

**Nova Scotia Securities Commission**

**Rule 51-102(Amendment)**

**Amendments to National Instrument 51-102  
*Continuous Disclosure Obligations***

**- and-**

**Amendments to Companion Policy 51-102CP  
*Continuous Disclosure Obligations***

**- and-**

**Consequential Amendments to National Instrument 71-102  
*Continuous Disclosure and Other Exemptions Relating to Foreign  
Issuers and Companion Policy 71-102CP Continuous Disclosure  
and Other Exemptions Relating to Foreign Issuers***

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. Pursuant to section 19 of the Act, the Commission has power to issue and publish policy statements;
3. Amendment Instrument for National Instrument 51-102 *Continuous Disclosure Obligations* and Amendment Instrument for National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (the Rules) and Amendments to Companion Policy 51-102CP *Continuous Disclosure Obligations* and Amendments to Companion Policy 71-102CP *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (the Companion Policies), copies of which are attached hereto, have been made a rule by one or more of the Canadian securities regulatory authorities; and
4. 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 Rules and makes the same rules of the Commission;
- (b) pursuant to the authority contained in section 19 of the Act and subject to publication in the Royal Gazette or the Commission's website, issues the Companion Policies as policies of the Commission; and
- (c) declares that the Rules approved and made pursuant to clause (a) and the Companion Policies issued pursuant to clause (b) shall take effect on **January 1, 2011**, unless the Minister disapproves the Rules or returns them to the Commission in accordance with subsection 150A(3) of the Act in which event the Rules and the Companion Policies shall not become effective until the Rules are approved by the Minister.

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 13th day of October, 2010.

  
H. Leslie O'Brien, Q.C.

Attachments

**Amendment Instrument for  
National Instrument 51-102 Continuous Disclosure Obligations**

*Although this amendment instrument amends section headers in National Instrument 51-102, section headers do not form part of the instrument and are inserted for ease of reference only.*

- 1. National Instrument 51-102 Continuous Disclosure Obligations is amended by this Instrument.**
- 2. Subsection 1.1(1) is amended**
  - (a) before the definition of “AIF”, by adding the following definition:**

“acquisition date” has the same meaning as in the issuer’s GAAP;,”
  - (b) in the definition of “AIF”, by deleting “, Form 10-KSB”,**
  - (c) by deleting the definition of “date of acquisition”,**
  - (d) after the definition of “common share”, by adding the following definition:**

“date of transition to IFRS” means the date of transition to IFRSs as that term is defined in Canadian GAAP applicable to publicly accountable enterprises;,”
  - (e) in the definition of “financial outlook”, by**
    - (i) replacing “results of operations” with “financial performance”, and**
    - (ii) replacing “balance sheet, income statement or cash flow statement” with “statement of financial position, statement of comprehensive income or statement of cash flows”,**
  - (f) after the definition of “financial outlook”, by adding the following definitions:**

“financial statements” includes interim financial reports;

“first IFRS financial statements” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;,”
  - (g) in the definition of “FOFI”, or “future-oriented financial information”, by**
    - (i) replacing “results of operations” with “financial performance”, and**

- (ii) **replacing** “balance sheet, income statement or cash flow statement” **with** “statement of financial position, statement of comprehensive income or statement of cash flows”,
- (h) **by deleting the definition of** “income from continuing operations”,
- (i) **after the definition of** “form of proxy”, **by adding the following definition:**

“forward-looking information” means disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection;
- (j) **by replacing the definition of** “inter-dealer bond broker” **with the following:**

“inter-dealer bond broker” means a person or company that is approved by the Investment Industry Regulatory Organization of Canada under its Rule 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its Rule 36 and its Rule 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;
- (k) **in the definition of** “issuer’s GAAP”, **by replacing** “*Acceptable Accounting Principles, Auditing Standards and Reporting Currency*” **with** “*Acceptable Accounting Principles and Auditing Standards*”,
- (l) **in the definition of** “MD&A”, **by deleting** “or Item 303 of Regulation S-B”,
- (m) **after the definition of** “old financial year”, **by adding the following definition:**

“operating income” means gross revenue minus royalty expenses and production costs;
- (n) **after the definition of** “principal obligor”, **by adding the following definitions:**

“private enterprise” has the same meaning as in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“profit or loss attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“profit or loss from continuing operations attributable to owners of the parent” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises”;
- (o) **after the definition of** “proxy”, **by adding the following definition:**

“publicly accountable enterprise” has the same meaning as in Part 3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

- (p) ***after the definition of “restructuring transaction”, by adding the following definitions:***

“retrospective” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“retrospectively” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

- (q) ***by replacing the definition of “reverse takeover” with the following:***

“reverse takeover” means

- (a) a reverse acquisition, which has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises; or
- (b) a transaction where an issuer acquires a person or company by which the securityholders of the acquired person or company, at the time of the transaction, obtain control of the issuer, where, for purposes of this paragraph, “control” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

- (r) ***after the definition of “transition year”, by adding the following definition:***

“U.S. AICPA GAAS” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

- (s) ***by replacing the definition of “U.S. GAAP” with the following:***

“U.S. GAAP” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

- (t) ***after the definition of “U.S. marketplace”, by adding the following definition:***

“U.S. PCAOB GAAS” has the same meaning as in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*; ***and***

- (u) ***in the definition of “venture issuer”, by replacing “date of acquisition” with “acquisition date”.***

3. ***Section 4.1 is amended***

- (a) ***by replacing subsection (1) with the following:***

- (1) Subject to subsection 4.8(6), a reporting issuer must file annual financial statements that include
  - (a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for
    - (i) the most recently completed financial year; and
    - (ii) the financial year immediately preceding the most recently completed financial year, if any;
  - (b) a statement of financial position as at the end of each of the periods referred to in paragraph (a);
  - (c) in the following circumstances, a statement of financial position as at the beginning of the financial year immediately preceding the most recently completed financial year:
    - (i) the reporting issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS, and
    - (ii) the reporting issuer
      - (A) applies an accounting policy retrospectively in its annual financial statements,
      - (B) makes a retrospective restatement of items in its annual financial statements, or
      - (C) reclassifies items in its annual financial statements;
  - (d) in the case of the reporting issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS; and
  - (e) notes to the annual financial statements., *and*

**(b) by adding the following after subsection (2):**

- (3) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (1)..

4. ***Section 4.3 is amended***

- (a) ***in the title, by replacing*** “Interim Financial Statements” ***with*** “Interim Financial Report”,
- (b) ***in subsection (1), by replacing*** “interim financial statements for interim periods” ***with*** “an interim financial report for each interim period”,
- (c) ***by replacing subsection (2) with the following:***
  - (2) Subject to subsections 4.7(4), 4.8(7), 4.8(8) and 4.10(3), the interim financial report required to be filed under subsection (1) must include
    - (a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any;
    - (b) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any;
    - (c) for interim periods other than the first interim period in a reporting issuer’s financial year, a statement of comprehensive income for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the immediately preceding financial year, if any;
    - (d) in the following circumstances, a statement of financial position as at the beginning of the immediately preceding financial year:
      - (i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
      - (ii) the reporting issuer
        - (A) applies an accounting policy retrospectively in its interim financial report,
        - (B) makes a retrospective restatement of items in its interim financial report, or
        - (C) reclassifies items in its interim financial report;

- (e) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS; and
- (f) notes to the interim financial report.,

**(d) by adding the following after subsection (2):**

- (2.1) If a reporting issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (2).,

**(e) in subsection (3),**

- (i) **in the title, by replacing** "Interim Financial Statements" **with** "an Interim Financial Report",
- (ii) **by replacing** "interim financial statements" **wherever it occurs with** "interim financial report",
- (iii) **in paragraph (a), by**
  - (A) **replacing** "review of the" **with** "review of an", **and**
  - (B) **replacing** "financial statements have" **with** "interim financial report has",
- (iv) **in paragraph (b), by replacing** "review of the" **with** "review of an", **and**
- (v) **in paragraph (c), by replacing** "expressed a reservation in" **with** "expressed a reservation of opinion in",

**(f) in subsection (4),**

- (i) **in the title, by replacing** "Interim Financial Statements" **with** "an Interim Financial Report",
- (ii) **in paragraph (a), by**
  - (A) **replacing** "interim financial statements" **with** "an interim financial report",
  - (B) **adding** "applicable to publicly accountable enterprises" **after** "Canadian GAAP", **and**

(C) *adding* “annual” *before* “financial statements have been filed”,

(iii) *in paragraph (b), by replacing* “annual or interim financial statements” *with* “annual financial statements or an interim financial report”,

(iv) *in paragraph (c), by*

(A) *replacing* “interim financial statements” *with* “interim financial report”, *and*

(B) *deleting* “and comply with the reconciliation requirements set out in Part 4 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*”, *and*

(v) *in paragraph (d), by replacing* “restated financial statements” *with* “restated interim financial report”.

5. *Section 4.4 is amended*

(a) *in the title, by replacing* “Interim Financial Statements” *with* “an Interim Financial Report”,

(b) *in the preamble, by replacing* “The interim financial statements” *with* “An interim financial report”, *and*

(c) *in paragraphs (a) and (b), by replacing* “interim financial statements” *wherever it occurs with* “an interim financial report”.

6. *Section 4.5 is amended*

(a) *in subsection (1), by adding* “annual” *before* “financial”,

(b) *in subsection (2), by*

(i) *replacing* “financial statements” *with* “interim financial report”, *and*

(ii) *replacing* “statements are” *with* “report is”, *and*

(c) *in subsection (3), by replacing* “financial statements” *with* “interim financial report”.

