

**Note: [25 Sep 2009]** – Proposed amendments to NI 51-102. Refer to Appendix B, Schedule B-1 of CSA Notice announcing proposed amendments to NI 51-102 and NI 71-102 dated 25 Sept 2009.

**Proposed 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) of National Instrument 51-102 is amended by***
  - (a) ***before the definition of “AIF”, adding the following definition:***

“acquisition date” means the acquisition date required for accounting purposes;
  - (b) ***in the definition of “AIF”, striking out “, Form 10-KSB”,***
  - (c) ***repealing the definition of “date of acquisition”,***
  - (d) ***after the definition of “common share”, adding the following definition:***

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

“financial statements” includes interim financial reports;

“first IFRS financial statements” has the meaning ascribed to that term in Canadian GAAP;
  - (g) ***in the definition of “FOFI”, or “future-oriented financial information”,***
    - (i) ***striking out “results of operations” and substituting “financial performance”, and***

- (ii) **striking out** “balance sheet, income statement or cash flow statement” **and substituting** “statement of financial position, statement of comprehensive income or statement of cash flows”,
- (h) **repealing the definition of** “income from continuing operations”,
- (i) **after the definition of** “form of proxy”, **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) **repealing the definition of** “inter-dealer bond broker” **and substituting 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”, **striking out** “National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*” **and substituting** “NI 52-107”,
- (l) **in the definition of** “MD&A”, **striking out** “or Item 303 of Regulation S-B”,
- (m) **after the definition of** “new financial year”, **adding the following definition:**

“NI 52-107” means National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;
- (n) **after the definition of** “old financial year”, **adding the following definition:**

“operating income” means gross revenue minus royalty expenses and production costs,;
- (o) **repealing the definition of** “reverse takeover” **and substituting the following:**

“reverse takeover” means a reverse acquisition, as defined in Canadian GAAP applicable to publicly accountable enterprises, or a 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,;

- (p) after the definition of “transition year”, adding the following definition:**  
“U.S. AICPA GAAS” has the same meaning as in NI 52-107;
- (q) repealing the definition of “U.S. GAAP” and substituting the following:**  
“U.S. GAAP” has the same meaning as in NI 52-107;
- (r) after the definition of “U.S. GAAP”, adding the following definition:**  
“U.S. PCAOB GAAS” has the same meaning as in NI 52-107; **and**
- (s) in the definition of “venture issuer”, striking out “date of acquisition” and substituting “acquisition date”.**

**3. Section 4.1 of National Instrument 51-102 is amended by**

- (a) repealing subsection (1) and substituting 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) a statement of financial position as at the beginning of the financial year immediately preceding the most recently completed financial year in the case of a reporting issuer that discloses in its annual financial statements an explicit and unreserved statement of compliance with IFRS and that

      - (i) applies an accounting policy retrospectively in its annual financial statements,
      - (ii) makes a retrospective restatement of items in its annual financial statements, or
      - (iii) reclassifies items in its annual financial statements;

- (d) in the case of a 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) 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 of National Instrument 51-102 is amended by**

**(a) in the title, striking out “Interim Financial Statements” and substituting “Interim Financial Report”,**

**(b) in subsection (1), striking out “interim financial statements for interim periods” and substituting “an interim financial report for each interim period”,**

**(c) repealing subsection (2) and substituting 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) a statement of financial position as at the beginning of the immediately preceding financial year in the case of a reporting issuer that discloses in its interim financial report compliance with

International Accounting Standard 34 *Interim Financial Reporting* and that

- (i) applies an accounting policy retrospectively in its interim financial report,
  - (ii) makes a retrospective restatement of items in its interim financial report, or
  - (iii) reclassifies items in its interim financial report;
  - (e) in the case of the 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) **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, striking out** “Interim Financial Statements” **and substituting** “an Interim Financial Report”,
  - (ii) **striking out** “interim financial statements” **wherever it occurs and substituting** “interim financial report”,
  - (iii) **in paragraph (a),**
    - (A) **striking out** “review of the” **and substituting** “review of an”, **and**
    - (B) **striking out** “financial statements have” **and substituting** “interim financial report has”, **and**
  - (iv) **in paragraph (b), striking out** “review of the” **and substituting** “review of an”.
- (f) **in subsection (4)**
- (i) **in the title, striking out** “Interim Financial Statements” **and substituting** “an Interim Financial Report”,

- (ii) *in paragraph (a),*
  - (A) *striking out* “interim financial statements” *and substituting* “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), striking out* “annual or interim financial statements” *and substituting* “annual financial statements or an interim financial report”,
- (iv) *in paragraph (c),*
  - (A) *striking out* “interim financial statements” *and substituting* “interim financial report”, *and*
  - (B) *striking out* “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), striking out* “restated financial statements” *and substituting* “restated interim financial report”.

