

Appendix*

Summary of Some Common Continuous Disclosure Requirements in BC and Alberta

Filing	AB Reference	Alberta Requirement	BC Reference	BC Requirement
Material Changes				
News Releases	s. 118(1)(a) ASA s.1(k.1) ASA	<ul style="list-style-type: none"> Promptly -issue a news release (authorized by a senior officer) disclosing the nature and substance of the material change -file (via SEDAR) with the Executive Director “material change” defined 	s.85(1)(a) BCSA s.1(1) BCSA	<ul style="list-style-type: none"> As soon as practicable, -issue a press release (authorized by a senior officer) that discloses the nature and substance of the change -file (via SEDAR) “material change” defined
Material Change Reports	s.118(1)(b) ASA s.143(1) AB Rules ASC Form 27	<ul style="list-style-type: none"> Within 10 days from the day on which the material change occurs, prepare and file (via SEDAR) with the Executive Director, a report of the material change in ASC Form 27 	s.85(1)(b) BCSA BC Form 53-901F (formerly Form 27)	<ul style="list-style-type: none"> As soon as practicable, but in any event no later than 10 days after the date on which the change occurs, file (via SEDAR) the required report in BC Form 53-901F
Confidential Reporting	s.118(2) ASA s.143(2) AB Rules	<ul style="list-style-type: none"> In certain circumstances the material change can be reported on a confidential basis 	ss. 85(2) and 85(3) BCSA s.151 BC Rules	<ul style="list-style-type: none"> In certain circumstances the material change can be reported on a confidential basis

* This Appendix is only a summary of some of the continuous disclosure requirements under BC and Alberta securities laws applicable to reporting issuers and, in BC, exchange issuers. It is current to June 15, 2001. This Appendix **does not** contain an exhaustive list of the continuous disclosure requirements in BC and Alberta nor does it contain a discussion of the specific filing obligations of mutual funds or the financial statement requirements applicable to finance or investment companies. Issuers and their legal counsel must not rely on this Appendix and should review all relevant provisions of the two provinces’ securities laws.

Filing	AB Reference	Alberta Requirement	BC Reference	BC Requirement
Financial - General				
Change in Year End	No local requirement	<ul style="list-style-type: none"> • See NP 51 • In addition, s. 196 AB Rules requires that the document filed with BCSC be concurrently filed with the ASC 	s. 146 BC Rules	<ul style="list-style-type: none"> • File (via SEDAR) notice of change and reasons for it on or before the earlier of the new date elected for the financial year end or the 360th day after the end of the latest financial year • See also NP 51
Development Stage Issuers: Cost analysis	s.145(b) AB Rules	<ul style="list-style-type: none"> • Industrial and natural resource issuers in the promotional, exploratory and development stage must make additional disclosure of investments and deferred charges 	s.3(9) BC Rules	<ul style="list-style-type: none"> • Development stage issuers must make additional disclosure for investments and expenditures (See also Quarterly and Year End Report, below)
Quarterly and Year End Report	N/A	<ul style="list-style-type: none"> • There is no equivalent AB requirement. However, s. 196 AB Rules requires that the document filed with the BCSC be concurrently filed with the ASC 	BC Form 51-901F (formerly Form 61) s. 152 BC Rules s.149(a) BC Rules BOR 96/3 s.149(b) BC Rules	<ul style="list-style-type: none"> • Requires an analysis of expenditures and deferred costs, disclosure of related party transactions, summary of securities issued and outstanding, names of directors and officers and managements' discussion and analysis • Form must be approved by the board of directors, with this approval evidenced by the signature of two directors • File with BCSC (via SEDAR) and with CDNX on or before 60th day after the end of each of the issuer's first, second and third financial quarters and on or before the 140th day after the issuer's year end • Concurrently -send to shareholders in BC, subject to BOR 96/3 -file (via SEDAR) confirmation of sending, subject to BOR 96/3*

* BCSC staff are currently considering whether this requirement should be eliminated for annual and interim financial statements and related materials.

