness secured by or under a security agreement provided for under personal property security legislation of a jurisdiction providing for the acquisition of personal property if the security is not offered for sale to an individual.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.38 Not for profit issuer

(1) The dealer registration requirement does not apply in respect of a trade by an issuer that is organized exclusively for educational, benevolent, fraternal, charitable, religious or recreational purposes and not for profit in a security of its own issue if

(a) no part of the net earnings benefit any security holder of the issuer, and

(b) no commission or other remuneration is paid in connection with the sale of the security.

(2) Subsection (1) does not apply to a trade in British Columbia unless the issuer has delivered an information statement in the form prescribed by the regulator in British Columbia to the purchaser before the purchaser agrees in writing to purchase the security.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.39 Variable insurance contract

(1) In this section,

(a) “contract” “group insurance”, “insurance company”, “life insurance” and “policy” have the respective meanings assigned to them in the legislation for a jurisdiction referenced in Appendix A.

(b) “variable insurance contract” means a contract of life insurance under which the interest of the purchaser is valued for purposes of conversion or surrender by reference to the value of a proportionate interest in a specified portfolio of assets.

(2) The dealer registration requirement does not apply in respect of a trade in a variable insurance contract by an insurance company if the variable insurance contract is

(a) a contract of group insurance,

(b) a whole life insurance contract providing for the payment at maturity of an amount not less than 75% of the premium paid up to age 75 years for a benefit payable at maturity,

(c) an arrangement for the investment of policy dividends and policy proceeds in a separate and distinct fund to which contributions are made only from policy dividends and policy proceeds, or

(d) a variable life annuity.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (2).

2.40 RRSP/RRIF

(1) The dealer registration requirement does not apply in respect of a trade in a security between

(a) an individual or an associate of the individual, and

(b) an RRSP or RRIF

i. established for or by the individual, or

ii. under which the individual is a beneficiary.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.41 Schedule III banks and cooperative associations - evidence of deposit

(1) The dealer registration requirement does not apply in respect of a trade in an evidence of deposit issued by a Schedule III bank or an association governed by the Cooperative Credit Associations Act (Canada).

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.42 Conversion, exchange, or exercise

(1) The dealer registration requirement does not apply in respect of a trade by an issuer if

(a) the issuer trades a security of its own issue to a security holder of the issuer in accordance with the terms and conditions of a security previously issued by that issuer, or

(b) the issuer trades a security of a reporting issuer held by it to a security holder of the issuer in accordance with the terms and conditions of a security previously issued by that issuer.

(2) For a trade under subsection (1)*b*,

(a) the issuer must give the regulator or, in Québec, the securities regulatory authority, prior written notice stating the date, amount, nature and conditions of the trade, and

(b) except in British Columbia, the regulator or, in Québec the securities regulatory authority, must not object in writing to the trade within 10 days of receipt of the notice referred to in paragraph *a* or, if the regulator or securities regulatory authority objects to the trade, the issuer must deliver to the regulator or securities regulatory authority information relating to the securities that is satisfactory to and accepted by the regulator or securities regulatory authority.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

2.43 Removal of exemptions – market intermediaries

(1) Subject to subsection (2), in Ontario and Newfoundland and Labrador, the exemptions from the dealer registration requirement under the following sections are not available for a market intermediary except for a trade in a security with a registered dealer that is an affiliate of the market intermediary:

(a) section 2.1 [Rights offering];

(b) section 2.3 [Accredited investor];

(c) section 2.4 [Private issuer];

(d) section 2.7 [Founder, control person and family - Ontario];

(e) section 2.10 [Minimum amount investment];

(f) section 2.11 [Business combination and reorganization];

(g) section 2.12 [Asset acquisition];

(h) section 2.14 [Securities for debt];

(i) section 2.15 [Issuer acquisition or redemption];

(j) section 2.16 [Take-over bid and issuer bid];

(k) section 2.17 [Offer to acquire to security holder outside local jurisdiction];

(l) section 2.19 [Additional investment in investment funds];

(m) section 2.21 [Private investment fund - loan and trust pools];

(n) section 2.30 [Isolated trade by issuer];

(o) section 2.31 [Dividends and distributions];

(p) section 2.33 [Acting as underwriter];

(q) section 2.34 [Guaranteed debt];

(r) section 2.35 [Short-term debt];

(s) section 2.39 [Variable insurance contract];

(t) section 2.42 [Conversion, exchange, or exercise].

(2) Subsection (1) does not apply to a trade in a security by a lawyer or accountant if the trade is incidental to the principal business of that lawyer or accountant.

PART 3 REGISTRATION ONLY EXEMPTIONS

3.1 Registered dealer

The dealer registration requirement does not apply in respect of a trade by a person acting solely through an agent who is a registered dealer.

3.2 Exchange contract

(1) In Alberta, British Columbia, Québec and Saskatchewan, the dealer registration requirement does not apply in respect of the following trades in exchange contracts:

(a) a trade by a person acting solely through a registered dealer;

(b) a trade resulting from an unsolicited order placed with an individual who is not a resident of and does not carry on business in the jurisdiction;

(c) a trade that may occasionally be transacted by employees of a registered dealer if the employees

i. do not usually trade in exchange contracts, and

ii. have been designated by the regulator or, in Québec, the securities regulatory authority, as “non-trading” employees, either individually or as a class.

(2) An individual referred to in subsection (1)*b* must not

(a) advertise or engage in promotional activity that is directed to persons in the jurisdiction during the 6 months preceding the trade, and

(b) pay any commission or finder's fee to any person in the jurisdiction in connection with the trade.

(3) Subsection (1)*b* does not apply in Saskatchewan.

3.3 Isolated trade

The dealer registration requirement does not apply in respect of a trade in a security by a person if the trade is an isolated trade and is not made

(a) by the issuer of the security,

(b) in the course of continued and successive transactions of a like nature, and

(c) by a person whose usual business is trading in securities.

3.4 Estates, bankruptcies, and liquidations

The dealer registration requirement does not apply in respect of a trade by a person acting under the authority of

(a) a direction, order or judgment of a court,

(b) a will, or

(c) any law of a jurisdiction

in the course of enforcing legal obligations or administering the affairs of another person.

3.5 Employees of registered dealer

The dealer registration requirement does not apply in respect of a trade by an employee of a registered dealer in a security if the employee does not usually trade in securities and has been designated by the regulator or, in Québec, the securities regulatory authority, as a "non-trading" employee, either individually or as a class.

3.6 Small security holder selling and purchase arrangements

(1) For the purposes of this section

"exchange" means

(a) the Toronto Stock Exchange,

(b) the TSX Venture Exchange Inc., or

(c) an exchange that

i. has a policy that is substantially similar to the policy of the Toronto Stock Exchange, and

ii. is designated by the securities regulatory authority for the purpose of this section;

"policy" means

(a) in the case of the Toronto Stock Exchange, Policy Statement on Small Shareholder Selling and Purchase Arrangements as amended from time to time,

(b) in the case of the TSX Venture Exchange Inc., Policy 5.7 Small Shareholder Selling and Purchase Arrangements as amended from time to time, or

(c) in the case of an exchange referred to in paragraph *c* of the definition of "exchange", the rule, policy or other similar regulation of the exchange on small shareholder selling and purchase arrangements and every successor to that rule, policy or other similar regulation published by that exchange as amended from time to time.

(2) The dealer registration requirement does not apply in respect of a trade by an issuer or its agent, in securities of the issuer that are listed on an exchange if

(a) the trade is an act in furtherance of participation by the holders of the securities in an arrangement that is in accordance with the policy of that exchange,

(b) the issuer and its agent do not provide advice to a security holder about the security holder's participation in the arrangement referred to in paragraph *a*, other than a description of the arrangement's operation, procedures for participation in the arrangement, or both,

(c) the trade is made in accordance with the policy of that exchange, without resort to an exemption from, or variation of, the significant subject matter of the policy, and

(d) at the time of the trade after giving effect to a purchase under the arrangement, the market value of the maximum number of securities that a security holder is permitted to hold in order to be eligible to participate in the arrangement is not more than \$25 000.

(3) For the purposes of subsection (2)c, an exemption from, or variation of, the maximum number of securities that a security holder is permitted to hold under a policy in order to be eligible to participate in the arrangement provided for in the policy is not an exemption from, or variation of, the significant subject matter of the policy.

3.7 Adviser

The adviser registration requirement does not apply to

(a) the following persons if performance of services as an adviser are incidental to their principal business or occupation:

i. a Canadian financial institution and a Schedule III bank;

ii. the Business Development Bank of Canada continued under the Business Development Bank of Canada Act (Canada);

iii. a société d'entraide économique or the Fédération des sociétés d'entraide économique du Québec governed by the Act respecting the sociétés d'entraide économique (R.S.Q., c. S-25.1);

iv. a lawyer, accountant, engineer or teacher, or, in Québec, a notary, if that individual

(A) does not recommend securities of an issuer in which that individual has an interest, and

(B) does not receive remuneration for the performance of services as an adviser separate from remuneration received by that individual for practicing in their professions;

v. a registered dealer or any partner, officer or employee of a registered dealer;

or

(b) a publisher or a writer for a newspaper, news magazine or business or financial journal or periodical, however delivered, that is of general and regular paid circulation, and only available to subscribers for value, or purchasers of it, if the publisher or writer

i. gives advice only through the written publication,

ii. has no interest either directly or indirectly in any of the securities on which that individual gives advice, and

iii. receives no commission or other consideration for giving the advice other than for acting in that person's capacity as a publisher or writer.

3.8 Investment dealer acting as portfolio manager

(1) The adviser registration requirement does not apply to a registered investment dealer who manages the investment portfolios of its clients through discretionary authority granted by the clients if

(a) the investment dealer follows the rules, policies or other similar regulations made by the Investment Dealers Association of Canada for portfolio managers, and

(b) in British Columbia, those rules, policies or other similar regulations

i. have been filed with the securities regulatory authority before they take effect, and

ii. have not been objected to in writing by the securities regulatory authority within 30 days after filing.

(2) Any partner, director, officer or employee of a registered investment dealer referred to in subsection (1) who manages an investment portfolio for the registered investment dealer must be registered under the securities legislation of the jurisdiction to trade in securities.

(3) In Ontario, the registered investment dealer must provide the securities regulatory authority with

(a) the names of any partner, director, officer or employee of the investment dealer designated and approved by the Investment Dealers Association of Canada pursuant to the rules, policies or other similar regulations referred to in subsection (1) to make investment decisions on behalf of or to offer advice to clients, and

(b) any changes made from time to time in the designation and approval of any partner, director, officer or employee referred to in paragraph a.

3.9 Removal of exemptions – market intermediaries

(1) In Ontario and Newfoundland and Labrador, the exemptions from the dealer registration requirements under the following sections are not available for a market intermediary except for a trade in a security with a registered dealer that is an affiliate of the market intermediary:

(a) section 3.1 [Registered dealer];

(b) section 3.3 [Isolated trade].

(2) Subsection (1) does not apply in respect of a trade in a security by a lawyer or accountant if the trade is incidental to the principal business of that lawyer or accountant.

PART 4

CONTROL BLOCK DISTRIBUTIONS

4.1 Control block distributions

(1) In this Part

“control block distribution” means a trade to which the provisions of securities legislation listed in Appendix B apply.

(2) Terms defined or interpreted in Regulation 62-103 respecting The Early Warning System and Related Take-over Bid and Insider Reporting Issues, adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2003-C-0109 dated March 18, 2003, and used in this Part have the same meaning as is assigned to them in that Regulation.

(3) The prospectus requirement does not apply to a control block distribution by an eligible institutional investor of a reporting issuer’s securities if

(a) the eligible institutional investor

i. has filed the reports required under the early warning requirements or files the reports required under Part 4 of Regulation 62-103,

ii. does not have knowledge of any material fact or material change with respect to the reporting issuer that has not been generally disclosed,

iii. does not receive in the ordinary course of its business and investment activities knowledge of any material fact or material change with respect to the reporting issuer that has not been generally disclosed, and

iv. either alone or together with any joint actors, does not possess effective control of the reporting issuer,

(b) there are no directors or officers of the reporting issuer who were, or could reasonably be seen to have been, selected, nominated or designated by the eligible institutional investor or any joint actor,

(c) the control block distribution is made in the ordinary course of business or investment activity of the eligible institutional investor,

(d) securities legislation would not require the securities to be held for a specified period of time if the trade was not a control block distribution,

(e) no unusual effort is made to prepare the market or to create a demand for the securities, and

(f) no extraordinary commission or consideration is paid in respect of the control block distribution.

(4) An eligible institutional investor that makes a distribution in reliance on subsection (3) must file a letter within 10 days after the distribution that describes the date and size of the distribution, the market on which it was made and the price at which the securities being distributed were sold.