5. *Section 4.4 of National Instrument 51-102 is amended by*

- (a) *in the title, striking out* “Interim Financial Statements” *and substituting* “an Interim Financial Report”,
- (b) *in the preamble, striking out* “The interim financial statements” *and substituting* “An interim financial report”, *and*
- (c) *in paragraphs (a) and (b), striking out* “interim financial statements” *wherever it occurs and substituting* “an interim financial report”.

6. *Section 4.5 of National Instrument 51-102 is amended by*

- (a) *in subsection (1), adding* “annual” *before* “financial”,
- (b) *in subsection (2),*
  - (i) *striking out* “financial statements” *and substituting* “interim financial report”, *and*

- (ii) *striking out* “statements are” *and substituting* “report is”, *and*
  - (c) *in subsection (3), striking out* “financial statements” *and substituting* “interim financial report”.
7. *Section 4.6 of National Instrument 51-102 is amended by*
- (a) *in subsection (1), striking out* “interim financial statements” *wherever it occurs and substituting* “interim financial reports”, *and*
  - (b) *in subsection (3), striking out* “annual or interim financial statements” *and substituting* “annual financial statements or interim financial reports”, *and*
  - (c) *in subsection (4), striking out* “annual or interim financial statements” *and substituting* “annual financial statements or interim financial reports”.
8. *Section 4.7 of National Instrument 51-102 is amended by*
- (a) *in subsection (1), striking out* “annual and interim financial statements” *and substituting* “annual financial statements and interim financial reports”,
  - (b) *in subsection (2), adding* “annual” *after* “those”,
  - (c) *in subsection (3),*
    - (i) *striking out* “interim financial statements” *and substituting* “an interim financial report”, *and*
    - (ii) *striking out* “those financial statements” *and substituting* “that interim financial report”, *and*
  - (d) *in paragraph (4)(c), striking out* “interim financial statements” *and substituting* “interim financial report”.
9. *Section 4.8 of National Instrument 51-102 is amended by*
- (a) *in subsection (3),*
    - (i) *in paragraph (e), striking out* “the interim and annual financial statements” *and substituting* “each interim financial report and the annual financial statements”,
    - (ii) *in paragraph (f), striking out* “the interim and annual financial statements” *and substituting* “the annual financial statements and interim financial reports”,

(b) *in subsection (5), striking out “interim financial statements” and substituting “an interim financial report”,*

(c) *repealing subsection (6) and substituting 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) a statement of financial position as at the beginning of the old financial year in the case of a reporting issuer that discloses in its annual financial statements an explicit and unreserved statement of compliance with IFRS and that
  - (i) applies an accounting policy retrospectively in its annual financial statements,
  - (ii) makes a retrospective restatement of items in its annual financial statements, or
  - (iii) reclassifies items in its annual financial statements; and
- (d) in the case of a reporting issuer’s first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS. ,

(d) *repealing subsection (7) and substituting 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) a statement of financial position as at the beginning of the earliest comparative period in the case of a reporting issuer that discloses in its interim financial report compliance with International Accounting Standard 34 *Interim Financial Reporting* and that
  - (i) applies an accounting policy retrospectively in its interim financial report,
  - (ii) makes a retrospective restatement of items in its interim financial report, or
  - (iii) reclassifies items in its interim financial report; and
- (d) in the case of the 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) ***repealing subsection (8) and substituting 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) a statement of financial position as at the beginning of the earliest comparative period in the case of a reporting issuer that discloses in its interim financial report compliance with International Accounting Standard 34 *Interim Financial Reporting* and that
  - (i) applies an accounting policy retrospectively in its interim financial report,
  - (ii) makes a retrospective restatement of items in its interim financial report, or
  - (iii) reclassifies items in its interim financial report; and
- (d) in the case of the 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) of National Instrument 51-102 is amended by striking out “interim and annual financial statements” and substituting “interim financial reports and the annual financial statements”.**

**11. Section 4.10 of National Instrument 51-102 is amended by**

- (a) in paragraph (2)(c), striking out “the interim financial statements” and substituting “each interim financial report”.**
- (b) in subsection (3),**
  - (i) in the title, striking out “Interim Financial Statements” and substituting “each Interim Financial Report”, and**
  - (ii) in paragraph (c), striking out “interim financial statements” and substituting “interim financial report”.**

