

MULTI-JURISDICTIONAL DISCLOSURE SYSTEM

Adopted August 30, 1990, Amended July 1, 2005

Rule No. 1

Offerings filed on U.S. Securities and Exchange Commission (“SEC”) Form F-7, Form F-8, Form F-9 or Form F-10, shall become effective the later of three days after filing, or the effective date with the SEC. This rule is adopted pursuant to [Section 303 (c) (2) of the Act.]

Commentary:

The North American Securities Administrators Association, Inc. initially adopted these model rules August 30, 1990 to utilize the Multijurisdictional Disclosure System (“MJDS”) developed by the SEC. MJDS was originally described in SEC Release 33-6841 and adopted in SEC Release 33-6902. These amended rules are designed to conform to the Uniform Securities Act 2002 (“USA”).

Rule No. 1 is designed to permit offerings to become effective in US jurisdictions at the same time they become effective in Canada. When initially adopted this period could be as short as 7 days. Since adoption the period has been reduced. Eligibility is limited to the offerings listed below:

1. SEC Form F-7 may be used for registration of securities offered for cash upon the exercise of rights granted to existing securities holders.
2. SEC Form F-8 may be used for registration of securities issued in an exchange offer, merger or other business combination.
3. SEC Form F-9 may be used for registration of investment grade, non-convertible preferred stock or non-convertible debt. Form F-9 defines non-convertible to include securities not convertible for at least one year.
4. SEC Form F-10 may be used for registration of securities of companies meeting a continuous reporting requirement and a public float of \$75 million or more.

Authority for Adoption: Section 605 of the USA.

Rule No. 2

Financial statements and financial information for offerings filed under Rule No. 1 shall comply with instructions provided with SEC Form F-7, Form F-8, Form F-9 or Form F-10. This rule is adopted pursuant to [Section [605(c)] of the ___ Act].

Commentary:

The Rule is designed to permit use of financial statements and financial information prepared in accordance with Canadian generally accepted accounting principles to the extent allowed by the SEC.

Rule No. 3

In a Rights Offering, SEC Form F-7 will be accepted in lieu of any state form required to claim an exemption for any transaction pursuant to an offer to existing securities holders.

Commentary:

Under the Uniform Securities Act of 1956 an offering to existing security holders including commissions or other remuneration other than standby commissions, required a filing with the state administrator. This Rule was designed to allow Form F-7 to serve as the filing. Section 202 (15) of USA modifies this exemption.

Rule No. 4.

After the SEC has declared effective an issuer's Form F-8, Form F-9 or Form F-10 registration statement, a non-issuer transaction in any class of the issuer's securities is exempt from registration, whether or not the transaction is effected through a broker dealer.

Commentary:

This Rule is intended to give certain MJDS-registered securities an exemption for subsequent secondary trading.

Whether or not to include securities issued pursuant to a rights offering filed on SEC Form F-7, as well, is at the discretion of each jurisdiction adopting this rule. Non-issuer transactions in these securities may already be exempt under Sections 202(4) and (6) of the USA, preempted for securities of issuers that are reporting companies under the Securities Exchange Act of 1934, or exempt transactions under the state securities act.