4.2 Trades by a control person after a take-over bid

(1) The prospectus requirement does not apply to a trade in a security from the holdings of a control person acquired under a take-over bid for which a take-over bid circular was issued and filed if

(a) the issuer whose securities are being acquired under the take-over bid has been a reporting issuer for at least 4 months at the date of the take-over bid,

(b) the intention to make the trade is disclosed in the take-over bid circular issued in respect of the take-over bid,

(c) the trade is made within the period beginning on the date of the expiry of the bid and ending 20 days after that date,

(d) a notice of intention to distribute securities in Form 45-102F1, Notice of Intention to Distribute Securities under Section 2.8 of Regulation 45-102 respecting Resale of Securities under Regulation 45-102 is filed before the trade,

(e) an insider report of the trade in Form 55-102F2, Insider Report or Form 55-102F6, Insider Report, as applicable, under National Instrument 55-102, System for Electronic Disclosure by Insiders (SEDI), adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2003-C-0069 dated March 3, 2003, is filed within 3 days after the completion of the trade,

(f) no unusual effort is made to prepare the market or to create a demand for the security, and

(g) no extraordinary commission or consideration is paid in respect of the trade.

(2) A control person referred to in subsection (1) is not required to comply with subsection (1)*b* if

(a) another person makes a competing take-over bid for securities of the issuer for which the take-over bid circular is issued, and

(b) the control person sells those securities to that other person for a consideration that is not greater than the consideration offered by that other person under its take-over bid.

PART 5
OFFERINGS BY TSX VENTURE EXCHANGE
OFFERING DOCUMENT

5.1 Application and interpretation

(1) This Part does not apply in Ontario.

(2) In this Part

“exchange policy” means Exchange Policy 4.6 - Public Offering by Short Form Offering Document and Exchange Form 4H - Short Form Offering Document, of the TSX Venture Exchange as amended from time to time;

“gross proceeds” means the gross proceeds that are required to be paid to the issuer for listed securities distributed under a TSX Venture exchange offering document;

“listed security” means a security of a class listed on the TSX Venture Exchange;

“prior exchange offering” means a distribution of securities by an issuer under a TSX Venture exchange offering document that was completed during the 12-month period immediately preceding the date of the TSX Venture exchange offering document;

“subsequently triggered report” means a material change report that must be filed no later than 10 days after a material change under securities legislation as a result of a material change that occurs after the date the TSX Venture exchange offering document is certified but before a purchaser enters into an agreement of purchase and sale;

“TSX Venture Exchange” means the TSX Venture Exchange Inc.;

“TSX Venture exchange offering document” means an offering document that complies with the exchange policy;

“warrant” means a warrant of an issuer distributed under a TSX Venture exchange offering document that entitles the holder to acquire a listed security or a portion of a listed security of the same issuer.

5.2 TSX Venture Exchange offering

The prospectus requirement does not apply to a distribution by an issuer in a security of its own issue if

(a) the issuer has filed an AIF in a jurisdiction of Canada,

(b) the issuer is a SEDAR filer,

(c) the issuer is a reporting issuer in a jurisdiction of Canada and has filed with the securities regulatory authority of that jurisdiction

i. a TSX Venture exchange offering document,

ii. all documents required to be filed under the securities legislation of that jurisdiction, and

iii. any subsequently triggered report,

(d) the distribution is of listed securities or units consisting of listed securities and warrants,

(e) the issuer has filed with the TSX Venture Exchange a TSX Venture exchange offering document in respect of the distribution, that

i. incorporates by reference the following documents of the issuer filed with the securities regulatory authority in any jurisdiction of Canada:

(A) the AIF,

(B) the most recent annual financial statements and, for financial years starting on or after January 1, 2004, the MD&A relating to those financial statements,

(C) all unaudited interim financial statements and, for financial years starting on or after January 1, 2004, the MD&A relating to those financial statements, filed after the date of the AIF but before or on the date of the TSX Venture exchange offering document,

(D) all material change reports filed after the date of the AIF but before or on the date of the TSX Venture exchange offering document, and

(E) all documents required under Regulation 43-101 respecting Standards of Disclosure for Mineral Projects and Regulation 51-101 respecting Standards of Disclosure

sure for Oil and Gas Activities, approved by Ministerial Order No. 2005-15 dated August 2, 2005, filed on or after the date of the AIF but before or on the date of the TSX Venture exchange offering document,

ii. deems any subsequently triggered report required to be delivered to a purchaser under this Part to be incorporated by reference,

iii. grants to purchasers contractual rights of action in the event of a misrepresentation, as required by the exchange policy,

iv. grants to purchasers contractual rights of withdrawal, as required by the exchange policy, and

v. contains all the certificates required by the exchange policy,

(f) the distribution is conducted in accordance with the exchange policy,

(g) the issuer or the underwriter delivers the TSX Venture exchange offering document and any subsequently triggered report to each purchaser

i. before the issuer or the underwriter enters into the written confirmation of purchase and sale resulting from an order or subscription for securities being distributed under the TSX Venture exchange offering document, or

ii. not later than midnight on the 2nd business day after the agreement of purchase and sale is entered into,

(h) the listed securities issued under the TSX Venture exchange offering document, when added to the listed securities of the same class issued under prior exchange offerings do not exceed,

i. the number of securities of the same class outstanding immediately before the issuer distributes securities of the same class under the TSX Venture exchange offering document, or

ii. the number of securities of the same class outstanding immediately before a prior exchange offering,

(i) the gross proceeds under the TSX Venture exchange offering document, when added to the gross proceeds from prior exchange offerings do not exceed \$2 million,

(j) no purchaser acquires more than 20% of the securities distributed under the TSX Venture exchange offering document, and

(k) no more than 50% of the securities distributed under the TSX Venture exchange offering document are subject to section 2.5 of Regulation 45-102.

5.3 Underwriter obligations

An underwriter that qualifies as a “sponsor” under TSX Venture Exchange Policy 2.2 - Sponsorship and Sponsorship Requirements as amended from time to time must sign the TSX Venture exchange offering document and comply with TSX Venture Exchange Appendix 4A - Due Diligence Report in connection with the distribution.

PART 6 REPORTING REQUIREMENTS

6.1 Report of exempt distribution

If an issuer distributes a security of its own issue, the issuer must file a report in the local jurisdiction in which the distribution takes place on or before the 10th day after the distribution under the following exemptions:

(a) section 2.3(2) [Accredited investor];

(b) section 2.5(2) [Family, friends and business associates];

(c) section 2.9 (3) and (4) [Offering memorandum for Alberta, B.C., Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island, Québec, and Saskatchewan];

(d) section 2.10 (2) [Minimum amount investment];

(e) section 2.12 (2) [Asset acquisition];

(f) section 2.13(2) [Petroleum, natural gas and mining properties];

(g) section 2.14 (2) [Securities for debt];

(h) section 2.19 (2) [Additional investment in investment funds];

(i) section 2.30(2) [Isolated trade by issuer];

(j) section 5.2 [TSX Venture Exchange offering].

6.2 When report not required

(1) An issuer is not required to file a report under section 6.1a [Report of exempt distribution] for a distribution of a debt security of its own issue or, concurrently

with the distribution of the debt security, an equity security of its own issue, to a Canadian financial institution or a Schedule III bank.

(2) An investment fund is not required to file a report under section 6.1 [Report of exempt distribution] for a distribution under sections 2.3(2) [Accredited investor], 2.10(2) [Minimum amount] and 2.19(2) [Additional investment in investment funds] if the investment fund files the report not later than 30 days after the financial year-end of the investment fund.

6.3 Required form of report of exempt distribution

(1) Except in British Columbia, the required form of report under section 6.1 [Report of exempt distribution] is Form 45-106F1.

(2) Except in Manitoba, an issuer that makes a distribution under an exemption from a prospectus requirement not provided for in this Regulation is exempt from the requirements in securities legislation to file a report of exempt trade or exempt distribution in the required form, if the issuer files a report of exempt distribution in accordance with Form 45-106F1.

6.4 Required form of offering memorandum

(1) The required form of offering memorandum under section 2.9 [Offering memorandum] is Form 45-106F2.

(2) Despite subsection (1), a qualifying issuer may prepare an offering memorandum in accordance with Form 45-106F3.

(3) Subsections (1) and (2) do not apply in British Columbia.

6.5 Required form of risk acknowledgement

(1) Except in British Columbia, the required form of risk acknowledgement under section 2.9(14) [Offering memorandum] is Form 45-106F4.

(2) In Saskatchewan, the required form of risk acknowledgement under section 2.6(1) [Family, friends and business associates] is Form 45-106F5.

6.6 Required forms in British Columbia

In British Columbia, the required forms are the forms specified by the regulator under section 182 of the Securities Act (R.S.B.C. 1996, c. 418).

PART 7 EXEMPTION

7.1 Exemption

(1) Subject to subsection (2), the regulator or the securities regulatory authority may grant an exemption to this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) In Ontario, only the regulator may grant an exemption and only from Part 6, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(3) In Québec, the exemption in this section is granted pursuant to section 263 of the Securities Act (R.S.Q., c. V-1.1).

PART 8 TRANSITIONAL, COMING INTO FORCE

8.1 Additional investment - investment funds

(1) The dealer registration requirement does not apply in respect of a trade by an investment fund in a security of its own issue to a purchaser that initially acquired the security as principal before this Regulation came into force if

(a) the security was initially acquired under any of the following provisions:

i. in Alberta, sections 86*e* and 131(1)*d* of the Securities Act (R.S.A. 2000, c. S-4) as they existed prior to their repeal by sections 9*a* and 13 of the Securities Amendment Act (S.A. 2003, c. 32) and sections 66.2 and 122.2 of the Alberta Securities Commission Rules (General);

ii. in British Columbia, sections 45(2) (5) and (22), and 74(2) (4) and (19) of the Securities Act (R.S.B.C. 1996, c. 418);

iii. in Manitoba, sections 19(3) and 58(1)*a* of the Securities Act (C.C.S.M. c. S50) and section 90 of the Securities Regulation MR 491/88R;

iv. in New Brunswick, section 2.8 of Local Rule 45-501 Prospectus and Registration Exemptions of the New Brunswick Securities Commission;

v. in Newfoundland and Labrador, sections 36(1)*e* and 73(1)*d* of the Securities Act (R.S.N.L. 1990, c. S-13);

vi. in Nova Scotia, sections 41(1)*e* and 77(1)*d* of the Securities Act (R.S.N.S. 1989, c. 418);

vii. in Northwest Territories, section 3*c* and *z* of Blanket Order No. 1 of the Northwest Territories Securities Registry;

viii. in Nunavut, section 3*c* and *z* of Blanket Order No. 1 of the Registrar of Securities;

ix. in Ontario, sections 35(1)*5* and 72(1)*d* of the Securities Act (R.S.O. 1990, c. S.5) and section 2.12 of Ontario Securities Commission Rule 45-501 Exempt Distributions ((2004) 27 O.S.B.C. 433);

x. in Prince Edward Island, section 2(3)*d* of the Securities Act (R.S.P.E.I. 1988, c. S-3) and Prince Edward Island Local Rule 45-512 -Exempt Distributions - Exemption for Purchase of Mutual Fund Securities of the Securities Office;

xi. in Québec, former section 51 and former paragraph 155.1(2) of the Securities Act (Québec);

xii. in Saskatchewan, sections 39(1)*e* and 81(1)*d* of the The Securities Act, 1988 (S.S. 1988-89, c. S-42.2).

(*b*) the trade is for a security of the same class or series as the initial trade, and

(*c*) the security holder, as at the date of the trade, holds securities of the investment fund that have

i. an acquisition cost of not less than the minimum amount prescribed by securities legislation referred to in paragraph *a* under which the initial trade was conducted, or

ii. a net asset value of not less than the minimum amount prescribed by securities legislation referred to in paragraph *a* under which the initial trade was conducted.

(2) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (1).

8.2 Definition of “accredited investor” - investment fund

An investment fund that distributed its securities to persons pursuant to any of the following provisions is an investment fund under paragraph *nii* of the definition of “accredited investor”:

(*a*) in Alberta, sections 86*e* and 131(1)*d* of the Securities Act (R.S.A. 2000, c. S-4) as they existed prior to their repeal by sections 9*a* and 13 of the Securities Amendment Act (S.A. 2003, c. 32), 2003 SA c. 32 and sections 66.2 and 122.2 of the Alberta Securities Commission Rules (General);

(*b*) in British Columbia, sections 45(2) (5) and (22), and 74(2) (4) and (19) of the Securities Act (R.S.B.C. 1996, c. 418),

(*c*) in Manitoba, sections 19(3) and 58(1)*a* of the Securities Act (C.C.S.M. c. S50) and section 90 of the Securities Regulation MR 491/88R;

(*d*) in New Brunswick, section 2.8 of Local Rule 45-501 Prospectus and Registration Exemptions;

(*e*) in Newfoundland and Labrador, sections 36(1)*e* and 73(1)*d* of the Securities Act (R.S.N.L. 1990, c. S-13);

(*f*) in Nova Scotia, sections 41(1)*e* and 77(1)*d* of the Securities Act (R.S.N.S. 1989, c. 418);

(*g*) in Northwest Territories, section 3*c* and *z* of Blanket Order No. 1;

(*h*) in Nunavut, section 3*c* and *z* of Blanket Order No. 3;

(*i*) in Ontario, sections 35(1)*5* and 72(1)*d* of the Securities Act (R.S.O. 1990, c. S.5) and section 2.12 of Ontario Securities Commission Rule 45-501 Exempt Distributions;

(*j*) in Prince Edward Island, section 2(3)*d* of the Securities Act (R.S.P.E.I. 1988, c. S-3) and Prince Edward Island Local Rule 45-512 - Exempt Distributions - Exemption for Purchase of Mutual Fund Securities;

(*k*) in Québec, former section 51 and former 155.1(2) of the Securities Act;

(*l*) in Saskatchewan, sections 39(1)*e* and 81(1)*d* of the The Securities Act, 1988 (S.S. 1988-89, c. S-42.2).