7. *Section 4.6 is amended*

(a) *in subsection (1), by replacing* “interim financial statements” *wherever it occurs with* “interim financial reports”,

- (b) *in subsection (3), by replacing* “annual or interim financial statements” *with* “annual financial statements or interim financial reports”, *and*
- (c) *in subsection (4), by replacing* “annual or interim financial statements” *with* “annual financial statements or interim financial reports”.

8. *Section 4.7 is amended*

- (a) *in subsection (1), by replacing* “annual and interim financial statements” *with* “annual financial statements and interim financial reports”,
- (b) *in subsection (2), by adding* “annual” *after* “those”,
- (c) *in subsection (3), by*
  - (i) *replacing* “interim financial statements” *with* “an interim financial report”, *and*
  - (ii) *replacing* “those financial statements” *with* “that interim financial report”, *and*
- (d) *in paragraph (4)(c), by replacing* “interim financial statements” *with* “interim financial report”.

9. *Section 4.8 is amended*

- (a) *in subsection (3),*
  - (i) *in paragraph (e), by replacing* “the interim and annual financial statements” *with* “each interim financial report and the annual financial statements”, *and*
  - (ii) *in paragraph (f), by replacing* “the interim and annual financial statements” *with* “the annual financial statements and interim financial reports”,
- (b) *in subsection (5), by replacing* “interim financial statements” *with* “an interim financial report”,
- (c) *by replacing subsection (6) with the following:*
  - (6) **Comparative Financial Information in Annual Financial Statements for New Financial Year** – If a transition year is less than nine months in length, the reporting issuer must include as comparative financial information to its annual financial statements for its new financial year

- (a) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and notes to the financial statements for its transition year;
- (b) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements for its old financial year;
- (c) in the following circumstances, a statement of financial position as at the beginning of the old financial year:
  - (i) the reporting issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS, and
  - (ii) the reporting issuer
    - (A) applies an accounting policy retrospectively in its annual financial statements,
    - (B) makes a retrospective restatement of items in its annual financial statements, or
    - (C) reclassifies items in its annual financial statements; and
- (d) in the case of the reporting issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS.,

*(d) by replacing subsection (7) with the following:*

- (7) **Comparative Financial Information in each Interim Financial Report if Interim Periods Not Changed in Transition Year** – If interim periods for the reporting issuer's transition year end three, six, nine or twelve months after the end of its old financial year, the reporting issuer must include
  - (a) as comparative financial information in each interim financial report during its transition year, the comparative financial information required by subsection 4.3(2), except if an interim period during the transition year is 12 months in length and the reporting issuer's transition year is longer than 13 months, the comparative financial information must be the statement of financial position, statement of comprehensive income, statement

of changes in equity and statement of cash flows for the 12 month period that constitutes its old financial year;

- (b) as comparative financial information in each interim financial report during its new financial year
  - (i) a statement of financial position as at the end of its transition year; and
  - (ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows for the periods in its transition year or old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year;
- (c) in the following circumstances, a statement of financial position as at the beginning of the earliest comparative period:
  - (i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
  - (ii) the reporting issuer
    - (A) applies an accounting policy retrospectively in its interim financial report,
    - (B) makes a retrospective restatement of items in its interim financial report, or
    - (C) reclassifies items in its interim financial report; and
  - (d) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS.,  
*and*

(e) *by replacing subsection (8) with the following:*

- (8) **Comparative Financial Information in Interim Financial Reports if Interim Periods Changed in Transition Year** – If interim periods for a reporting issuer's transition year end twelve, nine, six or three months before the end of the transition year, the reporting issuer must include

- (a) as comparative financial information in each interim financial report during its transition year
  - (i) a statement of financial position as at the end of its old financial year; and
  - (ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows for periods in its old financial year, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the transition year;
- (b) as comparative financial information in each interim financial report during its new financial year
  - (i) a statement of financial position as at the end of its transition year; and
  - (ii) the statement of comprehensive income, statement of changes in equity and statement of cash flows in its transition year or old financial year, or both, as appropriate, for the same calendar months as, or as close as possible to, the calendar months in the interim period in the new financial year;
- (c) in the following circumstances, a statement of financial position as at the beginning of the earliest comparative period:
  - (i) the reporting issuer discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*, and
  - (ii) the reporting issuer
    - (A) applies an accounting policy retrospectively in its interim financial report,
    - (B) makes a retrospective restatement of items in its interim financial report, or
    - (C) reclassifies items in its interim financial report; and
- (d) in the case of the reporting issuer's first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS..

10. **Paragraph 4.9(h) is amended by replacing “interim and annual financial statements” with “interim financial reports and the annual financial statements”.**
11. **Section 4.10 is amended**
- (a) **in paragraph (2)(c), by replacing “the interim financial statements” with “each interim financial report”, and**
  - (b) **in subsection (3),**
    - (i) **in the title, by replacing “Interim Financial Statements” with “each Interim Financial Report”, and**
    - (ii) **in paragraph (c), by replacing “interim financial statements” with “interim financial report”.**
12. **Section 4.11 is amended**
- (a) **by replacing “former auditor” wherever it occurs with “predecessor auditor”,**
  - (b) **in subsection (1), in the definition of “disagreement”, by**
    - (i) **replacing “interim financial statements” wherever it occurs with “interim financial report”, and**
    - (ii) **replacing “reservation” wherever it occurs with “modified opinion”,**
  - (c) **in subsection (2), by replacing “Handbook” with “issuer’s GAAP”, and**
  - (d) **in paragraph (7)(d), by**
    - (i) **replacing “contained any reservation” with “expressed a modified opinion”, and**
    - (ii) **replacing “each reservation” with “each modification”.**
13. **Section 5.1 is amended**
- (a) **in subsection (1), by replacing “annual and interim financial statements” with “annual financial statements and each interim financial report”,**
  - (b) **in subsection (1.1), by replacing “annual and interim financial statements” with “annual financial statements and interim financial reports”, and**
  - (c) **in subsection (2),**

- (i) *in the preamble, by replacing “by” with “on or before”, and*
- (ii) *in paragraph (a), by replacing “annual and interim financial statements” with “annual financial statements and each interim financial report”.*

**14. Section 5.2 is amended**

- (a) *in the title, by deleting “and Supplement”,*
- (b) *in subsection (1), by deleting “or Item 303 of Regulation S-B”,*
- (c) *by repealing subsection (1.1), and*
- (d) *by repealing subsection (2).*

**15. Section 5.3 is amended**

- (a) *by replacing subsection (1) with the following:*

(1) A venture issuer that has not had significant revenue from operations in either of its last two financial years, must disclose in its MD&A, for each period referred to in subsection (2), a breakdown of material components of

- (a) exploration and evaluation assets or expenditures;
- (b) expensed research and development costs;
- (c) intangible assets arising from development;
- (d) general and administration expenses; and
- (e) any material costs, whether expensed or recognized as assets, not referred to in paragraphs (a) through (d);

and if the venture issuer’s business primarily involves mining exploration and development, the analysis of exploration and evaluation assets or expenditures must be presented on a property-by-property basis.,

- (b) *in paragraph (2)(b), by replacing “interim financial statements” with “interim financial report”, and*
- (c) *in subsection (3), by deleting “or MD&A supplement”.*

**16. Subsection 5.4(1) is amended by deleting “, or in its MD&A supplement if one is required under section 5.2,”.**

**17. Section 5.5 is amended**

- (a) in subsection (1), by deleting “and any annual MD&A supplement”,**
- (b) in subsection (2), by deleting “and any interim MD&A supplement”, and**
- (c) in subsection (3), by deleting “and any MD&A supplement”.**

**18. Section 5.6 is amended**

- (a) in subsection (1), by**
  - (i) deleting “and any MD&A supplement required under section 5.2”, and**
  - (ii) replacing “annual or interim financial statements” with “annual financial statements or interim financial report”,**
- (b) in subsection (2), by deleting “or MD&A supplement”,**
- (c) in subsection (3), by deleting “and any related MD&A supplement” wherever it occurs, and**
- (d) in subsection (4), by replacing “annual or interim financial statements” with “annual financial statements or interim financial report”.**

**19. Section 5.7 is amended**

- (a) in subsection (1), by deleting “, or in its MD&A supplement if one is required under section 5.2,”,**
- (b) by replacing paragraph (1)(a) with the following:**
  - (a) summarized financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and,**
- (c) in paragraph (1)(b), by replacing “earnings” with “profit or loss”,**
- (d) in paragraph (2)(b), by replacing “statements” with “report”, and**
- (e) in paragraph (3)(a), by deleting “or MD&A supplement”.**

**20. Section 5.8 is amended**

- (a) in subsection (2), by deleting “, or MD&A supplement if one is required under section 5.2,”,**

- (b) *in subsection (3),*
  - (i) *by deleting “or MD&A supplement” wherever it occurs, and*
  - (ii) *in subparagraph (b)(iii), by replacing “on” with “at”,*
- (c) *in subsection (4), by deleting “, or MD&A supplement if one is required under section 5.2,”,*
- (d) *in subsection (5),*
  - (i) *in paragraph (a), by replacing “, in its MD&A or MD&A supplement if one is required under section 5.2, disclose” with “disclose in its MD&A”, and*
  - (ii) *in paragraph (b), by deleting “or MD&A supplement” wherever it occurs, and*
- (e) *in subsection (6),*
  - (i) *by deleting “or MD&A supplement” wherever it occurs, and*
  - (ii) *in subparagraph (b)(iii), by replacing “on” with “at”.*

**21. Section 6.2 is amended**

- (a) *in paragraph (b), by replacing “AIF in” with “AIF on”, and*
- (b) *by deleting “, Form 10-KSB” wherever it occurs.*

**22. Subsection 8.1(1) is amended**

- (a) *in the definition of “acquisition of related businesses”, by replacing “upon a single common event; and” with “upon a single common event;”,*
- (b) *by adding “; and” after the definition of “business”, and*
- (c) *after the definition of “business”, by adding the following definition:*

“specified profit or loss” means profit or loss from continuing operations attributable to owners of the parent, adjusted to exclude income taxes.