**12. Section 4.11 of National Instrument 51-102 is amended by**

- (a) in subsection (1), in the definition of “disagreement”,**
  - (i) striking out “interim financial statements” wherever it occurs and substituting “interim financial report”, and**
  - (ii) striking out “reservation” wherever it occurs and substituting “modified opinion”,**
- (b) in subsection (2), striking out “Handbook” and substituting “issuer’s GAAP”, and**
- (c) in paragraph (7)(d),**
  - (i) striking out “any reservation” and substituting “a modified opinion”, and**
  - (ii) striking out “each reservation” and substituting “each modification”.**

**13. Section 5.1 of National Instrument 51-102 is amended by**

- (a) in subsection (1), striking out “annual and interim financial statements” and substituting “annual financial statements and each interim financial report”,**
- (b) in subsection (1.1), striking out “annual and interim financial statements” and substituting “annual financial statements and interim financial reports”,**
- (c) in subsection (2),**
  - (i) in the preamble, striking out “by” and substituting “on or before”, and**

- (ii) ***in paragraph (a), striking out*** “annual and interim financial statements” ***and substituting*** “annual financial statements and each interim financial report”.

**14. Section 5.2 of National Instrument 51-102 is amended by**

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

**15. Section 5.3 of National Instrument 51-102 is amended by**

- (a) ***repealing subsection (1) and substituting 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), striking out*** “interim financial statements” ***and substituting*** “interim financial report”, ***and***
- (c) ***in subsection (3), striking out*** “or MD&A supplement”.

**16. Subsection 5.4(1) of National Instrument 51-102 is amended by striking out “, or in its MD&A supplement if one is required under section 5.2,”.**

**17. Section 5.5 of National Instrument 51-102 is amended by**

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

**18. Section 5.6 of National Instrument 51-102 is amended by**

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

**19. Section 5.7 of National Instrument 51-102 is amended by**

- (a) in subsection (1), striking out** “, or in its MD&A supplement if one is required under section 5.2.”,
- (b) repealing paragraph (1)(a) and substituting 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), striking out** “earnings” **and substituting** “profit or loss”,
- (d) in paragraph (2)(b), striking out** “statements” **and substituting** “report”, **and**
- (e) in paragraph (3)(a), striking out** “or MD&A supplement”.

**20. Section 5.8 of National Instrument 51-102 is amended by**

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

- (b) *in subsection (3),*

    - (i) *striking out “or MD&A supplement” wherever it occurs, and*
    - (ii) *in subparagraph (b)(iii), striking out “on” and substituting “at”,*
  - (c) *in subsection (4), striking out “, or MD&A supplement if one is required under section 5.2,”,*
  - (d) *in subsection (5),*
    - (i) *in paragraph (a), striking out “, in its MD&A or MD&A supplement if one is required under section 5.2, disclose” and substituting “disclose in its MD&A”, and*
    - (ii) *in paragraph (b), striking out “or MD&A supplement” wherever it occurs, and*
  - (e) *in subsection (6),*
    - (i) *striking out “or MD&A supplement” wherever it occurs, and*
    - (ii) *in subparagraph (b)(iii), striking out “on” and substituting “at”.*
21. *Section 6.2 of National Instrument 51-102 is amended by*
- (a) *in paragraph (b), striking out “in” after “AIF” and substituting “on”, and*
  - (b) *striking out “, Form 10-KSB” wherever it occurs.*
22. *Subsection 8.1(1) of National Instrument 51-102 is amended by, after the definition of “acquisition of related businesses”, adding the following definition:*
- “acquisition test profit or loss” means profit or loss, adjusted to exclude discontinued operations and income taxes;.
23. *Section 8.2 of National Instrument 51-102 is amended by striking out “date of acquisition” wherever it occurs and substituting “acquisition date”.*
24. *Section 8.3 of National Instrument 51-102 is amended by*
- (a) *striking out “date of the acquisition” and “date of acquisition” wherever it occurs and substituting “acquisition date”,*
  - (b) *striking out “income from continuing operations” wherever it occurs and substituting “acquisition test profit or loss”,*

