



CORPORATE FINANCE MANUAL (the “Manual”)

UPDATE NOTICE ***November 12, 2002***

Last Update Notice – August 21, 2001

The amendment communicated in this *Update Notice* is reflected in the Internet version of the Manual:

[English: www.tse-cdnx.com/en/productsAndServices/listings/cdnx/resources/resourcePolicies.html]

[The French version of the Manual will be available at a later date.

French: <http://www.tse-cdnx.com/fr/productsAndServices/listings/cdnx/resources/resourcePolicies.html>]

Re: Revised Policy 2.4 – Capital Pool Companies and Introduction of CPC Program Into Quebec

The Exchange is pleased to announce that the Commission des valeurs mobilières du Québec (the “CVMQ”) has approved the Capital Pool Company (“CPC”) Program in the province of Québec, effective November 12, 2002. The CVMQ decision, CVMQ Policy Statement 41-601Q and the CVMQ staff notice are expected to be published in the CVMQ Weekly Bulletin of November 1, 2002.

In conjunction with the adoption of the CPC Program in Québec, the Exchange is publishing for information purposes, revised Policy 2.4 – Capital Pool Companies (the “CPC Policy”), the Prospectus Form (Form 3A) and the Exchange Information Circular Form for a Qualifying Transaction (Form 3B), which are referred to below. The revised Policy and Forms will be effective on November 12, 2002. The revisions to the CPC Policy and Forms are in relation to the adoption of the CPC program in Québec and do not affect CPC Prospectuses or CPC Information Circulars that are not filed in Québec except as provided herein.

This Bulletin also outlines the procedures involving the filing of a CPC Prospectus and a CPC Information Circular in Québec. These procedures differ from the filing procedures in other jurisdictions as the CVMQ is not a party to the CPC Operating Agreement entered into among the Exchange and the Securities Commissions in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

Procedures For CPC Prospectuses and CPC Information Circulars Filed in Quebec

CPC Prospectus Filings

Issuers should note that if they file a CPC Prospectus in Québec, that CPC Prospectus will be vetted (reviewed) by both the CVMQ and the Exchange. The CVMQ will carry out its review in compliance with the principles set forth under National Policy 43 – 201 – *Mutual Reliance Review System for Prospectuses and Annual Information Forms* (the “MRRS Policy”), As a result, such issuers may receive comments via SEDAR from both the CVMQ and the Exchange. In addition, these issuers will be expected to respond to these comments via SEDAR directly to the CVMQ and to the Exchange. The Exchange and the CVMQ will coordinate the vetting process in order to minimize the duplication of comments provided to issuers.

CPC Information Circular Filings

A CPC Information Circular is anticipated to be vetted by both the CVMQ and the Montreal staff of the Exchange in the following two circumstances:

- (a) where the head office of the CPC is in Québec, or
- (b) if the distribution of the securities pursuant to the CPC Prospectus is effected solely or principally in Québec.

In these circumstances it is anticipated that CPCs may receive comments from both the CVMQ and the staff of the Exchange. These CPCs will be expected to respond directly to the CVMQ and the Exchange. As will be the case for CPC Prospectuses, the Exchange and the CVMQ will coordinate the vetting process in order to minimize the duplication of comments provided to CPCs.

Issuers are reminded that they must comply with applicable linguistic requirements in Quebec.

Highlights of the Revised CPC Policy

The CPC Policy and the attendant forms make several references to OSC Rule 41-501 – *General Prospectus Requirements* (“OSC Rule 41-501”) in terms of the nature of the disclosure to be included in a CPC Prospectus or a CPC Information Circular. Since Québec has an equivalent policy statement to OSC Rule 41-501, various amendments have been made in the CPC Policy and the attendant forms referring to CVMQ Policy Statement Q-28 *General Prospectus Requirements* in describing the applicable disclosure to be included in a CPC Prospectus or CPC Information Circular filed in Québec. Aside from these amendments, there have been no other substantive changes made to the CPC Policy or the attendant Forms.

A copy of the revised CPC Policy together with revised Forms 3A and 3B are set forth below in both the English and French languages. In addition, a copy of the CPC Policy and Forms 3A and 3B, black-lined to the CPC Policy and the Forms that were published on August 21, 2002, are also included below.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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