

NI 51-102 *Continuous Disclosure Obligations*

Changes to Financial Statement Delivery Obligations

	Current NI 51-102	December 2005 Proposed Changes	October 2006 Amendments ¹
Annual Request Process	<p>Reporting issuer to send annual request to registered holders and those beneficial owners who have indicated under NI 54-101 that they want all materials. Not obliged to send request to debtholders.</p> <p>Request to ask if the securityholders want annual and/or interim financial statements (s. 4.6(1) & (2))</p>	Proposed to be deleted	<p>Proposed deletion not made.</p> <p>Reporting issuer to send annual request to registered holders and those beneficial owners who have indicated under NI 54-101 that they want all materials.</p> <p>Request to ask if the securityholders want annual and/or interim financial statements (s. 4.6(1) & (2))</p>
Timing of Delivery of Financial Statements in Response to Requests	<p>Reporting issuer must send financial statements (together with MD&A) to registered or beneficial securityholders who request them by later of:</p> <ul style="list-style-type: none"> - filing deadline (i.e. 90th day after year end for annual f/s of non-venture issuers) or - 10 calendar days after request for statement received (s 4.6(3)) 	<p>Reporting issuer must send financial statements (together with MD&A) only to those registered or beneficial owners of securities <u>other than debt securities</u> who request them by later of:</p> <ul style="list-style-type: none"> - <u>10 days after</u> filing deadline (i.e. 100th day after year end for annual f/s of non-venture issuers) or - 10 calendar days after request for statement received (new s 4.6(1)); 	<p>Reporting issuer must send financial statements (together with MD&A) only to those registered or beneficial owners of securities <u>other than debt securities</u> who request them by later of:</p> <ul style="list-style-type: none"> - <u>10 days after</u> filing deadline (i.e. 100th day after year end for annual f/s of non-venture issuers) or - 10 calendar days after request for statement received (s 4.6(3))
Effect of Not Responding to Annual Request	<p>Issuer only obliged to send financial statements if requested.</p> <p>Failing to return the request form or otherwise specifically request a copy of the financial statements or MD&A from the reporting issuer will override the beneficial owner's standing instructions under NI 54-101 (s.3.5 of 51-101CP)</p>	N/a	<p>Issuer only obliged to send financial statements if requested.</p> <p>Failing to return the request form or otherwise specifically request a copy of the financial statements or MD&A from the reporting issuer will override the beneficial owner's standing instructions under NI 54-101 (s.3.5 of 51-101CP)</p>

¹ Note: 2006 amendments to NI 51-102 expected to be effective December 29, 2006

	Current NI 51-102	December 2005 Proposed Changes	October 2006 Amendments ¹
Alternative Method of Meeting Delivery Obligations	Reporting issuer not obliged to carry out annual request process or send annual financial statements under s.4.6(3) in response to requests if it sends annual financial statements to all securityholders other than debt holders (s.4.6(5))	Reporting issuer not obliged to send annual financial statements under s.4.6(1) in response to requests if it sends annual financial statements (and related MD&A) to <u>its</u> securityholders other than debt holders within <u>10 days after</u> filing deadline (i.e. 100th day after year end for annual f/s of non-venture issuers) and in accordance with NI 54-101. (s.4.6(3))	Reporting issuer not obliged to carry out annual request process under 4.6(1) or send annual financial statements under s.4.6(3) in response to requests if it sends annual financial statements (and related MD&A) to <u>its</u> securityholders other than debt holders, <u>within 140 days of the issuer's financial year-end and in accordance with NI 54-101</u> (s.4.6(5))
CSA Staff Interpretation/ Gloss on Alternative Delivery Method Requirements	We will not object if you send (in an annual report or otherwise) your annual financial statements and MD&A to all of your registered and beneficial securityholders (other than to those beneficial owners who have declined to receive materials under NI 54-101) and holders of debt instruments) in accordance with the procedures in NI 54-101 within 140 days of your financial year end. (Revised CSA Staff Notice NI 51-311 question B-8)	Interpretation overruled by express changes to s.4.6(3)	Essentially, staff interpretation of the alternative delivery method has been formalized and incorporated into the instrument.
Effects of Corporate Law Provisions	General corporate law may still impose a requirement to send financial statements to a wider group of shareholders than those who responded to the issuer under the NI 51-102 process. Staff interpretation allowed financials to go out with annual meeting material.	General corporate law may still impose a requirement to send financial statements to a wider group of shareholders than just those who specifically request them under the NI 51-102 process. Corporate law provisions likely to provide more time to send statements to this wider group.	General corporate law may still impose a requirement to send financial statements to a wider group of shareholders than those who responded to the issuer under the NI 51-102 process. Means annual financial statements can now go out with annual meeting material.

Summary of Provisions, As Amended:

- Annual request process continues: reporting issuer must send annual request to securityholders – both registered and those beneficial owners who, under NI 54-101, said they wanted all materials – asking whether they want annual and/or interim financial statements
- Securityholders must return response card or otherwise make specific request to get financial statements (however, corporate law may still require delivery to these holders)
- Issuer gets additional 10 days after filing deadline to send out financial statements in response to request from securityholder
- Alternative to annual request process clarified
 - May send out annual financial statements with annual meeting material (within 140 days after year end)
 - Must send annual financials to all registered holders and beneficial owners who, under NI 54-101, said they wanted all materials.
- Relevant MD&A must accompany financial statements.