

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 CNSX Markets Inc. Notice 2009-001 – Notice and Request for Comments – Proposed Policy and Rule Changes – Policy 1, Policy 2, Policy 4, Policy 5 and related forms, and Rule 1-101, Rule 11-102 and Rule 11-103

NOTICE 2009-001

PROPOSED POLICY AND RULE CHANGES – POLICY 1, POLICY 2, POLICY 4, POLICY 5 AND RELATED FORMS, AND RULE 1-101, RULE 11-102 AND RULE 11-103

NOTICE AND REQUEST FOR COMMENTS

October 23, 2009

The Board of Directors of CNSX Markets Inc. (the “Board”) has passed a resolution to amend Policy 2 – Qualifications for Listing and add new Policy 10 -Specialist Securities as well as to amend Rule 1-101 – Definitions, Rule 11-102 – Qualification for Alternative Market and Rule 11-103 – Access by Eligible Clients to the Alternative Market, subject to Ontario Securities Commission approval, following public notice and comment. Attached are clean and blacklined copies of Policies 1, 2, 4 and 5, the text of new Policy 10, extracts of Rules 1-101, 11-102 and 11-103, and Forms 1A, 1B, 2A, 2B, and 4.

The Board has determined that the proposed amendments are in the public interest and have authorized them to be published for public notice and comment. Comments should be made no later than 30 days from the date of publication of this notice and should be addressed to:

CNSX Markets Inc.
220 Bay Street, 9th Floor
Toronto, ON
M5J 2W4

Attention: Mark Faulkner, Director, Listings and Regulation
Fax: 416.572.4160
Email: Mark.Faulkner@cnsx.ca

A copy should be provided to the Ontario Securities Commission (OSC) at the following address:

Market Regulation Branch
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, ON
M5H 3S8

Attention: Manager, Market Regulation
Fax: 416.595.8940

I. Proposed Changes

A. Policy Changes

CNSX Markets is proposing amendments to Policy 2 – Qualifications for Listing. The first group of amendments restructures the policy to remove listing criteria for specific products from the main text and include them as appendices. As a result of the changes, new Appendices have been added with specifics relating to equity and debt securities. In the future, should CNSX plan to add new products, additional Appendices will be submitted for approval. Consequential amendments are proposed to Policies 4 – Corporate Governance and Miscellaneous Provisions and 5 – Timely Disclosure, Trading Halts and Posting Requirements and the related Forms, and a new Policy 10 – Specialist Securities adds guidance for securities with special, non-financial requirements. As part of the review of the policies, CNSX Markets also took the opportunity to make certain house-

keeping changes to Policy 1 – Interpretation and General Provisions, such as those to reflect the name changes of the exchange and IIROC.

Other amendments to Policy 2, described below, are being proposed to clarify and codify a number of existing practices and procedures and include a “Full, True and Plain Disclosure” requirement and a further requirement for Issuers to take all reasonable care to ensure that any information provided to CNSX or otherwise made available to CNSX is not misleading or deceptive and does not omit anything likely to affect the import of the document or information provided.

B. Rule Changes

The proposed rule amendments relate to: 1) changes to the definition of “Alternative Market Security” in Rule 1-101 – Definitions to include a CNSX-listed security, plus a consequential change to Rule 11-102 – Qualification for Alternative Market, which sets out the securities that qualify for trading in the Alternative Market (Pure Trading); and 2) the addition, in Rule 11-103 – Access by Eligible Clients to the Alternative Market, of a new category of eligible client that may access the Alternative Market.

II. Rationale

A. Policy Changes

The addition of specific listing criteria for different products will provide better guidance for issuers seeking to list securities other than equity securities, and specific disclosure requirements more appropriate to each type of product will ensure that investors and other market participants have access to relevant disclosure. Inclusion of the criteria and requirements in Policy 2 and its Appendices will ensure transparency of CNSX requirements. The changes to Policies 4 and 5 resulted from the review and restructuring of Policy 2 and the focus on differentiating by security type.

The requirements for different types of securities were established based on CNSX Markets’ approach to offer competitive, less restrictive service while still requiring issuers to meet minimum standards.

To be eligible for listing, an issuer must still be a reporting issuer or the equivalent in a jurisdiction in Canada.

B. Rule Changes

Initially, the Alternative Market was developed to provide competition in the Canadian markets and, consequentially, was focused on the securities listed on other exchanges. CNSX Markets has since considered that there may be benefits to having the ability to list a security on CNSX and trade it on the Alternative Market facility. To allow this flexibility, we are proposing the amendments to Rule 1-101 and Rule 11-102.

The change to Rule 11-103 relating to access to the Alternative Market by eligible clients is being proposed to better reflect the range of clients of CNSX Dealers to include all clients that meet the spirit of the “eligible client” definition due to sophistication, financial assets and/or size and to bring the definition in line with that in place at the other exchanges.

III. Description of the Policy and Rule Changes

A. Policy Changes

The amendments include a restructuring of Policy 2, some additional requirements, new Appendices, and consequential amendments to Policies 4 and 5 and to certain forms.

1. Structure

We propose to move the product-specific eligibility requirements out of the main body of the Policy and into Appendices, as follows:

- a) Appendix A - Equity Securities
- b) Appendix B - Debt Securities

2. Basic Qualifications for Listing

- The current eligibility criterion in Policy 2-1.1 that an issuer must be a reporting issuer or the equivalent in a jurisdiction in Canada remains unchanged.

- Proposed new Policy 2-4.1 codifies a previously-understood requirement that all securities for which a listing is sought should be fully paid and non-assessable.
- Proposed new Policy 2-7.2 provides that all documents must be posted in the data format prescribed by CNSX from time to time. This will enable CNSX to prescribe that filings be made in the emerging XBRL format at a suitable future date. Policy 2-7.2 (e) has been amended to require the posting only of an index of all documents comprising the Issuer's SEDAR record, for the previous two calendar years, rather than the posting of all the documents and an index of those documents.
- Proposed Policy 2-9.1(e) now provides a CNSX Issuer need not post a public document submitted to SEDAR on the CNSX website if identical disclosure has already been posted in a CNSX Form.
- Proposed Policy 2-12 entitled Transfer and Registration of Securities was moved from Policy 4. The out-dated requirement to maintain transfer facilities in the City of Toronto has been removed and the proposed amendment states only that the Issuer must maintain transfer and registration facilities in good standing where the securities of the Issuer are directly transferable and that certificates must name the cities where they are transferable and must be interchangeably transferable and identical in colour and form with each other.
- Proposed Policy 2-13 entitled Share Certificates was moved from Policy 4. It states that share certificates must bear a valid CUSIP number but the amendments remove the out-dated requirement that all certificates must be printed by a recognized bank note company or its affiliate or other security printer which has a contractual affiliation with a recognized bank note company.
- Proposed Policy 2-14 entitled Book-Based System has been moved from Policy 4.
- Proposed new disclosure requirements:
 - Policy 2-15 entitled Full, True & Plain Disclosure is a new provision that reinforces the securities regulatory requirements for disclosures. In particular, that the Listing Statement filed with CNSX must, as an overriding principle, contain such information which, according to the particular nature of the Issuer and the securities for which listing is sought, is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Issuer and of its profits and losses (and of any guarantor) and of the rights attaching to such securities, and must set out such information in true and plain English.
 - In addition, new Policy 2-9.1(g) requires that an Issuer must take all reasonable care to ensure that any statement, document or other information provided to CNSX or which is made available to CNSX or posted by the Issuer is not misleading, false or deceptive and does not omit anything likely to affect the import of such statement, document or other information.

