

**British Columbia Securities Commission**

BC Instrument 72-503

The British Columbia Securities Commission, having considered that to do so would not be prejudicial to the public interest, orders that, effective September 28, 2009, BC Instrument 72-503 entitled *Distribution of Securities outside British Columbia* and amended on March 30, 2004 is revoked, and the attached BC Instrument 72-503 entitled *Distribution of Securities outside British Columbia* is made.

September 25, 2009

Brent W. Aitken  
Acting Chair

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*(This part is for administrative purposes only and is not part of the Order)*

**Authority under which Order is made:**

Act and sections: *Securities Act*, sections 48, 76 and 171

Other (specify): not applicable

**Distribution of Securities outside British Columbia**

Order under Sections 48 and 76 of the *Securities Act*

**Application**

1. This BC Instrument provides relief for an issuer that has equity securities listed on a qualified market and that sells securities to purchasers outside British Columbia, subject to certain conditions.

**Definition**

2. In this Instrument,

“NI 45-102” means National Instrument 45-102 *Resale of Securities*; and

“qualified market” means any of

- (a) The Toronto Stock Exchange Inc.,
- (b) Tier 1 or Tier 2 of the TSX Venture Exchange Inc.,
- (c) Bourse de Montréal Inc.,
- (d) NYSE Amex Equities,
- (e) Nasdaq National Market,
- (f) Nasdaq Capital Market,
- (g) the New York Stock Exchange,
- (h) the London Stock Exchange Limited, and
- (i) any predecessor or successor to any of the entities referred to in paragraphs (a) through (h).

**Exemption**

3. Sections 34 and 61 of the *Securities Act* do not apply to a distribution of securities by an issuer provided that:

- (a) the distribution is not made to a purchaser resident in British Columbia,
- (b) the purchaser certifies in the subscription agreement that the purchaser is not resident in British Columbia and the issuer does not believe, and has no reasonable grounds to believe, that the certification is false,

- (c) the purchaser acknowledges in the subscription agreement that,
    - (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the securities,
    - (ii) there is no government or other insurance covering the securities,
    - (iii) there are risks associated with the purchase of the securities,
    - (iv) there are restrictions on the purchaser's ability to resell the securities and it is the responsibility of the purchaser to find out what those restrictions are and to comply with them before selling the securities, and
    - (v) the issuer has advised the purchaser that the issuer is relying on an exemption from the requirements to provide the purchaser with a prospectus and to sell securities through a person registered to sell securities under the *Securities Act* and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the *Securities Act*, including statutory rights of rescission or damages, will not be available to the purchaser,
  - (d) the issuer has equity securities listed or quoted on a qualified market, and
  - (e) the issuer files a report of the trade in the required form on or before the 10th day after the distribution.
4. A trade in a security acquired by the seller under paragraph 3 above or under any predecessor instrument is subject to section 2.5 of NI 45-102.