

Nova Scotia Securities Commission

Rule 44-101(Amendment)

**Amendment to National Instrument 44-101 Short Form Prospectus
Distributions, Amendment to Form 44-101F1 AIF and Amendment to Form 44-
101F3 Short Form Prospectus**

-And-

**Amendment to National Instrument 44-101 Short Form Prospectus
Distributions, Amendment to Form 44-101F1 AIF and Amendment to Form 44-
101F3 Short Form Prospectus**

WHEREAS:

1. Pursuant to section 150 of the *Securities Act*, R.S.N.S. 1989, chapter 418, as amended (the "Act"), the Nova Scotia Securities Commission (the "Commission") has power to make rules subject to compliance with the requirements of the Act;
2. Amendment to National Instrument 44-101 Short Form Prospectus Distributions, Amendment to Form 44-101F1 AIF and Amendment to Form 44-101F3 Short Form Prospectus, a copy of which is attached hereto and is hereinafter called the "Rule", has been adopted as a rule by one or more of the Canadian securities regulatory authorities; and
3. The Commission is of the opinion that the attainment of the purpose of the Act is advanced by this Instrument.

NOW THEREFORE the Commission hereby

(a) pursuant to the authority contained in section 150 of the Act and subject to compliance with the requirements of section 150A of the Act, approves the Rule and makes the same a rule of the Commission except insofar as the Rule contains coming into force or effective date provisions; and

(b) declares that the rule approved and made pursuant to

clause (a) shall take effect on **November 24, 2003** unless the Governor-in-Council disapproves the rule or returns it to the Commission in accordance with subsection 150A(3) of the Act in which event the rule shall not become effective until the rule is approved by the Governor-in-Council.

IN WITNESS WHEREOF this Instrument has been signed by the Chair of the Commission, being the member of the Commission prescribed by the Chair pursuant to subsection 15(3) of the Act to attend the hearing of this matter and the quorum with respect to this matter, on the 10th day of September, 2003.

"H. Leslie O'Brien"

Chairman

Attachments

**AMENDMENT
TO
NATIONAL INSTRUMENT 44-101
*SHORT FORM PROSPECTUS DISTRIBUTIONS***

PART 1 AMENDMENT

1.1 Amendment – National Instrument 44-101 *Short Form Prospectus Distributions* is amended by:

(a) deleting Item 5 of paragraph 10.2(a) and substituting the following:

5. **Oil and Gas Reports** – Any technical report or certificate relating to oil and gas properties prepared in accordance with National Policy Statement No. 2-B *Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators* that the regulator requests be filed and that was not previously filed, if the preliminary short form prospectus is filed on or before June 30, 2005, the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:

- (i) the issuer has not filed and is not required to have filed (alone or in the preliminary short form prospectus or as part of another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;
- (ii) the preliminary short form prospectus does not include and is not required to include audited financial statements for a financial year ended on or after December 31, 2003;
- (iii) if the preliminary short form prospectus is filed on or before March 30, 2004 for an initial public offering of securities, it does not include financial statements for a financial year or interim period that ends on or after December 31, 2003; and
- (iv) if the preliminary short form prospectus is filed after December 31, 2003 and during the issuer's first financial year, it does not include financial statements for an interim period that ends on or after December 31, 2003.

(b) deleting Item 9 of paragraph 10.3(a) and substituting the following:

9. **Other Oil and Gas Reports** – Any technical report or certificate relating to oil and gas properties prepared in accordance with National Policy Statement No. 2-B that the regulator requests be filed and that was not previously filed, if the short form prospectus is filed on or before June 30, 2005, the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:

- (i) the issuer has not filed and is not required to have filed (alone or in the short form prospectus or as part of another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;
- (ii) the short form prospectus does not include and is not required to include audited financial statements for a financial year ended on or after December 31, 2003;
- (iii) if the short form prospectus is filed on or before March 30, 2004 for an initial public offering of securities, it does not include financial statements for a financial year or interim period that ends on or after December 31, 2003; and
- (iv) if the short form prospectus is filed after December 31, 2003 and during the issuer's first financial year, it does not include financial statements for an interim period that ends on or after December 31, 2003.

(c) deleting Item 10(i) of paragraph 10.3(a) and substituting the following:

- (i) deals with a mineral project or oil and gas activities of the issuer; and

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

**AMENDMENT
TO
FORM 44-101F1 AIF**

PART 1 AMENDMENT

1.1 Amendment – Item 4 of Form 44-101F1 is amended by:

- (a) adding the following after "operations," in the preamble to section 4.4:

unless section 4.5 applies,

- (b) adding the following after section 4.4:

4.5 Issuers with Oil and Gas Activities

This Item 4.5 applies if the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and:

- (a) has filed or is required to have filed (or has included or is required to have included in another filed document) audited annual financial statements for a financial year that ends on or after December 31, 2003;
- (b) has, prior to the date on which it is required to file audited financial statements for a financial year that ends on or after December 31, 2003, filed under Part 2 of National Instrument 51-101 (or included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101; or
- (c) is including in the AIF the statement referred to in Item 1 of section 2.1 of National Instrument 51-101, whether or not for the purpose of satisfying its filing obligations under National Instrument 51-101.

Disclose the following:

1. Reserves Data and Other Information

- (a) In the case of information that, for purposes of Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*, is to be prepared as at the end of a financial year,

disclose that information as at the issuer's most recent financial year-end.