3. Appendix A - Equity Securities

There are no significant changes proposed to the current minimum requirements. The proposed changes, which serve to reinforce the current standards in practice, are as follows:

- The public float must be at least 500,000 freely-tradeable shares worth at least \$250,000 (currently \$50,000) and consisting of at least 150 public holders. We propose to raise the dollar value minimum requirement to better reflect our experience over the last five years and the public float requirement of equivalent exchanges in Canada.
- An Issuer must have "demonstrable revenue from operations" (previously "cash generating capacity") or have working capital of \$100,000 (\$50,000 if recently listed on another exchange).
- An Issuer identified as a "thin float" Issuer will have an identifying marker added to its disclosure on the CNSX.ca website.
- In section 1.7 of Appendix A to the Policy, investment companies (which are no longer referred to as "Merchant Banking" or "venture capital" companies in the Policies) must have minimum net assets (currently "net tangible assets") of \$2 million, at least 50% of which has been allocated to at least two specific investments, or \$4 million.
- The Builder's Share guidelines and escrow policies, which had been previously approved in principle by the Board and published in a Regulatory Notice, have now been included in Appendix A of the Policy with no significant changes to those requirements. A minor change is to alter the definition of Builder Shares to shares issued for "less than \$0.02 per share (previously it was "\$0.02 or less"). Paragraph 2.8(c) of Appendix A to the Policy now explicitly states that CNSX,

in its sole discretion, may impose escrow arrangements that are in addition to those required by National Policy 46-201 *Escrow for Initial Public Offerings*, or consider different proposals such as an “earn-out” escrow, on a case-by-case basis.

- The list of documents required to be filed with a listing application has been amended so that the existing requirement to post legal opinions on good standing, etc., on the CNSX website has been deleted because legal counsel do not generally consent to such publication of their opinions. The requirement to file two copies of the Listing Statement and other forms, etc., has also been changed to a single copy as most documents are now submitted electronically.

4. Appendix B - Debt Securities

For the purposes of this Appendix, “debt securities” includes bonds, debentures, notes, Eurobonds, Medium Term Notes, Sukuk (Islamic bonds) and any other fixed income securities that CNSX deems to be debt securities.

- An Issuer of debt securities must have net assets of at least \$1 million or, where the Issuer is a special purpose vehicle or a holding company that does not meet this requirement itself, CNSX may consider the assets of an underlying entity. The Issuer must appoint and maintain a payment agent acceptable to CNSX. We propose this low minimum requirement to attract issuers to list their debt issues, and thus create a more open and transparent secondary trading market for debt securities in Canada, while ensuring that the issuer has a credible level of net assets.
- There are additional requirements in the case of asset-backed securities, including a requirement that a trustee or other independent representative must be appointed to represent the interests of the holders of the asset-backed securities and the trustee or an independent custodian must hold the underlying assets and all money and benefits flowing from the assets to the Issuer or the holder of the asset-backed securities. In drawing up these requirements we have studied the requirements of several international exchanges that list debt securities (including TSX, the Bermuda Stock Exchange, the Cayman Islands Stock Exchange, the Dubai International Financial Exchange, the Irish Stock Exchange, the London Stock Exchange, NASDAQ and NYSE).
- Where an Issuer issues debt securities of the same class on a regular basis under an issuance programme, sections 2.4 and 2.5 of Part B of Appendix B enable an Issuer to make an application for the pre-approval of the listing of a specified number of securities, which may be issued in a particular case, and to list tranches subsequently issued pursuant to the programme on the basis of a short form pricing or “term sheet”. The debt securities to be issued under an issuance programme must be identical, except in respect of their designation (they may be different series), the term of the securities (the maturity date may vary), the amount of the tranche (within the overall maximum amount of the programme), and the yield (the coupon rate may vary). Securities that are not identical may not be issued under a programme and will require a separate application.
- Under section 2.6 of Part B of Appendix B, CNSX reserves the right to impose additional requirements on an issue made under an issuance programme, including imposing a requirement to make a new application in respect of that issue, if it considers that the issue does not fall within the scope of the programme.

5. Policy 4 – Corporate Governance

Under the proposed changes, the[CP1] transfer and share certificate policies previously set out in Policy 4 (as referred to above) have been moved into Policy 2[CP2].

6. Policy 5 - Timely Disclosure, Trading Halts And Posting Requirements

- Proposed new Policy 5-13.2 indicates that, in respect of every debt security listed on CNSX, the CNSX Issuer must post the following documents (rather than the longer list of documents required for equity securities):
 - a) every document required (i) to be filed with any Commission for a jurisdiction in which the issuer is a reporting issuer or equivalent, (ii) to be delivered to shareholders of the Issuer, or (iii) to be filed on SEDAR - concurrently or as soon as practicable following the filing with the Commission or SEDAR or the delivery to shareholders[CP3]; and
 - b) an annually-updated Listing Statement completed to reflect all changes to information appearing in the previously posted Listing Statement - concurrently with the Issuer's audited annual financial statements.
- Proposed new Policy 5-14 provides for certain Continuous Disclosure Obligations. Generally, paragraph 14.1(a) provides that a CNSX Issuer must disclose to the public as soon as reasonably practicable any information relating to the Issuer or any of its subsidiaries that has come to the knowledge of the Issuer, if the information:

- i) is necessary to enable the public to appraise the financial position of the issuer and its subsidiaries;
 - ii) is necessary to avoid the creation or continuation of a false market in the securities of the Issuer; or
 - iii) might reasonably be expected to materially affect market activity in or the price of the securities of the Issuer.
- Proposed Policy 5-14.1, paragraph (b), states that paragraph (a) does not apply to information that:
 - i) affects the market or a sector of the market generally; and
 - ii) has already been made available to the investing public.

7. Special Requirements – e.g., Islamic Securities

A proposed new Policy 10 states that where the securities to be listed are held out as being in compliance with specific, non-exchange mandated requirements, the Issuer must disclose how it has been established and, if relevant, who has established that the securities are in compliance with the stated requirements.

For example, in the case of securities that are held out as being in compliance with Shari'ah, this requirement is met if the issuer:

- a) appoints a Shari'ah Supervisory Board, with at least two members, to advise in respect of Shari'ah compliance, on all aspects of the offering, including advice on the information to be provided;
- b) discloses the names of the members of the Shari'ah Supervisory Board and their respective qualifications, experience and expertise in Islamic jurisprudence and Islamic finance; and
- c) ensures that the Shari'ah Supervisory Board issues a Shari'ah pronouncement in writing that is signed by the Chairman and at least one other member of the Shari'ah Supervisory Board.

In drawing up these requirements we have studied the requirements of other exchanges that list Islamic securities (including the Dubai International Financial Exchange and the London Stock Exchange).

8. House-keeping changes

The term "CNQ" has been changed to "CNSX" throughout to reflect the name change in November, 2008.

The following changes have been made to the definitions in Policy 1:

"CNSX" and the **"Exchange"** both now mean the Canadian National Stock Exchange operated by CNSX Markets Inc.

