



## The *Autorité des marchés financiers* (Quebec) repeals Policy Statement Q-4 - Distribution of Securities of a Mining Exploration and Development Company or of a Mining Exploration Limited Partnership

Quebec Policy Statement Q-4 ("Q-4"), entitled "Distribution of Securities of a Mining Exploration and Development Company or of a Mining Exploration Limited Partnership", was enacted in 1998 in order to impose restrictions regarding the distribution of securities by mining exploration and development companies. The objectives of Q-4 were to set a minimum subscription price for shares and warrants, to set a minimum and a maximum amount of proceeds which could be raised and to outline specific uses toward which the net proceeds could be used.

Mining exploration and development companies were also required to add in brackets, after their corporate name, the term "exploration company", unless the corporate name already included the term "exploration".

On November 28, 2003, the *Commission des valeurs mobilières du Québec* (now known as the *Autorité des marchés financiers*) published a request for comments in order to determine whether to amend or repeal Q-4. The comments of the mining exploration and development industry which resulted prompted the *Autorité des marchés financiers* to repeal Q-4.

Since the formal repeal of Q-4 will require a certain amount of time given the regulatory procedures which must be followed, the *Autorité des marchés*

*financiers* has decided to grant to all mining exploration and development companies a discretionary exemption from the requirements of Q-4. This exemption became effective on June 4, 2004 pursuant to decision 2004-PDG-0038 and will remain effective until the adoption of the regulation formally repealing Q-4.

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*This update is intended to provide general comment only and should not be relied upon as legal advice.*

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