Filing	AB Reference	Alberta Requirement	BC Reference	BC Requirement
Annual Financial Statements				
Contents	s.144(1) AB Rules s.121(1) ASA	<ul style="list-style-type: none"> • In accordance with GAAP • Must include: <ul style="list-style-type: none"> -balance sheet -income statement -statement of retained earnings -statement of changes in financial position (cash flow statement) • Comparative to previous financial years 	s. 3(3) BC Rules ss.145(1) and 145(2)(b) BC Rules	<ul style="list-style-type: none"> • In accordance with GAAP • Must include: <ul style="list-style-type: none"> -balance sheet -income statement -statement of retained earnings -statement of changes in financial position (cash flow statement) • Comparative to previous financial years
Auditor's Report and Auditor's Qualifications	s.121(2)ASA ss.144(2) and (5) AB Rules s.121(3) ASA ASC Notice 28	<ul style="list-style-type: none"> • Must be accompanied by an auditor's report prepared in accordance with GAAS • Auditor qualification requirements specified 	ss.3(4), (6) and (5) BC Rules	<ul style="list-style-type: none"> • Must include an auditor's report prepared by a person qualified under s.3(5) of BC Rules • Auditor must perform the audit and prepare report in accordance with GAAS • Auditor qualification requirements specified
Board and Committee Approval	s.160 AB Rules	<ul style="list-style-type: none"> • Must be approved by the board and evidenced on the balance sheet by the signatures of 2 authorized directors 	ss.3(13) and (12) BC Rules	<ul style="list-style-type: none"> • Must be approved by the directors and evidenced by the signature, or facsimile of the signature, of 2 authorized directors • If an issuer is required to have an audit committee, the annual financial statements must be reviewed by the audit committee before being submitted to the board

Filing	AB Reference	Alberta Requirement	BC Reference	BC Requirement
Filing with Securities Commission and Sending to Shareholders	s.121 ASA s.122 ASA	<ul style="list-style-type: none"> File (via SEDAR) within 140 days from the end of last financial year Concurrently send to shareholders in AB 	s.145(2)(a) BC Rules ss.149(a) and (b) BC Rules	<ul style="list-style-type: none"> File (via SEDAR) on or before the 140th day after the end of the latest financial year Concurrently -send to shareholders in BC -file (via SEDAR) confirmation of sending
Interim Financial Statements				
Contents	s.144(1) AB Rules s.120(1) ASA ss.146 and 147 AB Rules ASC Staff Notice 52-101 s.148 AB Rules	<ul style="list-style-type: none"> In accordance with GAAP Made up to the end of each of the 3 month, 6 month and 9 month periods of the current financial year that commenced immediately following the last financial year, including a comparative statement to the end of each of the corresponding periods in the last financial year Component statements specified. See also CICA Handbook and ASC Staff Notice 52-101 Not required to be audited 	s.3(3) BC Rules s.144(1), (4) and (3) BC Rules	<ul style="list-style-type: none"> In accordance with GAAP For the periods commencing at the end of its last financial year and ending 3, 6 and 9 months after that financial year end. Comparative financial statements for the preceding year's corresponding period Component statements specified. See also CICA Handbook Not required to be audited but if an accountant has been associated with the statements the appropriate communication must accompany the statements
Board and Committee Review / Approval	N/A	N/A	ss.3(13) and (12) BC Rules BCI 52-502 and BCI 52-504 BC Form 51-901F (formerly Form 61)	<ul style="list-style-type: none"> If the issuer is not an exchange issuer, ss. 3(12) and (13) of the BC Rules do not apply to interim financial statements -for periods that end on or before June 30, 2001 -for periods that end after June 30, 2001, <u>provided that the</u> directors or audit committee review the statements <ul style="list-style-type: none"> If the issuer is an exchange issuer, statements must be approved by the directors and evidenced by the signature (or facsimile) of 2 authorized directors and, if the issuer is required

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				to have an audit committee, statements must be reviewed by that committee before being submitted to the board
Filing with Securities Commission and Sending to Shareholders	s.120(1) ASA s. 122 ASA Blanket Order 88/03/09	<ul style="list-style-type: none"> File (via SEDAR) within 60 days of date made up Concurrently send to shareholders in AB, subject to NP 41 and Blanket Order 88/03/09 	s.144(1) BC Rules ss. 149(a) and (b) BC Rules BOR 96/3	<ul style="list-style-type: none"> File (via SEDAR) on or before 60th day after the ending date of the interim period Concurrently -send to shareholders in BC, subject to NP 41 and BOR 96/3 -file (via SEDAR) confirmation of sending, subject to BOR 96/3
Shareholder Meetings				
Information Circular	ASC Form 30 s.169 AB Rules ss.163-167 AB Rules ASC Policy 1.2	<ul style="list-style-type: none"> Disclosure requirements are specified Where a reorganization or similar restructuring occurs, reference to the applicable prospectus form should be made The information circular requires a certificate in a prescribed form certifying the accuracy of the disclosure. Every management information circular must be signed by the CEO and CFO Requirements for the form of proxy are specified Disclosure of restricted shares is required 	BC Form 54-901F (formerly Form 30) ss.183 (2) and 184(3) BC Rules	<ul style="list-style-type: none"> Disclosure requirements are specified Specific prospectus level disclosure required in the case of amalgamations, mergers, arrangements, reorganizations and reverse take-overs Extensive disclosure of directors' and officers' indebtedness, including guarantees, support agreements, letters of credit and financial assistance to purchase securities The circular or report must be certified by the signature, or facsimile of the signature, of an officer or director

