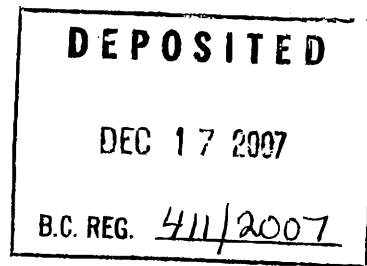


PROVINCE OF BRITISH COLUMBIA


RULE OF THE BRITISH COLUMBIA SECURITIES COMMISSION

The British Columbia Securities Commission orders that, effective December 31, 2007,

- (a) National Instrument 51-102 *Continuous Disclosure Obligations*, B.C. Reg. 110/2004, is amended as set out in the attached Appendix A,
- (b) National Instrument 44-101 *Short Form Prospectus Distributions*, B.C. Reg. 370/2005, is amended in Form 44-101F1 *Short Form Prospectus*, as set out in Appendix B,
- (c) National Instrument 45-101 *Rights Offerings*, B.C. Reg. 165/2001, is amended in Form 45-101F *Information Required in a Rights Offering Circular*, as set out in Appendix C, and
- (d) Section 115 of the Securities Rules, B.C. Reg. 194/97, is repealed.



December 14, 2007  
Date

  
British Columbia Securities Commission

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

Authority under which Order is made:

Act and section: Securities Act, R.S.B.C. 1996, c. 418, s. 184

Other (specify): \_\_\_\_\_

44/07

## APPENDIX A

### NATIONAL INSTRUMENT 51-102 CONTINUOUS DISCLOSURE OBLIGATIONS AMENDMENT INSTRUMENT

- 1 *National Instrument 51-102 Continuous Disclosure Obligations is amended by this Instrument.*
- 2 *National Instrument 51-102 Continuous Disclosure Obligations is amended by adding the following definitions to subsection 1.1 (1) after the definition of “executive officer”;*
  - “**financial outlook**” means forward-looking information about prospective results of operations, financial position or cash flows that is based on assumptions about future economic conditions and courses of action and that is not presented in the format of a historical balance sheet, income statement or cash flow statement;
  - “**FOFI**”, or “**future-oriented financial information**”, means forward-looking information about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action, and presented in the format of a historical balance sheet, income statement or cash flow statement.
- 3 *The following new Part 4A is added after section 4.11:*

#### PART 4A – FORWARD-LOOKING INFORMATION

##### 4A.1 Application

This Part applies to forward-looking information that is disclosed by a reporting issuer other than forward-looking information contained in oral statements.

##### 4A.2 Reasonable Basis

A reporting issuer must not disclose forward-looking information unless the issuer has a reasonable basis for the forward-looking information.

##### 4A.3 Disclosure

A reporting issuer that discloses material forward-looking information must include disclosure that

- (a) identifies forward-looking information as such;
- (b) cautions users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information;
- (c) states the material factors or assumptions used to develop forward-looking information; and

- (d) describes the reporting issuer's policy for updating forward-looking information if it includes procedures in addition to those described in subsection 5.8 (2).

## **PART 4B – FOFI AND FINANCIAL OUTLOOKS**

### **4B.1 Application**

- (1) Subject to subsection (2), this Part applies to FOFI or a financial outlook that is disclosed by a reporting issuer.
- (2) This Part does not apply to disclosure that is
  - (a) subject to requirements in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* or National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;
  - (b) made to comply with the conditions of any exemption from the requirements referred to in paragraph (a) that a reporting issuer received from a regulator or securities regulatory authority unless the regulator or securities regulatory authority orders that this Part applies to disclosure made under the exemption; or
  - (c) contained in an oral statement.

### **4B.2 Assumptions**

- (1) A reporting issuer must not disclose FOFI or a financial outlook unless the FOFI or financial outlook is based on assumptions that are reasonable in the circumstances.
- (2) FOFI or a financial outlook that is based on assumptions that are reasonable in the circumstances must, without limitation,
  - (a) be limited to a period for which the information in the FOFI or financial outlook can be reasonably estimated; and
  - (b) use the accounting policies the reporting issuer expects to use to prepare its historical financial statements for the period covered by the FOFI or the financial outlook.

### **4B.3 Disclosure**

In addition to the disclosure required by section 4A.3, if a reporting issuer discloses FOFI or a financial outlook, the issuer must include disclosure that

- (a) states the date management approved the FOFI or financial outlook, if the document containing the FOFI or financial outlook is undated; and
- (b) explains the purpose of the FOFI or financial outlook and cautions readers that the information may not be appropriate for other purposes.