**23. Section 8.2 amended by replacing “date of acquisition” wherever it occurs with “acquisition date”.**

**24. Section 8.3 is amended**

- (a) by replacing “date of the acquisition” wherever it occurs with “acquisition date”,**
- (b) by replacing “date of acquisition” wherever it occurs with “acquisition date”,**
- (c) by replacing “income from continuing operations” wherever it occurs with “specified profit or loss”,**
- (d) in the preamble to subsection (2), by adding “and subject to subsections (4.1) and (4.2)” after “subsection (1)”,**
- (e) in paragraph (2)(a), by adding “annual” before “financial statements”,**
- (f) in paragraph 2(c),**
  - (i) in the title, by replacing “Income” with “Profit or Loss”, and**
  - (ii) by adding “annual” before “financial statements”,**
- (g) in subsection (4),**
  - (i) in the preamble, by adding “and subject to subsections (4.1) and (4.2)” after “subsection (3)”, and**
  - (ii) in paragraph (c), in the title, by replacing “Income” with “Profit or Loss”,**
- (h) by adding the following after subsection (4):**
  - (4.1) For the purposes of subsections (2) and (4), the reporting issuer must not remeasure its previously held equity interest in the business or related businesses.**
  - (4.2) For the purposes of paragraphs (2)(b) and (4)(b), the reporting issuer’s investments in and advances to the business or related businesses must include**
    - (a) the consideration transferred for the acquisition, measured in accordance with the issuer’s GAAP,**
    - (b) payments made in connection with the acquisition which do not constitute consideration transferred but which would not have been paid unless the acquisition had occurred, and**

- (c) contingent consideration for the acquisition measured in accordance with the issuer's GAAP.
- (i) in subsection (7),**
    - (i) in the title, by replacing "Income" with "Profit or Loss", and**
    - (ii) by replacing "absolute value of the loss" with "absolute value of the loss from continuing operations attributable to owners of the parent, adjusted to exclude income taxes",
  - (j) in the title to subsection (8), by replacing "Income" wherever it occurs with "Profit or Loss",**
  - (k) in subsection (9),**
    - (i) in the title, by replacing "Income" wherever it occurs with "Profit or Loss", and
    - (ii) by replacing "income" after "average consolidated" with "specified profit or loss",
  - (l) in subsection (10),**
    - (i) in the title, by replacing "Income" with "Profit or Loss", and**
    - (ii) by replacing "average consolidated income" with "average consolidated specified profit or loss",
  - (m) in subsection (11),**
    - (i) in the title, by replacing "Step-By-Step Acquisitions" with "Multiple Investments in the Same Business", and
    - (ii) by replacing "a "step-by-step" purchase as described in the Handbook" with "multiple investments in the same business",
  - (n) in subsection (11.1),**
    - (i) in the title, by replacing "Income" with "Profit or Loss", and**
    - (ii) by replacing "income test" with "profit or loss test",**
  - (o) in subsection (12), by replacing "annual audited financial statements" with "audited annual financial statements",**

(p) *by replacing subsection (13) with the following:*

(13) **Application of Significance Tests - Accounting Principles and Currency** - For the purposes of calculating the significance tests in subsections (2) and (4), the amounts used for the business or related businesses must

- (a) subject to subsection (13.1), be based on the issuer's GAAP, and
- (b) be translated into the same presentation currency as that used in the reporting issuer's financial statements.

(13.1) **Application of Significance Tests - Exemption - Canadian GAAP Applicable to Private Enterprises** - Paragraph 8.3(13)(a) does not apply to a venture issuer if

- (a) the financial statements for the business or related businesses referred to in subsections 8.3(2) and (4)
  - (i) are prepared in accordance with Canadian GAAP applicable to private enterprises, and
  - (ii) are prepared in a manner that consolidates any subsidiaries and accounts for significantly influenced investees and joint ventures using the equity method; and
- (b) none of the accounting principles described in paragraphs 3.11(1)(a) through (e) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* were used to prepare financial statements for the business or related businesses referred to in subsections 8.3(2) and (4)., **and**

(q) *in subsection (14), by replacing "subsection 6.1(1) of National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency" with "section 3.11 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards".*

**25. Section 8.4 is amended**

- (a) *by replacing "date of acquisition" wherever it occurs with "acquisition date",*
- (b) *by replacing "balance sheet" wherever it occurs with "statement of financial position",*

- (c) *in paragraph (1)(a), by replacing "an income statement, a statement of retained earnings and a cash flow statement" with "a statement of comprehensive income, a statement of changes in equity and a statement of cash flows",*
- (d) *in the title to subsection (3), by replacing "Interim Financial Statements" with "Interim Financial Report",*
- (e) ***after subsection (3), by adding the following:***
  - (3.1) Contents of Interim Financial Report - Canadian GAAP Applicable to Private Enterprises - If a reporting issuer is required under subsection (3) to include an interim financial report in a business acquisition report and the financial statements for the business or related businesses acquired are prepared in accordance with Canadian GAAP applicable to private enterprises, as permitted under National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, the interim financial report must include
    - (a) a balance sheet as at the end of the interim period and a balance sheet as at the end of the immediately preceding financial year, if any;
    - (b) an income statement, a statement of retained earnings and a cash flow statement, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any; and
    - (c) notes to the financial statements.,
- (f) ***in subsection (4),***
  - (i) ***in the title, by deleting "Interim", and***
  - (ii) ***in paragraph (a), by adding "and" after "before the acquisition;"***,
- (g) ***by repealing paragraph (4)(b),***
- (h) ***in subparagraph (5)(b),***
  - (i) *in clause (i)(B), by replacing "financial statements" with "an interim financial report", and*
  - (ii) *in subparagraph (ii), by replacing "an income statement" with "a statement of comprehensive income",*
- (i) ***in the title to subsection (6), by deleting "Interim", and***

**(j) in subsection (7),**

**(i) by replacing paragraph (b) with the following:**

- (b) the reporting issuer must include in the pro forma financial statements
  - (i) adjustments attributable to each significant acquisition for which there are firm commitments and for which the complete financial effects are objectively determinable,
  - (ii) adjustments to conform amounts for the business or related businesses to the issuer's accounting policies, and
  - (iii) a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-referenced to each related pro forma adjustment; and
- (ii) in paragraph (e), by replacing ", gross profit and income" with "and profit or loss".

**26. Section 8.6 is amended**

**(a) by replacing subparagraph (b)(i) with the following:**

- (i) summarizes financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and,

**(b) in subparagraph (b)(ii), by replacing "earnings" with "profit or loss",**

**(c) in subparagraph (d)(iii),**

- (i) by replacing "audit opinion" with "auditor expressed an unmodified opinion", and
- (ii) by replacing ", or the financial information referred to in subparagraph (ii), was issued without a reservation" with "or the financial information referred to in subparagraph (ii)".

**27. Section 8.9 is amended**

**(a) in the preamble, by replacing "interim financial statements" with "an interim financial report", and**

- (b) *in paragraph (c), by replacing "interim financial statements" with "interim financial report".*
- 28. Section 8.10 is amended**
- (a) *in subsection (2),*
- (i) *in the title, by replacing "Income" with "Profit or Loss",*
- (ii) *by replacing "consolidated income from continuing operations" with "specified profit or loss", and*
- (iii) *by replacing "income test" with "profit or loss test",*
- (b) *by repealing paragraph (3)(d), and*
- (c) *by replacing subparagraph (3)(e)(i) with the following:*
- (i) *an operating statement for the business or related businesses prepared in accordance with subsection 3.11(5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards;.*
- 29. Section 8.11 is amended**
- (a) *in the title, by replacing "Step-By-Step Acquisitions" with "Multiple Investments in the Same Business", and*
- (b) *by replacing "a "step-by-step" purchase as described in the Handbook" with "multiple investments in the same business".*
- 30. Paragraph 9.4(9)(a) is amended by adding "or, in the case of a solicitation under subsection 9.2(4), the document required under paragraph 9.2(6)(a)" after "circular".**
- 31. Subsection 10.1(3) is amended by replacing "interim financial statements" with "an interim financial report".**
- 32. Section 11.4 is amended by replacing "results of operations" with "financial performance".**
- 33. Paragraph 11.5(b) is amended by replacing "retroactive" with "retrospective".**
- 34. Section 13.4 is amended**
- (a) *in subsection (1),*
- (i) *in the definition of "designated credit support securities", by*

(A) *replacing* "non-convertible debt or convertible debt that is convertible" with "non-convertible debt securities or convertible debt securities that are convertible", *and*