- (c) **in the preamble to subsection (2), adding** “and subject to subsections (4.1) and (4.2)” **after** “subsection (1)”,
- (d) **in paragraph (2)(a), adding** “annual” **before** “financial statements”,
- (e) **in paragraph 2(c),**
  - (i) **in the title, striking out** “Income” **and substituting** “Profit or Loss”, **and**
  - (ii) **adding** “annual” **before** “financial statements”,
- (f) **in subsection (4),**
  - (i) **in the preamble, adding** “and subject to subsections (4.1) and (4.2)” **after** “subsection (3)”, **and**
  - (ii) **in paragraph (c), in the title, striking out** “Income” **and substituting** “Profit or Loss”,
- (g) **adding the following after subsection (4):**
  - (4.1) For the purposes of calculating significance under the significance tests in subsection (2) or re-calculating significance under the optional significance tests in subsection (4), the reporting issuer must not remeasure its previously held equity interest in the business or related businesses and must not
    - (a) include the remeasurement in the asset test or the investment test, or
    - (b) include any resulting gain or loss from remeasurement in the profit or loss test.
  - (4.2) For the purposes of the significance test in paragraph (2)(b) and the optional significance test in paragraph (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,
- (h) *in the title to subsection (7), striking out "Income" and substituting "Profit or Loss",*
- (i) *in the title to subsection (8), striking out "Income" wherever it occurs and substituting "Profit or Loss",*
- (j) *in subsection (9),*
  - (i) *in the title, striking out "Income" wherever it occurs and substituting "Profit or Loss", and*
  - (ii) *striking out "income" after "average consolidated" and substituting "acquisition test profit or loss",*
- (k) *in subsection (10),*
  - (i) *in the title, striking out "Income" and substituting "Profit or Loss", and*
  - (ii) *striking out "income" after "average consolidated" and substituting "acquisition test profit or loss",*
- (l) *in subsection (11),*
  - (i) *in the title, striking out "Step-By-Step Acquisitions" and substituting "Multiple Investments in the Same Business", and*
  - (ii) *striking out "a "step-by-step" purchase as described in the Handbook" and substituting "multiple investments in the same business",*
- (m) *in subsection (11.1),*
  - (i) *in the title, striking out "Income" and substituting "Profit or Loss", and*
  - (ii) *striking out "income test" and substituting "profit or loss test",*
- (n) *in subsection (12), striking out "annual audited financial statements" and substituting "audited annual financial statements",*
- (o) *in subsection (13), striking out "reporting currency" and substituting "presentation currency", and*

- (p) *in subsection (14), striking out* “subsection 6.1(1) of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*” *and substituting* “subsections 3.11(1), 3.11(2) and 3.11(3) of NI 52-107”.

25. *Section 8.4 of National Instrument 51-102 is amended by*

- (a) *striking out* “date of acquisition” *wherever it occurs and substituting* “acquisition date”,
- (b) *striking out* “balance sheet” *wherever it occurs and substituting* “statement of financial position”,
- (c) *in paragraph (1)(a), striking out* “an income statement, a statement of retained earnings and a cash flow statement” *and substituting* “a statement of comprehensive income, a statement of changes in equity and a statement of cash flows”,
- (d) *in the title to subsection (3), striking out* “Interim Financial Statements” *and substituting* “Interim Financial Report”,
- (e) *after subsection (3), adding the following:*
- (3.1) **Contents of Interim Financial Report if Acquisition Statements are Prepared in Accordance with 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 NI 52-107, then 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.
- (3.2) **Application** – Subsection (3.1) does not apply in Ontario.
- (f) *in subsection (4),*

- (i) *in the title, striking out “Interim”, and*
    - (ii) *in paragraph (a), adding “and” after “before the acquisition;”,*
  - (g) *repealing paragraph (4)(b),*
  - (h) *in subparagraph (5)(b),*
    - (i) *in clause (i)(B), striking out “financial statements” and substituting “an interim financial report”, and*
    - (ii) *in subparagraph (ii), striking out “an income statement” and substituting “a statement of comprehensive income”,*
  - (i) *in the title to subsection (6), striking out “Interim”, and*
  - (j) *in paragraph (7)(e), striking out “, gross profit and income” and substituting “and profit or loss”.*
26. *Section 8.6 of National Instrument 51-102 is amended by*
- (a) *repealing subparagraph (b)(i) and substituting 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), striking out “earnings” and substituting “profit or loss”, and*
  - (c) *in subparagraph (d)(iii), striking out “reservation” and substituting “modified opinion”.*
27. *Section 8.9 of National Instrument 51-102 is amended by*
- (a) *in the preamble, striking out “interim financial statements” and substituting “an interim financial report”, and*
  - (b) *in paragraph (c), striking out “interim financial statements” and substituting “interim financial report”.*
28. *Section 8.10 of National Instrument 51-102 is amended by*
- (a) *in subsection (2),*
    - (i) *in the title, striking out “Income” and substituting “Profit or Loss”,*

(ii) *striking out* “consolidated income from continuing operations” *and substituting* “acquisition test profit or loss”, *and*

(iii) *striking out* “income test” *and substituting* “profit or loss test”, *and*

(b) *repealing paragraph (3)(d)*.