"CNSX Board" has been amended to reflect the fact that the Board is CNSX Markets Inc.'s Board.

"CNSX Issuer" and **"Issuer"** both mean an issuer which has its securities qualified for listing on the CNSX System or which has applied to have its securities qualified for listing on the CNSX System, as applicable.

"IIROC" means as the Investment Industry Regulatory Organization of Canada, which replaces references to the IDA and Market Regulation Services Inc., as applicable.

"Listing" has been added to better reflect the change from the original form of the organization as a quotation and trade reporting system and means the grant of a listing and quotation of, and permission to deal in, securities on CNSX and the CNSX System, and "listed" and "quoted" shall be construed accordingly.

"Market Regulator" has been updated to refer to IIROC.

"UMIR" was amended to reflect the name changes – i.e. that the Universal Market Integrity Rules are administered by IIROC and adopted by CNSX.

In Policy 1-1.4 reference to a marker on the stock symbol in the CNSX Marketplace has been deleted.

Also, in section 5.2 under **Appeals of Decisions**, the reference to the "Listing Advisory Committee" has been amended to refer to the "Listing Committee".

9. Forms

By way of further house-keeping amendments, the Listing Statement (Form 2A) has been updated to conform with the Long Form prospectus requirements of National Instrument 41-101 *General Prospectus Requirements* as set out in Form 41-101F1 *Information Required in a Prospectus*.

As a matter of practice, CNSX allows an Issuer that is preparing a Listing Statement to use the contents of a current prospectus by preparing a table of concordance which clearly states under each heading in the Form where the appropriate disclosure can be found within the prospectus. Accordingly, the updated Form 2A does not mirror the following requirements of the long form prospectus (since these disclosures are made in the prospectus):

- a) the information regarding the distribution of securities supported by a prospectus such as the plan of distribution and the earnings coverage ratio of the securities being distributed;
- b) the detailed requirements for financial statements - CNSX allows an issuer to rely on the most recently filed audited financial statements if it is already a reporting issuer, or the financial statements set out in the prospectus if it is not; and
- c) terms like "IPO Venture" and "junior issuer" are excluded, but the disclosure requirements are the same in the Form 2A and Form 41-101F1.

Details of the specific disclosure requirements for Mineral Projects and Oil & Gas Operations have been removed from the body of Form 2A and added as Appendices A and B respectively. Each new appendix provides a list of the items that must be included within the Form 2A.

Minor conforming amendments, which can be seen in the blacklined versions of the Forms attached to this notice, have been made to Form 1A – Application Letter, Form 1B - Listing Application, Form 2B – Listing Summary and Form 4 – Listing Agreement. By way of house-keeping amendments, Form 1A has also been amended to delete an outdated reference to 4-character trading symbols, and to replace an incomplete picklist of newswire services with a simple request for the name of the service used.

B. Rule Changes

1. *Alternative Market Security*

The current definition of an "Alternative Market Security" in Rule 1-101 is "...a security other than a CNSX-listed security that is listed on another Canadian stock exchange and approved for trading on CNSX" (*emphasis added*). We propose to change the definition to:

...a security that is listed on a Canadian stock exchange and approved for trading on the Alternative Market.

Rule 11-102(1) currently states that: "...CNSX may designate securities listed on another stock exchange recognized in a jurisdiction in Canada as eligible for trading in the Alternative market provided such securities are not suspended or subject to a regulatory halt" (*emphasis added*). We propose to replace "another" with "a" in that sentence.

2. *"Eligible Client" definition*

CNSX's Rule 11-103 sets out the requirements for access by eligible clients to the Alternative Market. We propose to add the following category of eligible client, replacing the existing paragraph (i) with the following and making existing paragraph (i), paragraph (j):

...a client that is a non-individual with total securities under administration or management exceeding \$10 million, where the client is resident in a jurisdiction that falls within the definition of "Basle Accord Countries" as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report...

IV. Impact of the Proposed Changes

The proposed changes to both the Policies and Rules will not require any technological changes or development by CNSX Dealers or issuers currently listed on CNSX. There will be no direct costs associated with compliance.

A. Policy Changes

The addition in the Policies of the product-specific listing criteria and disclosure requirements for securities other than equity securities will increase general awareness of the full range of listing services provided by CNSX and offer better guidance on the minimum requirements for each type of security to listing applicants (and more easily allow CNSX to introduce specific requirements for other security types in the future).

It is not anticipated that the increase in minimum float value for equity securities will have any noticeable impact on issuers.

B. Rule Changes

The changes to the rules relating to Alternative Market securities expand the range of securities that may be traded in the Alternative Market by adding those of another recognized exchange – CNSX. There are no additional obligations or costs imposed on CNSX Dealers or Issuers, but the change could provide additional competition in the listings area, which could provide benefits to both groups. There will be minor costs to service providers in adding new securities to those eligible for trading on the Alternative Market, but these are the same as for any new securities added at present.

V. Consultation

A. Policy Changes

In determining the suitability of the listing criteria for specific securities CNSX consulted with issuers and conducted a review of listing requirements of a number of exchanges (both in North America and elsewhere), as noted above. No formal consultation was conducted for the restructuring of the Policy or the consequential and minor changes.

B. Rule Changes

Some consultation was carried out with a small group of specialty issuers (on a confidential basis) to understand their needs in the current environment. Flexibility was a key factor, and this led, in part to the proposed changes to the definition of “Alternative Market Security”.

There were no consultations in relation to the changes to the list of eligible clients as the proposal simply mirrors a new category of eligible client already in place in Canada.

VI. Alternatives

A. Policy Changes

The purpose of the proposed structural changes is to provide more clarity for each type of security to be listed. As such, the only significant alternatives considered were the minimum thresholds for listing, and the reporting requirements for each type of security. Minimum standards were established based on CNSX’s goal to provide a well regulated market with less restrictive access requirements.

B. Rule Changes

The proposed changes to the Rules are minor, technical changes necessary to broaden the provisions to accommodate future business strategies. No alternatives were considered.

VII. Comparable Rules

A. Policy Changes

Other Canadian stock exchanges have specific criteria for the types of securities to be listed. Furthermore, other exchanges have more specific criteria for equity securities based on the line of business of the issuer.

B. Rule Changes

The proposed changes to Alternative Market Security do not have comparable provisions in the rules of other stock exchanges because of the unique structure of CNSX Markets’ facilities – i.e., that the Alternative Market is a facility of the exchange. Unlisted trading privileges are allowed in US markets pursuant to the Securities Exchange Act of 1934, subparagraph 12f-1(A), which states generally that: “...any national securities exchange, in accordance with the requirements of this subsection and the rules hereunder, may extend unlisted trading privileges to (i) any security that is listed and registered on a national securities exchange...”

The additional category of eligible client is the same as that added by the TSX and TSXV previously.

Request for comments

CNSX Markets specifically requests comments on the following areas:

1. The specific eligibility criteria and disclosure requirements for each of the new products set out in Appendices A and B to Policy 2.
2. For which, if any, additional products should CNSX consider introducing product specific Appendices.