8.3 Transition - MI 45-103/MI 45-105/ OSC Rule 45-501

(1) In this section,

“MI 45-103” means Multilateral Instrument 45-103 Capital Raising Exemptions (B.C. Reg. 264/2003) that came into force on June 6, 2003;

“MI 45-105” means Multilateral Instrument 45-105 Trades to Employees, Senior Officers, Directors and Consultants ((2003) 26 OSCB 4180) that came into force on August 15, 2003 ;

“2004 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on January 12, 2004.

(2) The dealer registration requirement or the prospectus requirement does not apply in respect of a trade in a security if the trade complies with and is completed in accordance with the requirements of MI 45-103, MI 45-105, or 2004 OSC Rule 45-501 by November 30, 2005.

8.4 Transition - Closely-held issuer

(1) In this section,

“2001 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions ((2001) 24 OSCB 7011) that came into force on November 30, 2001 ;

“2004 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on January 12, 2004 ;

“closely-held issuer” has the same meaning as in 2004 OSC Rule 45-501 ;

(2) The dealer registration requirement does not apply in respect of a trade in a security that was previously distributed by a closely-held issuer under section 2.1 of 2001 OSC Rule 45-501 or under section 2.1 of 2004 OSC Rule 45-501 to a person who purchases the security as principal and is

(a) a director, officer, employee, founder or control person of the issuer,

(b) a spouse, parent, grandparent, brother, sister or child of a director, executive officer, founder or control person of the issuer,

(c) a parent, grandparent, brother, sister or child of the spouse of a director, executive officer, founder or control person of the issuer,

(d) a close personal friend of a director, executive officer, founder or control person of the issuer,

(e) a close business associate of a director, executive officer, founder or control person of the issuer,

(f) a spouse, parent, grandparent, brother, sister or child of the selling security holder or of the selling security holder’s spouse,

(g) a security holder of the issuer,

(h) an accredited investor,

(i) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs *a* to *h*,

(j) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs *a* to *h*, or

(k) a person that is not the public.

(3) The prospectus requirement does not apply to a distribution of a security in the circumstances referred to in subsection (2).

8.5 Coming into force

This Regulation comes into force on September 14, 2005.

APPENDIX A

(s. 2.39)

VARIABLE INSURANCE CONTRACT EXEMPTION

JURISDICTION

LEGISLATION REFERENCE

ALBERTA

“contract of insurance”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.A. 2000, c. I-3) and the regulations under that Act.

“insurance company” means an insurer as defined in the Insurance Act (Alberta) that is licensed under that Act.

BRITISH COLUMBIA

“contract”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.B.C. 1996, c. 226) and the regulations under that Act.

	“insurance company” means an insurance company, or an extraprovincial insurance corporation, authorized to carry on insurance business under the Financial Institutions Act (R.S.B.C. 1996, c. 141).		“insurance company” means an insurer holding a license under the Act respecting insurance (R.S.Q., c. A-32).
MANITOBA	“contract of insurance”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (C.C.S.M. c. I40) and the regulations under that Act.	PRINCE EDWARD ISLAND	“contract”, “group insurance”, “insurer”, “life insurance” and “policy” have the respective meanings assigned to them in sections 1 and 174 of the Insurance Act (R.S.P.E.I. 1998, c. I-4).
	“insurance company” means an insurer as defined in the Insurance Act (Manitoba) that is licensed under that Act.	SASKATCHEWAN	“insurance company” means an insurance company licensed under the Insurance Act (R.S.P.E.I. 1998, c. I-4),
NEW BRUNSWICK	“contract of insurance”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.N.B. 1973, c. I-12) and the regulations under that Act.		“contract”, “life insurance” and “policy” have the respective meanings assigned to them in section 2 of The Saskatchewan Insurance Act (S.S. 1978, c. S-26).
	“insurance company” means an insurer as defined in the Insurance Act (New Brunswick) that is licensed under that Act.		“group insurance” has the respective meaning assigned to it in section 133 of The Saskatchewan Insurance Act (S.S. 1978, c. S-26).
			“insurance company” means an issuer licensed under The Saskatchewan Insurance Act (S.S. 1978, c. S-26).
		APPENDIX B	
NOVA SCOTIA	“contract”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.N.S. 1989, c. 231) and the regulations under that Act.	CONTROL BLOCK DISTRIBUTIONS (PART 4)	
	“insurance company” has the same meaning as in section 3(1)a of the General Securities Rules (Nova Scotia).	JURISDICTION	SECURITIES LEGISLATION REFERENCE
		ALBERTA	Section 1piii of the Securities Act (R.S.A. 2000, c. S-4)
ONTARIO	“contract”, “group insurance”, “life insurance” and “policy” have the respective meanings assigned to them in section 1 and 171 the Insurance Act (R.S.O. 1990, c. I-8).	BRITISH COLUMBIA	Paragraph <i>c</i> of the definition of “distribution” contained in section 1 of the Securities Act (R.S.B.C. 1996, c. 418)
	“insurance company” has the same meaning as in section 1(2) of the (R.R.O. 1990, Reg. 1015).	MANITOBA	Section 1 <i>b</i> of the definition of “primary distribution to the public” contained in subsection 1(1) of the Securities Act (C.C.S.M. c. S50)
QUÉBEC	“contract of insurance”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Civil Code of Québec (S.Q. 1991, c. 64).	NEW BRUNSWICK	Paragraph <i>c</i> of the definition of “distribution” contained in section 1(1) of the Securities Act (S.N.B. 2004, c. S-5.5)
		NEWFOUNDLAND AND LABRADOR	Section 2(1)(1)iii of the Securities Act (R.S.N.L. 1990, c. S-13)

NOVA SCOTIA	Section 2(1)(1)iii of the Securities Act (R.S.N.S. 1989, c. 418)
ONTARIO	Paragraph c of the definition of "distribution" contained in subsection 1(1) of the Securities Act (R.S.O. 1990, c. S.5)
PRINCE EDWARD ISLAND	Section 1fiii of the Securities Act (R.S.P.E.I 1988, c. S-3)
QUÉBEC	Paragraph 9 of the definition of "distribution" contained section 5 of the Securities Act (R.S.Q., c. V-1.1)
SASKATCHEWAN	Section 2(1)riii of The Securities Act, 1988 (S.S. 1988-89, c. S-42.2)

FORM 45-106F1 REPORT OF EXEMPT DISTRIBUTION

This is the form required under section 6.1 of Regulation 45-106 for a report of exempt distribution.

Issuer information

Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

Item 2: State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

Item 3: Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- | | |
|---|--|
| <input type="checkbox"/> Bio-tech | <input type="checkbox"/> Mining |
| <input type="checkbox"/> Financial Services | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Other (describe) _____ |

Details of distribution

Item 4: Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

Item 5: State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

Item 6: For each security distributed:

(a) describe the type of security,

(b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

(c) state the exemption(s) relied on.

Item 7: Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Total number of Purchasers			
Total dollar value of distribution in all jurisdictions (Canadian \$)			

Note 1: If securities are issued at different prices list the highest and lowest price the securities were sold for.

Commissions and finder's fees

Item 8: Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature.

Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				Total dollar value of compensation (Canadian \$)
	Cash (Canadian \$)	Securities			
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	

Item 9: If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: _____

Name of issuer (please print)

Print name, title and telephone number of person signing

Signature

Item 10: State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.

Authorization of Indirect Collection of Personal Information for Distributions in Ontario

The attached Schedule I contains personal information of purchasers and details of the distribution(s). The issuer hereby confirms that each purchaser listed in Schedule I of this report

(a) has been notified by the issuer

i. of the delivery to the Ontario Securities Commission of the information pertaining to the person as set out in Schedule I,

ii. that this information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation,

iii. that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and

iv. of the title, business address and business telephone number of the public official in Ontario, as set out in this report, who can answer questions about the Ontario Securities Commission's indirect collection of the information, and

(b) has authorized the indirect collection of the information by the Ontario Securities Commission.

SCHEDULE I

Complete the following table.

For reports filed under sub-section 6.1(1)*j* (TSX Venture Exchange offering) of Regulation 45-106 the following table only needs to list the total number of purchasers by jurisdiction instead of including the name, residential address and telephone number of each purchaser.

Do not include in this table, securities issued as payment of commissions or finder's fees disclosed under item 8 of this report.

The information in this schedule will not be placed on the public file of any securities regulatory authority or, where applicable, regulator. However, freedom of information legislation in certain jurisdictions may require the securities regulatory authority or, where applicable, regulator to make this information available if requested.

Full name, residential address and telephone number of purchaser	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution

Instructions

1. File this report and the applicable fee in each jurisdiction in which a distribution is made at the addresses listed at the end of this report. If the distribution is made in more than one jurisdiction, the issuer may complete a single report identifying all purchasers and file that report in each of the jurisdictions in which the distribution is made. Filing fees associated with the filing of the report are not affected by identifying all purchasers in a single report.

2. If the space provided for any answer is insufficient, additional sheets may be used and must be cross-referenced to the relevant part and properly identified and signed by the person whose signature appears on the report.

3. One report may be used for multiple distributions occurring within 10 days of each other provided that the report is filed on or before the 10th day following the first of such distributions.

4. In order to determine the applicable fee, consult the securities legislation of each jurisdiction in which a distribution is made.

Securities Regulatory Authorities and Regulators

Autorité des marchés financiers

800, square Victoria, 22^e étage
C.P. 246, Tour de la Bourse
Montréal (Québec) H4Z 1G3
Telephone: (514) 395-0337
Or 1877 525-0337
Facsimile: (514) 864-3681

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6854
Toll free in British Columbia and
Alberta 1 800 373-6393
Facsimile: (604) 899-6506

Alberta Securities Commission

4th Floor, 300 – 5th Avenue SW
Calgary, Alberta T2P 3C4
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

Saskatchewan Financial Services Commission

6th Floor, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 3V7
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

The Manitoba Securities Commission

1130 – 405 Broadway Avenue
Winnipeg, Manitoba R3C 3L6
Telephone: (204) 945-2548
Facsimile: (204) 945-0330

Ontario Securities Commission

Suite 1903, Box 5520 Queen Street West
Toronto, Ontario M5H 3S8
Telephone: (416) 593-3682
Facsimile: (416) 593-8252
Public official contact regarding indirect
collection of information:
Administrative Assistant to the Director
of Corporate Finance
Telephone (416) 593-8086

New Brunswick Securities Commission

133 Prince William Street, Suite 606
Saint John, New Brunswick E2L 2B5
Telephone: (506) 658-3060
Facsimile: (506) 658-3059

Nova Scotia Securities Commission

2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, Nova Scotia B3J 3J9
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Prince Edward Island Securities Office

95 Rochford Street, P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283

Securities Commission of Newfoundland and Labrador

P.O. Box 8700 2nd Floor, West Block
Confederation Building
St. John's, Newfoundland and Labrador A1B 4J6
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of Yukon

Department of Community Services
Law Centre, 3rd Floor
2130 Second Avenue
Whitehorse, YT Y1A 5H6
Telephone: (867) 667-5314
Facsimile: (867) 393-6251

Government of Northwest Territories

Department of Justice
Securities Registry
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, Northwest Territories X1A 2L9
Telephone: (867) 920-3318
Facsimile: (867) 873-0243

Government of Nunavut

Department of Justice
Legal Registries Division
P.O. Box 1000 – Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6190
Facsimile: (867) 975-6194

FORM 45-106F2

OFFERING MEMORANDUM FOR
NON-QUALIFYING ISSUERS

Date: [Insert the date from the certificate page.]

The Issuer

Name:
Head office: Address:
Phone #:
E-mail address:
Fax #:

Currently listed or quoted? [If no, state: "These securities do not trade on any exchange or market". If yes, state where, e.g., TSX/TSX Venture Exchange.]

Reporting issuer? [Yes/No. If yes, state where.]

SEDAR filer? [Yes/No]

The Offering

Securities offered:

Price per security:

Minimum/Maximum offering: [If there is no minimum, state "\$0" as the minimum and also state: "You may be the only purchaser."]