(B) *deleting* "and" after "supporter within 15 days of any failure by the credit support issuer to make a payment";

**(ii) by adding "and" after the definition of "subsidiary credit supporter", and**

**(iii) by replacing the definition of "summary financial information" with the following:**

"summary financial information" includes the following line items:

(a) revenue;

(b) profit or loss from continuing operations attributable to owners of the parent;

(c) profit or loss attributable to owners of the parent; and

(d) unless the accounting principles used to prepare the financial statements of the person or company permits the preparation of the person or company's statement of financial position without classifying assets and liabilities between current and non-current and the person or company provides alternative meaningful financial information which is more appropriate to the industry,

(i) current assets;

(ii) non-current assets;

(iii) current liabilities; and

(iv) non-current liabilities.,

**(a.1) by adding the following note after subsection (1):**

[Note: See section 1.1 of the Instrument for the definitions of "profit or loss attributable to owners of the parent" and "profit or loss from continuing operations attributable to owners of the parent".],

**(b) in paragraph (2)(g),**

- (i) *in the preamble, by replacing "the interim and annual financial statements" with "each consolidated interim financial report and consolidated annual financial statements",*
  - (ii) *in clause (i)(A), by replacing "revenues" with "revenue", and*
  - (iii) *in subparagraph (ii), by replacing "interim or annual consolidated" with "consolidated interim financial report or consolidated annual",*
- (c) in paragraph (2.1)(c),**
- (i) *by replacing "the interim and annual consolidated" with "each consolidated interim financial report and the consolidated annual", and*
  - (ii) *by replacing "any interim or annual consolidated" with "any consolidated interim financial report or consolidated annual", and*
- (d) in paragraph (2.2)(b), by replacing "revenues" with "revenue".**

**35. Part 14 is amended by adding the following after section 14.2:**

**14.3 Transition – Interim Financial Report**

- (1) Despite section 4.4 and paragraph 4.10(2)(c), the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 may be filed
  - (a) in the case of a reporting issuer other than a venture issuer, on or before the earlier of
    - (i) the 75th day after the end of the interim period; and
    - (ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period; or
  - (b) in the case of a venture issuer, on or before the earlier of
    - (i) the 90th day after the end of the interim period; and
    - (ii) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.
- (2) Despite subsection 5.1(2), the MD&A required to be filed under subsection 5.1(1) relating to the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011 may be filed on or before the earlier of

- (a) the filing deadline for the interim financial report set out in subsection (1); and
  - (b) the date the reporting issuer files the interim financial report under subsections (1) or 4.3(1), as applicable.
- (3) Despite subsection 4.6(3), if a registered holder or beneficial owner of securities, other than debt instruments, of a reporting issuer requests the issuer's first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011, the reporting issuer may send a copy of the required interim financial report and the interim MD&A relating to the interim financial report to the person or company that made the request, without charge, by the later of,
- (a) in the case of a reporting issuer relying on subsection (1), 10 calendar days after the filing deadline set out in subsection (1), for the financial statements requested;
  - (b) in the case of a reporting issuer not relying on subsection (1), 10 calendar days after the filing deadline in subparagraph 4.4(a)(i) or 4.4(b)(i), subsection 4.10(2) or subsection 14.3(1), as applicable, for the financial statements requested; and
  - (c) 10 calendar days after the issuer receives the request.
- (4) Subsections (1), (2) and (3) do not apply unless the reporting issuer
- (a) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 *Interim Financial Reporting*; and
  - (b) did not previously file financial statements that disclosed compliance with IFRS.
- (5) Subsections (1), (2) and (3) do not apply if the first interim financial report is in respect of an interim period ending after March 30, 2012..

**36. Part 1 of Form 51-102F1 Management's Discussion & Analysis is amended**

- (a) *by replacing "results of operations" wherever it occurs with "financial performance",*
- (b) *by replacing "earnings" with "profit or loss",*
- (c) *in paragraph (f), by deleting "This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.",*

**(d)** *by replacing paragraph (g) with the following:*

**(g) Venture Issuers Without Significant Revenue**

If your company is a venture issuer without significant revenue from operations, focus your discussion and analysis of financial performance on expenditures and progress towards achieving your business objectives and milestones.

**(e)** *in paragraph (h), by*

**(i)** *replacing “When” with “If”, and*

**(ii)** *deleting “accounted for as”,*

**(f)** *by repealing paragraph (i),*

**(g)** *in paragraph (m), by adding “for further guidance” after “Companion Policy 51-102CP”,*

**(h)** *in paragraph (m), by adding the following after the first paragraph:*

“This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Companion Policy 51-102CP.”

**(i)** *in paragraph (n), by adding “for further guidance” after “Companion Policy 51-102CP”, and*

**(j)** *by adding the following after paragraph (o):*

**(p) Use of “Financial Condition”**

This Form uses the term “financial condition”. Financial condition reflects the overall health of the company and includes your company's financial position (as shown on the statement of financial position) and other factors that may affect your company's liquidity, capital resources and solvency.

37. *Part 2, section 1.1 of Form 51-102F1 is amended by adding “annual” before “financial statements”.*

38. *Part 2, section 1.2 of Form 51-102F1 is amended*

**(a)** *by replacing “results of operations” wherever it occurs with “financial performance”,*

- (b) *in paragraph (a), by replacing "as those terms are used in the Handbook" with "as those terms are described in the issuer's GAAP",*
- (c) *in subparagraph (b)(i), by replacing "revenues, income" with "revenue, profit or loss", and*
- (d) *by deleting the first sentence of instruction (ii).*

**39. Part 2, section 1.3 of Form 51-102F1 is amended**

- (a) *in the preamble of subsection (1), by adding "annual" before "financial statements",*
- (b) *in subparagraph (1)(a), by replacing "net sales or total revenues" with "total revenue",*
- (c) *in subparagraph (1)(b), by replacing "income or loss before discontinued operations and extraordinary items, in total" with "profit or loss from continuing operations attributable to owners of the parent, in total",*
- (d) *in subparagraph (1)(c), by replacing "net income or loss, in total" with "profit or loss attributable to owners of the parent, in total",*
- (e) *in subparagraph (1)(e), by replacing "long-term" with "non-current",*
- (f) *in subparagraph (1)(f), by adding "distributions or" before "cash dividends",*
- (g) *in subsection (2), by replacing "condition and results of operations" with "position and financial performance", and*
- (h) *by replacing the Instruction with the following:*

*INSTRUCTIONS*

- (i) *For each of the three most recently completed financial years, indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency and the functional currency if different from the presentation currency.*
- (ii) *If the financial data provided was not prepared in accordance with the same accounting principles for all three years, focus the discussion on the important trends and risks that have affected the business ..*

**40. Part 2, section 1.4 of Form 51-102F1 is amended**

- (a) *in the title, by replacing "Results of Operations" with "Discussion of Operations",*
- (b) *in paragraph (a), by replacing "net sales or total revenues by operating business" with "total revenue by reportable",*
- (c) ***in paragraph (b), by replacing "net sales or total revenues" with "total revenue",***
- (d) ***in paragraph (d), by deleting "operating",***
- (e) ***in paragraph (f), by replacing "revenues" with "revenue",***
- (f) *in paragraph (g), by replacing "net sales, total revenue and income or loss before discontinued operations and extraordinary items" with "total revenue and profit or loss from continuing operations attributable to owners of the parent", and*
- (g) ***by replacing paragraph (h) with the following:***
  - (h) effect of inflation and specific price changes on your company's total revenue and on profit or loss from continuing operations attributable to owners of the parent;.

**41. Part 2, section 1.5 of Form 51-102F1 is amended**

- (a) ***by replacing paragraphs (a), (b) and (c) with the following:***
  - (a) total revenue;
  - (b) profit or loss from continuing operations attributable to owners of the parent, in total and on a per-share and diluted per-share basis; and
  - (c) profit or loss attributable to owners of the parent, in total and on a per-share and diluted per-share basis.,
- (b) ***in subparagraph (iii) of the instructions,***
  - (A) ***in clause (G), by replacing "revenues" with "revenue", and***
  - (B) ***in clause (J), by replacing "cash flow" with "cash flows", and***
- (c) ***by replacing subparagraph (iv) of the instructions with the following:***
  - (iv) *For each of the eight most recently completed quarters, indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency and the functional currency if different from the presentation currency..*

- (v) *If the financial data provided was not prepared in accordance with the same accounting principles for all eight quarters, focus the discussion on the important trends and risks that have affected the business ..*

**42. Part 2, section 1.6 of Form 51-102F1 is amended**

- (a) *in paragraph (f), by replacing "balance sheet conditions or income" with "statement of financial position conditions or profit or loss attributable to owners of the parent",*
- (b) *in subparagraph (h)(i), by adding "distributions or" before "dividend",*
- (c) *in the instructions,*
  - (i) *by replacing "income" wherever it occurs with "profit or loss",*
  - (ii) *in clause (ii)(A), by replacing "earnings" with "profit or loss",*
  - (iii) *in subparagraph (iv), by replacing "balance sheet" with "statement of financial position",*
  - (iv) *in the table in subparagraph (iv), by*
    - (A) *deleting "Long Term" wherever it occurs, and*
    - (B) *replacing "Capital" with "Finance", and*
  - (v) *in footnote 2 of the table in subparagraph (iv), by*
    - (A) *replacing "Other Long Term Obligations" with "Other Obligations",*
    - (B) *replacing "long-term liabilities" with "financial liabilities", and*
    - (C) *replacing "balance sheet" with "statement of financial position".*

**43. Part 2, section 1.8 of Form 51-102F1 is amended**

- (a) *by replacing "results of operations" with "financial performance",*
- (b) *in paragraph (c), by replacing "revenues" with "revenue", and*
- (c) *in the instructions, by*
  - (i) *deleting "under a material variable interest", and*

(ii) **adding** “activities” **after** “hedging”.