- (b) In the case of information that, for purposes of Form 51-101F1, is to be prepared for a financial year, disclose that information for the issuer's most recent financial year.
- (c) To the extent not reflected in the information disclosed in response to paragraphs (a) and (b), disclose the information contemplated by Part 6 of National Instrument 51-101, in respect of material changes that occurred after the issuer's most recent financial year-end.

2. Report of Qualified Reserves Evaluator or Auditor

Include with the information disclosed under section 1 the report of one or more qualified reserves evaluators or qualified reserves auditors, referred to in Item 2 of section 2.1 of National Instrument 51-101, on the reserves data included in the disclosure provided under paragraphs 1(a) and 1(b) of this Item.

3. Report of Management and Directors

Include with the information disclosed under section 1 the report of management and directors, referred to in Item 3 of section 2.1 of National Instrument 51-101, relating to that information.

INSTRUCTIONS

- (1) *Disclosure in the AIF must be consistent with National Instrument 51-101.*
- (2) *Unless the information presented under paragraph 2 is included in the AIF in satisfaction of the issuer's filing obligations under Part 2 of National Instrument 51-101, the issuer may require the written consent of a qualified reserves evaluator or qualified reserves auditor to disclose information in this Form, pursuant to section 5.7 of National Instrument 51-101.*

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

**AMENDMENT
TO
FORM 44-101F3 *SHORT FORM PROSPECTUS***

PART 1 AMENDMENT

1.1 Amendment – Form 44-101F3 *Short Form Prospectus* is amended by:

(a) adding to the initial instructions the following:

(12) *Disclosure in a preliminary short form prospectus or short form prospectus must be consistent with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities if the issuer is engaged in oil and gas activities (as defined in National Instrument 51-101) and:*

(a) *has filed or is required to have filed (or has included or is required to have included in another filed document) audited annual financial statements for a financial year that ends on or after December 31, 2003;*

(b) *has, prior to the date on which it is required to have filed audited financial statements for a financial year that ends on or after December 31, 2003, filed or is required to have filed (or has included or is required to have included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;*

(c) *is filing a preliminary short form prospectus or short form prospectus:*

(i) *that includes or is required to include audited financial statements for a financial year ended on or after December 31, 2003;*

(ii) *after March 30, 2004 for an initial public offering of securities, and the prospectus includes financial*

statements for a financial year or interim period that ends on or after December 31, 2003; or

(iii) after December 31, 2003 and during the issuer's first financial year, and the prospectus includes financial statements for an interim period that ends on or after December 31, 2003; or

(d) indicates in the preliminary short form prospectus or short form prospectus that information disclosed therein is presented in accordance with National Instrument 51-101.

(b) amending Item 10 by:

(a) deleting the heading and substituting the following:

Item 10: – Resource Issuers

(b) deleting the heading of section 10.1 and substituting the following:

10.1 – Issuers with Mineral Projects

(c) deleting from section 10.1, each time it occurs, the phrase "or 4.4, as appropriate";

(c) adding the following after Item 10.1:

10.2 – Oil and Gas Activities

(1) Unless paragraph (2) applies, if a material part of the proceeds of a distribution is to be expended on a particular oil and gas property and if the current AIF does not contain the disclosure required under Item 4.4 of Form 44-101F1 for that property or the disclosure is inadequate or incorrect due to changes, disclose the information required under that Item 4.4.

(2) (a) This paragraph applies to an issuer that is engaged in oil and gas activities (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*) and that:

(i) has filed or is required to have filed (or has included or is required to have included in another filed document)

audited annual financial statements for a financial year that ends on or after December 31, 2003;

(ii) has, prior to the date on which it is required to file audited financial statements for a financial year that ends on or after December 31, 2003, filed (or included in another filed document) the statement referred to in Item 1 of section 2.1 of National Instrument 51-101;

(iii) is filing the short form prospectus:

(A) including audited financial statements for a financial year ended on or after December 31, 2003;

(B) after March 30, 2004 in respect of an initial public offering of securities, and the prospectus includes financial statements for a financial year or interim period that ends on or after December 31, 2003; or

(C) after December 31, 2003 and during the issuer's first financial year, and the prospectus includes financial statements for an interim period that ends on or after December 31, 2003; or

(iv) indicates in the preliminary short form prospectus or short form prospectus that information disclosed therein is presented in accordance with National Instrument 51-101.

(b) To the extent not included in the current AIF or in a material change report filed subsequent to the filing of the current AIF, provide:

(i) the information that would be required under Item 4.5 of Form 44-101F1 if the AIF were being filed on the date of the preliminary short form prospectus or short form prospectus; and

(ii) any other information required in the statement referred to in Item 1 of section 2.1 of National Instrument 51-101:

(A) as at the end of, or for, the most recent financial year for which the short form prospectus includes an audited balance sheet of the issuer; or

(B) in the absence of a completed financial year referred to in clause (A), as at the most recent date as at which the short form prospectus includes an audited balance sheet of the issuer, and for the greatest portion of a financial year that includes the date of that balance sheet and for which the short form prospectus includes an audited income statement of the issuer.

PART 2 EFFECTIVE DATE

2.1 Effective Date – This amendment comes into force on September 30, 2003.