Minimum subscription amount: [State the minimum amount each investor must invest, or state "There is no minimum subscription amount an investor must invest."]

Payment terms:

Proposed closing date(s):

Income tax consequences: There are important tax consequences to these securities. See item 6. [If income tax consequences are not material, delete this item.]

Selling agent? [Yes/No. If yes, state "See item 7". The name of the selling agent may also be stated.]

Resale restrictions

State: "You will be restricted from selling your securities for [4 months and a day/an indefinite period]. See item 10."

Purchaser's rights

State: "You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11."

State in bold type:

"No securities regulatory authority has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8."

[All of the above information must appear on a single cover page.]

Item 1 Use of Net Proceeds

1.1 **Net Proceeds** - Using the following table, disclose the net proceeds of the offering. If there is no minimum offering, state "\$0" as the minimum.

	Assuming min. offering	Assuming max. offering
A Amount to be raised by this offering	\$	\$
B Selling commissions and fees	\$	\$
C Estimated offering costs (e.g., legal, accounting, audit.)	\$	\$
D Net proceeds: D = A - (B+C)	\$	\$

1.2 **Use of Net Proceeds** - Using the following table, provide a detailed breakdown of how the issuer will use the net proceeds. If any of the net proceeds will be paid to a related party, disclose in a note to the table the name of the related party, the relationship to the issuer, and the amount. If the issuer has a working capital deficiency, disclose the portion, if any, of the net proceeds to be applied against the working capital deficiency.

Description of intended use of net proceeds listed in order of priority	Assuming min. offering	Assuming max. offering
	\$	\$
	\$	\$

1.3 **Reallocation** - The net proceeds must be used for the purposes disclosed in the offering memorandum. The board of directors can reallocate the proceeds to other uses only for sound business reasons. If the net proceeds may be reallocated, include the following statement:

"We intend to spend the net proceeds as stated. We will reallocate funds only for sound business reasons."

1.4 **Working Capital Deficiency** - State the amount of any working capital deficiency of the issuer as at a date not more than 30 days prior to the date of the offering memorandum. If the working capital deficiency will not be eliminated by the use of net proceeds, state how the issuer intends to eliminate or manage the deficiency.

Item 2 Business of [name of issuer or other term used to refer to issuer]

2.1 **Structure** - State the business structure (e.g., partnership, corporation or trust), the statute and the province, state or other jurisdiction under which the issuer is incorporated, continued or organized, and the date of incorporation, continuance or organization.

2.2 **Our Business** - Describe the issuer's business. For a non-resource issuer this may include principal products or services, operations, market and marketing plans and strategies. For a resource issuer this will require a description of principal properties (including interest held) and may include disclosure of the stage of development, reserves, geology, operations, production and mineral or resource being explored or developed. Generally, this description should not exceed 2 pages.

2.3 **Development of Business** - Describe (generally, in one or two paragraphs) the general development of the issuer's business over at least its two most recently completed financial years and any subsequent period. Include the major events that have occurred or conditions that have influenced (favourably or unfavourably) the development of the issuer.

2.4 Long Term Objectives - Disclose the issuer's long term objectives.

2.5 Short Term Objectives and How We Intend to Achieve Them

(a) Disclose the issuer's objectives for the next 12 months.

(b) Using the following table, disclose how the issuer intends to meet those objectives for the next 12 months.

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
	\$	\$
	\$	\$

2.6 Insufficient Proceeds - If applicable, disclose that the proceeds of the offering either may not or will not be sufficient to accomplish all of the issuer's proposed objectives and there is no assurance that alternative financing will be available. If alternative financing has been arranged, disclose the amount, source and all outstanding conditions that must be satisfied.

2.7 Material Agreements - Disclose the key terms of all material agreements

(a) to which the issuer is currently a party, or

(b) with a related party

including the following information :

i. if the agreement is with a related party, the name of the related party and the relationship,

ii. a description of any asset, property or interest acquired, disposed of, leased, under option, etc.,

iii. a description of any service provided,

iv. purchase price and payment terms (e.g., paid in instalments, cash, securities or work commitments),

v. the principal amount of any debenture or loan, the repayment terms, security, due date and interest rate,

vi. the date of the agreement,

vii. the amount of any finder's fee or commission paid or payable to a related party in connection with the agreement, and

viii. any material outstanding obligations under the agreement.

Item 3 Directors, Management, Promoters and Principal Holders

3.1 Compensation and Securities Held - Using the following table, provide the specified information about each director, officer and promoter of the issuer and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the issuer (a "principal holder"). If the principal holder is not an individual, state in a note to the table the name of any person that, directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the principal holder. If the issuer has not completed its first financial year then include compensation paid since inception. Compensation includes any form of remuneration including cash, shares and options.

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering

3.2 Management Experience - Using the following table, disclose the principal occupations of the directors and executive officers over the past five years. In addition, for each individual, describe any relevant experience in a business similar to the issuer's.

Name	Principal occupation and related experience
------	---

3.3 Penalties, Sanctions and Bankruptcy

(a) Disclose any penalty or sanction (including the reason for it and whether it is currently in effect) that has been in effect during the last 10 years against

i. a director, executive officer or control person of the issuer, or

ii. an issuer of which a person referred to in *i* above was a director, executive officer or control person at the time.

Description of security	Number authorized to be issued	Number outstanding as at [a date not more than 30 days prior to the offering memorandum date]	Number outstanding after min. offering	Number outstanding after max. offering
-------------------------	--------------------------------	---	--	--

4.2 Long Term Debt - Using the following table, provide the required information about outstanding long term debt of the issuer. If the securities being offered are debt securities, add a column to the table disclosing the amount of debt that will be outstanding after both the minimum and maximum offering. If the debt is owed to a related party, indicate that in a note to the table and identify the related party.

Description of long term debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at [a date not more than 30 days prior to the offering memorandum date]
			\$
			\$

(b) Disclose any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years with regard to any

i. director, executive officer or control person of the issuer, or

ii. issuer of which a person referred to in *i* above was a director, executive officer or control person at that time.

Item 4 Capital Structure

4.1 Share Capital - Using the following table, provide the required information about outstanding securities of the issuer (including options, warrants and other securities convertible into shares). If necessary, notes to the table may be added to describe the material terms of the securities.

4.3 Prior Sales - If the issuer has issued any securities of the class being offered under the offering memorandum (or convertible or exchangeable into the class being offered under the offering memorandum) within the last 12 months, use the following table to provide the information specified. If securities were issued in exchange for assets or services, describe in a note to the table the assets or services that were provided.

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received

Item 5 Securities Offered

5.1 **Terms of Securities** - Describe the material terms of the securities being offered, including:

- (a) voting rights or restrictions on voting,
- (b) conversion or exercise price and date of expiry,
- (c) rights of redemption or retraction, and
- (d) interest rates or dividend rates.

5.2 Subscription Procedure

(a) Describe how a purchaser can subscribe for the securities and the method of payment.

(b) State that the consideration will be held in trust and the period that it will be held (refer at least to the mandatory two day period).

(c) Disclose any conditions to closing, e.g., receipt of additional funds from other sources. If there is a minimum offering, disclose when consideration will be returned to purchasers if the minimum is not met, and whether the issuer will pay the purchasers interest on consideration.

Item 6 Income Tax Consequences and RRSP Eligibility

6.1 State:

“You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.”

6.2 If income tax consequences are a material aspect of the securities being offered (e.g., flow-through shares), provide

(a) a summary of the significant income tax consequences to Canadian residents, and

(b) the name of the person providing the income tax disclosure in *a*.

6.3 Provide advice regarding the RRSP eligibility of the securities and the name of the person providing the advice or state

“Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.”

Item 7 Compensation Paid to Sellers and Finders

If any person has or will receive any compensation (e.g., commission, corporate finance fee or finder's fee) in connection with the offering, provide the following information to the extent applicable:

(a) a description of each type of compensation and the estimated amount to be paid for each type,

(b) if a commission is being paid, the percentage that the commission will represent of the gross proceeds of the offering (assuming both the minimum and maximum offering),

(c) details of any broker's warrants or agent's option (including number of securities under option, exercise price and expiry date), and

(d) if any portion of the compensation will be paid in securities, details of the securities (including number, type and, if options or warrants, the exercise price and expiry date).

Item 8 Risk Factors

Describe in order of importance, starting with the most important, the risk factors material to the issuer that a reasonable investor would consider important in deciding whether to buy the issuer's securities.

Risk factors will generally fall into the following three categories:

(a) Investment Risk - risks that are specific to the securities being offered. Some examples include

- arbitrary determination of price,
- no market or an illiquid market for the securities,
- resale restrictions, and
- subordination of debt securities.

(b) Issuer Risk - risks that are specific to the issuer. Some examples include

- insufficient funds to accomplish the issuer's business objectives,
- no history or a limited history of sales or profits,
- lack of specific management or technical expertise,
- management's regulatory and business track record,

- dependence on key employees, suppliers or agreements,
- dependence on financial viability of guarantor,
- pending and outstanding litigation, and
- political risk factors.

(c) Industry Risk - risks faced by the issuer because of the industry in which it operates. Some examples include

- environmental and industry regulation,
- product obsolescence, and
- competition.

Item 9 Reporting Obligations

9.1 Disclose the documents that will be sent to purchasers on an annual or on-going basis.

9.2 If corporate or securities information about the issuer is available from a government, regulatory authority, SRO or quotation and trade reporting system, disclose where that information can be located (including website address).

Item 10 Resale Restrictions

10.1 **General Statement** - For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec and Saskatchewan, state :

“These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.”

10.2 **Restricted Period** - For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec and Saskatchewan state one of the following, as applicable :

(a) If the issuer is not a reporting issuer in a jurisdiction at the distribution date state :

“Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date [insert name of issuer or other term used to refer to the issuer] becomes a reporting issuer in any province or territory of Canada.”

(b) If the issuer is a reporting issuer in a jurisdiction at the distribution date state :

“Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the distribution date.”

10.3 **Manitoba Resale Restrictions** - For trades in Manitoba, if the issuer will not be a reporting issuer in a jurisdiction at the time the security is acquired by the purchaser state :

“Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless

(a) [name of issuer or other term used to refer to issuer] has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or

(b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.”

Item 11 Purchasers' Rights

State the following :

“If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

(1) **Two Day Cancellation Right** - You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) **Statutory Rights of Action in the Event of a Misrepresentation** - [Insert this section only if the securities legislation of the jurisdiction in which the trade occurs provides purchasers with statutory rights in the event of a misrepresentation in an offering memorandum. Modify the language, if necessary, to conform to the statutory rights.] If there is a misrepresentation in this offering memorandum, you have a statutory right to sue :

(a) [name of issuer or other term used to refer to issuer] to cancel your agreement to buy these securities, or

(b) for damages against [state the name of issuer or other term used to refer to issuer and the title of any other person against whom the rights are available].

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in *a* or *b* above, you must do so within strict time limitations. You must commence your action to cancel the agreement within [state time period provided by the securities legislation]. You must commence your action for damages within [state time period provided by the securities legislation].

(3) Contractual Rights of Action in the Event of a Misrepresentation - [Insert this section only if the securities legislation of the jurisdiction in which the purchaser is resident does not provide purchasers with statutory rights in the event of a misrepresentation in an offering memorandum.] If there is a misrepresentation in this offering memorandum, you have a contractual right to sue [name of issuer or other term used to refer to issuer]:

(a) to cancel your agreement to buy these securities, or

(b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that [name of issuer or other term used to refer to issuer] proves does not represent the depreciation in value of the securities resulting from the misrepresentation. [Name of issuer or other term used to refer to issuer] has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in *a* or *b* above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for

damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.”

Item 12 Financial Statements

Include all financial statements required in the offering memorandum immediately before the certificate page of the offering memorandum.

Item 13 Date and Certificate

State the following on the certificate page of the offering memorandum:

“Dated [insert the date the certificate page of the offering memorandum is signed].

This offering memorandum does not contain a misrepresentation.”

The certificate must be signed by

(a) the chief executive officer and the chief financial officer of the issuer (or, if the issuer does not have a chief executive officer or a chief financial officer, a person acting in that capacity),

(b) on behalf of the directors of the issuer

i. by any two directors who are authorized to sign other than the persons referred to in paragraph *a*, or

ii. by all the directors of the issuer, and

(c) by each promoter of the issuer.

Instructions for Completing Form 45-106F2 Offering Memorandum for Non-Qualifying Issuers

A. General Instructions

1. Draft the offering memorandum so that it is easy to read and understand. Be concise and use clear, plain language. Avoid technical terms. If technical terms are necessary, provide definitions.

2. Address the items required by the form in the order set out in the form. However, it is not necessary to provide disclosure about an item that does not apply.

3. The issuer may include additional information in the offering memorandum other than that specifically required by the form. However, the offering memorandum is generally not required to contain the level of detail and extent of disclosure required by a prospectus.