29. *Section 8.11 of National Instrument 51-102 is amended by*

(a) *in the title, striking out* “Step-By-Step Acquisitions” *and substituting* “Multiple Investments in the Same Business”,

(b) *striking out* “a “step-by-step” purchase as described in the Handbook” *and substituting* “multiple investments in the same business”.

30. *Part 8 of National Instrument 51-102 is amended by adding the following after section 8.11:*

**8.12 Exemption for financial statements of a business or related businesses prepared in accordance with Canadian GAAP applicable for private enterprises**

(1) This section does not apply in Ontario.

(2) Subsection 8.3(13) does not apply if the financial statements for the business or related businesses referred to in subsections 8.3(2) and (4)

(a) are prepared in accordance with Canadian GAAP applicable to private enterprises;

(b) consolidate any subsidiaries and account for significantly influenced investees and joint ventures using the equity method; and

(c) were not prepared in accordance with any of the accounting principles specified in paragraphs 3.11(1)(a) through (e) of NI 52-107.

(3) Despite subsection (2), for the purposes of the significance tests in subsections 8.3(2) and (4), the financial statements of the business or related businesses must be translated into the same presentation currency as that used in the reporting issuer’s financial statements.

31. *Paragraph 9.4(9)(a) of National Instrument 51-102 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”.

32. *Subsection 10.1(3) of National Instrument 51-102 is amended by striking out* “interim financial statements” *and substituting* “an interim financial report”.

33. **Section 11.4 of National Instrument 51-102 is amended by striking out** “results of operations” **and substituting** “financial performance”.
34. **Paragraph 11.5(b) of National Instrument 51-102 is amended by striking out** “retroactive” **and substituting** “retrospective”.
35. **Section 13.4 of National Instrument 51-102 is amended by**
  - (a) **in subsection (1),**
    - (i) **in the definition of** “designated credit support securities”,
      - (A) **adding** “securities” **after** “debt” **wherever it occurs,**
      - (B) **striking out** “is” **and substituting** “are”, **and**
      - (C) **striking out** “and” **after** “supporter within 15 days of any failure by the credit support issuer to make a payment;”,
    - (ii) **adding** “and” **after the definition of** “subsidiary credit supporter”, **and**
    - (iii) **in the definition of** “summary financial information”,
      - (A) **striking out** “sales or revenues” **and substituting** “revenue”,
      - (B) **striking out** “income” **and substituting** “profit or loss”,
      - (C) **striking out** “net earnings” **and substituting** “profit”, **and**
      - (D) **striking out** “balance sheet” **and substituting** “statement of financial position”,
  - (b) **in paragraph (2)(g),**
    - (i) **in the preamble, striking out** “the interim and annual financial statements” **and substituting** “each consolidated interim financial report and consolidated annual financial statements”,
    - (ii) **in clause (i)(A), striking out** “revenues” **and substituting** “revenue”, **and**
    - (iii) **in subparagraph (ii), striking out** “interim or annual consolidated” **and substituting** “consolidated interim financial report or consolidated annual”,
  - (c) **in paragraph (2.1)(c),**

- (i) *striking out* “the interim and annual consolidated” *and substituting* “each consolidated interim financial report and the consolidated annual”, *and*
- (ii) *striking out* “any interim or annual consolidated” *and substituting* “any consolidated interim financial report or consolidated annual”, *and*
- (d) *in paragraph (2.2)(b), striking out* “revenues” *and substituting* “revenue”.

**36. Part 14 of National Instrument 51-102 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 must 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 must 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 must 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 if the first interim financial report is in respect of an interim period ending after March 30, 2012.

#### **14.4 Transition – Application of Amendments**

Despite section 14.1 the amendments to this Instrument which came into force on January 1, 2011 only apply to periods relating to financial years beginning on or after January 1, 2011.

#### **37. Part 1 of Form 51-102F1 Management’s Discussion & Analysis is amended by**

- (a) *striking out* “results of operations” *wherever it occurs and substituting* “financial performance”,
- (b) *striking out* “earnings” *and substituting* “profit or loss”,
- (c) *in paragraph (f), striking out* “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”,
- (d) *repealing paragraph (g) and substituting 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),*

(i) *striking out* “When” *and substituting* “If”,

(ii) *striking out* “accounted for as”,

(f) *repealing paragraph (i):*

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

“This Form also uses accounting terms that are defined, or referred to, in Canadian GAAP. See subsections 1.4(7) and (8) of Companion Policy 51-102CP.”, *and*

(h) *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.