**44. Part 2, section 1.9 of Form 51-102F1 is amended**

(a) **in the title, by replacing** “with” **with** “Between”,

(b) **by replacing** “transactions involving related” **with** “transactions between related”,

(c) **by replacing** “Handbook” **with** “issuer’s GAAP”, **and**

(d) **in the instructions,**

(i) **by replacing** “transactions with related” **with** “transactions between related”, **and**

(ii) **in clause (C), by adding** “describe” **before** “the measurement”.

**45. Part 2, section 1.10 of Form 51-102F1 is amended by replacing** “cash flows or results of operations, including extraordinary items” **with** “financial performance or cash flows”.

**46. Part 2, section 1.11 of Form 51-102F1 is amended by replacing** “results of operations” **with** “financial performance”.

**47. Part 2, section 1.12 of Form 51-102F1 is amended**

(a) **in paragraph (b), by replacing** “financial condition, changes in financial condition and results of operations” **with** “financial position, changes in financial position and financial performance”,

(b) **in paragraph (e), by**

(i) **adding** “reportable” **before** “segments”, **and**

(ii) **adding** “reportable” **before** “segment” **wherever it occurs, and**

(c) **in clause (i)(B) of the instructions, by replacing** “results of operations” **with** “financial performance”.

**48. Part 2, section 1.13 of Form 51-102F1 is amended**

(a) **by replacing** “financial condition, changes in financial condition and results of operations” **wherever it occurs with** “financial position, changes in financial position and financial performance”,

(b) *in subparagraphs (b)(ii) and (v), by replacing "principle" wherever it occurs with "policy", and*

(c) *in subparagraph (b)(iv), by replacing "principles" with "policies".*

**49. Part 2, section 1.14 of Form 51-102F1 is amended**

(a) *in paragraph (e), by replacing "income" with "profit or loss",*

(b) *in subparagraph (ii) of the instructions, by replacing "results of operations" with "financial performance",*

(c) *in subparagraph (iii) of the instructions, by replacing "earnings" with "profit or loss", and*

(d) *in subparagraph (iv) of the instructions, by replacing "income" with "revenue".*

**50. Part 2, section 2.2 of Form 51-102F1 is amended**

(a) *in subparagraph (a)(i), by replacing "results of operations and cash flows" with "financial performance",*

(b) *by adding the following after subparagraph (a)(i):*

(i.i) *a comparison of cash flows to the corresponding period in the previous year;*

(c) *in subparagraph (a)(ii), by*

(i) *replacing "results of operations" with "financial performance", and*

(ii) *replacing "income or loss" with "profit or loss attributable to owners of the parent",*

(d) *in subparagraph (a)(iii), by replacing "financial condition, results of operations" with "financial position, financial performance",*

(e) *in the instructions,*

(i) *by replacing "interim financial statements" wherever it occurs with "interim financial report", and*

(ii) *in subparagraph (iv), by*

(A) *replacing "balance sheet" with "statement of financial position",*

- (B) *replacing* “income” *with* “profit or loss”, *and*
- (C) *deleting* “that are outside the ordinary course of your company’s business”.

**51. Part 1 of Form 51-102F2 Annual Information Form is amended**

- (a) *in paragraph (e), by deleting* “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”,
- (b) *in paragraph (g), by adding* “for further guidance” *after* “Companion Policy 51-102CP”,
- (c) *by adding the following at the end of paragraph (g):*

This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Companion Policy 51-102CP.,

- (d) *in paragraph (h), by adding* “for further guidance” *after* “Companion Policy 51-102CP”, *and*
- (e) *in paragraph (i), by*
  - (i) *replacing* “Special Purpose Vehicles” *with* “Special Purpose Entities”, *and*
  - (ii) *replacing* “special purpose vehicle” *with* “special purpose entity”.

**52. Part 2, section 3.2 of Form 51-102F2 is amended, in subparagraph (ii) of the instruction, by**

- (a) *replacing* “sales and operating revenues” *wherever it occurs with* “revenue”, *and*
- (b) *replacing* “do” *with* “does”.

**53. Part 2, subsection 5.1(1) of Form 51-102F2 is amended**

- (a) *in the preamble, by replacing* “as those terms are used in the Handbook” *with* “as those terms are described in the issuer’s GAAP”,
- (b) *in subparagraph (a)(iii), by replacing* “revenues” *wherever it occurs with* “revenue”,
- (c) *in paragraph (h), by adding* “reportable” *before* “segment”,

- (d) *in paragraph (k), by replacing “earnings” with “profit or loss”, and*
- (e) *in paragraph (m), by adding “reportable” before “segment”.*
54. *Part 2, paragraph 5.3(2)(b) of Form 51-102F2 is amended by replacing “income” with “profit”.*
55. *Part 2, subsection 5.3(6) of Form 51-102F2 is amended by deleting “, Form 10-KSB”.*
56. *Part 2, item 6 of Form 51-102F2 is amended by, in the title, adding “and Distributions” after “Dividends”.*
57. *Part 2, section 6.1 of Form 51-102F2 is amended by, in the title, adding “and Distributions” after “Dividends”.*
58. *Part 2, section 7.3 of Form 51-102F2 is amended by, in the instructions, replacing “derivatives” with “derivative instruments”.*
59. *Part 2, subsection 16.2(2.1) of Form 51-102F2 is amended by replacing “US GAAS” with “U.S. PCAOB GAAS or U.S. AICPA GAAS”.*
60. *Part 1 of Form 51-102F4 Business Acquisition Report is amended*
- (a) *in paragraph (e), by adding “for further guidance” after “Companion Policy 51-102CP”,*
- (b) *by adding the following at the end of paragraph (e):*
- This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Companion Policy 51-102CP., *and*
- (c) *in paragraph (f), by adding “for further guidance” after “Companion Policy 51-102CP”.*
61. *Part 2, item 2 of Form 51-102F4 is amended*
- (a) *in section 2.2,*
- (i) *in the title, by replacing “date of acquisition” with “acquisition date”, and*
- (ii) *by replacing “date of acquisition” with “acquisition date”,*
- (b) *by repealing the instruction, and*
- (c) *in section 2.4, by replacing “results of operations” with “financial performance”.*

62. *Part 2, item 3 of Form 51-102F4 is amended by, in the title, adding “and Other Information” after “Financial Statements”.*
63. *Part 1 of Form 51-102F5 Information Circular is amended*
- (a) *in paragraph (d), by adding “for further guidance” after “Companion Policy 51-102CP”,*
- (b) *by adding the following at the end of paragraph (d):*
- This Form also uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. For further guidance, see subsections 1.4(7) and (8) of Companion Policy 51-102CP., *and*
- (c) *in paragraph (e), by adding “for further guidance” after “Companion Policy 51-102CP”.*
64. *Part 2, section 9.3 of Form 51-102F5 is amended by, in paragraph (ii) of the Instructions, deleting “as described in section 3870 “Stock-based Compensation and Other Stock-based Payments” of the Handbook”.*
65. *Part 2, section 14.1 of Form 51-102F5 is amended by adding “annual” before “financial statements”.*
66. *Part 2, section 14.2 of Form 51-102F5 is amended by*
- (a) *adding “for the company, business or entity” after “The disclosure”, and*
- (b) *replacing “the entity” with “the company, business or entity, respectively”.*
67. *Part 2, section 16.2 of Form 51-102F5 is amended by adding “annual” before “financial statements”.*
68. *Form 51-102F6 Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008) is amended by replacing “Section 3870 of the Handbook” wherever it occurs with “IFRS 2 Share-based Payment”.*
69. *Item 1.2 of Form 51-102F6 is amended by deleting the definition of “NI 52-107”.*
70. *The commentary under subsection 1.3(4) of Form 51-102F6 is amended by replacing “Multilateral” with “National”.*
71. *The commentary under subsection 1.3(8) of Form 51-102F6 is amended*

- (a) *by replacing* “NI 52-107” *with* “National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards”, *and*
- (b) *by deleting* “, or the Handbook”.

72. *Section 3.1 of Form 51-102F6 is amended*

- (a) *in subsection (3), by*
  - (i) *deleting* “grant date”, *and*
  - (ii) *adding* “on the grant date” *after* “the award”,
- (b) *in subsection (4), by*
  - (i) *deleting* “grant date”, *and*
  - (ii) *adding* “on the grant date” *after* “the award”,
- (c) *in subsection (5), by replacing* “grant date fair value” *wherever it occurs with* “fair value of the award on the grant date”,
- (d) *by replacing Commentary 2 with the following:*
  - 2. *The value disclosed in columns (d) and (e) of the summary compensation table should reflect what the board of directors intended to pay, make payable, award, grant, give or otherwise provide as compensation on the grant date (fair value of the award) as set out in comment 3, below. This value might differ from the value reported in the issuer’s financial statements.,*
- (e) *in Commentary 4, by replacing* “may” *with* “might”,
- (f) *in Commentary 4 and 6, by replacing* “grant date fair value” *wherever it occurs with* “fair value of the award”, *and*
- (g) *in paragraph (10)(f), by replacing* “grant date fair value” *with* “fair value of the award on the grant date”.

