

**FORM 45-103F2
OFFERING MEMORANDUM
FOR QUALIFYING ISSUERS**

Date

State: "Dated: [insert the date from the certificate page]"

The Issuer

Name:

Head office: Address:

Phone #:

E-mail address:

Fax #:

Where currently listed or quoted? [eg. TSE/CDNX]

The Offering

Securities offered:

Price per security:

Minimum/Maximum offering:

Payment terms:

Proposed closing date(s):

Tax consequences: "There are important tax consequences to these securities. See item 6." [If 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 be stated.]

Resale restrictions

State "You will be restricted from selling your securities for 4 months. 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 this 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 Available Funds

1.1 **Net Proceeds and Available Funds** - Using the following table, calculate and disclose the net proceeds of the offering and the funds which will be available to the issuer after this offering. If there is no minimum offering, state that the minimum is \$0.

		Assuming min. offering	Assuming max. offering
A	Amount to be raised by this offering	\$	\$
B	Selling commissions and fees	\$	\$
C	Estimated Offering costs (including legal, accounting, audit etc.)	\$	\$
D	Net proceeds: $D = A - (B+C)$	\$	\$
E	Current working capital (or working capital deficiency) of issuer as at [specify a date that is within 30 days of the certificate to the offering memorandum]	\$	\$
F	Available funds: $F = D + E$	\$	\$

1.2 **Use of Available Funds** - Using the following table, provide a detailed breakdown of how the issuer will use the available funds.

Description of intended use of available funds listed in order of priority.	Assuming min. offering	Assuming max. offering
	\$	\$
	\$	\$

1.3 **Reallocation** - The proceeds of this offering must be used for the purposes disclosed in the offering memorandum unless it is necessary for sound business reasons to reallocate them. If the available funds may be reallocated to other uses, include the following statement:

“We intend to spend the available funds as stated. However, we may reallocate funds for sound business reasons.”

1.4 **Insufficient Proceeds** - If applicable, disclose that the proceeds of this 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.

Item 2 Information About [insert name of issuer or 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, including 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 **Mandatory Incorporation by Reference** - State:

"Information in the documents listed in the table below has been incorporated by reference into this offering memorandum from documents 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 the offering memorandum or any other subsequently filed document that is also incorporated by reference in the offering memorandum."

Using the following table, list all of the documents incorporated by reference:

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, and 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. You are cautioned that your rights as described in item 11 of this offering memorandum only apply to 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 C.2.4) 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 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 the offering memorandum are not deemed to be incorporated into this offering memorandum. However, if prior to your subscription 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 amended and recertified offering memorandum.”

Item 3 Directors, Officers, Promoters and Principal Holders

- 3.1. Using the following table, provide information about each director, 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 Provide a direction to purchasers that they can obtain further information about directors and officers by referring to the most recently filed management information circular and annual information form.
- 3.3 Provide a direction to purchasers that information regarding the securities held by directors, officers and other principal holders can be obtained from the SEDI website at Ž.

Item 4 Capital Structure

Using the following table provide disclosure of the issuer’s authorized and outstanding securities (including options, warrants and other securities convertible into shares) as at a

specified date within 30 days prior to the date of the offering memorandum and assuming the minimum and maximum offering. 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 [insert date]	Number outstanding assuming min. offering	Number outstanding assuming max. offering

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 subscription money 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. If there is a minimum offering that must be met, disclose when subscription funds will be returned to purchasers if the minimum is not met.

Item 6 Income Tax Consequences

State: "You should consult your own professional advisers to obtain advice on the tax consequences that apply to you".

If income tax consequences are a material aspect of the securities being offered (eg. 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 tax disclosure in (a).

Item 7 Compensation Paid to Sellers and Finders

If any person or company has or will receive any compensation (eg. commission, corporate finance fee, finder's fee, etc.) 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 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 in to the following three categories:

- (a) Investment Risk - risks that are specific to the securities being offered. Some examples include
 - z arbitrary determination of price,
 - z no market or an illiquid market for the securities,
 - z resale restrictions, or
 - z subordination of debt securities.
- (b) Issuer Risk - risks that are specific to the issuer. Some examples include
 - z insufficient funds to accomplish the issuer's business objectives,
 - z no history or a limited history of sales or profits,
 - z lack of specific management or technical expertise,
 - z management's regulatory and business track record,
 - z dependence on key employees, suppliers or agreements,
 - z litigation, or
 - z political risk factors.
- (c) Industry Risk - risks faced by the issuer because of the industry in which it operates. Some examples include
 - z environmental and industry regulation,
 - z product obsolescence, or
 - z competition.

Item 9 Reporting Obligations

Disclose:

- (a) the documents that will be sent to purchasers on an annual or on-going basis, and
- (b) if information about the issuer is available from a government or regulatory authority, where that information can be located (including website address).

Item 10 Resale Restrictions

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 Purchaser’s Rights

State the following on the certificate page of the offering memorandum:

“You have the following rights under securities legislation:

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. **Rights in the Event of a Misrepresentation** - If there is a misrepresentation in this offering memorandum you have a right to sue:
 - (a) to cancel your agreement to buy these securities, or
 - (b) for damages against [insert name of issuer or term used to refer to issuer], every person who was a director at the date of the offering memorandum and every other person who signed the offering memorandum.

If you intend to rely on the rights described in 2(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 the transaction. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation or 3 years after the transaction.