POLICY 1

INTERPRETATION AND GENERAL PROVISIONS

1. CNSX Philosophy

- 1.1 CNSX believes that the fundamental requirements for a fair and efficient capital market that fosters confidence and protects investors from unfair, improper or fraudulent practices are: (a) high quality, timely and continuous disclosure by issuers, (b) trading rules designed to ensure integrity and a fair and orderly market, and (c) comprehensive and independent market regulation to administer and enforce the trading rules and timely and continuous disclosure requirements.
- 1.2 CNSX believes recent advances in technology such as SEDAR and the Internet which facilitate instant, widespread and economical dissemination of information permit CNSX to require and CNSX Issuers to provide an enhanced standard of disclosure to secondary market investors, irrespective of an Issuer's size.
- 1.3 Fundamental to CNSX is the establishment by CNSX Issuers of a comprehensive, publicly-available disclosure base, providing enhanced quality and timeliness of information. CNSX's Issuer disclosure obligations aim to ensure that investors may trade informed by current full, true and plain disclosure concerning CNSX Issuers.
- 1.4 CNSX's Issuer disclosure commences with the Listing Statement, an Issuer prepared document intended to provide prospectus level disclosure (other than certain financial disclosure and interim Management's Discussion and Analysis). The Listing Statement is accompanied by the Listing Summary which provides a high-level summary of the Listing Statement. The Listing Statement must be supplemented and updated annually. A CNSX Issuer must prepare, certify and post a Quarterly Listing Statement including quarterly financial statements, management's discussion and analysis and updating any changes to the Listing Statement and a Monthly Progress Report, reporting activity (or lack of activity) by the Issuer in the preceding calendar month accompanied by a Certificate of Compliance, certifying that the Issuer is in compliance with applicable securities legislation. CNSX Issuers must also prepare and post Notices of any distribution of securities, transactions or developments or proposed distributions, transactions or developments. CNSX Issuer disclosure obligations are in addition to or supplementary to the continuous disclosure obligations under applicable securities legislation. Notices of proposed distributions and transactions must be updated every two weeks, either indicating completion or ongoing status. Issuers failing to provide updates will be subject to suspension if not remedied within a further two weeks.

2. CNSX Discretion

- 2.1 The Policies of CNSX have been put in place to serve as guidelines to Issuers, Issuers applying for qualification for listing of securities, and their professional advisers. However, CNSX reserves the right to exercise its discretion in applying the policies in all respects. CNSX can waive or modify an existing requirement or impose additional requirements. Any such waiver, modification or imposition of additional requirements may be general or particular in its application, as determined by CNSX. In exercising its discretion, CNSX will take into consideration facts or situations unique to a particular party. Listing of securities on CNSX is a privilege, not a right, and CNSX may grant or deny an application, including an application for the qualification for listing, notwithstanding the published Policies of CNSX.

3. Definitions

- 3.1 Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in these Policies that is:
- (a) defined or interpreted in section 1 of the *Securities Act* has the meaning ascribed to it in that section;
 - (b) defined in subsection 1(2) of the Regulation has the meaning ascribed to it in that subsection;
 - (c) defined in subsection 1.1(3) of National Instrument 14-101 has the meaning ascribed to it in that subsection;
 - (d) defined in subsection 1.1(2) of Ontario Securities Commission Rule 14-501 has the meaning ascribed to it in that section;
 - (e) defined or interpreted in Part 1 of National Instrument 21-101 has the meaning ascribed to it in that subsection;
 - (f) defined in subsection 1.1 of National Instrument 44-101 has the meaning ascribed to it in that subsection;

- (g) defined in section 1.1 of UMIR has the meaning ascribed to it in that section; and
- (h) a reference to a requirement of CNSX shall have the meaning ascribed to it in the applicable by-law, Rule or Policy of CNSX.

3.2 In all Policies, unless the subject matter or context otherwise requires:

“**affiliated entity**” has the meaning ascribed to it in Ontario Securities Commission Rule 45-501.

“**beneficial holders**” means those security holders of an issuer that are included in either:

- (a) a Demographic Summary Report available from the International Investors Communications Corporation; or
- (b) a non-objecting beneficial owner list for the issuer under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*,

“**Board Lot**” means a standard trading unit.

“**Business Day**” means any day from Monday to Friday inclusive, excluding Statutory Holidays.

“**by-laws**” means any by-law of CNSX as amended and supplemented from time to time.

“**CNSX**” and “**Exchange**” both mean the Canadian National Stock Exchange operated by CNSX Markets Inc.

“**CNSX Board**” means the Board of Directors of CNSX Markets Inc. and includes any committee of CNSX Markets Inc.’s Board of Directors to which powers have been delegated in accordance with the by-laws, Policies or Rules.

“**CNSX Bulletin**” means an electronic communication from CNSX to CNSX Dealers;

“**CNSX Dealer**” means a Participant which has applied to CNSX for, and has been permitted by CNSX, access to the CNSX system, provided such access has not been terminated or suspended.

“**CNSX Issuer**” and “**Issuer**” both mean an issuer which has its securities qualified for listing on the CNSX System or which has applied to have its securities qualified for listing on the CNSX System, as applicable.

“**CNSX Requirements**” means collectively:

- (a) the Rules;
- (b) these Policies;
- (c) UMIR; and
- (d) any Decision,

as amended, supplemented and in effect from time to time.

“**CNSX System**” means the electronic system operated by CNSX for trading and quoting securities.

“**CNSX Trading and Access Systems**” includes all facilities and services provided by CNSX to facilitate quotation and trading, including, but not limited to: the CNSX System, data entry services; any other computer-based quotation and trading systems and programs, communications facilities between a system operated or maintained by CNSX and a trading or order routing system operated or maintained by a CNSX Dealer, another market or other person approved by CNSX, a communications network linking authorized persons to quotation dissemination, trade reporting and order execution systems and the content entered, displayed and processed by the foregoing, including price quotations and other market information provided by or through CNSX.

“**Clearing Corporation**” means The Canadian Depository for Securities Limited or such other person as recognized by the Commission as a clearing agency for the purposes of the *Securities Act* and which has been designated by CNSX as an acceptable clearing agency.

“**Certificate of Compliance**” means the certificate of compliance which each CNSX Issuer must complete and post in Form 6.

“**control block holder**” means any person or combination of persons holding a sufficient number of any securities of a CNSX Issuer or CNSX Dealer to affect materially the control of that CNSX Issuer or CNSX Dealer, but any holding of any person or combination of persons holding more than 20% of the outstanding voting securities of a CNSX Issuer or CNSX Dealer shall, in the absence of evidence to the contrary, be deemed to affect materially the control of that CNSX Issuer or CNSX Dealer.

“**Decision**” means any decision, direction, order, ruling, guideline or other determination of CNSX, including any committee of CNSX, or the Market Regulator made in the administration or application of these Policies or any Rule.

“**disqualify**”, “**disqualification**” and “**disqualified**” where used in relation to the listing of an Issuer’s securities means termination of the qualification of an Issuer for listing of its securities on the CNSX System.

“**freely tradeable**” in respect of securities means securities that have no restriction on resale or transfer, including restrictions imposed by pooling or other arrangements or in a shareholder agreement.

“**Handbook**” means the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time.

“**IIROC**” means the Investment Industry Regulatory Organization of Canada or any successor organization.

