

Dear Sirs/Mesdames:

On March 17, 2008 amendments to National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”) regarding required filings of material contracts by reporting issuers came into effect. Pursuant to these amendments: (1) reporting issuers will now be obligated to file on SEDAR certain material contracts entered into in the ordinary course of business, and (2) there will be limitations on redacting material contracts to be filed on SEDAR. A material contract is defined as a contract to which a reporting issuer or any of its subsidiaries is a party that is material to the reporting issuer and generally includes a schedule, side letter or exhibit referred to in the material contract as well as any amendment to the material contract.

Prior to the adoption of the amendments, NI 51-102 required each reporting issuer to file on SEDAR a copy of any material contract, other than a contract entered into in the ordinary course of business, entered into by it or any of its subsidiaries. However, as of March 17, 2008, reporting issuers must file on SEDAR the following material contracts, even if entered into in the ordinary course of business:

- A contract to which directors, officers, or promoters are parties other than a contract of employment;
- A continuing contract to sell the majority of the reporting issuer’s products or services or to purchase the majority of the reporting issuer’s requirements of goods, services, or raw materials;
- A franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name;
- A financing or credit agreement with terms that have a direct correlation with anticipated cash distributions;
- An external management or external administration agreement; and
- A contract on which the reporting issuer’s business is substantially dependent.

Please note that NI 51-102 still allows certain provisions in a material contract to be omitted or redacted if an executive officer of the reporting issuer reasonably believes that disclosure of that provision would be seriously prejudicial to the interests of the reporting issuer or would violate confidentiality provisions. Pursuant to the amendments, however, the reporting issuer must now include a description of the type of information omitted or redacted in the copy of the material contract to be filed. Additionally, NI 51-102 now prohibits the redaction of the following types of provisions:

- Debt covenants and ratios in financing or credit agreements;
- Events of default or other terms relating to the termination of the material contract; or
- Other terms necessary for understanding the impact of the material contract on the business of the reporting issuer.

For material contracts entered into prior to March 17, 2008, and subject to this new filing requirement, regulators may consider granting an exemption to permit certain provisions to be redacted if the disclosure of that provision would violate a confidentiality provision.

Material contracts entered into on or after January 1, 2002, and still in effect, will be subject to this new filing requirement if not previously filed. As a reminder, material contracts must be filed at the earlier of the time of filing of a material change report, if any, filed in relation to the material contract and the time of filing of the annual information form (AIF) of a reporting issuer. If the reporting issuer is not a required to file an AIF and the material contract was made or adopted before the end of the reporting issuer’s most recently completed financial year, then the material contract must be filed within 120 days after the end of the reporting issuer’s most recently completed financial year.

If you have any questions or would like more information, please contact us as set out below:

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Yours truly,

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