

NOVA SCOTIA SECURITIES COMMISSION POLICY 51-601

REPORTING ISSUERS LIST

1. Introduction

- 1.1. The Nova Scotia Securities Commission (NSSC) publishes on its website a list (the RI List) of reporting issuers under the Securities Act (Nova Scotia) (the Act) (Nova Scotia reporting issuers) that is updated on a bi-weekly basis. Interested persons can refer to the RI List to determine whether a Nova Scotia reporting issuer has been noted in default of certain requirements of Nova Scotia securities laws.
- 1.2. The NSSC will no longer issue "Certificates of No Default" for Nova Scotia reporting issuers.
- 1.3. Given the breadth of the definition of a reporting issuer under the Act, the NSSC does not represent that the RI List is a complete list of Nova Scotia reporting issuers. For example, the NSSC staff do not continuously review the corporate status of issuers so corporations that have been dissolved may still be on the RI List.

2. List of Reporting Issuers

- 2.1. The RI List is on the NSSC website (www.gov.ns.ca/nssc/) under Online Directories on the Home Page.
- 2.2. Every effort is made to ensure the accuracy of the RI List. A Nova Scotia reporting issuer that does not appear on this list or that has been inappropriately noted in default should contact the Corporate Finance staff of the NSSC promptly.

3. Basis for Noting in Default

- 3.1. The RI List identifies those Nova Scotia reporting issuers that have been noted in default of certain requirements of Nova Scotia securities laws.
- 3.2. The absence of a default notation on the RI List does not ensure that a Nova Scotia reporting issuer is in full compliance with all of its obligations under Nova Scotia securities laws because, amongst other things:
 - (a) not all types of deficiency may lead to a default notation;
 - (b) the RI List will not reflect undetected deficiencies; and
 - (c) the RI List will not reflect deficiencies which, though detected, have not yet resulted in the issuer being noted in default as the issuer may be given advance notice of a deficiency and a time-limited opportunity to remedy the deficiency before being noted in default.

- 3.3. The NSSC will generally consider a Nova Scotia reporting issuer to be in default if the issuer:
- (a) does not file a continuous disclosure document required by Nova Scotia securities laws;
 - (b) makes disclosure that does not comply with Nova Scotia securities laws; or
 - (c) does not pay a fee required by Nova Scotia securities laws.
- 3.4. Appendix A attached to this Policy identifies significant deficiencies in compliance with Nova Scotia securities laws that, when detected and determined to be a default by NSSC staff, may result in the Nova Scotia reporting issuer being noted in default on the RI List . Appendix A will be updated periodically.
- 3.5. Section 1 of Appendix A sets out a list of failures to file significant continuous disclosure documents that will, when detected and determined to be a default by NSSC staff, generally result in a Nova Scotia reporting issuer being noted in default on the RI List without prior notification.
- 3.6. Section 2 of Appendix A describes significant deficiencies in the content of a required continuous disclosure filing.

Before noting a Nova Scotia reporting issuer in default on the RI List for a deficiency in section 2 of Appendix A, NSSC staff will notify the issuer of its intention to do so. The issuer will have the opportunity, within a specified time period, either to remedy the deficiency or to satisfy NSSC staff that there is no deficiency.

If the issuer remedies the deficiency or satisfies NSSC staff that there is no deficiency, NSSC staff will take no further action and the issuer will not be noted in default on the RI List.

If the issuer acknowledges the deficiency but does not remedy it within the specified period, NSSC staff will note the issuer in default on the RI List.

If the issuer and NSSC staff disagree as to whether the identified disclosure is deficient, the issuer will not be noted in default on that particular ground on the RI List. That does not preclude NSSC staff from seeking an appropriate order under the Act.

- 3.7. Section 3 of Appendix A identifies the failure to pay a fee required under Nova Scotia securities laws as a ground of default. Such a default will also generally result in a Nova Scotia reporting issuer being noted in default on the RI List without prior notification.
- 3.8. Section 4 of Appendix A identifies the failure to comply with any other requirement related to continuous disclosure that will, when detected and determined to be a default by NSSC staff, generally result in a Nova Scotia reporting issuer being noted in default on the RI List without prior notification.

- 3.9. A notation of default on one or more of the specific grounds listed in Appendix A will be identified in the RI List by a code referring to the item number in Appendix A.
- 3.10. Once a Nova Scotia reporting issuer has addressed to the satisfaction of NSSC staff a deficiency for which it has been noted in default, NSSC staff will no longer consider the Nova Scotia reporting issuer to be in default on that ground. The corresponding notation of the default will be removed from the RI List when it is next updated.