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

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

(a) *striking out* “results of operations” *wherever it occurs and substituting* “financial performance”,

(b) *striking out* “as those terms are used in the Handbook”,

(c) *striking out* “revenues, income” *and substituting* “revenue, profit or loss”, *and*

(d) *striking out the first sentence of instruction (ii).*

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

(a) *in the preamble of subsection (1), adding* “annual” *before* “financial statements”,

(b) *in paragraph (1)(a), striking out* “net sales or total revenues” *and substituting* “total revenue”,

(c) *in paragraph (1)(b), striking out* “income” *and substituting* “profit” *and striking out* “and extraordinary items”,

- (d) *in paragraph (1)(c), striking out “net income” and substituting “profit”,*
- (e) *in paragraph (1)(e), striking out “long-term” and substituting “non-current”,*
- (f) *in paragraph (1)(f), adding “distributions or” before “cash dividends”,*
- (g) *in subsection (2), striking out “condition and results of operations” and substituting “position and financial performance”, and*
- (h) *repealing the Instruction and substituting the following:*

*INSTRUCTION*

*Indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency, the functional currency if different from the presentation currency.*

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

- (a) *in the title, striking out “Results of Operations” and substituting “Discussion of Operations”,*
- (b) *in paragraph (a), striking out “net sales or total revenues by operating business” and substituting “total revenue by reportable”,*
- (c) *in paragraph (b), striking out “net sales or total revenues” and substituting “total revenue”,*
- (d) *in paragraph (d), striking out “operating”,*
- (e) *in paragraph (f), striking out “revenues” and substituting “revenue”,*
- (f) *in paragraph (g),*
  - (i) *striking out “net sales,”,*
  - (ii) *striking out “income” and substituting “profit”, and*
  - (iii) *striking out “and extraordinary items”, and*
- (g) *in paragraph (h),*
  - (i) *striking out “net sales or total revenues” and substituting “total revenue”,*
  - (ii) *striking out “income” and substituting “profit”, and*

(ii) *striking out* “and extraordinary items”.

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

- (a) *in paragraph (a), striking out* “net sales or total revenues” *and substituting* “total revenue”,
- (b) *in paragraph (b),*
  - (i) *striking out* “income” *and substituting* “profit”, *and*
  - (ii) *striking out* “and extraordinary items”,
- (c) *in paragraph (c), striking out* “net income” *and substituting* “profit”,
- (d) *in subparagraph (iii) of the instructions,*
  - (A) *in clause (G), striking out* “revenues” *and substituting* “revenue”, *and*
  - (B) *in clause (J), striking out* “cash flow” *and substituting* “cash flows”,
- (e) *repealing subparagraph (iv) of the instructions and substituting the following:*
  - (iv) *Indicate the accounting principles that the financial data has been prepared in accordance with, the presentation currency, the functional currency if different from the presentation currency.*

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

- (a) *striking out* “balance sheet” *wherever it occurs and substituting* “statement of financial position”,
- (b) *striking out* “income” *wherever it occurs and substituting* “profit or loss”,
- (c) *in subparagraph (h)(i), adding* “distributions or” *before* “dividend”,
- (d) *in clause (ii)(A) of the instructions, striking out* “earnings” *and substituting* “profit or loss”,
- (e) *in the table in subparagraph (iv) of the instructions*
  - (i) *striking out* “Long Term” *wherever it occurs, and*
  - (ii) *striking out* “Capital” *and substituting* “Finance”, *and*
- (f) *in footnote 2 of the table in subparagraph (iv) of the instructions*

- (i) *striking out* “Other Long Term Obligations” *and substituting* “Other Obligations”,
- (ii) *striking out* “long-term liabilities” *and substituting* “financial liabilities”,  
*and*
- (ii) *striking out* “balance sheet” *and substituting* “statement of financial position”.

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

- (a) *striking out* “results of operations” *and substituting* “financial performance”,
- (b) *in paragraph (c), striking out* “revenues” *and substituting* “revenue”, *and*
- (c) *in the instructions,*
  - (i) *striking out* “under a material variable interest”, *and*
  - (ii) *adding* “activities” *after* “hedging”.

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

- (a) *striking out* “Handbook” *and substituting* “issuer’s GAAP”, *and*
- (b) *in clause (C) of the instructions, adding* “describe” *before* “the measurement”.