4. The issuer may wrap the offering memorandum around a prospectus or similar document. However, all matters required to be disclosed by the offering memorandum must be addressed and the offering memorandum must provide a cross-reference to the page number or heading in the wrapped document where the relevant information is contained. The certificate to the offering memorandum must be modified to indicate that the offering memorandum, including the document around which it is wrapped, does not contain a misrepresentation.

5. It is an offence to make a misrepresentation in the offering memorandum. This applies both to information that is required by the form and to additional information that is provided.

6. If the issuer is a limited partnership or trust, where the offering memorandum form requires disclosure about “directors”, provide disclosure for the general partner(s) of the limited partnership and the trustee(s) and manager of the trust. If a general partner, trustee or manager is a corporation, provide disclosure of the directors and executive officers of the general partner or manager and trustee. If the issuer is a limited partnership, the general partner must sign as promoter of the issuer and, if the general partner is a corporation, the chief executive officer, chief financial officer and directors of the general partner must sign as the chief executive officer, chief financial officer and directors of the issuer. If the issuer is a trust, each trustee and the manager of the trust must sign as promoters of the issuer. If any trustee is a corporation, the signing officers of the trustee must also sign as promoters. If the manager of the trust is a corporation, the chief executive officer, chief financial officer and directors of the manager must sign as the chief executive officer, chief financial officer and directors of the issuer.

7. When the term “related party” is used in this form, it refers to:

(a) a director, officer, promoter or control person of the issuer,

(b) in regard to a person referred to in *a*, a child, parent, grandparent or sibling, or other relative living in the same residence,

(c) in regard to a person referred to in *a* or *b*, his or her spouse or a person with whom he or she is living in a marriage-like relationship,

(d) an insider of the issuer,

(e) a company controlled by one or more individuals referred to in *a* to *d*, and

(f) in the case of an insider, promoter or control person that is not an individual, any person that controls that insider, promoter or control person.

(If the issuer is not a reporting issuer, the reference to “insider” includes persons or companies who would be insiders of the issuer if that issuer were a reporting issuer.)

8. Refer to Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (Regulation 43-101) when disclosing scientific or technical information for a mineral project of the issuer.

9. Securities legislation restricts what can be told to investors about the issuer’s intent to list or quote securities on an exchange or market. Refer to applicable securities legislation before making any such statements.

10. If an issuer uses this form in connection with a distribution under an exemption other than section 2.9 (offering memorandum) of Regulation 45-106 respecting Prospectus and Registration Exemptions, the issuer must modify the disclosure in item 11 to correctly describe the purchaser’s rights. If a purchaser does not have statutory or contractual rights of action in the event of a misrepresentation in the offering memorandum, that fact must be stated in bold on the face page.

B. Financial Statements - General

1. All financial statements included in the offering memorandum must comply with Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency approved by Ministerial Order No. 2005-07 dated May 19, 2005 (“Regulation 52-107”), regardless of whether the issuer is a reporting issuer or not.

2. Include all financial statements required in the offering memorandum immediately prior to the certificate page of the offering memorandum.

3. If the issuer has not completed one financial year, include the following financial statements of the issuer in the offering memorandum:

(a) statements of income, retained earnings and cash flows for the period from inception to a date not more than 60 days before the date of the offering memorandum, and

(b) a balance sheet dated as at the ending date of the statements required by B.3a.

4. If the issuer has completed one or more financial years, include the following financial statements of the issuer in the offering memorandum:

(a) statements of income, retained earnings and cash flows for the most recently completed financial year that ended more than 120 days before the date of the offering memorandum,

(b) a balance sheet as at the last day of the most recently completed financial year that ended more than 120 days before the date of the offering memorandum,

(c) statements of income, retained earnings and cash flows for the most recently completed interim period ending 9, 6, or 3 months before the end of the issuer's financial year, if that interim period ended more than 60 days before the date of the offering memorandum, and ended after the date of any financial statements required under B.4a, and

(d) a balance sheet dated as at the ending date of the statements required by B.4c.

5. If financial statements of the issuer for a more recent annual or interim period than those required by B.3 or B.4 have been prepared, include those more recent financial statements in the offering memorandum.

6. If the issuer has changed its year-end, refer to Regulation 51-102 respecting Continuous Disclosure Obligations for guidance concerning interim periods in a transition year. To satisfy B.4c in a transition year, provide financial statements for the most recently completed interim period that ended more than 60 days before the date of the offering memorandum and ended after the date of any financial statements required under B.4a.

7. If the issuer has completed two or more financial years that ended more than 120 days from the date of the offering memorandum, the annual financial statements required under B.4a and *b* must include comparatives for the prior year. The interim financial statements required under B.4c and *d* may exclude comparatives if financial statements for the comparative periods were not previously prepared.

8. The annual financial statements required under B.4a and *b* must be audited in accordance with the requirements of Regulation 52-107. The audit report must be included in the offering memorandum. The financial statements required under B.3, B.4c and *d* and B.5 and the comparatives required by B.7 may be unaudited; however, if any of those financial statements have been audited, the audit report on them must be included

in the offering memorandum. Refer to Regulation 52-108 respecting Auditor Oversight approved by Ministerial Order No. 2005-16 dated August 2, 2005 for requirements for auditors of reporting issuers.

9. All unaudited financial statements must indicate in bold that the financial statements have not been audited.

10. If the offering memorandum does not contain audited financial statements for the issuer's most recently completed financial year, update the offering memorandum to include the annual audited financial statements and the audit report as soon as the issuer has approved the audited financial statements, but in any event no later than the 120th day following the financial year end.

11. The offering memorandum does not have to be updated to include interim financial statements for periods completed after the date 60 days prior to the date of the offering memorandum unless it is necessary to do so to prevent the offering memorandum from containing a misrepresentation.

12. Refer to National Policy 48, Future Oriented Financial Information adopted by the Commission des valeurs mobilières du Québec pursuant to decision No. 2001-C-0291 dated June 12, 2001 if future oriented financial information is included in the offering memorandum,

13. If the issuer is a limited partnership, include in the offering memorandum the financial statements required by Part B of the general partner and, if the limited partnership has active operations, of the limited partnership.

C. Financial Statements - Business Acquisitions

1. Include the financial statements specified in C.4 for the business if the test in C.2 is met, irrespective of how the issuer accounts for the acquisition if the issuer

(a) has acquired a business during the past two years and the audited and/or unaudited consolidated financial statements of the issuer included in the offering memorandum do not include the results of the acquired business for 12 consecutive months,

or

(b) is proposing to acquire a business and either:

i. is obligated to complete the acquisition, or

ii. has the right to acquire the business and has decided to complete the acquisition,

include the financial statements specified in C.4 for the business if the test in C.2 is met, irrespective of how the issuer accounts for the acquisition.

2. Include the financial statements for a business referred to in C.1 if either:

(a) the issuer's proportionate share of the consolidated assets of the business exceeds 40% of the consolidated assets of the issuer calculated using the most recent annual financial statements of each of the issuer and the business before the date of the acquisition or proposed date of acquisition, or

(b) the issuer's consolidated investments in and advances to the business as at the date of the acquisition or the proposed date of acquisition exceeds 40% of the consolidated assets of the issuer, excluding any investments in or advances to the business, as at the end of the issuer's most recently completed financial year that ended before the date of the acquisition or proposed date of acquisition.

3. Where an issuer or a business referred to in C.1 has not yet completed a financial year or has completed its first financial year that ended within 120 days of the offering memorandum date and financial statements for that year are not yet available, use the financial statements referred to in B.3b or B.4d to make the calculations in C.2.

4. If a business referred to in C.1 meets either of the threshold tests in C.2, include in the offering memorandum the following financial statements of the business:

(a) If the business has not completed one financial year include

i. statements of income, retained earnings and cash flows for the period from inception to a date not more than 60 days before the date of the offering memorandum, and

ii. a balance sheet dated as at the ending date of the statements required by C.4ai.

However, if the date of acquisition for a business precedes the ending date of the period referred to in C.4ai, then provide financial statements for the period from inception to the date of acquisition or a date not more than 30 days before the date of acquisition.

(b) If the business has completed one or more financial years include

i. statements of income, retained earnings and cash flows for the most recently completed financial year that ended before the date of acquisition and more than 120 days before the date of the offering memorandum,

ii. a balance sheet dated as at the ending date of the statements required by C.4bi,

iii. statements of income, retained earnings and cash flows for either:

(A) the most recently completed 3, 6 or 9 month interim period that ended before the date of acquisition and more than 60 days before the date of the offering memorandum and ended after the date of the financial statements required under C.4bi, or

(B) the period from the first day after the financial year referred to in C.4bi to the date of acquisition or a date not more than 30 days before the date of acquisition, and

iv. a balance sheet dated as at the ending date of the statements required by C.4biii.

5. The annual financial statements required under C.4bi and ii must be audited in accordance with the requirements of Part 6 of Regulation 52-107. The audit report must be included in the offering memorandum. The financial statements required under C.4a and C.4biii and iv may be unaudited; however, if any of those financial statements have been audited, the audit report must be included in the offering memorandum.

6. If the offering memorandum does not contain audited financial statements for a business referred to in C.1 for the business' most recently completed financial year that ended before the date of acquisition, update the offering memorandum to include those financial statements and the audit report when they are available, but in any event no later than the date 120 days following the year end.

7. The term "business" should be evaluated in light of the facts and circumstances involved. Generally, a separate entity or a subsidiary or division of an entity is a business and, in certain circumstances, a lesser component of an entity may also constitute a business, whether or not the subject of the acquisition previously prepared financial statements. The subject of an acquisition should be considered a business where there is, or the issuer expects there will be, continuity of operations. The issuer should consider:

(a) whether the nature of the revenue producing activity or potential revenue producing activity will remain generally the same after the acquisition, and

(b) whether any of the physical facilities, employees, marketing systems, sales forces, customers, operating rights, production techniques or trade names are acquired by the issuer instead of remaining with the vendor after the acquisition.

8. If an acquisition or a proposed acquisition has been or will be accounted for as a reverse take-over as defined in Regulation 51-102, include financial statements for the legal subsidiary in the offering memorandum in accordance with Part B. The legal parent, as that term is defined in the CICA Handbook, is considered to be the business acquired. C.1 may require financial statements of the legal parent.

9. An issuer is exempt from the requirements in C.4 if the issuer includes in the offering memorandum the financial statements required in a business acquisition report under Regulation 51-102.

D. Financial Statement - Exemptions

1. An issuer will satisfy the financial statement requirements of this form if it includes the financial statements required by securities legislation for a prospectus.

2. Notwithstanding the requirements in section 3.2(2)1 of Regulation 52-107, an audit report on financial statements contained in an offering memorandum of a non-reporting issuer may contain a reservation relating to opening inventory unless the issuer previously filed an audit report on financial statements for the same entity for a prior year in which there was a reservation relating to inventory.

3. If an acquisition is, or will be, an investment accounted for using the equity method, as that term is defined in the CICA Handbook, financial statements for a business required by C.4 are not required to be included in the offering memorandum if:

(a) the offering memorandum includes disclosure for the periods for which financial statements are required under Part C that:

i. summarizes the assets, liabilities and results of operations of the business, and

ii. describes the issuer's proportionate interest in the business and any contingent issuance of securities by the business that might significantly affect the issuer's share of earnings;

(b) the financial information provided under D.3a for any completed financial year has been audited, or has been derived from audited financial statements of the business; and

(c) the offering memorandum discloses that:

i. the financial information provided under D.3a for any completed financial year has been audited, or identifies the financial statements from which the financial information provided under D.3a has been derived; and

ii. the audit opinion with respect to the financial information or financial statements referred to in D.3ci was issued without a reservation of opinion.

If the financial information included in an offering memorandum under D.3a has been derived from financial statements of a business incorporated or organized in a foreign jurisdiction that have been prepared in accordance with foreign GAAP, the information must be accompanied by a note that explains and quantifies the effect of material differences between Canadian GAAP and the foreign GAAP.

4. Financial statements relating to the acquisition or proposed acquisition of a business that is an interest in an oil and gas property are not required to be included in an offering memorandum if:

(a) the required financial statements do not exist or the reporting issuer does not have access to those financial statements,

(b) the acquisition was not or will not be accounted for as a "reverse take-over" as defined in the CICA Handbook,

(c) the property did not or does not constitute a "reportable segment" of the seller, as defined in section 1701 of the CICA Handbook, at the time of acquisition, and

(d) the offering memorandum contains alternative disclosure for the property which includes:

i. an operating statement (which must be accompanied by an audit report if it is prepared as an alternative to audited annual financial statements) presenting for the business, at a minimum, the following line items:

(A) gross revenue,

(B) royalty expenses,

(C) production costs, and

(D) operating income,

ii. information with respect to the estimated reserves and related future net revenue attributable to the business, the material assumptions used in preparing the estimates and the identity and relationship to the issuer or to the seller of the person who prepared the estimates, and other relevant information regarding the property,

iii. actual production volumes of the property for the most recently completed year, and

iv. estimated production volumes of the property for the next year, based on information in the reserve report.