“**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of a CNSX Issuer or shareholder of a CNSX Issuer that promote or reasonably could be expected to promote the purchase, or sale of securities of the CNSX Issuer, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the CNSX Issuer
 - (i) to promote the sale of its products or services, or
 - (ii) to raise public awareness of the CNSX Issuer,that cannot reasonably be considered to promote the purchase, or sale of securities of the CNSX Issuer;
- (b) activities or communications necessary to comply with
 - (i) applicable securities legislation, or
 - (ii) CNSX Requirements or the requirements of any other regulatory body having jurisdiction over the CNSX Issuer;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication that is of general and regular circulation if
 - (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) such other activities or communications that may be specified by CNSX.

“**Listing**” means the grant of a listing and quotation of, and permission to deal in, securities on CNSX and the CNSX System and “listed” and “quoted” shall be construed accordingly.

“**Listing Agreement**” means Form 4.

“**Listing Statement**” means Form 2A together with all required supporting documents.

“**Listing Summary**” means Form 2B.

“Market Regulator” means IIROC or such other person recognized by the Commission as a regulation services provider for the purposes of the *Securities Act* and which has been designated by CNSX as an acceptable regulation services provider.

“material information” means a material fact, a material change and any other information that might influence or change an investment decision of either a reasonable conservative or speculative investor.

“Monthly Progress Report” means Form 7.

“MR Policy” means a Policy as defined in UMIR, being a policy statement adopted by the Market Regulator in connection with the administration or application of the Rules as such policy statement is amended, supplemented and in effect from time to time.

“outside director” means a director who is not an officer or employee of an Issuer or any of its affiliates.

“Personal Information Form” or **“PIF”** means Form 3.

“Policy” means any policy statement and any direction or decision adopted by the CNSX Board in connection with the administration or application of these Policies, as such policy statement, direction or decision is amended, supplemented and in effect from time to time.

“post” means submitting a document in prescribed electronic format to the CNSX.ca website and, in the case of a requirement to post a share certificate, means filing a definitive specimen with CNSX and posting an electronic version of the certificate on the CNSX.ca website in PDF format.

“Quarterly Listing Update” means Form 5.

“Record Date” means the date fixed as the record date for the purpose of determining shareholders of a CNSX Issuer eligible for a distribution or other entitlement.

“registered holders” means the registered security holders of an issuer that are beneficial owners of the equity securities of that issuer. For the purposes of this definition, where the beneficial owner controls or is an affiliate of the registered security holder, the registered security holder shall be deemed to be the beneficial owner.

“Regulation” means Ontario Regulation 1015 - General Regulation made under the *Securities Act*, as amended from time to time.

“Related Entity” means, in respect of a CNSX Issuer

- (a) a person
 - (i) that is an affiliated entity of the CNSX Issuer,
 - (ii) of which the CNSX Issuer is a control block holder;
- (b) a management company or distribution company of a mutual fund that is a CNSX Issuer; or
- (c) a management company or other company that operates a trust or partnership that is a CNSX Issuer.

“Related Person” means, in respect of a CNSX Issuer

- (a) a Related Entity of the CNSX Issuer;
- (b) a partner, director or officer of the CNSX Issuer or Related Entity;
- (c) a promoter of or person who performs Investor Relations Activities for the CNSX Issuer or Related Entity;
- (d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the CNSX Issuer or Related Entity; and

- (e) such other person as may be designated from time to time by CNSX.

“**Securities Act**” means the *Securities Act*, R.S.O. 1990, c.S.5 as amended from time to time.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**significant connection to Alberta**” means, with respect to a CNSX Issuer or an issuer applying to become listed on CNSX, that the issuer has:

- (a) registered holders and beneficial holders resident in Alberta who beneficially own more than 20% of the total number of equity securities beneficially owned by the registered holders and beneficial holders of the issuer; or
- (b) mind and management principally located in Alberta and has registered holders and beneficial holders resident in Alberta who beneficially own more than 10% of the total number of equity securities beneficially owned by the registered holders and beneficial holders of the issuer.

For the purposes of item (b), the residence of the majority of the directors in Alberta or the residence of the president or chief executive officer in Alberta may be considered determinative in assessing whether the mind and management of the issuer is principally located in Alberta.

“**Statutory Holiday**” means such day or days as may be designated by the CNSX Board or established by law applicable in Ontario.

“**stock option**” means an option to purchase shares from treasury granted to an employee, director, officer, consultant or service provider of a CNSX Issuer.

“**Trading Day**” means a business day during which trades are executed on the CNSX System.

“**UMIR**” means the Universal Market Integrity Rules administered by the Market Regulator and adopted by the Exchange, as amended from time to time.

“**unrelated director**” means an outside director who has no relationship with the Issuer, in any capacity (e.g. as lawyer, accountant, banker, supplier or customer), save as a shareholder of the Issuer who is not a control block holder.

3.3 *Interpretation.* In these Policies and accompanying forms:

“**person**” includes without limitation a company, corporation, incorporated syndicate or other incorporated organization, sole proprietorship, partnership or trust.

4. Rules of Construction

4.1 The division of CNSX Requirements into separate Rules, Policies, divisions, sections, subsections and clauses, the provision of a table of contents and index thereto, and the insertion of headings, indented notes and footnotes are for convenience of reference only and shall not affect the construction or interpretation of CNSX Requirements.

4.2 The use of the words “hereof”, “herein”, “hereby”, “hereunder” and similar expressions indicated the whole of the Policies and not only the particular Policy in which the expression is used, unless the context clearly indicates otherwise.

4.3 The word “or” is not exclusive and the word “including”, when following any general statement or term, does not limit that general statement or term to the specific matter set forth immediately after the statement or term, whether or not non-limited language (such as “without limitation” or “but not limited to” or similar words) is used.

4.4 Any reference to a statute, unless otherwise specified, is a reference to that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that may be passed which supplements or supersedes that statute or regulation.

4.5 Unless otherwise specified, any reference to a policy, rule, blanket order or instrument includes all amendments made and in force from time to time and any policy, rule, blanket order or instrument which supplements or supersedes that policy, rule, blanket order or instrument.

- 4.6 Grammatical variations of any defined term shall have similar meanings; words imputing the masculine gender include the feminine or neuter gender and words in the singular include the plural and vice versa.
- 4.7 All times mentioned in CNSX Requirements shall be local time in Toronto on the day concerned, unless the subject matter or context otherwise requires.
- 4.8 Any reference to currency refers to lawful money of Canada (unless expressed to be in some other currency).
- 4.9 Failure by CNSX to exercise any of its rights, powers or remedies under the CNSX Requirements or its delay to do so will not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power or remedy will not prevent its subsequent exercise or the exercise of any other right, power or remedy. CNSX will not be deemed to have waived the exercise of any right, power or remedy unless such waiver is made in writing and delivered to the person to whom such waiver applies or is published, if such waiver applies generally. Any waiver may be general or particular in its application, as determined by CNSX.

5. Appeals of Decisions

- 5.1 A CNSX Issuer or any person directly affected by a Decision under these Policies, other than a Decision of the Market Regulator, may appeal such Decision to the CNSX Board.
- 5.2 At the request of either the appellant or CNSX management, the matter may first be considered by the Listing Committee for an advisory opinion, but the Committee shall not have the power to make a final determination of the matter.
- 5.3 A Decision of the Market Regulator or a Market Integrity Official made pursuant to these Policies may be appealed pursuant to the provisions of Rule 11.3 of UMIR.