Filing	AB Reference	Alberta Requirement	BC Reference	BC Requirement
Executive Compensation	ASC Form 40 Blanket Order 93/11/17	<ul style="list-style-type: none"> Aggregate executive compensation disclosure is required by ASC Form 40 for all “executive officers” Exemption from ASC Form 40 for disclosure that complies with OSC Form 40 	BC Form 51-904F (formerly Form 41)	<ul style="list-style-type: none"> BC Form 54-901F must include or have attached to it a Statement of Executive Compensation in BC Form 51-904F providing extensive disclosure for each “Named Executive Officer” (ie. CEO and the four most highly compensated executive officers)
Filing with Securities Commission and Sending to Shareholders	ss.127 and 128(1) ASA s. 124(1) ASA s.168 AB Rules s.124(2) ASA ASC Form 28	<ul style="list-style-type: none"> Must send an information circular in ASC Form 30 to each shareholder whose proxy is solicited If an information circular is sent, it, the proxy and any other material sent must be promptly filed (via SEDAR) If an issuer is not required to file an information circular, it must file (via SEDAR) annually within 140 days from the end of its last financial year an annual report in ASC Form 28 	s.117 BCSA ss.183 and 184 BC Rules BC Form 51-903F (formerly Form 28)	<ul style="list-style-type: none"> Must send an information circular in BC Form 54-901F to each shareholder whose proxy is solicited Must, without delay, file (via SEDAR) a copy of the form of proxy or information circular or both, along with any other materials sent to shareholders If an issuer is not required to send an information circular, it must file (via SEDAR) a BC Form 51-903F, on or before the 140th day after the end of its financial year
Persons Involved with the Issuer				
Insider Reports	ss.1(i) and 8 ASA s.147 ASA ss.182, 183, 185 and 190 AB Rules ASC Form 36 ss.186.1-186.3 AB Rules Blanket Order 96/12/05	<ul style="list-style-type: none"> “insider” defined Every insider is required to file an initial insider report in ASC Form 36 (in paper format, can be by fax) within 10 days of becoming an insider (unless no securities are held) Further ASC Form 36 report required within 10 days of any change (trade) See also NI 55-101 which exempts certain directors and senior officers of subsidiaries and affiliates from filing insider reports 	ss.1(1), 2(2), 2(3) BCSA ss.87(2), (3) and (4) BCSA BC Form 55-901F (formerly Form 36) BCI 55-501	<ul style="list-style-type: none"> “insider” defined Every insider is required to file an initial insider report in BC Form 55-901F (in paper format, can be by fax) within 10 days of becoming an insider (unless no securities held) Further report in BC Form 55-901F required within 10 days after the end of the month in which any subsequent change (trade) takes place, if person an insider at any time during that month See also NI 55-101 which exempts certain directors and senior officers of subsidiaries and affiliates from filing insider reports