5. Financial statements for a business that is an interest in an oil and gas property or for the acquisition or proposed acquisition by an issuer of a property are not required to be audited if:

(a) the property was acquired prior to December 31, 2000, and the offering memorandum states that, despite making reasonable efforts, the issuer was unable to obtain audited operating statements because the seller refused to provide such audited statements or to permit access to the information necessary to audit the statements, or

(b) during the 12 months preceding the date of the acquisition or the proposed date of an acquisition, the daily average production of the property on a barrel of oil equivalent basis (with gas converted to oil in the ratio of six thousand cubic feet of gas being the equivalent of one barrel of oil) is less than 20 per cent of the total daily average production of the seller for the same or similar periods and:

i. despite reasonable efforts during the purchase negotiations, the issuer was prohibited from including in the purchase agreement the rights to obtain an audited operating statement of the property,

ii. the purchase agreement includes representations and warranties by the seller that the amounts presented in the operating statement agree to the seller's books and records, and

iii. the offering memorandum discloses

1. that the issuer was unable to obtain an audited operating statement,

2. the reasons for that inability,

3. the fact that the purchase agreement includes the representations and warranties referred to in D.5bii, and

4. that the results presented in the operating statements may have been materially different if the statements had been audited.

FORM 45-106F3

OFFERING MEMORANDUM FOR QUALIFYING ISSUERS

Date: [Insert the date from the certificate page.]

The Issuer

Name :
 Head office : Address :
 Phone # :
 E-mail address :
 Fax # :

Where currently listed or quoted? [e.g., TSX/TSX Venture Exchange]

Jurisdictions in which the issuer is a reporting issuer :

The Offering

Securities offered :

Price per security :

Minimum/Maximum offering: [If there is no minimum state "\$0" as the minimum and also state: "You may be the only purchaser."]

Minimum subscription amount: [State the minimum amount each investor must invest, or state "There is no minimum subscription amount an investor must invest."]

Payment terms :

Proposed closing date(s) :

Income Tax consequences: "There are important tax consequences to these securities. See item 6." [If income tax consequences are not material, delete this item.]

Selling agent? [Yes/No. If yes, state "See item 7". The name of the selling agent may also be stated.]

Resale restrictions

State: "You will be restricted from selling your securities for 4 months and a day. See item 10".

Purchaser's rights

State: "You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11."

State in bold type:

"No securities regulatory authority has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8."

[All of the above information must appear on a single cover page.]

Item 1 Use of Net Proceeds

1.1 **Net Proceeds** - Using the following table, disclose the net proceeds of the offering. If there is no minimum offering, state "\$0" as the minimum.

	Assuming min. offering	Assuming max. offering
A Amount to be raised by this offering	\$	\$
B Selling commissions and fees	\$	\$
C Estimated offering costs (e.g., legal, accounting, audit)	\$	\$
D Net proceeds: D = A - (B+C)	\$	\$

1.2 **Use of Net Proceeds** - Using the following table, provide a detailed breakdown of how the issuer will use the net proceeds. If any of the net proceeds will be paid to a related party, disclose in a note to the table the name of the related party, the relationship to the issuer, and the amount. If the issuer has a working capital deficiency, disclose the portion, if any, of the net proceeds to be applied against the working capital deficiency.

Description of intended use of net proceeds listed in order of priority.	Assuming min. offering	Assuming max. offering
	\$	\$
	\$	\$

1.3 **Reallocation** - The net proceeds must be used for the purposes disclosed in the offering memorandum. The board of directors can reallocate the proceeds to

other uses only for sound business reasons. If the net proceeds may be reallocated, include the following statement:

"We intend to spend the net proceeds as stated. We will reallocate funds only for sound business reasons."

1.4 **Working Capital Deficiency** - State the amount of any working capital deficiency of the issuer as at a date not more than 30 days prior to the date of the offering memorandum. If the working capital deficiency will not be eliminated by the use of net proceeds, state how the issuer intends to eliminate or manage the deficiency.

1.5 **Insufficient Proceeds** - If applicable, disclose that the proceeds of the offering either may not or will not be sufficient to accomplish all of the issuer's proposed objectives and that there is no assurance that alternative financing will be available. If alternative financing has been arranged, disclose the amount, source and any outstanding conditions that must be satisfied.

Item 2 Information About [name of issuer or other term used to refer to issuer]

2.1 **Business Summary** - Briefly (in one or two paragraphs) describe the business intended to be carried on by the issuer over the next 12 months. State whether this represents a change of business. If the issuer is a non-resource issuer, describe the products that the issuer is or will be developing or producing and the stage of development of each of the products. If the issuer is a natural resource issuer, state: whether the issuer's principal properties are primarily in the exploration or in the development or production stage; what resources the issuer is engaged in exploring, developing or producing; and the locations of the issuer's principal properties.

2.2 **Existing Documents Incorporated by Reference** - State:

"Information has been incorporated by reference into this offering memorandum from documents listed in the table below, which have been filed with securities regulatory authorities in Canada. The documents incorporated by reference are available for viewing on the SEDAR website at www.sedar.com. In addition, copies of the documents may be obtained on request without charge from [insert complete address and telephone and the name of a contact person].

Documents listed in the table and information provided in those documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement in this offering memorandum

or in any other subsequently filed document that is also incorporated by reference in this offering memorandum.”

Using the following table, list all of the documents incorporated by reference (as required by Instruction D.1):

Description of document (In the case of material change reports, provide a brief description of the nature of the material change)	Date of document

2.3 Existing Documents Not Incorporated by Reference - State :

“Other documents available on the SEDAR website (for example, most press releases, take-over bid circulars, prospectuses and rights offering circulars) are not incorporated by reference into this offering memorandum unless they are specifically referenced in the table above. Your rights as described in item 11 of this offering memorandum apply only in respect of information contained in this offering memorandum and documents or information incorporated by reference.”

2.4 Existing Information Not Incorporated by Reference - Certain specified information (as outlined in Instruction D.2) contained in the documents incorporated by reference may be, but is not required to be, incorporated by reference into the offering memorandum. If the issuer does not wish to incorporate that information into the offering memorandum, the issuer must state that and include a statement in the offering memorandum identifying:

(a) the information that is not being incorporated by reference, and

(b) the document in which the information is contained.

2.5 Future Documents Not Incorporated by Reference - State :

“Documents filed after the date of this offering memorandum are not deemed to be incorporated into this offering memorandum. However, if you subscribe for securities and an event occurs, or there is a change in our business or affairs, that makes the certificate to this offering memorandum no longer true, we will provide

you with an update of this offering memorandum, including a newly dated and signed certificate, and will not accept your subscription until you have re-signed the agreement to purchase the securities.”

Item 3 Directors, Executive Officers, Promoters and Principal Holders

3.1 Using the following table, provide information about each director, executive officer, promoter and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the issuer (a “principal holder”). If the principal holder is not an individual, state in a note to the table the name of any person or company that, directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the principal holder.

Name and municipality of principal residence	Position(s) with the issuer

3.2 State :

“You can obtain further information about directors and executive officers from [insert the name and date of the document(s) with the most current information, e.g., management information circular, annual information form or material change report].”

3.3 State :

“Current information regarding the securities held by directors, executive officers and principal holders can be obtained from [refer to the SEDI website at www.sedi.ca or, if information cannot be obtained from the SEDI website, refer to the securities regulatory authority(ies) from which the information can be obtained, including any website(s)]. [Name of issuer or other term used to refer to issuer] can not guarantee the accuracy of this information.”

Item 4 Capital Structure

Using the following table, provide the required information about outstanding securities of the issuer (including options, warrants and other securities convertible into shares). If necessary, notes to the table may be added to describe the material terms of the securities.

Description of security	Number authorized to be issued	Number outstanding as at [a date not more than 30 days prior to the offering memorandum date]	Number outstanding after min. offering	Number outstanding after max. offering
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Item 5 Securities Offered

5.1 **Terms of Securities** - Describe the material terms of the securities being offered, including :

- (a) voting rights or restrictions on voting,
- (b) conversion or exercise price and date of expiry,
- (c) rights of redemption or retraction, and
- (d) interest rates or dividend rates.

5.2 Subscription Procedure

(a) Describe how a purchaser can subscribe for the securities and the method of payment.

(b) State that the consideration will be held in trust and the period that it will be held (refer at least to the mandatory two day period).

(c) Disclose any conditions to closing e.g., receipt of additional funds from other sources. If there is a minimum offering, disclose when consideration will be returned to purchasers if the minimum is not met.

Item 6 Income Tax Consequences and RRSP Eligibility

6.1 State:

“You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you”.

6.2 If income tax consequences are a material aspect of the securities being offered (e.g., flow-through shares), provide

(a) a summary of the significant income tax consequences to Canadian residents, and

(b) the name of the person or company providing the income tax disclosure in a.

6.3 Provide advice regarding the RRSP eligibility of the securities and the name of the person or company providing the advice or state “Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.”

Item 7 Compensation Paid to Sellers and Finders

If any person or company has or will receive any compensation (e.g., commission, corporate finance fee or finder’s fee) in connection with the offering, provide the following information to the extent applicable:

(a) a description of each type of compensation and the estimated amount to be paid for each type,

(b) if a commission is being paid, the percentage that the commission will represent of the gross proceeds of the offering (assuming both the minimum and maximum offering),

(c) details of any broker’s warrants or agent’s option (including number of securities under option, exercise price and expiry date), and

(d) if any portion of the compensation will be paid in securities, details of the securities (including number, type and, if options or warrants, the exercise price and expiry date).

Item 8 Risk Factors

Describe in order of importance, starting with the most important, the risk factors material to the issuer that a reasonable investor would consider important in deciding whether to buy the issuer’s securities.

Risk factors will generally fall into the following three categories:

(a) Investment Risk - risks that are specific to the securities being offered. Some examples include

- arbitrary determination of price,

- no market or an illiquid market for the securities,
- resale restrictions, and
- subordination of debt securities.

(b) Issuer Risk - risks that are specific to the issuer. Some examples include

- insufficient funds to accomplish the issuer's business objectives,
- no history or a limited history of sales or profits,
- lack of specific management or technical expertise,
- management's regulatory and business track record,
- dependence on key employees, suppliers or agreements,
- dependence on financial viability of guarantor,
- pending and outstanding litigation, and
- political risk factors.

(c) Industry Risk - risks faced by the issuer because of the industry in which it operates. Some examples include

- environmental and industry regulation,
- product obsolescence, and
- competition.

Item 9 Reporting Obligations

9.1 Disclose the documents that will be sent to purchasers on an annual or on-going basis.

9.2 If corporate or securities information about the issuer is available from a government, regulatory authority, SRO or quotation and trade reporting system, disclose where that information can be located (including website address).

Item 10 Resale Restrictions

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec and Saskatchewan, state:

"These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the distribution date."

Item 11 Purchasers' Rights

State the following:

"If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

(1) **Two - Day Cancellation Right** - You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) **Statutory Rights of Action in the Event of a Misrepresentation** - [Insert this section only if the securities legislation of the jurisdiction in which the trade occurs provides purchasers with statutory rights in the event of a misrepresentation in an offering memorandum. Modify the language, if necessary, to conform to the statutory rights.] If there is a misrepresentation in this offering memorandum, you have a statutory right to sue:

(a) [name of issuer or other term used to refer to issuer] to cancel your agreement to buy these securities, or

(b) for damages against [state the name of issuer or other term used to refer to issuer and the title of any other person or company against whom the rights are available].

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in *a* or *b* above, you must do so within strict time limitations. You must commence your action to cancel the agreement within [state time period provided by the securities

legislation]. You must commence your action for damages within [state time period provided by the securities legislation].

(3) Contractual Rights of Action in the Event of a Misrepresentation - [Insert this section only if the securities legislation of the jurisdiction in which the purchaser is resident does not provide purchasers with statutory rights in the event of a misrepresentation in an offering memorandum.] If there is a misrepresentation in this offering memorandum, you have a contractual right to sue [name of issuer or other term used to refer to issuer]:

(a) to cancel your agreement to buy these securities, or

(b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that [name of issuer or other term used to refer to issuer] proves does not represent the depreciation in value of the securities resulting from the misrepresentation. [Name of issuer or other term used to refer to issuer] has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in *a* or *b* above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.”

Item 12 Date and Certificate

State the following on the certificate page of the offering memorandum:

“Dated [insert the date the certificate page of the offering memorandum is signed].

This offering memorandum does not contain a misrepresentation.”

The certificate must be signed by

(a) the chief executive officer and the chief financial officer of the issuer (or, if the issuer does not have a chief executive officer or a chief financial officer, a person acting in that capacity),

(b) on behalf of the directors of the issuer

i. by any two directors who are authorized to sign other than the persons referred to in paragraph *a*, or

ii. by all the directors of the issuer, and

(c) by each promoter of the issuer.