POLICY 1

INTERPRETATION AND GENERAL PROVISIONS

1. CNSX Philosophy

- 1.1 CNSX believes that the fundamental requirements for a fair and efficient capital market that fosters confidence and protects investors from unfair, improper or fraudulent practices are: (a) high quality, timely and continuous disclosure by issuers, (b) trading rules designed to ensure integrity and a fair and orderly market, and (c) comprehensive and independent market regulation to administer and enforce the trading rules and timely and continuous disclosure requirements.
- 1.2 CNSX believes recent advances in technology such as SEDAR and the Internet which facilitate instant, widespread and economical dissemination of information permit CNSX to require and CNSX Issuers to provide an enhanced standard of disclosure to secondary market investors, irrespective of an Issuer's size.
- 1.3 Fundamental to CNSX is the establishment by CNSX Issuers of a comprehensive, publicly-available disclosure base, providing enhanced quality and timeliness of information. CNSX's Issuer disclosure obligations aim to ensure that investors may trade informed by current full, true and plain disclosure concerning CNSX Issuers.
- 1.4 CNSX's Issuer disclosure commences with the Listing Statement, an Issuer prepared document intended to provide prospectus level disclosure (other than certain financial disclosure and interim Management's Discussion and Analysis). The Listing Statement is accompanied by the Listing Summary which provides a high-level summary of the Listing Statement. The Listing Statement must be supplemented and updated annually. A CNSX Issuer must prepare, certify and post a Quarterly Listing Statement including quarterly financial statements, management's discussion and analysis and updating any changes to the Listing Statement and a Monthly Progress Report, reporting activity (or lack of activity) by the Issuer in the preceding calendar month accompanied by a Certificate of Compliance, certifying that the Issuer is in compliance with applicable securities legislation. CNSX Issuers must also prepare and post Notices of any distribution of securities, transactions or developments or proposed distributions, transactions or developments. CNSX Issuer disclosure obligations are in addition to or supplementary to the continuous disclosure obligations under applicable securities legislation. Notices of proposed distributions and transactions must be updated every two weeks, either indicating completion or ongoing status. Issuers failing to provide updates will ~~have an indication of non compliance attached to their stock symbol in the CNSX Marketplace~~ and be subject to suspension if not remedied within a further two weeks.

2. CNSX Discretion

- 2.1 The Policies of CNSX have been put in place to serve as guidelines to Issuers, Issuers applying for qualification for listing of securities, and their professional advisers. However, CNSX reserves the right to exercise its discretion in applying the policies in all respects. CNSX can waive or modify an existing requirement or impose additional requirements. Any such waiver, modification or imposition of additional requirements may be general or particular in its application, as determined by CNSX. In exercising its discretion, CNSX will take into consideration facts or situations unique to a particular party. Listing of securities on CNSX is a privilege, not a right, and CNSX may grant or deny an application, including an application for the qualification for listing, notwithstanding the published Policies of CNSX.

3. Definitions

- 3.1 Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in these Policies that is:
- (a) defined or interpreted in section 1 of the *Securities Act* has the meaning ascribed to it in that section;
 - (b) defined in subsection 1(2) of the Regulation has the meaning ascribed to it in that subsection;
 - (c) defined in subsection 1.1(3) of National Instrument 14-101 has the meaning ascribed to it in that subsection;
 - (d) defined in subsection 1.1(2) of Ontario Securities Commission Rule 14-501 has the meaning ascribed to it in that section;
 - (e) defined or interpreted in Part 1 of National Instrument 21-101 has the meaning ascribed to it in that subsection;
 - (f) defined in subsection 1.1 of National Instrument 44-101 has the meaning ascribed to it in that subsection;

- (g) defined in section 1.1 of UMIR has the meaning ascribed to it in that section; and
- (h) a reference to a requirement of CNSX shall have the meaning ascribed to it in the applicable by-law, Rule or Policy of CNSX.

3.2 In all Policies, unless the subject matter or context otherwise requires:

“**affiliated entity**” has the meaning ascribed to it in Ontario Securities Commission Rule 45-501.

“**beneficial holders**” means those security holders of an issuer that are included in either:

- (a) a Demographic Summary Report available from the International Investors Communications Corporation; or
- (b) a non-objecting beneficial owner list for the issuer under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*,

“**Board Lot**” means a standard trading unit.

“**Business Day**” means any day from Monday to Friday inclusive, excluding Statutory Holidays.

“**by-laws**” means any by-law of CNSX as amended and supplemented from time to time.

“**CNSX**” means and “**Exchange**” both mean the Canadian National Stock Exchange operated by CNSX Markets Inc.

“**CNSX Board**” means the Board of Directors of CNSX Markets Inc. and includes any committee of CNSX Markets Inc.'s Board of Directors to which powers have been delegated in accordance with the by-laws, Policies or Rules.

“**CNSX Bulletin**” means an electronic communication from CNSX to CNSX Dealers;

“**CNSX Dealer**” means a Participant which has applied to CNSX for, and has been permitted by CNSX, access to the CNSX system, provided such access has not been terminated or suspended.

“**CNSX Issuer**” means an and “**Issuer**” both mean an issuer which has its securities qualified for listing on the CNSX System or which has applied to have its securities qualified for listing on the CNSX System, as applicable.

“**CNSX Requirements**” means collectively:

- (a) the Rules;
- (b) these Policies;
- (c) UMIR; and
- (d) any Decision,

as amended, supplemented and in effect from time to time.

“**CNSX System**” means the electronic system operated by CNSX for trading and quoting securities.

“**CNSX Trading and Access Systems**” includes all facilities and services provided by CNSX to facilitate quotation and trading, including, but not limited to: the CNSX System, data entry services; any other computer-based quotation and trading systems and programs, communications facilities between a system operated or maintained by CNSX and a trading or order routing system operated or maintained by a CNSX Dealer, another market or other person approved by CNSX, a communications network linking authorized persons to quotation dissemination, trade reporting and order execution systems and the content entered, displayed and processed by the foregoing, including price quotations and other market information provided by or through CNSX.

“**Clearing Corporation**” means The Canadian Depository for Securities Limited or such other person as recognized by the Commission as a clearing agency for the purposes of the *Securities Act* and which has been designated by CNSX as an acceptable clearing agency.

“**Certificate of Compliance**” means the certificate of compliance which each CNSX Issuer must complete and post in Form 6.

“**control block holder**” means any person or combination of persons holding a sufficient number of any securities of a CNSX Issuer or CNSX Dealer to affect materially the control of that CNSX Issuer or CNSX Dealer, but any holding of any person or combination of persons holding more than 20% of the outstanding voting securities of a CNSX Issuer or CNSX Dealer shall, in the absence of evidence to the contrary, be deemed to affect materially the control of that CNSX Issuer or CNSX Dealer.

“**Decision**” means any decision, direction, order, ruling, guideline or other determination of CNSX, including any committee of CNSX, or the Market Regulator made in the administration or application of these Policies or any Rule.

“**disqualify**”, “**disqualification**” and “**disqualified**” where used in relation to the listing of an Issuer’s securities means termination of the qualification of an Issuer for listing of its securities on the CNSX System.