73. *Section 3.3 of Form 51-102F6 is amended by replacing* “reporting currency” *wherever it occurs with* “presentation currency”.

74. *Section 5.1 of Form 51-102F6 is amended*

- (a) *in subsection (1), by replacing* “NI 52-107” *with* “National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards”,

- (b) *in the table in subsection (1), by*
    - (i) *replacing* “Accrued obligation at start of year” *with* “Opening present value of defined benefit obligation”, *and*
    - (ii) *replacing* “Accrued obligation at year end” *with* “Closing present value of defined benefit obligation”,
  - (c) *in subsection (2), by*
    - (i) *replacing* “plan measurement” *with* “reporting”, *and*
    - (ii) *adding* “annual” *before* “financial statements”,
  - (d) *in subsection (5), by replacing* “accrued obligation” *with* “present value of the defined benefit obligation”,
  - (e) *in subsection (6), by*
    - (i) *replacing* “accrued obligation” *wherever it occurs with* “present value of the defined benefit obligation”,
    - (ii) *adding* “closing” *after* “quantifying the”, *and*
    - (iii) *deleting* “at the end of the most recently completed financial year”,
  - (f) *in subsection (7), by*
    - (i) *replacing* “accrued obligation” *wherever it occurs with* “present value of the defined benefit obligation”, *and*
    - (ii) *adding* “most recently completed financial” *after* “start of the”, *and*
  - (g) *in subsection (8), by replacing* “accrued obligation” *with* “present value of the defined benefit obligation”.
75. *Section 5.2 of Form 51-102F6 is amended by replacing* “NI 52-107” *with* “National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*”.
76. *This Instrument only applies to documents required to be prepared, filed, delivered or sent under National Instrument 51-102 Continuous Disclosure Obligations for periods relating to financial years beginning on or after January 1, 2011.*
77. *Despite section 76, an issuer may apply the amendments set out in this Instrument to all documents required to be prepared, filed, delivered or sent under National*

***Instrument 51-102 Continuous Disclosure Obligations for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.***

78. ***This Instrument comes into force on January 1, 2011.***

**Amendment Instrument for  
National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating  
to Foreign Issuers***

*Although this amendment instrument amends section headers in National Instrument 71-102, section headers do not form part of the instrument and are inserted for ease of reference only.*

1. ***National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* is amended by this Instrument.***
2. ***Section 1.1 is amended***
  - (a) ***in the definition of “AIF”, by deleting “Form 10-KSB”,***
  - (b) ***after the definition of “executive officer”, by adding the following definition:***

*“financial statements” has the same meaning as in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*;*
  - (c) ***by replacing the definition of “inter-dealer bond broker” with the following:***

*“inter-dealer bond broker” means a person or company that is approved by the Investment Industry Regulatory Organization of Canada under its Rule 36 *Inter-Dealer Bond Brokerage Systems*, as amended, and is subject to its Rule 36 and its Rule 2100 *Inter-Dealer Bond Brokerage Systems*, as amended;*
  - (d) ***in the definition of “MD&A”, by deleting “or Item 303 of Regulation S-B”,***
  - (e) ***in the definition of “NI 52-107”, by replacing “Acceptable Accounting Principles, Auditing Standards and Reporting Currency” with “Acceptable Accounting Principles and Auditing Standards”, and***
  - (f) ***in the definition of “transition year”, by adding “a” after “means the financial year of”.***
3. ***Section 1.3 is amended by replacing “operating results are” with “financial performance is”.***
4. ***Section 4.3 is amended***
  - (a) ***in the preamble, by deleting “its interim financial statements, and annual”,***
  - (b) ***in paragraph (a), by deleting “interim financial statements, annual”,***

- (c) *in paragraph (b), by deleting* “interim financial statements and annual”, *and*
  - (d) *in paragraph (c), by deleting* “interim financial statements, annual”.
5. *Subparagraph 4.7(2)(b) is amended by deleting* “, Form 10-KSB”.
  6. *Section 4.9 is amended by replacing* “results of operations” *with* “financial performance”.
  7. *Section 4.14 is replaced with the following:*

#### **4.14 Business Combinations and Related Party Transactions**

Securities legislation requirements relating to business combinations and related party transactions in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* do not apply to an SEC foreign issuer carrying out a business combination or related party transaction if the total number of equity securities of the SEC foreign issuer owned, directly or indirectly, by residents of Canada, does not exceed 20 per cent, on a diluted basis, of the total number of equity securities of the SEC foreign issuer..

8. *Section 5.4 is amended*
  - (a) *in the preamble, by deleting* “its interim financial statements, annual”,
  - (b) *in paragraph (a), by deleting* “interim financial statements, annual”, *and*
  - (c) *in paragraph (b), by deleting* “interim financial statements, annual”.
9. *Section 5.10 is amended by replacing* “results of operations” *with* “financial performance”.
10. *Section 5.15 is replaced with the following:*

#### **5.15 Business Combinations and Related Party Transactions**

Securities legislation requirements relating to business combinations and related party transactions in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* do not apply to a designated foreign issuer carrying out a business combination or related party transaction..

11. *Part 6 is repealed.*
12. *This Instrument only applies to documents required to be prepared, filed, delivered or sent under National Instrument 71-102 Continuous Disclosure and Other Exemptions*

*Relating to Foreign Issuers for periods relating to financial years beginning on or after January 1, 2011.*

13. *Despite section 12, an issuer may apply the amendments set out in this Instrument to all documents required to be prepared, filed, delivered or sent under National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.*
14. *This Instrument comes into force on January 1, 2011.*

**Amendments to  
Companion Policy 51-102CP *Continuous Disclosure Obligations***

1. ***Companion Policy 51-102CP Continuous Disclosure Obligations is amended.***
2. ***Section 1.3 is amended by replacing “interim financial statements” with “interim financial reports”.***
3. ***Section 1.4 is amended***
  - (a) ***by replacing subsection (5) with the following:***
    - (5) **Reverse Takeover** – The definition of reverse takeover includes reverse acquisitions as defined or interpreted in Canadian GAAP applicable to publicly accountable enterprises and any other transaction in which an issuer issues enough voting securities as consideration for the acquisition of an entity such that control of the issuer passes to the securityholders of the acquired entity (such as a Qualifying Transaction, as that term is defined in the TSX Venture Exchange policies). In a reverse acquisition, although legally the entity (the legal parent) that issued the securities is regarded as the parent, the entity (the legal subsidiary) whose former securityholders now control the combined entity is treated as the acquirer for accounting purposes. As a result, for accounting purposes, the issuing entity (the legal parent) is deemed to be a continuation of the acquirer and the acquirer is deemed to have acquired control of the assets and business of the issuing entity in consideration for the issue of capital., ***and***
  - (b) ***by adding the following after subsection (6):***
    - (7) **Accounting terms** – The Instrument uses accounting terms that are defined or used in Canadian GAAP applicable to publicly accountable enterprises. In certain cases, some of those terms are defined differently in securities legislation. In deciding which meaning applies, you should consider that National Instrument 14-101 *Definitions* provides that a term used in the Instrument and defined in the securities statute of a local jurisdiction has the meaning given to it in the statute unless: (a) the definition in that statute is restricted to a specific portion of the statute that does not govern continuous disclosure; or (b) the context otherwise requires.

For example, the term “associate” is defined in local securities statutes and Canadian GAAP applicable to publicly accountable enterprises. Securities regulatory authorities are of the view that the references to the term “associate” in the Instrument and its forms (e.g., item 7.1(g) of Form 51-

102F5 *Information Circular*) should be given the meaning of the term under local securities statutes since the context does not indicate that the accounting meaning of the term should be used.

- (8) **Acceptable accounting principles other than Canadian GAAP applicable to publicly accountable enterprises** – If an issuer is permitted under National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* to file financial statements in accordance with acceptable accounting principles other than Canadian GAAP applicable to publicly accountable enterprises, then the issuer may interpret any reference in the Instrument to a term or provision defined or used in Canadian GAAP applicable to publicly accountable enterprises as a reference to the corresponding term or provision in the other acceptable accounting principles.
- (9) **Rate-regulated activities** - If a qualifying entity is relying on the exemption in paragraph 5.4(1)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*, then the qualifying entity may interpret any reference in the Instrument to a term or provision defined or used in Canadian GAAP applicable to publicly accountable enterprises as a reference to the corresponding term or provision in Part V of the Handbook..

4. *Section 1.8 is replaced with the following:*

**1.8 Acceptable Accounting Principles and Auditing Standards**

An issuer filing any of the following items under the Instrument must comply with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*:

- (a) financial statements;
- (b) an operating statement for an oil and gas property as referred to in section 8.10 of the Instrument;
- (c) summarized financial information, including the aggregated amounts of assets, liabilities, revenue and profit or loss of a business as referred to in section 8.6 of the Instrument; or
- (d) financial information derived from a credit support issuer's financial statements as referred to in section 13.4 of the Instrument.

National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* sets out, among other things, the use of accounting principles other than Canadian GAAP applicable to publicly accountable enterprises or auditing

standards other than Canadian GAAS in preparing or auditing financial statements..