You may have other rights in addition to those described above. For information about your rights, you should consult a lawyer.”

Item 12 Date and Certificate

Include the following statements:

“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 persons acting in those capacities),
- (b) on behalf of the directors of the issuer
 - (i) by any two directors who are duly authorized to sign other than the persons referred to in paragraph (a), or
 - (ii) by all the directors of the issuer, and
- (c) by any promoter of the issuer.

Instructions for Completing
Form 45-103F2
OFFERING MEMORANDUM FOR QUALIFYING ISSUERS

A. General Instructions

1. Only a “qualifying issuer” as defined in Multilateral Instrument 45-102 *Resale of Securities* (MI 45-102) may use this form.
2. An issuer using this form must incorporate by reference certain parts of its existing continuous disclosure base. An issuer that does not want to incorporate its existing continuous disclosure base into this form must use Offering Memorandum Form 45-103F2.
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 a definition.
4. The issuer must address the items required by the form. However, it is not necessary to provide disclosure about an item that does not apply.
5. Issuers are prohibited from making “misrepresentations” in the offering memorandum. However, the offering memorandum should not be in the form of a prospectus and is not required to provide all of the information required by a prospectus.
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) and trustee(s). If a general partner or trustee is a corporation state the names of the directors of the general partner or trustee.
7. The issuer must file the offering memorandum with the applicable securities regulatory authority on or before the 10th day after each distribution made under that offering memorandum.
8. Subject to A.9, issuers with mineral projects must comply with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) when disclosing scientific or technical information for a mineral project of the issuer. NI 43-101 requires the issuer to file a technical report on material properties described in the offering memorandum. The technical report must be in a prescribed form, Form 43-101F and must be prepared by a “qualified person” (as defined in NI 43-101). Scientific and technical information disclosed in the offering memorandum must be based on the technical report. The qualified person must provide the certificate and consent required under ss. 8.1 and 8.3 of NI 43-101. In certain circumstances (see s5.3(1)3 of NI 43-101) the technical report must be prepared by a qualified person

that is independent of the issuer. See section 1.5(4) of NI 43-101.

9. Issuers with mineral projects are not required to file a technical report to support scientific or technical information in an offering memorandum or incorporated by reference into an offering memorandum if the information for the mineral project is contained in:
 - (a) an annual information form, prospectus, material change report or annual financial statement filed under securities legislation with a securities regulatory authority before February 1, 2001;
 - (b) a previously filed technical report under NI 43-101; or
 - (c) a report prepared in accordance with former National Policy 2-A, *Guide for Mining Engineers, Geologists and Prospectors Submitting Reports on Mining Properties to Canadian Provincial Securities Administrators* and filed with a securities regulatory authority before February 1, 2001.
10. Issuers with oil and gas properties should refer to any successor instrument to National Policy 2-B *Guide for Engineers and Geologists submitting Oil and Gas Reports to Canadian Provincial Securities Administrators*.
11. 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.

B. Financial Statements

1. Any financial statements incorporated by reference into the offering memorandum must be prepared in accordance with Canadian generally accepted accounting principles (GAAP). Any audit must be conducted in accordance with Canadian generally accepted auditing standards (GAAS).
2. If the offering memorandum does not incorporate by reference audited financial statements for the issuer's most recently completed financial year, update the offering memorandum to incorporate by reference the annual audited financial statements 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.
3. The offering memorandum does not have to be updated to incorporate by reference interim financial statements. However, it may be necessary to incorporate by reference the interim financial statements to prevent the offering memorandum from containing a misrepresentation.
4. When updating the offering memorandum, the certificate must be re-dated and re-

signed.

5. An offering memorandum prepared in accordance with this form is deemed to be a General Purpose Document as defined in National Policy 48 *Future Oriented Financial Information*. Accordingly, National Policy 48 is applicable to issuers providing future oriented financial information.
6. If the issuer is a limited partnership, the issuer must provide financial statements of the general partner and the limited partnership if the limited partnership has active operations.

C. Specific Instructions

Item 2: Information about the Issuer

- 2.2 ***Mandatory Incorporation 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 current AIF (as defined in MI 45-102),
 - (b) material change reports, except confidential material change reports, filed after the commencement of the issuer's current financial year,
 - (c) the comparative interim financial statements for the issuer's most recently completed financial period for which the issuer prepares interim financial statements that have been filed,
 - (d) the comparative financial statements, together with the accompanying report of the auditor, for the issuer's most recently completed financial year for which annual financial statements have been 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 2.2(c) 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) for the annual comparative financial statements referred to in 2.2(d),
 - (g) MD&A for the issuer's interim financial statements, to the extent that the issuer is required to file interim MD&A with a Canadian securities regulatory authority,
 - (h) except as provided in C.2.6, information circulars, or, if the issuer is not required under securities legislation to prepare information circulars, annual filings that, in each case, have been filed after the commencement of the issuer's current financial year, and
 - (i) if the issuer has a mineral project, any technical report, certificate or consent

required to be filed with an offering memorandum under NI 43-101 and if the issuer has oil and gas operations, any technical report, certificate, consent or other document required to be filed under any successor instrument to National Policy Statement No. 2-B.

Issuers may incorporate any additional document provided that the document is available for viewing on the SEDAR website.

2.4 ***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:
 - 1. the repricing downward of options or free standing stock appreciation rights,
 - 2. the composition of the compensation committee of the board of directors of the issuer and its report on executive compensation, and
 - 3. 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,
- (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.