“**freely tradeable**” in respect of securities means securities that have no restriction on resale or transfer, including restrictions imposed by pooling or other arrangements or in a shareholder agreement.

“**Handbook**” means the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time.

“**IIROC**” means the Investment Industry Regulatory Organization of Canada or any successor organization.

“**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of a CNSX Issuer or shareholder of a CNSX Issuer, that promote or reasonably could be expected to promote the purchase, or sale of securities of the CNSX Issuer, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the CNSX Issuer
 - (i) to promote the sale of its products or services, or
 - (ii) to raise public awareness of the CNSX Issuer,that cannot reasonably be considered to promote the purchase, or sale of securities of the CNSX Issuer;
- (b) activities or communications necessary to comply with
 - (i) applicable securities legislation, or
 - (ii) CNSX Requirements or the requirements of any other regulatory body having jurisdiction over the CNSX Issuer;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication that is of general and regular circulation if
 - (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) such other activities or communications that may be specified by CNSX.

“**Listing**” means the grant of a listing and quotation of, and permission to deal in, securities on CNSX and the CNSX System and “listed” and “quoted” shall be construed accordingly.

“**Listing Agreement**” means Form 4.

“**Listing Statement**” means Form 2A together with all required supporting documents.

“**Listing Summary**” means Form 2B.

"IIROC Market Regulator" means ~~Market Regulation Services Inc.~~ IIROC or such other person as recognized by the Commission as a regulation services provider for the purposes of the *Securities Act* and which has been designated by CNSX as an acceptable regulation services provider.

"material information" means a material fact, a material change and any other information that might influence or change an investment decision of either a reasonable conservative or speculative investor.

"Monthly Progress Report" means Form 7.

"MR Policy" means a Policy as defined in UMIR, being a policy statement adopted by the Market Regulator in connection with the administration or application of the Rules as such policy statement is amended, supplemented and in effect from time to time.

"outside director" means a director who is not an officer or employee of an Issuer or any of its affiliates.

"Personal Information Form" or **"PIF"** means Form 3.

"Policy" means any policy statement and any direction or decision adopted by the CNSX Board ~~or any committee of the CNSX Board~~ in connection with the administration or application of these Policies, as such policy statement, direction or decision is amended, supplemented and in effect from time to time.

"post" means submitting a document in prescribed electronic format to the CNSX.ca website and, in the case of a requirement to post a share certificate, means filing a definitive specimen with CNSX and posting an electronic version of the certificate on the CNSX.ca website in PDF format.

"Quarterly Listing Update" means Form 5.

"Record Date" means the date fixed as the record date for the purpose of determining shareholders of a CNSX Issuer eligible for a distribution or other entitlement.

"registered holders" means the registered security holders of an issuer that are beneficial owners of the equity securities of that issuer. For the purposes of this definition, where the beneficial owner controls or is an affiliate of the registered security holder, the registered security holder shall be deemed to be the beneficial owner;^{1,2}

"Regulation" means Ontario Regulation 1015 - General Regulation made under the *Securities Act*, as amended from time to time.

"Related Entity" means, in respect of a CNSX Issuer

- (a) a person
 - (i) that is an affiliated entity of the CNSX Issuer;^{1,2}
 - (ii) of which the CNSX Issuer is a control block holder;
- (b) a management company or distribution company of a mutual fund that is a CNSX Issuer; or
- (c) a management company or other company that operates a trust or partnership that is a CNSX Issuer.

"Related Person" means, in respect of a CNSX Issuer

- (a) a Related Entity of the CNSX Issuer;
- (b) ~~partners, directors and officers~~ a partner, director or officer of the CNSX Issuer or Related Entity;
- (c) a promoter of or person who performs Investor Relations Activities for the CNSX Issuer or Related Entity;
- (d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the CNSX Issuer or Related Entity; and

- (e) such other person as may be designated from time to time by CNSX.

“**Securities Act**” means the *Securities Act*, R.S.O. 1990, c.S.5 as amended from time to time.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**significant connection to Alberta**” means, with respect to a CNSX Issuer or an issuer applying to become listed on CNSX, that the issuer has:

- (a) registered holders and beneficial holders resident in Alberta who beneficially own more than 20% of the total number of equity securities beneficially owned by the registered holders and beneficial holders of the issuer; or
- (b) mind and management principally located in Alberta and has registered holders and beneficial holders resident in Alberta who beneficially own more than 10% of the total number of equity securities beneficially owned by the registered holders and beneficial holders of the issuer.

For the purposes of item (b), the residence of the majority of the directors in Alberta or the residence of the president or chief executive officer in Alberta may be considered determinative in assessing whether the mind and management of the issuer is principally located in Alberta.

“**Statutory Holiday**” means such day or days as may be designated by the CNSX Board or established by law applicable in Ontario.

“**stock option**” means an option to purchase shares from treasury granted to an employee, director, officer, consultant or service provider of a CNSX Issuer.

“**Trading Day**” means a business day during which trades are executed on the CNSX System.

“**UMIR**” means the Universal Market Integrity Rules adoptedadministered by the Market Regulator and adopted by the Exchange, as amended from time to time.

“**unrelated director**” means an outside director who has no relationship with the Issuer, in any capacity (e.g. as lawyer, accountant, banker, supplier or customer), save as a shareholder of the Issuer who is not a control block holder.

3.3 *Interpretation.* In these Policies and accompanying forms:

“**person**” includes without limitation a company, corporation, incorporated syndicate or other incorporated organization, sole proprietorship, partnership or trust.

4. Rules of Construction

4.1 The division of CNSX Requirements into separate Rules, Policies, divisions, sections, subsections and clauses, the provision of a table of contents and index thereto, and the insertion of headings, indented notes and footnotes are for convenience of reference only and shall not affect the construction or interpretation of CNSX Requirements.

4.2 The use of the words “hereof”, “herein”, “hereby”, “hereunder” and similar expressions indicated the whole of the Policies and not only the particular Policy in which the expression is used, unless the context clearly indicates otherwise.

4.3 The word “or” is not exclusive and the word “including”, when following any general statement or term, does not limit that general statement or term to the specific matter set forth immediately after the statement or term, whether or not non-limited language (such as “without limitation” or “but not limited to” or similar words) is used.

4.4 Any reference to a statute, unless otherwise specified, is a reference to that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that may be passed which supplements or supersedes that statute or regulation.

4.5 Unless otherwise specified, any reference to a policy, rule, blanket order or instrument includes all amendments made and in force from time to time and any policy, rule, blanket order or instrument which supplements or supersedes that policy, rule, blanket order or instrument.

- 4.6 Grammatical variations of any defined term shall have similar meanings; words imputing the masculine gender include the feminine or neuter gender and words in the singular include the plural and vice versa.
- 4.7 All times mentioned in CNSX Requirements shall be local time in Toronto on the day concerned, unless the subject matter or context otherwise requires.
- 4.8 Any reference to currency refers to lawful money of Canada (unless expressed to be in some other currency).
- 4.9 Failure by CNSX to exercise any of its rights, powers or remedies under the CNSX Requirements or its delay to do so will not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power or remedy will not prevent its subsequent exercise or the exercise of any other right, power or remedy. CNSX will not be deemed to have waived the exercise of any right, power or remedy unless such waiver is made in writing and delivered to the person to ~~which~~whom such waiver applies or is published, if such waiver applies generally. Any waiver may be general or particular in its application, as determined by CNSX.

