

THE MANITOBA SECURITIES COMMISSION
MSC Rule No. 2004-9
(Section 149.1, *The Securities Act*)

**LOCAL RULE 71-801 IMPLEMENTING
NATIONAL INSTRUMENT 71-101**

PART 1 – DEFINITIONS AND INTERPRETATION

Definitions and interpretation

1.1 In this rule:

- (a) “Act” means The Securities Act;
- (b) “NI 71-101” means National Instrument 71-101 *The Multijurisdictional Disclosure System*;
- (c) “rules” mean The Manitoba Securities Commission rules.

1.2 Each term used in this rule that is defined or interpreted in Part 1 of NI 71-101 has the meaning ascribed to it in that Part.

PART 2 – MJDS PROSPECTUS DISTRIBUTIONS

Preliminary MJDS prospectus and MJDS prospectus

2.1 The following provisions of the Act do not apply to a distribution of securities made by MJDS prospectus in compliance with NI 71-101:

- (a) section 37 insofar as that section concerns the form and content of a preliminary prospectus or prospectus;
- (b) sections 40(2) and 55 insofar as those sections concern the form, content and circumstances of filing an amendment to a preliminary prospectus or prospectus;
- (c) sections 52(1) and 53(1);
- (d) section 56 insofar as that section limits the duration of the distribution of securities under an MJDS prospectus in relation to a Rule 415 offering.

Distribution by issuer of rights granted to holders of securities

2.2 Section 6 of the Act does not apply to the distribution made in compliance with the provisions of NI 71-101 and otherwise in accordance with the Act and the Rules of:

(a) a right granted by the Issuer to holders of its securities to purchase additional securities of its own issue; or

(b) a security of its own issue issued through the exercise or right of the holder to purchase or otherwise acquire in accordance with the terms and conditions of a security distributed under paragraph (a).

Solicitations of expressions of interest

2.3 Section 38 of the Act does not apply to the solicitation of expressions of interest with respect to distributions of security before the filing of a preliminary MJDS prospectus if the Issuer complies with Part XI of NI 71-101 and otherwise with the Act and the Rules.

PART 3 –BIDS FOR SECURITIES OF U.S. ISSUERS

Application of the Act to bids

3.1(1) Subject to subsections 2 to 6, 85 to 89 and section 91 of the Act do not apply to a bid that is made in accordance with Part 12 of NI 71-101.

3.1(2) Subsection 85(5) of the Act applies if security holders of the offeree issuer whose last address as shown on the books of the issuer is in Canada, as determined in accordance with subsections 12.1(2) through (4) of NI 71-101, hold 20% or more of a class of securities that is the subject of the bid.

3.1(3) Paragraph 86(a) of the Act applies except the requirement that the offeror deliver the bid to all owners of securities that before the expiry of the bid are convertible into securities of the class that is subject to the bid who are in Manitoba.

3.1(4) Subsections 89(1), 89(3), 89(7) and 91(1) of the Act apply.

3.1(5) The requirement in subsection 89(2) to deliver a notice of change to every person or company to whom the circular was required to be delivered and whose securities were not taken up at the date of the occurrence of the change applies.

3.1(6) The requirement in subsection 89(4) to deliver a notice of variation to every person or company to whom the circular was required to be delivered and whose securities were not taken up at the date of the variation applies.

Application of the Regulations to bids

3.2 The requirements in Part XIV of Manitoba Regulation 491/88R for a valuation of the offeree issuer in an MJDS Takeover Bid Circular for an insider bid or in an MJDS Issuer Bid Circular do not apply unless security holders of the offeree issuer whose last address as shown on the books of the issuer is in Canada, as determined in accordance with subsections 12.1(2) through (4) of NI 71-101, hold 20% or more of the class of securities as the subject of the bid.

Director's circular

3.3 The following sections of the Act and the regulations do not apply to the individual directors or officers of an offeree issuer who elect and comply with Part 12 of NI 71-101 (instead of the provisions of the Act and the regulations) in the preparation of a director's circular or individual director's circular or officers circular:

- (a) sections 90 and 91 of the Act; and
- (b) sections 103, 104, 106 and 113(1) of the Regulation.

PART 4 - FINANCIAL REPORTING, MEETINGS, PROXIES AND PROXY SOLICITATION, SHAREHOLDER COMMUNICATIONS AND INSIDER REPORTING

Filing and sending of financial statements

4.1 The requirements of sections 129, 120(1) and 119(2) of the Act with respect to the filing and sending of interim financial statements and annual financial statements and auditor's reports for such statements may be satisfied, by a U.S. issuer that has a class of securities registered under section 12 of the 1934 Act, by compliance with Part 15 of NI 71-101.

Proxies and solicitation of proxies

4.2 The requirements of Part 10 of the Act and Part 3 of The Securities Regulation do not apply to a U.S. issuer that has a class of securities registered under section 12 of the 1934 Act and which complies with Part 16 of NI 71-101.

Insider reports

4.3 Section 109 of the Act does not apply to an insider of a U.S. issuer that has a class of securities registered under section 12 of the 1934 Act if the insider complies with Part 17 of NI 71-101.

PART 5 – REPRESENTATIONS

5.1 Section 69(3) of the Act does not apply to a U.S. issuer distributing securities in compliance with NI 71-101.

PART 6 - CITATION AND EFFECTIVE DATE

Citation

6.1 This Instrument may be cited as MSC Rule 2004-9.

Effective date

6.2 This Rule comes into force on April 21, 2004.

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**LOCAL RULE 71-801 IMPLEMENTING
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THE MULTIJURISDICTIONAL DISCLOSURE SYSTEM**

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