5. *Section 3.2 is replaced with the following:*

**3.2 Audit of Comparative Annual Financial Statements**

Section 4.1 of the Instrument requires a reporting issuer to file annual financial statements that include comparative information for the immediately preceding financial year and that are audited. The auditor's report must cover both the most recently completed financial year and the comparative period, except if the issuer changed its auditor during the periods presented in the annual financial statements and the new auditor has not audited the comparative period. In this situation, the auditor's report would normally refer to the predecessor auditor's report unless the predecessor auditor's report on the prior period's annual financial statements is reissued with the financial statements. This is consistent with Canadian Auditing Standard 710 *Comparative Information – Corresponding Figures and Comparative Financial Statements*..

6. *Section 3.3 is amended in the last sentence by adding “annual” before “financial statements”.*

7. *Section 3.4 is replaced with the following:*

**3.4 Auditor Involvement with an Interim Financial Report**

- (1) The board of directors of a reporting issuer, in discharging its responsibilities for ensuring the reliability of an interim financial report, should consider engaging an external auditor to carry out a review of the interim financial report.
- (2) Subsection 4.3(3) of the Instrument requires a reporting issuer to disclose if an auditor has not performed a review of the interim financial report, to disclose if an auditor was unable to complete a review and why, and to file a written report from the auditor if the auditor has performed a review and expressed a reservation in the auditor's interim review report. No positive statement is required when an auditor has performed a review and provided an unqualified communication. If an auditor was engaged to perform a review on an interim financial report applying review standards set out in the Handbook, and the auditor was unable to complete the review, the issuer's disclosure of the reasons why the auditor was unable to complete the review would normally include a discussion of
  - (a) inadequate internal control;
  - (b) a limitation on the scope of the auditor's work; or

- (c) the failure of management to provide the auditor with the written representations the auditor believes are necessary.
- (3) If a reporting issuer's annual financial statements are audited in accordance with Canadian GAAS, the terms "review" and "interim review report" used in subsection 4.3(3) of the Instrument refer to the auditor's review of, and report on, an interim financial report applying standards for a review of an interim financial report by the auditor as set out in the Handbook. However, if the reporting issuer's financial statements are audited in accordance with auditing standards other than Canadian GAAS, the corresponding review standards should be applied..
8. ***Section 3.5 is amended by replacing "interim financial statements" with "an interim financial report".***
9. ***Section 3.6 is amended by adding "The test of whether "to a reasonable person it is impracticable to present prior-period information on a basis consistent with subsection 4.3(2)" is objective, rather than subjective. Securities regulatory authorities are of the view that a reporting issuer can rely on the exemption only if it has made every reasonable effort to present prior-period information on a basis consistent with subsection 4.3(2) of the Instrument. We are of the view that an issuer should only rely on this exemption in unusual circumstances and generally not related solely to the cost or the time involved in preparing the financial statements." after "to do so."***
10. ***Section 3.9 is amended***
- (a) ***in subsection (2), by deleting "for accounting purposes", and***
  - (b) ***in subsection (3), by replacing "interim and annual financial statements" with "interim financial reports and the annual financial statements".***
11. ***The title of Part 4 is amended by adding "AND PRESENTATION" after "DISCLOSURE".***
12. ***Section 4.1 is amended***
- (a) ***in the title, by replacing "Results" with "Information",***
  - (b) ***in subsection (1), by replacing "interim financial statements" with "each interim financial report", and***
  - (c) ***in subsection (2), by replacing "NI 52-107" wherever it occurs with "National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards".***
13. ***Section 4.2 is amended by replacing "GAAP" with "Canadian GAAP applicable to publicly accountable enterprises".***

**14. Part 4 is amended by adding the following after section 4.2:**

**4.3 Presentation of Financial Information**

Canadian GAAP applicable to publicly accountable enterprises provides an issuer two alternatives in presenting its income: (a) in one single statement of comprehensive income, or (b) in a statement of comprehensive income with a separate income statement. If an issuer presents its income using the second alternative, both statements must be filed to satisfy the requirements of this Instrument. (See subsections 4.1(3) and 4.3(2.1) of the Instrument).

**15. Section 4A.3 is amended**

- (a) by deleting** “This concept of materiality is consistent with the one contained in the Handbook.”,
- (b) by replacing** “revenues, net income” **with** “revenue, profit or loss”, **and**
- (c) by replacing** “A financial outlook relating to earnings is commonly referred to” **with** “A financial outlook relating to profit or loss is commonly referred to”.

**16. Section 4A.9 is repealed.**

**17. Section 5.2 is amended**

- (a) by deleting** “or MD&A supplement”,
- (b) by replacing** “interim and annual financial statements” **with** “annual financial statements or interim financial report”, **and**
- (c) by replacing** “capitalized, deferred or expensed” **with** “expensed or recognized as assets”.

**18. Section 5.4 is amended**

- (a) by deleting** “or MD&A supplement”, **and**
- (b) by replacing** “interim and annual financial statements” **with** “annual financial statements or interim financial report”.

**19. Section 5.5 is amended by deleting** “or MD&A supplement” **wherever it occurs.**

**20. Subsection 6.2(1) is amended by replacing** “income” **with** “profit”.

**21. Subsection 8.1(3) is amended**

- (a) *by replacing “NI 52-107” with “National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards”, and*
- (b) *by replacing “, auditing standards and reporting currency” with “and auditing standards”.*

22. *Section 8.2 is amended*

- (a) *in subsection (1), by*
  - (i) *replacing “income from continuing operations” wherever it occurs with “specified profit or loss”,*
  - (ii) *replacing “time of the acquisition” wherever it occurs with “acquisition date”,*
  - (iii) *replacing “annual audited financial statements” with “audited annual financial statements”, and*
  - (iv) *replacing “business acquisition or report” with “business acquisition report”.*
- (b) *by replacing subsection (2) with the following:*
  - (2) **Business Using Accounting Principles Other Than Those Used by the Reporting Issuer** – Subsection 8.3(13) of the Instrument provides that, for the purposes of calculating the significance tests, the amounts used for the business or related businesses must, subject to subsection 8.3(13.1) of the Instrument, be based on the issuer’s GAAP, and translated into the same presentation currency as that used in the reporting issuer’s financial statements. This means that in some cases the amounts must be converted to the issuer’s GAAP and translated into the same presentation currency as that used in the reporting issuer’s financial statements.

Subsection 8.3(13.1) of the Instrument exempts venture issuers from the requirement in paragraph 8.3(13)(a) that, for the purposes of calculating the significance tests, the amounts used for the business or related businesses must be based on the issuer’s GAAP, but only where the financial statements for the business or related businesses were prepared in accordance with Canadian GAAP applicable to private enterprises and certain other conditions are met.

National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* permits financial statements for a business or related businesses to be prepared in accordance with U.S. GAAP without

reconciliation to the issuer's GAAP. This does not impact the application of paragraph 8.3(13)(a) of the Instrument. Thus, if the issuer's GAAP is not U.S. GAAP, paragraph 8.3(13)(a) of the Instrument requires, for the purposes of calculating the significance tests, that the amounts used for the business or related businesses be based on the issuer's GAAP.

Paragraph 8.3(13)(b) of the Instrument applies to all issuers and requires, for the purpose of calculating the significance tests, that the amounts used for the business or related businesses be translated into the same presentation currency as that used in the reporting issuer's financial statements.,

(c) *in subsection (3), by adding “annual” before “financial statements” in the first three occurrences,*

(d) *by adding the following after subsection (3):*

(3.1) **Application of Significance Tests for Business Combinations Achieved in Stages** – IFRS 3 *Business Combinations*, requires that when a business combination is achieved in stages the acquirer's previously held equity interest in the acquiree is remeasured at its acquisition date fair value with any resulting gain or loss recognized in profit or loss. The remeasurement of the previously held equity interest should not be included in the asset or the investment test and the resulting gain or loss from remeasurement should not be included in the profit or loss test. (See subsection 8.3(4.1) of the Instrument).,

(e) *by replacing subsection (4) with the following:*

(4) **Application of Investment Test for Significance of an Acquisition** – One of the significance tests set out in subsections 8.3(2) and (4) of the Instrument is whether the reporting issuer's consolidated investments in and advances to the business or related businesses exceed a specified percentage of the consolidated assets of the reporting issuer. In applying this test, the “investments in” the business should be determined using the consideration transferred, measured in accordance with the issuer's GAAP, including any contingent consideration. In addition, any payments made in connection with the acquisition which would not constitute consideration transferred but which would not have been paid unless the acquisition had occurred, should be considered part of investments in and advances to the business for the purpose of applying the significance tests. Examples of such payments include loans, royalty agreements, lease agreements and agreements to provide a pre-determined amount of future services. For purposes of the investment test, “consideration transferred” should be adjusted to exclude the carrying value of assets transferred by

the reporting issuer to the business or related businesses that will remain with the business or related businesses after the acquisition., **and**

- (f) **in subsection (5), by adding “annual” before “financial statements” wherever it occurs.**

**23. Section 8.3 is amended**

- (a) **in subsection (3), by replacing “date of the acquisition” with “acquisition date”, and**
- (b) **in subsection (4),**
  - (i) **in the title, by replacing “Income Test” with “Profit or Loss Test”,**
  - (ii) **by replacing “optional income test” wherever it occurs with “optional profit or loss test”, and**
  - (iii) **by replacing “income from continuing operations” wherever it occurs with “specified profit or loss”.**

**24. Section 8.5 is amended**

- (a) **in the title, by replacing “Step-By-Step Acquisitions” with “Multiple Investments in the Same Business”,**
- (b) **by replacing “increases its investments in a business by way of a step-by-step purchase as described in the Handbook” with “has made multiple investments in the same business”, and**
- (c) **by adding “annual” before “financial statements” wherever it occurs.**

**25. Subparagraph 8.6(4)(b) is replaced with the following:**

- (b) When complete financial records of the business acquired do not exist, carve-out financial statements must be prepared in accordance with subsection 3.11(6) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*..

