

| Market Integrity Notice |

Guidance

December 8, 2005

No. 2005-035

Suggested Routing

- Trading
- Legal and Compliance
- Corporate Finance

REGULATORY HALTS AND MARKETPLACE HOURS OF OPERATION

Key Topics

- Regulatory Halts
- Timely Disclosure

Summary

This Market Integrity Notice provides guidance relating to the procedures of Market Regulation Services Inc. for imposing a regulatory trading halt on a security listed on a recognized exchange in Canada that also trades on another marketplace (including an alternative trading system) that has hours of operation different from the exchange on which the security is listed.

An issuer of a listed security should be aware that a regulatory halt on trading may be imposed to accommodate the dissemination of material information during trading hours on any marketplace on which the securities of that issuer are traded. An issuer should consider the trading hours of the marketplaces on which their securities are traded when timing material announcements that otherwise do not have to be released immediately.

UMIR Provisions Referenced

- Rule 9.1 – Regulatory Halts, Delays and Suspensions of Trading

Questions / Further Information

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REGULATORY HALTS AND MARKETPLACE HOURS OF OPERATION

Summary

This Market Integrity Notice provides guidance relating to the procedures of Market Regulation Services Inc. (“RS”) for imposing a regulatory trading halt on a security listed on a recognized exchange in Canada (an “Exchange”) that also trade on another marketplace, including an alternative trading system (“ATS”), that has hours of operation different from the Exchange on which the security is listed.

An issuer of a listed security should be aware that a regulatory halt on trading may be imposed to accommodate the dissemination of material information during trading hours on any marketplace on which the securities of that issuer are traded. An issuer should consider the trading hours of the marketplaces on which their securities are traded when timing material announcements that otherwise do not have to be released immediately.

Proposed Changes to Hours of Operation of Certain Marketplaces

Presently, RS has been retained to be the regulation services provider for: the Toronto Stock Exchange (“TSX”), TSX Venture Exchange (“TSXV”) and Canadian Trading and Quotation System (“CNQ”), each as an Exchange; and for Bloomberg Tradebook Canada Company, Liquidnet Canada Inc. and Markets Securities Inc. (“MSI”), each as an ATS. Currently, each of these marketplaces conducts regular trading between 9:30 a.m. and 4:00 p.m. (Toronto time).

MSI has announced that the hours of operation of its BlockBook facility will be extended. Effective December 12, 2005, BlockBook will open for trading at 8:30 a.m. (Toronto time) rather than 9:30 a.m. MSI has also announced that due to the addition of income trust units to the S&P/TSX Composite Index on December 16, 2005, the BlockBook facility will remain open for trading until 5:00 p.m. (Toronto time) on December 16, 2005 only rather than the regular closing time of 4:00 p.m. Any security which is listed on the TSX may be traded on BlockBook.

On October 7, 2005, the CNQ published notice of an application to vary its recognition order as an Exchange. Public comment was requested on various aspects of the application including a proposed change to the rules of CNQ to establish an “Alternative Market” that would trade securities listed on any other Exchange. One of the proposed rule changes would provide that, unless otherwise determined by the Board of CNQ, the hours of operation of CNQ would be from 8:00 a.m. to 6:00 p.m. (Toronto time). The proposed changes to the recognition order and the rules and policies of CNQ are subject to the approval of the Ontario Securities Commission.

Impact of Marketplace Hours on Timely Disclosure Announcements and Regulatory Halts

RS administers the timely disclosure requirements imposed on issuers that are listed on the TSX, TSXV and CNQ. Generally, the timely disclosure requirements call for the immediate

release of significant announcements. With the approval of RS, certain announcements may be delayed until the close of trading.

Pursuant to Rule 9.1 of the Universal Market Integrity Rules (“UMIR”), it is the policy of RS to impose a regulatory halt on the execution of trades in order to allow an issuer to publicly disseminate material information respecting the issuer. The purpose of the regulatory halt in these circumstances is to give all marketplace participants an opportunity to consider the material information and to adjust their trading intentions accordingly.

RS may impose a regulatory trading halt if the issuer of a listed security is making an announcement of material information during the trading hours of the Exchange on which the security is listed. If the announcement is made outside of the hours of operation of the Exchange on which the security is listed but while trading in that security may occur on another marketplace (including an ATS), RS also may impose a regulatory trading halt to permit the dissemination of the material information.

Under Rule 9.1 of UMIR, a regulatory halt on the trading of a security imposed by RS for the dissemination of timely disclosure or for any other reason will prevent the execution of a trade in that security on a marketplace in Canada or over-the-counter. However, trading in the security may continue on an organized regulated market outside of Canada that publicly disseminates details of trades on that market.

Questions / Further Information

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