

SUPPORTING STATEMENT FOR FORM F-7

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Form F-7 is one of four Securities Act registration forms pertaining to Canadian issuers under the Multijurisdictional Disclosure System. Form F-7 is used for the registration of securities offered for cash upon the exercise of rights to purchase or subscribe for such securities granted to existing security holders of the registrant, by those issuers which have had a class of securities listed on a designated Canadian exchange for the 12 calendar months immediately preceding the filing of this Form, has been subject to the continuous disclosure requirements of any securities commission or equivalent regulatory authority in Canada for a period of at least 36 calendar months immediately preceding the filing of this Form, and is currently in compliance with the obligations arising from such listing and reporting. This Form, along with the other forms, schedules and rules adopted by the Commission, is designed to facilitate cross-border transactions by specified Canadian issuers.

The disclosure items of Form F-7, which incorporate prospectus disclosures filed with one or more Canadian securities commissions, reflect the Commission's experience and best judgment as to information regarding an issuer and the offering that should be required to be disclosed to prospective investors.

2. Purposes and Use of the Information Collection

The information collected is intended to ensure the adequacy of information available to investors in connection with securities offerings. The information on Form F-7 is used by security holders, investors, broker-dealers, investment banking firms, professional securities analysts and others in evaluating securities and when making investment decision with respect to such securities. Also, all investors benefit indirectly from submissions on Form F-7, as direct users effect transactions in securities on the basis of current information about the issuer's business and operations included in such filings, thereby causing the market prices of the securities to reflect such information.

3. Consideration Given to Information Technology

Form F-7 is filed electronically using the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

4. Duplication of Information

Form F-7 is a document designed to provide investors with information concerning the registered securities and the Canadian issuer. This information is not otherwise readily available in the United States.

5. Reducing the Burden on Small Entities

Certain eligible Canadian issuers as defined in the form make all filings on Form F-7. These issuers should have the resources available to prepare the necessary information for the Commission. Although some small entities are not eligible to use Form F-7, those that are eligible are relieved of the burden of filing a Form S-1, F-1 or other registration statement with the Commission.

6. Consequences of Not Conducting Collection

Persons in the United States considering investment in securities issued by Canadian companies would find it more difficult and expensive to obtain the necessary information if the issuer were not required to file the prospectus and other necessary information with the Commission. Also, to require less frequent reporting by foreign issuers would discriminate against domestic issuers.

7. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

Form F-7 was proposed for public comment. No comments were received during the 60-day comments period prior to OMB's review this submission.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Form F-7 is a public document.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

Form F-7 takes approximately 4 hours per response to prepare and is filed by 5 respondents. We estimate that 25% of the 4 hours per response (1 hour) is prepared by the company for a total annual reporting burden of 5 hours (1 hour per response x 5 responses). The estimate of burden hours is made solely for the purpose of the Paperwork Reduction Act. It is not derived from a comprehensive or even a representative survey or study of the cost of Commission rules and forms.

13. Estimate of Total Annualized Cost Burden

We estimate that 75% of the 4 hours per response (3 hours) is prepared by an outside law firm hired by the company. We estimate that it will cost \$400 per hour (\$400 x 3 hours per response x 5 responses) for a total cost of \$6,000. The cost estimate is made solely for the purpose of the Paperwork Reduction Act.

14. Costs to Federal Government

The estimated cost of preparing the proposal was approximately \$60,000.

15. Reason for Change in Burden

Not applicable.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit Expiration Date

We request authorization to omit the expiration date on the electronic version of this form for design and scheduling reasons. The OMB control number will be displayed.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

Not applicable.

B. STATISTICAL METHODS

Not applicable.