4. Cease Trade Orders

- 4.1. If a general issuer cease trade order has been issued by the NSSC under section 134 of the Act (a NS CTO) prohibiting all trading in securities or specified securities of a Nova Scotia reporting issuer, the NS CTO will be posted on the NSSC website under “Enforcement Proceedings”.
- 4.2. Other orders issued by the NSSC that may prohibit or restrict trading in Nova Scotia in the securities of a Nova Scotia reporting issuer by specified persons or companies, such as a management and insider cease trade order directed at the management and insiders of a reporting issuer and not the securities of the reporting issuer, will also be posted on the NSSC website under “Enforcement Proceedings”.

5. Filing Consideration For Reporting Issuers

- 5.1. A Nova Scotia reporting issuer may be noted in default if it fails to file a required document within the prescribed time period. National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR) (NI 13-101) provides for the electronic transmission of documents to the NSSC for filing. The date of filing a document in electronic format for the purpose of Nova Scotia securities laws is determined in accordance with section 2.7 of NI 13-101. Nova Scotia reporting issuers should review the provisions of NI 13-101 to determine applicable filing requirements.
- 5.2. A Nova Scotia reporting issuer is responsible for creating and maintaining a current filer profile under NI 13-101 and a current issuer profile supplement under National Instrument 55-102 *System for Electronic Disclosure by Insiders* (SEDI) (NI 55-102). Nova Scotia reporting issuers should review the requirements for filing a filer profile under NI 13-101, an issuer profile supplement under NI 55-102 and any amendments to the filer profile or issuer profile supplement. Nova Scotia reporting issuers are reminded that the NSSC relies on the contact information in the issuer’s SEDAR profile to serve any notices or orders issued under the Act.

6. Sample Notation

- 6.1. A notation of default on the RI List will be identified in the list under the heading “Nature of Default”. The notation will use coding corresponding to the relevant description in Appendix A.

Example: ABC Inc.

1a, 1b, 3

Nature of default: 1a failure to file annual financial statements
 1b failure to file interim financial statements
 3 failure to pay a fee required by Nova Scotia securities laws

7. Effective Date

7.1. This Policy is effective on February 6, 2007.

Dated at Halifax, Nova Scotia, this 21 day of February, 2007.

Nova Scotia Securities Commission

"H. Leslie O'Brien"
H. Leslie O'Brien

"R. Daren Baxter"
R. Daren Baxter

APPENDIX A

Key Deficiencies Resulting in Default

- 1) A Nova Scotia reporting issuer has failed to file the following continuous disclosure documents prescribed by Nova Scotia securities laws:
 - (a) annual financial statements;
 - (b) interim financial statements;
 - (c) annual or interim management's discussion and analysis (MD&A) or an annual or interim management report of fund performance (MRFP);
 - (d) annual information form (AIF);
 - (e) certification of annual or interim filings under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (MI 52-109);
 - (f) proxy materials or a required information circular;
 - (g) issuer profile supplement on the *System for Electronic Disclosure By Insiders* (SEDI);
 - (h) material change report;
 - (i) written update as required after filing a confidential report of a material change;
 - (j) business acquisition report;
 - (k) annual oil and gas disclosure prescribed in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) or a technical report for a mineral project required under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101);
 - (l) mandatory news releases;
 - (m) corporate governance disclosure as required by National Instrument 58-101 *Disclosure of Corporate Governance Practices*;
 - (n) audit committee disclosure as required by Multilateral Instrument 52-110 *Audit Committees*; or
 - (o) disclosure in an issuer's MD&A relating to disclosure controls and procedures and their effectiveness that is referred to in a certificate filed under MI 52-109.

2. A Nova Scotia reporting issuer's continuous disclosure is deficient because:
 - (a) financial statements of the reporting issuer, or the auditor's report accompanying the financial statements, do not comply with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) or National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;
 - (b) the reporting issuer has acknowledged that its financial statements, or the auditor's report accompanying the financial statements, may no longer be relied upon;
 - (c) the reporting issuer's AIF, MD&A, MRFP, information circular, or business acquisition reports do not contain information for each of the content items required by NI 51-102 or NI 81-106; or
 - (d) the reporting issuer's technical disclosure or other reports do not comply with the disclosure requirements of NI 43-101 or NI 51-101.
3. A Nova Scotia reporting issuer has failed to pay a fee required by Nova Scotia securities laws.
4. A Nova Scotia reporting issuer has failed to comply with any other requirement related to continuous disclosure.