Filing	AB Reference	Alberta Requirement	BC Reference	BC Requirement
Insider Reports on Issuer Events (e.g. stock splits, consolidations, dividends, stock purchase plans, amalgamations, etc.)	N/A	<ul style="list-style-type: none"> See NI 55-101 which permits -insiders to wait until their next insider report to report changes in their holdings resulting from certain issuer events and -certain insiders to annually report acquisitions under automatic securities purchase plans 	N/A	<ul style="list-style-type: none"> See NI 55-101 which permits -insiders to wait until their next insider report to report changes in their holdings resulting from certain issuer events and -certain insiders to annually report acquisitions under automatic securities purchase plans
Early Warning Acquisition Reports	ss. 141-142 ASA ss.181.5 and 181.6 AB Rules	<ul style="list-style-type: none"> Press releases and reports required on acquisition at certain thresholds See also NI 62-103 which allows eligible institutional investors to file an alternative monthly report 	ss.111 and 112 BCSA s.174 BC Rules	<ul style="list-style-type: none"> Press releases and reports required on acquisition at certain thresholds See also NI 62-103 which allows eligible institutional investors to file an alternative monthly report
Control Person Reports	s.1(c.2) ASA s.112 ASA s. 133 AB Rules ASC Form 23	<ul style="list-style-type: none"> “control person” defined Sales by control persons are distributions Control persons relying on a prospectus exemption in AB must file a notice and declaration in ASC Form 23 within a specified time period prior to the first trade <ul style="list-style-type: none"> ASC Form 23 must be renewed by 60th day after initial notice and then within 28 days thereafter Insider report must be filed on or before the 3rd day after the distribution See also NI 62-101 which provides an exemption for eligible institutional investors 	s.1(1) BCSA ss.136 and 137 BC Rules BCSC Form 23	<ul style="list-style-type: none"> “control person” defined Sales by control persons are distributions Control persons relying on an exemption in BC must file a notice and declaration in BCSC Form 23 within a specified time period prior to the first trade <ul style="list-style-type: none"> BCSC Form 23 must be renewed by 60th day after initial notice and then within 28 days thereafter Insider report must be filed on or before the 3rd day after the distribution See also NI 62-101 which provides an exemption for eligible institutional investors

Filing	AB Reference	Alberta Requirement	BC Reference	BC Requirement
Personal Information Form	s. 187.1 ASA ASC Form 4B	<ul style="list-style-type: none"> The ASC or Executive Director may require directors, officers and promoters or control persons to file personal information forms A continuous disclosure requirement has not yet been mandated 	s.90 BCSA BC Form 51-902F (formerly Form 4B) NIN 2000/29 BC Policy 41-601 BC Policy 12-603 (formerly LPS 3-35)	<ul style="list-style-type: none"> Directors, officers, promoters and control persons are required to file personal information forms in circumstances specified in NIN 2000/29. For example, persons who become directors or officers of an exchange issuer or of an issuer that is a reporting issuer in BC but in no other Canadian jurisdiction must file within 30 days of assuming that position
General				
Alternative Compliance	s.184 ASA s.184(1) ASA Blanket Order 87/02/05	<ul style="list-style-type: none"> Unless otherwise provided, compliance with the laws of the issuer's home jurisdiction will be deemed to be compliance with Alberta securities laws if the requirements of the home jurisdiction are substantially the same and the documents required in the home jurisdiction are promptly filed with the Executive Director 	s.154 BC Rules	<ul style="list-style-type: none"> If the laws of the issuer's home jurisdiction require the reporting issuer to file substantially the same information in that jurisdiction, the BC Rules can be complied with by filing a copy of the press release, timely disclosure report, information circular or financial statements and auditor's report required by that jurisdiction, provided that the record is signed and certified in accordance with s.189 of the BC Rules
Filing of Documents Filed with Other Jurisdictions or Exchanges or Sent to Shareholders	s.196 AB Rules	<ul style="list-style-type: none"> A copy of all materials sent to shareholders must be filed with the Executive Director within 24 hours of being sent Any document filed with a government or government agency in another jurisdiction or with an exchange must be concurrently filed with the Executive Director if it has not already been filed and contains information that is material to purchasers of securities 	s.153 BC Rules	<ul style="list-style-type: none"> Issuer must file with BCSC within 7 days a copy of any record that it sends to shareholders or that it files with a government, or an agency of a government, of another jurisdiction or with any exchange if the information is not already filed with the BCSC and it is material to investors

Abbreviations

Alberta	"AB"
<i>Rules of the ASC</i>	"AB Rules"
<i>Securities Act (Alberta)</i>	"ASA"
Alberta Securities Commission	"ASC"
British Columbia	"BC"
BC Instrument	"BCI"
British Columbia <i>Securities Rules</i>	"BC Rules"
<i>Securities Act (British Columbia)</i>	"BCSA"
British Columbia Securities Commission	"BCSC"
Blanket Order of the BCSC	"BOR"
Canadian Venture Exchange Inc.	"CDNX"
Canadian Institute of Chartered Accountants	"CICA"
Generally accepted accounting principles	"GAAP"
Generally accepted auditing standards	"GAAS"
Local policy statement of the BCSC	"LPS"
National Instrument	"NI"
Notice or interpretation note of the BCSC	"NIN"
National Policy	"NP"
System for Electronic Document Analysis and Retrieval	"SEDAR"