Instructions for Completing Form 45-106F3 Offering Memorandum for Qualifying Issuers

A. General Instructions

1. Only a “qualifying issuer” may use this form.

2. An issuer using this form to draft an offering memorandum must incorporate by reference certain parts of its existing continuous disclosure base. An issuer that does not want to do this must use Form 45-106F2 Offering Memorandum for Non-Qualifying Issuers.

3. Draft the offering memorandum so that it is easy to read and understand. Be concise and use clear, plain language. Avoid technical terms. If technical terms are necessary, provide definitions.

4. Address the items required by the form in the order set out in the form. However, it is not necessary to provide disclosure about an item that does not apply.

5. The issuer may include additional information in the offering memorandum other than that specifically required by the form. However, the offering memorandum is generally not required to contain the level of detail and extent of disclosure required by a prospectus.

6. The issuer may wrap the offering memorandum around a prospectus or similar document. However, all matters required to be disclosed by the offering memorandum must be addressed and the offering memorandum must provide a cross-reference to the page number or heading in the wrapped document where the relevant information is contained. The certificate to the offering memorandum must be modified to indicate that the offering memorandum, including the document around which it is wrapped, does not contain a misrepresentation.

7. It is an offence to make a misrepresentation in the offering memorandum. This applies both to information that is required by the form and to additional information that is provided.

8. If the issuer is a limited partnership or trust, where the offering memorandum form requires disclosure about “directors”, provide disclosure for the general partner(s)

of the limited partnership and the trustee(s) and manager of the trust. If a general partner, trustee or manager is a corporation, provide disclosure of the directors and executive officers of the general partner or manager and trustee. If the issuer is a limited partnership, the general partner must sign as promoter of the issuer and, if the general partner is a corporation, the chief executive officer, chief financial officer and directors of the general partner must sign as the chief executive officer, chief financial officer and directors of the issuer. If the issuer is a trust, each trustee and the manager of the trust must sign as promoters of the issuer. If any trustee is a corporation, the signing officers of the trustee must also sign as promoters. If the manager of the trust is a corporation, the chief executive officer, chief financial officer and directors of the manager must sign as the chief executive officer, chief financial officer and directors of the issuer.

9. Refer to Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (Regulation 43-101) when disclosing scientific or technical information for a mineral project of the issuer.

10. Securities legislation restricts what can be told to investors about the issuer's intent to list or quote securities on an exchange or market. Refer to applicable securities legislation before making any such statements.

11. If an issuer uses this form in connection with a distribution under an exemption other than section 2.9 (offering memorandum) of Regulation 45-106 respecting Prospectus and Registration Exemptions, the issuer must modify the disclosure in item 11 to correctly describe the purchaser's rights. If a purchaser does not have statutory or contractual rights of action in the event of a misrepresentation in the offering memorandum, that fact must be stated in bold on the face page.

B. Financial Statements

1. Any financial statements incorporated by reference into the offering memorandum must comply with Regulation 51-102 respecting Continuous Disclosure Obligations (Regulation 51-102) and Regulation 52-107 respecting Acceptable Accounting Principles, Auditing Standards and Reporting Currency.

2. Refer to National Policy 48, Future Oriented Financial Information if future oriented financial information is included in the offering memorandum.

C. Required Updates to the Offering Memorandum

1. If the offering memorandum does not incorporate by reference the issuer's AIF, and audited financial statements for its most recently completed financial year,

update the offering memorandum to incorporate by reference the document as soon as the document is filed on SEDAR.

2. Except for documents referred to in C.1, the offering memorandum does not have to be updated to incorporate by reference interim financial statements or other documents referred to in D.1 unless it is necessary to do so to prevent the offering memorandum from containing a misrepresentation.

D. Information about the Issuer

1. Existing Documents Incorporated by Reference

- In addition to any other document that an issuer may choose to incorporate by reference, the issuer must incorporate the following documents:

(a) the issuer's AIF reflecting the issuer's most recently completed financial year for which annual financial statements are required to be filed,

(b) material change reports, except confidential material change reports, filed after the commencement of the issuer's current financial year,

(c) the interim financial statements for the issuer's most recently completed financial period for which the issuer prepares interim financial statements that are required to be filed,

(d) the financial statements, together with the accompanying auditor's report, for the issuer's most recently completed financial year for which annual financial statements are required to be filed,

(e) if, before the offering memorandum is filed, financial information about the issuer for a financial period more recent than the period for which financial statements are required under 2.2c and d is publicly disseminated by, or on behalf of, the issuer through news release or otherwise, the content of the news release or public communication,

(f) management's discussion and analysis (MD&A) as required under Regulation 51-102,

(g) each business acquisition report required to be filed under Regulation 51-102,

(h) except as provided in D.2, information circulars or, if the issuer is not required under securities legislation to prepare information circulars, annual filings that, in each case, are required to be filed after the commencement of the issuer's current financial year,

(i) if the issuer has a mineral project, as defined in Regulation 43-101 respecting Standards of Disclosure for Mineral Projects, technical reports, certificates and consents required to be filed under Regulation 43-101 that, in each case, are required to be filed after the commencement of the issuer's current financial year, and

(j) if the issuer has oil and gas activities, as defined in Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities, all documents that it is required to file under Regulation 51-101 after the commencement of the issuer's current financial year.

An issuer may incorporate any additional document provided that the document is available for viewing on the SEDAR website and that, on request by a purchaser, the issuer provides a copy of the document to the purchaser, without charge.

2. Existing Information Not Incorporated by Reference - An issuer is not required to incorporate by

reference in an offering memorandum the disclosure required:

(a) under securities legislation, in an information circular or annual filing of:

i. the repricing downward of options or free standing stock appreciation rights,

ii. the composition of the compensation committee of the board of directors of the issuer and its report on executive compensation, or

iii. a graph comparing the yearly percentage change in the issuer's cumulative total shareholder return on publicly traded securities with the cumulative total return of a broad equity market index of a published industry or line-of business index or other issuers, and

(b) by an exchange or other market on which the issuer's securities trade, in the issuer's information circular regarding the issuer's corporate governance practices.

FORM 45-106F4

Risk Acknowledgement

I acknowledge that this is a risky investment.

I am investing entirely at my own risk.

No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.

The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me. *[Instruction: Delete if sold by registrant]*

I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities. *[Instruction: Delete if issuer is reporting]*

I will not be able to sell these securities for 4 months. *[Instruction: Delete if issuer is not reporting or if the purchaser is a Manitoba resident]*

I could lose all the money I invest.

I am investing \$ _____ [total consideration] in total; this includes any amount I am obliged to pay in future. _____ [name of issuer] will pay \$ _____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

You have 2 business days to cancel your purchase
[Instruction: The issuer must complete this section before giving the form to the purchaser.]

To do so, send a notice to [name of issuer] stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to [name of issuer] at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Fax:

E-mail:

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

☛ the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

☛ the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice *[Instruction: Delete if sold by registrant]*

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Québec and Saskatchewan to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed
[Instruction: Delete if securities are listed or quoted]

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer *[Instruction: Delete if issuer is reporting]*

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority. *[Instruction: Insert the name, telephone number and website address of the securities regulatory authority in the jurisdiction in which you are selling these securities.]*

[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]

WARNING

FORM 45-106F5**Risk Acknowledgement**

Saskatchewan Close Personal Friends and
Close Business Associates

I acknowledge that this is a risky investment:

- ☛ I am investing entirely at my own risk.
- ☛ No securities regulatory authority has evaluated or endorsed the merits of these securities.
- ☛ The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me. *[Instruction: Delete if sold by registrant]*
- ☛ I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities. *[Instruction: Delete if issuer is reporting]*
- ☛ I will not be able to sell these securities for 4 months. *[Instruction: Delete if issuer is not reporting]*
- ☛ I could lose all the money I invest.
- ☛ I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus.

I am investing \$ _____ [total consideration] in total; this includes any amount I am obliged to pay in future. I am a close personal friend or close business associate of _____ [state name], who is a _____ [state title - founder, director, executive officer or control person] of _____ [state name of issuer or its affiliate – if an affiliate state “an affiliate of the issuer” and give the issuer’s name].

I acknowledge that I am purchasing based on my close relationship with _____ [state name of founder, director, executive officer or control person] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you :

- ☛ the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- ☛ the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. Exempt market securities are more risky than other securities.

You may not receive any written information about the issuer or its business

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

You will not receive advice [*Instruction: Delete if sold by registrant*]

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

The issuer of your securities is a non-reporting issuer [*Instruction: Delete if issuer is reporting*]

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. You can only sell the securities of a non-reporting issuer in very limited circumstances. You may never be able to sell these securities.

The securities you are buying are not listed [*Instruction: Delete if securities are listed or quoted*]

The securities you are buying are not listed on any stock exchange, and they may never be listed. There may be no market for these securities. You may never be able to sell these securities.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at <http://www.sfsc.gov.sk.ca>

[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]

7070

Draft Regulations

Draft Regulation

An Act respecting labour relations, vocational training and manpower management in the construction industry
(R.S.Q. c. R-20)

Commission de la construction du Québec

— Levy

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Levy Regulation of the Commission de la construction du Québec, the text of which appears below, may be submitted to the Government for approval on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to levy upon the employer alone or upon both the employer and the employee or upon the employee alone or, where applicable, upon the independent contractor, the amounts required for its administration and fix a minimum amount which an employer is bound to pay per monthly period. Such levy, similar to that of the year 2005, constitutes the main source of financing of the Commission.

Further information may be obtained by contacting André Ménard, Chair and Chief Executive Officer, Commission de la construction du Québec, 3530, rue Jean-Talon Ouest, Montréal, H3R 2G3; telephone: (514) 341-7740, poste 6296.

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to André Ménard, Chair and Chief Executive Officer, Commission de la construction du Québec, 3530, rue Jean-Talon Ouest, Montréal, H3R 2G3; telephone: (514) 341-7740, poste 6296.

LAURENT LESSARD,
Minister of Labour

Levy Regulation of the Commission de la construction du Québec

An Act respecting labour relations, vocational training and manpower management in the construction industry
(R.S.Q., c. R-20, s. 82, 1st par., subpar. c)

1. The levy imposed by the Commission de la construction du Québec for the year 2006 is:

(1) in the case of an employer, 0.75 of 1% of the total remuneration paid to his employees;

(2) in the case of an independent contractor, 0.75 of 1% of his remuneration as an independent contractor;

(3) in the case of an employee, 0.75 of 1% of his remuneration.

Notwithstanding the first paragraph, the minimum amount that an employer or an independent contractor is bound to pay the Commission per monthly period is \$10.

2. The employer shall collect, on behalf of the Commission, the amount levied upon his employees by means of a weekly deduction on their wages.

3. The independent contractor shall deduct weekly, out of the remuneration he received as an independent contractor, the amount levied upon him.

4. The employer and the independent contractor shall remit to the Commission the amount levied for a monthly period in pursuance of this Regulation, not later than the 15th of the following month.

5. This Regulation comes into force on 1 January 2006.

7065

Draft Regulation

Forest Act
(R.S.Q., c. F-4.1)

Contribution payable to a regional agency for private forest development by holders of a wood processing plant operating permit — Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting the rate per cubic metre of timber applicable to the computation of the contribution payable to a regional agency for private forest development by holders of a wood processing plant operating permit, the text of which appears below, may be made by the Government on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to amend the rate per cubic metre of timber applicable to the computation of the contribution payable to a regional agency for private forest development by holders of a wood processing plant operating permit.

On a multi-year basis, the Regulation will have a positive impact on small and medium-sized businesses since the contribution rate per cubic metre of timber payable under the Regulation has not been re-established at \$1.45 but has been set at \$1.35.

Further information on the draft Regulation may be obtained by contacting Jacques Tremblay, Direction des programmes forestiers, Ministère des Ressources naturelles et de la Faune, 880, chemin Sainte-Foy, 5^e étage, Québec (Québec) G1S 4X4; telephone: (418) 627-8650; fax: (418) 646-9245.

Any interested person having comments to make on the draft Regulation is asked to send them in writing, before the expiry of the 45-day period, to Marc Ledoux, Associate Deputy Minister for Forests, Ministère des Ressources naturelles et de la Faune, 880, chemin Sainte-Foy, 10^e étage, Québec (Québec) G1S 4X4.

PIERRE CORBEIL,
*Minister of Natural Resources
and Wildlife*

Regulation to amend the Regulation respecting the rate per cubic metre of timber applicable to the computation of the contribution payable to a regional agency for private forest development by holders of a wood processing plant operating permit*

Forest Act
(R.S.Q., c. F-4.1, ss. 124.29, 124.30 and 172,
1st par., subpar. 18.4)

1. The Regulation respecting the rate per cubic metre of timber applicable to the computation of the contribution payable to a regional agency for private forest development by holders of a wood processing plant operating permit is amended in section 1 by replacing “\$1.20” by “\$1.35”.