**26. Section 8.7 is amended**

- (a) **in subsection (1),**
  - (i) **by replacing “pro forma statements” with “pro forma financial statements”,**

- (ii) *by replacing* “results of operations” *with* “financial performance”, *and*
  - (iii) *by deleting* “extraordinary items or”,
- (b) *in subsection (2),*
- (i) *in the title, by replacing* “Balance Sheet and Income Statements” *with* “Statement of Financial Position”, *and*
  - (ii) *by replacing* “balance sheet” *wherever it occurs with* “statement of financial position”,
- (c) *in subsection (3), by replacing* “an income statement” *with* “a statement of comprehensive income”,
- (d) *in subsection (4), by replacing* “should be based on the purchase price allocation arising from giving effect to the acquisition as if it occurred on the date of the reporting issuer’s most recent balance sheet filed” *with* “should be based on the acquisition date amounts of assets acquired and liabilities assumed as if the acquisition occurred on the date of the reporting issuer’s most recent statement of financial position filed”,
- (e) *by replacing subsection (5) with the following:*
- (5) **Acceptable Adjustments** – Pro forma adjustments are generally limited to the following two types of adjustments required by paragraph 8.4(7)(b) of the Instrument:
- (a) those directly attributable to the specific acquisition transaction for which there are firm commitments and for which the complete financial effects are objectively determinable; and
  - (b) adjustments to conform amounts for the business or related businesses to the issuer’s accounting policies.

If financial statements for a business or related businesses are prepared in accordance with accounting principles that differ from the issuer’s GAAP and the financial statements do not include a reconciliation to the issuer’s GAAP, pro forma adjustments as described in item (b) above will often be necessary. For example, financial statements for a business or related businesses may be prepared in accordance with U.S. GAAP, or in the case of a venture issuer, in accordance with Canadian GAAP applicable to private enterprises, in each case without a reconciliation to the issuer’s GAAP. Even if financial statements for a business or related businesses are prepared in accordance with the issuer’s GAAP, pro forma adjustments as described in item (b) may be necessary to conform

amounts for the business or related businesses to the issuer's accounting policies, including, for example, the issuer's revenue recognition policy where the revenue recognition policy of the business or related businesses differs from the issuer's policy.

If the presentation currency used in financial statements for a business or related businesses differs from the presentation currency used in the issuer's financial statements, the pro forma financial statements must present amounts for the business or related businesses in the presentation currency of the issuer's financial statements. The pro forma financial statements should explain any adjustments to conform presentation currency.,

- (f) *in subsection (7),*
  - (i) *in the title, by replacing “Earlier Interim Financial Statements” with “an Earlier Interim Financial Report”, and*
  - (ii) *by replacing “pro forma statements” with “pro forma financial statements”,*
- (g) *in subsection (8), by replacing “these statements” with “these financial statements”, and*
- (h) *by adding the following after subsection (8):*
  - (9) **Pro Forma Financial Statements where Financial Statements of a Business or Related Businesses are Prepared using Accounting Principles that Differ from the Issuer's GAAP** – Section 3.11 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* permits reporting issuers to include in a business acquisition report financial statements of a business or related businesses prepared in accordance with U.S. GAAP and without a reconciliation to the issuer's GAAP. That section also permits, subject to specified conditions, a venture issuer to include in a business acquisition report financial statements of a business or related businesses prepared in accordance with Canadian GAAP applicable to private enterprises and without a reconciliation to the issuer's GAAP. However, section 3.14 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* requires that pro forma financial statements be presented using accounting principles that are permitted by the issuer's GAAP and would apply to the information presented in the pro forma financial statements if that information were included in the issuer's financial statements for the same time period as that of the pro forma financial statements. As well, subsection 8.4(7) of the Instrument requires pro forma financial statements to include a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-referenced to

each related pro forma adjustment. Therefore, the pro forma financial statements must describe the adjustments presented in the pro forma income statement relating to the business or related businesses to adjust amounts to the issuer's GAAP and accounting policies.

The pro forma statement of financial position should present the following information:

- (i) the statement of financial position of the reporting issuer;
- (ii) the statement of financial position of the business or related businesses;
- (iii) pro forma adjustments attributable to each significant acquisition that reflect the reporting issuer's accounting for the acquisition and include new values for the business' assets and liabilities; and
- (iv) a pro forma statement of financial position combining items (i) through (iii).

The pro forma income statement should present the following information:

- (i) the income statement of the reporting issuer;
- (ii) the income statement of the business or related businesses;
- (iii) pro forma adjustments attributable to each significant acquisition and other adjustments relating to the business or related businesses to conform amounts to the issuer's GAAP and accounting policies; and
- (iv) a pro forma income statement combining items (i) through (iii)..

27. *Section 8.8 is amended by replacing* "date of the acquisition" *with* "acquisition date".

28. *Subsection 8.9(2) is amended*

- (a) *by adding* "annual" *before* "financial statements",
- (b) *by replacing* "income statements" *with* "statements of comprehensive income",
- (c) *by replacing* "cash flow" *with* "cash flows", *and*
- (d) *by replacing* "statement of net operating income for a business" *with* "statement of operations".

29. *Subsection 8.10(2) is amended*

- (a) *in the title, by replacing* “Interim Financial Statements” *with* “an Interim Financial Report”, *and*
- (b) *by replacing* “interim financial statements” *wherever it occurs with* “interim financial report”.

30. *Part 13 is amended*

- (a) *by replacing*

**Department of Justice, Northwest Territories**

Legal Registries  
P.O. Box 1320  
1st Floor, 5009-49th Street  
Yellowknife, NWT X1A 2L9  
Attention: Director, Legal Registries

*with*

**Department of Justice, Northwest Territories**

Securities Office  
P.O. Box 1320  
1st Floor, 5009-49th Street  
Yellowknife, NWT X1A 2L9  
Attention: Superintendent of Securities,

- (b) *under* “Department of Justice, Nunavut”, *by replacing* “Director, Legal Registries Division” *with* “Superintendent of Securities”, *and*

- (c) *by replacing*

**Registrar of Securities, Government of Yukon**

Corporate Affairs J-9  
P.O. Box 2703  
Whitehorse, Yukon  
Y1A 5H3  
Attention: Registrar of Securities

*with*

**Superintendent of Securities, Government of Yukon**

Corporate Affairs J-9  
P.O. Box 2703  
Whitehorse, Yukon  
Y1A 5H3  
Attention: Superintendent of Securities.

31. *The following is added after Part 13:*

**PART 14      TRANSITION**

**14.1    Transition – Application of Amendments**

The amendments to the Instrument and this Policy which came into effect on January 1, 2011 only apply to documents required to be prepared, filed, delivered or sent under the Instrument for periods relating to financial years beginning on or after January 1, 2011..

32. *Appendix A is amended, in the footnote, by replacing “Balance sheet” with “Statement of financial position”.*
33. *These amendments only apply to documents required to be prepared, filed, delivered or sent under National Instrument 51-102 Continuous Disclosure Obligations for periods relating to financial years beginning on or after January 1, 2011.*
34. *Despite section 33, an issuer may apply these amendments to all documents required to be prepared, filed, delivered or sent under National Instrument 51-102 Continuous Disclosure Obligations for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.*
35. *These amendments become effective on January 1, 2011.*

**Amendments to  
Companion Policy 71-102CP *Continuous Disclosure and Other Exemptions Relating to  
Foreign Issuers***

1. ***Companion Policy 71-102CP Continuous Disclosure and Other Exemptions Relating to Foreign Issuers is amended.***
2. ***Subsection 1.2(3) is amended by replacing “Acceptable Accounting Principles, Auditing Standards and Reporting Currency” with “Acceptable Accounting Principles and Auditing Standards”.***
3. ***Section 2.1 is amended***
  - (a) ***in the preamble, by deleting “, other than the relief for “foreign transition issuers” in Part 6,” and***
  - (b) ***in the last paragraph, by deleting “and paragraph (d) of the definition of “foreign transition issuer” in section 6.2 of the Instrument”.***
4. ***Section 4.1 is amended by replacing “Form 20 on SEDAR” with “Form 20F on SEDAR”.***
5. ***Section 6.4 is amended***
  - (a) ***in paragraph (a), by deleting “applicable in jurisdictions other than Alberta, British Columbia and Manitoba”, and***
  - (b) ***in paragraph (c), by***
    - (i) ***replacing “Multilateral” with “National”, and***
    - (ii) ***deleting “or BC Instrument 52-509 Audit Committees”.***
6. ***The following is added after Part 7:***

**PART 8      TRANSITION**

**8.1      Transition**

The amendments to the Instrument and this Policy which came into effect on January 1, 2011 only apply to documents required to be prepared, filed, delivered or sent under the Instrument for periods relating to financial years beginning on or after January 1, 2011..

7. *These amendments only apply to documents required to be prepared, filed, delivered or sent under National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers for periods relating to financial years beginning on or after January 1, 2011.*
8. *Despite section 7, an issuer may apply these amendments to all documents required to be prepared, filed, delivered or sent under National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers for periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.*
9. *These amendments become effective on January 1, 2011.*