**46. Part 2, section 1.10 of Form 51-102F1 is amended by striking out** “cash flows or results of operations, including extraordinary items” *and substituting* “financial performance or”.

**47. Part 2, section 1.11 of Form 51-102F1 is amended by striking out** “results of operations” *and substituting* “financial performance”.

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

- (a) *in paragraph (b), striking out* “financial condition, changes in financial condition and results of operations” *and substituting* “financial position, changes in financial position and financial performance”,
- (b) *in paragraph (e),*
  - (i) *adding* “reportable” *before* “segments”, *and*
  - (ii) *adding* “reportable” *before* “segment” *wherever it occurs, and*

- (c) *in clause (i)(B) of the instructions, striking out “results of operations” and substituting “financial performance”.*
49. *Part 2, section 1.13 of Form 51-102F1 is amended by striking out “financial condition, changes in financial condition and results of operations” wherever it occurs and substituting “financial position, changes in financial position and financial performance”.*
50. *Part 2, section 1.14 of Form 51-102F1 is amended by*
- (a) *in paragraph (d), striking out “income” and substituting “revenue”,*
  - (b) *in paragraph (e), striking out “income” and substituting “profit or loss”,*
  - (c) *in subparagraph (ii) of the instructions, striking out “results of operations” and substituting “financial performance”,*
  - (d) *in subparagraph (iii) of the instructions, striking out “earnings” and substituting “profit or loss”, and*
  - (e) *in subparagraph (iv) of the instructions, striking out “income” and substituting “revenue”.*
51. *Part 2, section 2.2 of Form 51-102F1 is amended by*
- (a) *in subparagraph (i), striking out “results of operations and cash flows” and substituting “financial performance”,*
  - (b) *adding the following after subparagraph (i):*
    - (i.i) a comparison of cash flows to the corresponding period in the previous year,;
  - (c) *in subparagraph (ii)*
    - (i) *striking out “results of operations” and substituting “financial performance”, and*
    - (ii) *striking out “income” and substituting “profit”,*
  - (d) *in subparagraph (iii), striking out “financial condition, results of operations” and substituting “financial position, financial performance”,*
  - (e) *in the instructions, striking out “interim financial statements” wherever it occurs and substituting “interim financial report”, and*

- (f) *in subparagraph (iv) of the instructions*
  - (i) *striking out* “balance sheet” *and substituting* “statement of financial position”,
  - (ii) *striking out* “income” *and substituting* “profit or loss”, *and*
  - (iii) *striking out* “that are outside the ordinary course of your company’s business”.

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

- (a) *in paragraph (e), striking out* “This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.”,
- (b) *adding the following at the end of paragraph (g):*

This Form also uses accounting terms that are defined, or referred to, in Canadian GAAP. See subsections 1.4(7) and (8) of Companion Policy 51-102CP., *and*

- (c) *in paragraph (i),*
  - (i) *striking out* “Special Purpose Vehicles” *and substituting* “Special Purpose Entities”, *and*
  - (ii) *striking out* “special purpose vehicle” *and substituting* “special purpose entity”.

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

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

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

- (a) *in the preamble, striking out* “as those terms are used in the Handbook”,
- (b) *in subparagraph (a)(iii), striking out* “revenues” *wherever it occurs and substituting* “revenue”,
- (c) *in paragraph (h), adding* “reportable” *before* “segment”,
- (d) *in paragraph (k), striking out* “earnings” *and substituting* “profit or loss”, *and*

- (e) *in paragraph (m), adding “reportable” before “segment”.*
55. *Part 2, paragraph 5.3(2)(b) of Form 51-102F2 is amended by striking out “income” and substituting “profit”.*
56. *Part 2, subsection 5.3(6) of Form 51-102F2 is amended by striking out “, Form 10-KSB”.*
57. *Part 2, item 6 of Form 51-102F2 is amended by, in the title, adding “and Distributions” after “Dividends”.*
58. *Part 2, section 6.1 of Form 51-102F2 is amended by, in the title, adding “and Distributions” after “Dividends”.*
59. *Part 2, section 7.3 of Form 51-102F2 is amended by, in the instructions, striking out “derivatives” and substituting “derivative instruments”.*
60. *Part 2, subsection 16.2(2.1) of Form 51-102F2 is amended by striking out “US GAAS” and substituting “U.S. PCAOB GAAS or U.S. AICPA GAAS”.*
61. *Part 1, paragraph (e) of Form 51-102F4 Business Acquisition Report is amended by adding the following after the first paragraph:*

This Form also uses accounting terms that are defined, or referred to, in Canadian GAAP. See subsections 1.4(7) and (8) of Companion Policy 51-102CP.