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

7071

Draft Regulation

An Act respecting the conservation and development of wildlife
(R.S.Q., c. C-61.1)

Pointe-du-Lac Wildlife Preserve

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the Pointe-du-Lac Wildlife Preserve, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to establish standards and conditions for the use of the resources and territory of the Pointe-du-Lac Wildlife Preserve.

It prohibits hunting, entering, travelling about or engaging in any activity in the wildlife preserve during the period from 25 September to 26 December of each

* The Regulation respecting the rate per cubic metre of timber applicable to the computation of the contribution payable to a regional agency for private forest development by holders of a wood processing plant operating permit, made by Order in Council 1113-96 dated 4 September 1996 (1996, *G.O.* 2, 3979), has been amended once, by the regulation made by Order in Council 501-2001 dated 2 May 2001 (2001, *G.O.* 2, 2199).

year, or altering any biological, physical or chemical component of the habitat of ducks or pochards of the genus *Aythya*, of mergansers of the genus *Mergus* or of common goldeneyes (*Bucephala clangula*), except for persons engaging in scientific research, surveillance, inspection or maintenance work in the performance of duties, and holders of a commercial fishing licence in the course of their activities.

Study of the matter has shown a negative impact for hunters who use that part of the territory. It shows no negative impact for businesses.

Further information concerning this draft Regulation may be obtained by contacting Michel Jean, Ministère des Ressources naturelles et de la Faune, Direction des territoires fauniques et de la réglementation, 675, boulevard René-Lévesque Est, 11^e étage, boîte 96, Québec (Québec) G1R 5V7; telephone: (418) 521-3880, extension 4095; fax: (418) 646-5179; e-mail: michel.jean@fapaq.gouv.qc.ca

Any interested person having comments to make on the draft Regulation is asked to send them in writing, before the expiry of the 45-day period, to George Arsenault, Associate Deputy Minister for Faune Québec, Ministère des Ressources naturelles et de la Faune, 675, boulevard René-Lévesque Est, 10^e étage, boîte 93, Québec (Québec) G1R 5V7.

PIERRE CORBEIL,
Minister of Natural Resources and Wildlife

Regulation respecting the Pointe-du-Lac Wildlife Preserve

An Act respecting the conservation and development of wildlife
(R.S.Q., c. C-61.1, s. 125, pars. 1 and 3, and s. 162, par. 14)

1. This Regulation applies to the Pointe-du-Lac Wildlife Preserve established by Minister's Order 2005-021 dated 10 May 2005.

2. During the period from 25 September to 26 December of each year, hunting, entering, traveling about or engaging in any activity in the wildlife preserve is prohibited.

3. No person may in the wildlife preserve alter any biological, physical or chemical component of the habitat of ducks or pochards of the genus *Aythya*, of mergansers of the genus *Mergus* or of common goldeneyes (*Bucephala clangula*).

4. Despite sections 2 and 3, a person engaging in scientific research, surveillance, inspection or maintenance work may, in the performance of duties, engage in the activities mentioned in those sections at any time.

Despite section 2, the holder of a commercial fishing licence may, in the course of the holder's activities, enter and travel about the wildlife preserve at any time for fishing purposes.

5. Every person who contravenes section 2 or 3 is guilty of an offence.

6. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

7066

Draft Regulation

Professional Code
(R.S.Q., c. C-26)

Bailiffs

— Diplomas giving access to permits

— Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting the diplomas issued by designated teaching establishments which give access to permits or specialist's certificates of professional orders, the text of which appears below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation proposes to add section 2.13 to the Regulation respecting the diplomas issued by designated teaching establishments which give access to permits or specialist's certificates of professional orders so as to provide for the permit issued by the Chambre des huissiers de justice du Québec.

According to the Order, the amendment will have no impact on enterprises, including small and medium-sized businesses.

The draft Regulation will be submitted to the Office des professions du Québec and to the Chambre des huissiers de justice du Québec for their opinion. The Office will receive the opinion of the Order and forward it to the Minister responsible for the application of legislation respecting the professions together with its own opinion, based on the results of consultations held with teaching institutions and other bodies concerned.

Further information may be obtained by contacting Ronald Dubé, Director General and Secretary, Chambre des huissiers de justice du Québec, 1100, boulevard Crémazie Est, bureau 215, Montréal (Québec) H2P 2X2; telephone: (514) 721-1100; fax: (514) 721-7878.

Any person having comments to make is asked to send them, before the expiry of the 45-day period, to the Chair of the Office des professions du Québec, 800, place D'Youville, 10^e étage, Québec (Québec) G1R 5Z3. The comments will be forwarded by the Office to the Minister responsible for the application of legislation respecting the professions; they may also be forwarded to the professional order concerned and to interested persons, departments and bodies.

YVON MARCOUX,
*Minister responsible for the application of
legislation respecting the professions*

Regulation to amend the Regulation respecting the diplomas issued by designated teaching establishments which give access to permits or specialist's certificates of professional orders*

Professional Code
(R.S.Q., c. C-26, s. 184, 1st par.)

1. The Regulation respecting the diplomas issued by designated teaching establishments which give access to permits or specialist's certificates of professional orders is amended by inserting the following after section 2.12:

“2.13. The diploma of college studies awarded by the Minister of Education, Recreation and Sports following studies completed in legal technology at the François-Xavier-Garneau and Ahuntsic general and vocational colleges, at the Cégep régional de Lanaudière in L'Assomption, at the Séminaire de Sherbrooke, Collège Bart (1975), O'Sullivan College of Montréal Inc., Collège

d'affaires Ellis (1974) inc. and École commerciale du Cap inc. gives access to the permit issued by the Chambre des huissiers de justice du Québec.”.

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

7067

* The Regulation respecting the diplomas issued by designated teaching establishments which give access to permits or specialist's certificates of professional orders, made by Order in Council 1139-83 dated 1 June 1983 (1983, *G.O.* 2, 2369), was last amended by the regulations made by Order in Council 1064-2004 dated 16 November 2004 (2004, *G.O.* 2, 3155) and Order in Council 524-2005 dated 1 June 2005 (2005, *G.O.* 1877). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Québec Official Publisher, 2005, updated to 1 March 2005.

Tranports

Gouvernement du Québec

O.C. 771-2005, 17 August 2005

An Act respecting roads
(R.S.Q., c. V-9)

Amendment to Order in Council 98-2003 dated 29 January 2003 concerning strategic bridges the management of which is under the responsibility of the Minister of Transport

WHEREAS, under section 2 of the Act respecting roads (R.S.Q., c. V-9), the Government may, by an order published in the *Gazette officielle du Québec*, recognize certain bridges as strategic;

WHEREAS, under the same provisions, the management of such strategic bridges is under the responsibility of the Minister of Transport;

WHEREAS, under section 16 of the Act, a municipality shall remain responsible for the maintenance of the roadway, sidewalks, railings, drainage and lighting in respect of bridges recognized as strategic by the Government;

WHEREAS Order in Council 98-2003 dated 29 January 2003, amended by Orders in Council 954-2003 dated 10 September 2003 and 505-2005 dated 25 May 2005 recognized certain bridges as strategic in order for their management to be under the responsibility of the Minister of Transport, even if they are part of roads the management of which is under the responsibility of municipalities and for the latter to remain responsible for the maintenance of the roadway, sidewalks, railings, drainage and lighting of such bridges;

WHEREAS it is expedient to amend the Schedule to Order in Council 98-2003 dated 29 January 2003 in order to add to the list of bridges recognized as strategic the east (03075) and west (13966) structures of Pont Lady-Aberdeen located over Rivière Gatineau in the axis of Fournier and Gréber boulevards in Ville de Gatineau (81017), and Pont Rivard (05135) located over Rivière du Sud on Route 132 in Ville de Montmagny (18050);

IT IS ORDERED, therefore, on the recommendation of the Minister of Transport and Minister responsible for the Capitale-Nationale region and the Minister for Transport:

THAT the Schedule to Order in Council 98-2003 dated 29 January 2003, amended by Orders in Council 954-2003 dated 10 September 2003 and 505-2005 dated 25 May 2005, be amended by adding the east (03075) and west (13966) structures of Pont Lady-Aberdeen located over Rivière Gatineau in the axis of Fournier and Gréber boulevards in Ville de Gatineau (81017), and Pont Rivard (05135) located over Rivière du Sud on Route 132 in Ville de Montmagny (18050);

THAT Ville de Gatineau and Ville de Montmagny remain responsible for the maintenance of the roadway, sidewalks, railings, drainage and lighting of the bridges located in their territory;

THAT this Order in Council take effect on the date of its publication in the *Gazette officielle du Québec*.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

7061

Notices

Notice

Natural Heritage Conservation Act
(R.S.Q., c. C-61.01)

L'Île-aux-Basques-et-des-Razades Nature Reserve — Recognition

Notice is hereby given, in keeping with article 58 of the Natural Heritage Conservation Act (R.S.Q., c. C-61.01), that the Minister of Sustainable Development, Environment and Parks has recognized as a nature reserve a private property, situated in the territory of the Regional County Municipality of Les Basques, known and designated as lot 666 and as part of lot 671 of the Notre-Dame-des-Neiges-de-Trois-Pistoles Parish land register, Municipality of Notre-Dame-des-Neiges, Témiscouata registry division, as well as lot 391 of the Saint-Simon-de-Rimouski Parish land register, Municipality of Saint-Simon, Rimouski registry division. This property, which is approximately 90.9 hectares, is more fully described in the plan and property description prepared and signed by Mr. Pierre Girard, land surveyor, on 29 November 2004, in his field note 318.

This recognition takes effect on the date of the publication of this notice in the *Gazette officielle du Québec*.

LÉOPOLD GAUDREAU,
*Director of Sustainable Development,
Ecological Heritage and Parks*

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Notice

Natural Heritage Conservation Act
(R.S.Q., c. C-61.01)

Marais-Léon-Provancher Nature Reserve — Recognition

Notice is hereby given, in keeping with article 58 of the Natural Heritage Conservation Act (R.S.Q., c. C-61.01), that the Minister of Sustainable Development, Environment and Parks has recognized as a nature reserve a private property, situated in the territory of the Regional County Municipality of Portneuf and the Québec Metropolitan Community, known and designated as part of

lots 1, 2, 3, 4, 6, 7, 8, 9, 10 and 562 of the Pointe-aux-Trembles Parish land register, Municipality of Ville de Neuville, as well as part of lots 385 and 537 of the Saint-Augustin Parish land register, Municipality of Ville de Québec (Laurentien borough), Portneuf registry division. This property, which is approximately 106.8 hectares, is more fully described in the plan and property description prepared and signed by Mr. Pierre Girard, land surveyor, on 1 December 2004, in his field note 319.

This recognition takes effect on the date of the publication of this notice in the *Gazette officielle du Québec*.

LÉOPOLD GAUDREAU,
*Director of Sustainable Development,
Ecological Heritage and Parks*

7077

Notice

Natural Heritage Conservation Act
(R.S.Q., c. C-61.01)

Terres-Noyées-de-la-Rivière-Noire Nature Reserve — Recognition

Notice is hereby given, in keeping with article 58 of the Natural Heritage Conservation Act (R.S.Q., c. C-61.01), that the Minister of Sustainable Development, Environment and Parks has recognized as a nature reserve a private property, situated in the territory of the Municipality of Saint-Damien Parish, Regional County Municipality of Matawinie, known and designated as part of lots 306 et 307 of range 12 of the Saint-Damien-de-Brandon Parish land register, Berthier registry division. This property, which is approximately 20.8 hectares, is more fully described in the plan and property description prepared and signed by Mr. Gilles Beaulieu, land surveyor, on 9 March 2005, in his field note 15851.

This recognition takes effect on the date of the publication of this notice in the *Gazette officielle du Québec*.

LÉOPOLD GAUDREAU,
*Director of Sustainable Development,
Ecological Heritage and Parks*

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Erratum

M.O., 2005

Order number V-1.1-2005-03 of the Minister of Finance dated 19 May 2005

Securities Act
(R.S.Q., c. V-1.1; 2004, c. 37)

Gazette officielle du Québec, Part 2, 1 June 2005,
Vol. 137, No. 22, page 1507.

On page 1530 of the Regulation 51-102 respecting continuous disclosure obligations, in Part 10, section “10” should read section “10.1”;

On page 1532, in section 12.3 of the Regulation, first paragraph, “sections 0 and 0” should read “sections 12.1 and 12.2”;

On page 1535, in section 13.4 of the Regulation, paragraph (2)gii, insert “ii.” before the word “interim”;

On page 1536, in section 14.2 of the Regulation, first paragraph, “section 0” should read “section 14.1” and “including 0” should read “including Part 10”;

On page 1536, in paragraphs *a* and *b* of section 14.2 of the Regulation, “sections 0 to 0” should read “sections 4.8 to 4.11”;

On page 1536, in paragraph *e* of section 14.2 of the Regulation, “under 0” should read “under Part 12”.

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Index

Abbreviations : **A**: Abrogated, **N**: New, **M**: Modified

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