

**IN THE MATTER OF THE SECURITIES ACT
R.S.N. 1990, CHAPTER S-13, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
NATIONAL POLICY STATEMENT NO. 47 AND
THE SOLICITATION OF EXPRESSIONS OF INTEREST**

**RULING
(Subsection 75(1))**

UPON the motion of the Director of Securities (the "Director") pursuant to the powers conferred on the Director by section 146 of the Act for a ruling pursuant to subsection 75(1) of the Act that the solicitation of expressions of interest with respect to securities to be qualified for distribution pursuant to a short form prospectus in accordance with National Policy Statement No. 47 entitled "Prompt Offering Qualification System" as amended from time to time (the "Policy") is not subject to section 54 of the Act;

AND UPON the Director being satisfied that to so rule would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 75(1) of the Act that section 54 of the Act does not apply to the solicitation of expressions of interest with respect to an offering of securities to be qualified for distribution pursuant to a short form prospectus in accordance with the Policy prior to the filing of a preliminary short form prospectus with respect to such securities provided that:

- (a) the issuer of such securities has entered into an enforceable agreement with an underwriter whereby the underwriter has agreed to purchase the securities and which agreement has fixed the terms of the offering (an "Enforceable Agreement");
- (b) the issuer files a preliminary short form prospectus with respect to such securities with the securities regulatory authority of the jurisdiction selected as the principal jurisdiction pursuant to National Policy Statement No. 1 and the receipt from the principal jurisdiction for that preliminary short form prospectus is dated within 2 business days from the date that the Enforceable Agreement is entered into by the parties thereto;
- (c) once a receipt for the preliminary short form prospectus has been obtained, a copy of the preliminary short form prospectus is forthwith forwarded to any person who has expressed interest in acquiring the securities;

- (d) no contract of purchase and sale with respect to the securities is entered into until such time as the short form prospectus has been filed and a receipt obtained therefor pursuant to the Policy;
- (e) the Director has not advised the underwriter or the issuer in writing that it is not entitled to rely on this ruling; and
- (f) forthwith, upon entering into an Enforceable Agreement with an underwriter, a press release that announces the entering into of that Enforceable Agreement is issued by the issuer and filed with the Securities Commission of Newfoundland.

DATED at St. John's, Newfoundland this 12th day of January, 1995.

GEORGE F. KENNEDY
Director of Securities