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4 *Part 5 is amended by adding the following after section 5.7:*

**5.8 Disclosure Relating to Previously Disclosed Material Forward-Looking Information**

- (1) **Application** – This section applies to material forward-looking information that is disclosed by a reporting issuer other than
  - (a) forward-looking information contained in an oral statement; or
  - (b) disclosure that is
    - (i) subject to the requirements in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* or National Instrument 43-101 *Standards of Disclosure for Mineral Projects*; or
    - (ii) made to comply with the conditions of any exemption from the requirements referred to in subparagraph (i) that a reporting issuer received from a regulator or securities regulatory authority unless the regulator or securities regulatory authority orders that this Part applies to disclosure made under the exemption.
- (2) **Update** – A reporting issuer must discuss in its MD&A, or MD&A supplement if one is required under section 5.2,
  - (a) events and circumstances that occurred during the period to which the MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking information for a period that is not yet complete that the reporting issuer previously disclosed to the public; and
  - (b) the expected differences referred to in paragraph (a).
- (3) **Exemption** – Subsection (2) does not apply if the reporting issuer
  - (a) includes the information required by subsection (2) in a news release issued and filed by the reporting issuer before the filing of the MD&A or MD&A supplement referred to in subsection (2); and
  - (b) includes disclosure in the MD&A or MD&A supplement referred to in subsection (2) that
    - (i) identifies the news release referred to in paragraph (a);
    - (ii) states the date of the news release; and
    - (iii) states that the news release is available on [www.sedar.com](http://www.sedar.com).
- (4) **Comparison to Actual** – A reporting issuer must disclose and discuss in its MD&A, or MD&A supplement if one is required under section 5.2, material differences between
  - (a) actual results for the annual or interim period to which the MD&A relates; and
  - (b) any FOFI or financial outlook for the period referred to in paragraph (a) that the reporting issuer previously disclosed.
- (5) **Withdrawal** – If, during the period to which its MD&A relates, a reporting issuer decides to withdraw previously disclosed material forward-looking information,

- (a) the reporting issuer must, in its MD&A or MD&A supplement if one is required under section 5.2, disclose the decision and discuss the events and circumstances that led the reporting issuer to that decision, including a discussion of the assumptions underlying the forward-looking information that are no longer valid; and
- (b) subsection (4) does not apply to the reporting issuer with respect to the MD&A or MD&A supplement
  - (i) if the reporting issuer complies with paragraph (a); and
  - (ii) the MD&A or MD&A supplement is filed before the end of the period covered by the forward-looking information.
- (6) **Exemption** – Paragraph 5 (a) does not apply if the reporting issuer
  - (a) includes the information required by paragraph (5) (a) in a news release issued and filed by the reporting issuer before the filing of the MD&A or MD&A supplement referred to in subsection (5); and
  - (b) includes disclosure in the MD&A or MD&A supplement referred to in subsection (5) that
    - (i) identifies the news release referred to in paragraph (a);
    - (ii) states the date of the news release; and
    - (iii) states that the news release is available on [www.sedar.com](http://www.sedar.com).

**5** *Form 51-102F1 Management's Discussion and Analysis is amended in Part 1 – General Provisions by*

- (a) *repealing paragraph (g); and*
- (b) *renaming paragraphs (h) to (p) as paragraphs (g) to (o).*

## **APPENDIX B**

### **AMENDMENTS TO FORM 44-101F1 SHORT FORM PROSPECTUS**

- 1** *This Instrument amends Form 44-101F1 Short Form Prospectus.*
- 2** *Form 44-101F1 Short Form Prospectus is amended by adding the following after paragraph (12) under the heading "Instructions":*
  - (13) Forward-looking information included in a short form prospectus must comply with section 4A.2 of NI 51-102 and must include the disclosure described in section 4A.3 of NI 51-102. In addition to the foregoing, FOPI or a financial outlook, each as defined in NI 51-102, included in a short form prospectus must comply with Part 4B of NI 51-102. If the forward-looking information relates to an issuer or other entity that is not a reporting issuer, section 4A.2, section 4A.3 and Part 4B of NI 51-102 apply as if the issuer or other entity were a reporting issuer.

APPENDIX C

AMENDMENTS TO FORM 45-101F  
*INFORMATION REQUIRED IN A RIGHTS OFFERING CIRCULAR*

- 1 *This Instrument amends Form 45-101F Information Required in a Rights Offering Circular.*
- 2 *Form 45-101F Information Required in a Rights Offering Circular is amended by adding the following after section 16.1:*

**Item 17 – Forward-Looking Information**

- 17.1 – Forward-Looking Information** – Forward-looking information included in a rights offering circular must comply with section 4A.2 of NI 51-102 and must include the disclosure described in section 4A.3 of NI 51-102. In addition to the foregoing, FOFI or a financial outlook, each as defined in NI 51-102, included in a rights offering circular must comply with Part 4B of NI 51-102. If the forward-looking information relates to an issuer or other entity that is not a reporting issuer, section 4A.2, section 4A.3 and Part 4B of NI 51-102 apply as if the issuer or other entity were a reporting issuer.