

**Amendments to
National Instrument 45-102 Resale of Securities**

1. ***National Instrument 45-102 Resale of Securities is amended by this Instrument.***
2. ***Section 1.1 is amended, in the definition of “trade”, by striking out “,” after “trade”;***
3. ***Section 2.5 is amended by***

a. repealing subparagraph (2)3. and substituting

3. If the distribution date is on or after March 30, 2004, or, in Québec, on or after September 14, 2005, and
 - (i) if the issuer is a reporting issuer on the distribution date, the certificate representing the security, if any, carries a legend 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

- (ii) if the issuer is not a reporting issuer on the distribution date, the certificate representing the security, if any, carries a legend 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.

b. adding the following after subparagraph (2)3.:

- 3.1 If the security is entered into a direct registration or other electronic book-entry system, or if the beneficial security holder did not otherwise directly receive a certificate representing the security, written notice containing the legend restriction notation set out in paragraphs (i) or (ii) of item 3, as applicable, was delivered to the beneficial security holder.

c. *repealing subsection 3 and substituting:*

- (3) Items 3 and 3.1 of subsection (2) do not apply to a trade of an underlying security if the certificate representing the underlying security is issued or the written notice is delivered at least four months after the distribution date.

4. *Section 2.8 is amended by*

a. *repealing subsection 3 and substituting:*

- (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) complete and sign a Form 45-102F1 no earlier than one business day before the Form 45-102F1 is filed;
 - (b) file the completed and signed 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)*.

b. *repealing subsection 4 and substituting:*

- (4) A Form 45-102F1 filed under subsection (3) expires on the earlier of
- (a) thirty days after the date the Form 45-102F1 was filed, and
 - (b) the date the selling security holder, or the lender, pledgee, mortgagee or other encumbrancer, files the last of the insider reports reflecting the sale of all securities referred to in the Form 45-102F1.

c. *adding the following after subsection 4:*

- (5) A selling security holder, or the lender, pledgee, mortgagee or other encumbrancer must not file a new Form 45-102F1 in respect of a class of securities of a reporting issuer until the Form 45-102F1 in respect of that class of securities previously filed by that person or company has expired.
5. ***Section 2.9(1) is amended by striking out “continuation” and substituting “reorganization”.***
6. ***Appendix B is amended by adding “New Brunswick” below Manitoba in the Appendix.***
7. ***Appendix D is amended by repealing the text before the heading “Transitional Provisions” and substituting the following:***

Except in Manitoba and the Yukon, the following exemptions from the prospectus requirement in NI 45-106:

- section 2.3 [Accredited investor] ;
- section 2.5 [Family, friends and business associates] (except in Ontario);
- section 2.7 [Founder, control person and family] (Ontario);
- section 2.8 [Affiliates];
- section 2.9 [Offering memorandum] (in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec and Saskatchewan);
- section 2.10 [Minimum amount investment];
- section 2.12 [Asset acquisition];
- section 2.13 [Petroleum, natural gas and mining properties];
- section 2.14 [Securities for debt];
- section 2.19 [Additional investment in investment funds];
- section 2.30 [Isolated distribution by issuer] ;
- section 2.31 [Dividends and distributions], if the security was acquired in the circumstances referred to in subsection 2.31(2) and that security was initially acquired by the issuer under
 - (a) one of the exemptions listed in this Appendix,
 - (b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of this Instrument, 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 2.40 [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 in this Appendix,
 - (b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of this Instrument, 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 2.42 [*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 and that previously issued security was distributed under
 - (a) one of the exemptions listed in this Appendix,
 - (b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.5 of this Instrument, 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 National Instrument 33-105 *Underwriting Conflicts*), or
 - (b) any other purchaser in excess of \$40,000 for the portion of the 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)(ab)(ii) 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 NI 45-102.

8. ***Appendix D is amended by repealing the text after the heading "Ontario Provisions" and substituting the following:***

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;

“**[2008] OSC Rule 45-501**” means the Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* that came into force on ●;

“**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)(f)(iii) 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 and [2008] OSC Rule 45-501

Section 2.1 of the 2005 OSC Rule 45-501 and [2008] OSC Rule 45-501;

Section 2.2 of the 2005 OSC Rule 45-501 and [2008] 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 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 2.12 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.

9. Appendix E is amended by repealing the text before the heading “Transitional Provisions” and substituting the following:

Except in Manitoba and the Yukon, the following exemptions from the prospectus requirement in NI 45-106:

- section 2.1 [Rights offering];
- section 2.2 [Reinvestment plan];
- section 2.4 [Private issuer];
- section 2.11 [Business combination and reorganization];
- section 2.16 [Take-over bid and issuer bid];
- section 2.17 [Offer to acquire to security holder outside local jurisdiction];
- section 2.18 [Investment fund reinvestment];
- section 2.20 [Private investment club];
- section 2.21 [Private investment fund - loan and trust pools];
- section 2.24 [Employee, executive officer, director and consultant];
- section 2.26 [Distributions among current or former employees, executive officers, directors or consultants of non-reporting issuer];
- section 2.27 [Permitted transferees];
- section 2.31 [Dividends and distributions], if the security was acquired in the circumstances referred to in subsection 2.31(2), that security was initially acquired by the issuer under
 - (a) one of the exemptions listed in this Appendix,
 - (b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of this Instrument, 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 2.40 [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 in this Appendix,
 - (b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of this Instrument, 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 [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 and that previously issued security was distributed under
 - (a) one of the exemptions listed in this Appendix,
 - (b) an exemption from the prospectus requirement that specifies that the first trade is subject to section 2.6 of this Instrument, 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 [*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 NI 45-102.

10. Appendix E is amended by repealing the text after the heading “Ontario Provisions” and substituting the following:

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;

“**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)(f), (i) if not included in Appendix F, (j), (k) and (n) of the *Securities Act* (Ontario), except for a trade made under 72(1)(f)(iii) of the *Securities Act* (Ontario) that is:

- (i) included in Appendix D or F of this Instrument, or
- (ii) contemplated by section 6.5 of 2004 OSC Rule 45-501; 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.

11. *Appendix F is amended by repealing the text after the heading “Underwriters (Section 2.13)” and substituting the following:*

Section 2.33 [Acting as underwriter] of NI 45-106 and section 2.11 [Business combination and reorganization] or subsection 2.42 (1) [Conversion, exchange or exercise] of NI 45-106, if the original security was acquired under section 2.33 of NI 45-106 or one of the underwriter exemptions in the transitional provisions listed below

12. *This amendment comes into force •.*