62. *Part 2, item 2 of Form 51-102F4 is amended by*
- (a) *in section 2.2,*
- (i) *in the title, striking out “date of acquisition” and substituting “acquisition date”, and*
- (ii) *striking out “date of acquisition” and substituting “acquisition date”,*
- (b) *repealing the instruction, and*
- (c) *in section 2.4, striking out “results of operations” and substituting “financial performance”.*
63. *Part 2, item 3 of Form 51-102F4 is amended by, in the title, adding “and Other Information” after “Financial Statements”.*
64. *Part 1, paragraph (d) of Form 51-102F5 Information Circular is amended by adding the following after the first paragraph:*

This Form also uses accounting terms that are defined, or referred to, in Canadian GAAP. See subsections 1.4(7) and (8) of Companion Policy 51-102CP. .

65. **Part 2, section 9.3 of Form 51-102F5 is amended by, in paragraph (ii) of the Instructions, striking out** “as described in section 3870 “*Stock-based Compensation and Other Stock-based Payments*” of the Handbook”.
66. **Part 2, section 14.1 of Form 51-102F5 is amended by adding** “annual” **before** “financial statements”.
67. **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) **striking out** “the entity” **and substituting** “the company, business or entity, respectively,”.
68. **Part 2, section 16.2 of Form 51-102F5 is amended by adding** “annual” **before** “financial statements”.
69. **Form 51-102F6 Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008) is amended by striking out** “Section 3870 of the Handbook” **wherever it occurs and substituting** “IFRS 2 *Share-based Payment*”.
70. **Item 1.2 of Form 51-102F6 is amended by repealing the definition of** “NI 52-107”.
71. **The commentary under subsection 1.3(4) of Form 51-102F6 is amended by striking out** “Multilateral” **and substituting** “National”.
72. **The commentary under subsection 1.3(8) of Form 51-102F6 is amended by striking out** “, or the Handbook”.
73. **Section 3.1 of Form 51-102F6 is amended by**
  - (a) **in subsection (3),**
    - (i) **striking out** “grant date”, **and**
    - (ii) **adding** “on the grant date” **after** “the award”,
  - (b) **in subsection (4),**
    - (i) **striking out** “grant date”, **and**
    - (ii) **adding** “on the grant date” **after** “the award”,

- (c) *in subsection (5),*
    - (i) *striking out “grant date fair value” wherever it occurs and substituting “fair value of the award on the grant date”, and*
  - (d) *repealing Commentary 2 and substituting 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 may differ from the value reported in the issuer’s financial statements., and*
  - (e) *in Commentary 4 and 6, striking out “grant date fair value” wherever it occurs and substituting “fair value of the award”, and*
  - (f) *in paragraph (10)(f), striking out “grant date fair value” and substituting “fair value of the award on the grant date”.*
74. *Section 3.3 of Form 51-102F6 is amended by striking out “reporting currency” wherever it occurs and substituting “presentation currency”.*
75. *Section 5.1 of Form 51-102F6 is amended by*
- (a) *in the table in subsection (1),*
    - (i) *striking out “Accrued obligation at start of year” and substituting “Opening present value of defined benefit obligation”, and*
    - (ii) *striking out “Accrued obligation at year end” and substituting “Closing present value of defined benefit obligation”,*
  - (b) *in subsection (2),*
    - (i) *striking out “plan measurement” and substituting “reporting”, and*
    - (ii) *adding “annual” before “financial statements”,*
  - (c) *in subsection (5), striking out “accrued obligation” and substituting “present value of the defined benefit obligation”,*
  - (d) *in subsection (6),*
    - (i) *striking out “accrued obligation” wherever it occurs and substituting “present value of the defined benefit obligation”,*

- (ii) *adding* “closing” *after* “quantifying the”, *and*
    - (iii) *striking out* “at the end of the most recently completed financial year”, *and*
  - (e) *in subsection (7)*,
    - (i) *striking out* “accrued obligation” *wherever it occurs and substituting* “present value of the defined benefit obligation”, *and*
    - (ii) *adding* “most recently completed financial” *after* “start of the”.
  - (f) *in subsection (8)*, *striking out* “accrued obligation” *and substituting* “present value of the defined benefit obligation”,
76. *This instrument only applies to periods relating to financial years beginning on or after January 1, 2011.*
77. *This instrument comes into force on January 1, 2011.*