5. Appeals of Decisions

- 5.1 A CNSX Issuer or any person directly affected by a Decision under these Policies, other than a Decision of the Market Regulator, may appeal such Decision to the CNSX Board.
- 5.2 At the request of either the appellant or CNSX management, the matter may first be considered by the Listing Advisory Committee for an advisory opinion, but the Committee shall not have the power to make a final determination of the matter.
- 5.3 ~~[Repealed March 1, 2004]~~5.4 A Decision of the Market Regulator or a Market Integrity Official made pursuant to these Policies may be appealed pursuant to the provisions of Rule 11.3 of UMIR.

POLICY 2

QUALIFICATIONS FOR LISTING

1 General

1.1 To be eligible for listing an Issuer must:

- a) be a reporting issuer or the equivalent in a jurisdiction in Canada; and
- b) not be in default of any requirements of securities legislation in any jurisdiction in Canada.

In addition, an issuer that is a reporting issuer in a jurisdiction in Canada solely as a result of BC Instrument 51-509 *Issuers Quoted in the U.S. Over-the-Counter Markets* (or any successor rule) or any similar rule that may be made by a securities regulator or securities regulatory authority in Canada is not eligible for listing unless the issuer files and obtains a receipt for a preliminary prospectus and a prospectus in a jurisdiction in Canada.

1.2 Each Issuer wishing to qualify for listing of its securities must:

- a) prepare and file with CNSX a Listing Statement and prescribed documentation;
- b) enter into a CNSX Issuer Agreement; and
- c) pay to CNSX the relevant listing fees, based on the type of securities to be listed, in accordance with the amounts and the payment schedule prescribed by CNSX from time to time, plus applicable taxes, and the listing of the Issuer's securities will not be completed until the relevant listing fees have been paid to CNSX.

1.3 This Policy sets out the basic conditions that must be met as a pre-requisite to the listing of securities on CNSX. They apply to every method by which securities may be brought to listing and to both new applicants and listed Issuers, except where otherwise stated. It should be noted that:

- a) these requirements are not exhaustive and CNSX may impose additional requirements in a particular case; and
- b) CNSX retains an absolute discretion to accept or reject applications for listing, and compliance with the relevant conditions may not of itself ensure an applicant's suitability for listing.

1.4 Where application is made to list a security that is convertible into another security CNSX must be satisfied that investors will be able to obtain the necessary information to form a reasoned opinion regarding the value of the underlying security. This requirement may be met where the underlying security is listed on a stock exchange.

2 Eligibility for Listing

2.1 An Issuer must meet the eligibility requirements set out in the appendices to this Policy, based on the type of securities to be listed, as follows:

- a) equity securities – Appendix A: Part A; and
- b) debt securities – Appendix B: Part A.

2.2 In addition, if the Issuer's securities are held out as being in compliance with specific, non-exchange-mandated requirements, the Issuer must also comply with the requirements of Policy 10.

3 Required Documentation

3.1 In connection with an initial application for listing, an Issuer must file with CNSX the documents set out in the appendices to this Policy, based on the type of securities to be listed, as follows:

- a) equity securities – Appendix A: Part B; and
- b) debt securities – Appendix B: Part B.

4 Limited Liability

4.1 All securities to be listed should be fully paid and non-assessable.

5 Responses and Additional Information and Documentation

5.1 The Issuer must submit any additional information, documents or agreements requested by CNSX.

6 Final Documentation

6.1 CNSX must receive the following documents prior to qualification for listing:

- a) one original executed copy of the Listing Statement (Form 2A) dated within three business days of the date it is submitted to CNSX together with any additions or amendments to the supporting documentation previously provided as required by Appendix A to the Listing Application;
- b) one original executed copy of the Listing Summary (Form 2B) dated within three business days of the date it is submitted to CNSX;
- c) two original executed copies of the applicable Listing Agreement (Form 4A);
- d) three choices for a stock symbol;
- e) a legal opinion that the Issuer:
 - i. is in good standing under and not in default of applicable corporate law or other applicable laws of establishment,
 - ii. is a reporting issuer or equivalent under the securities legislation of [state applicable jurisdictions] and is not in default of any requirement of any jurisdiction in which it is a reporting issuer or equivalent,
 - iii. has the corporate power and capacity to own its properties and assets, to carry on its business as it is currently being conducted, and to enter into the Listing Agreement and to perform its obligations thereunder, and
 - iv. has taken all necessary corporate action to authorize the execution, delivery and performance of the Listing Agreement and that the Listing Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms;
- f) a legal opinion that all securities previously issued of the class of securities to be listed or that may be issued upon conversion, exercise or exchange of other previously-issued securities are or will be duly issued and are or will be outstanding as fully paid and non-assessable securities; and
- g) a certificate of the applicable government authority that the Issuer is in good standing under and not in default of applicable corporate law or other applicable laws of establishment.

7 CNSX Postings

7.1 **Access** – The Issuer must have high speed access to the Internet.

7.2 **Postings** – The Issuer must post on the CNSX.ca website the following:

- a) the Listing Statement, including all reports required to be filed therewith;
- b) the Listing Summary;
- c) the Listing Agreement;
- d) an executed Certificate of Compliance (Form 6); and
- e) an index of all documents comprising the Issuer's SEDAR record, for the previous two calendar years.

7.3 All documents must be posted in the data format prescribed by CNSX from time to time.

8 Posting Officer

8.1 A CNSX Issuer must designate at least one individual to act as the Issuer's posting officer and at least one alternate. The posting officers will be responsible for posting or arranging for the posting, on behalf of the Issuer, of all of the documents required to be posted by the Issuer.

8.2 A CNSX Issuer may post documents through the facilities of a third-party service provider.

9 Continuing to Qualify for Listing

9.1 To continue to qualify for listing, a CNSX Issuer must meet all of the following requirements:

- a) the CNSX Issuer must be in good standing under and not in default of applicable corporate law;
- b) the CNSX Issuer must remain a reporting issuer or equivalent in good standing in each jurisdiction in which it is a reporting issuer or equivalent and must not be in default of any requirement of any such jurisdiction;
- c) the CNSX Issuer must be in compliance with CNSX Requirements, and the terms of the Listing Agreement;
- d) the CNSX Issuer must post all required documents and information required under the Policies of CNSX;
- e) the CNSX Issuer must concurrently post all public documents submitted to SEDAR (unless identical disclosure has not already been posted in a CNSX Form);
- f) if the Issuer is required to submit Personal Information Forms for each Related Person at the time of listing then the CNSX Issuer must submit a Personal Information Form for any new Related Person of the Issuer (and if any of these persons is not an individual, a Personal Information Form for each director, officer and each person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting rights of such non-individual); and
- g) the Issuer must take all reasonable care to ensure that any statement, document or other information which is provided to or made available to CNSX or posted by the Issuer is not misleading, false or deceptive and does not omit anything likely to affect the import of such statement, document or other information.

9.2 Each CNSX Issuer that is not a reporting issuer in Alberta must:

- a) assess whether it has a significant connection to Alberta;
- b) upon becoming aware that it has a significant connection to Alberta as a result of complying with section 9.2 a) above or otherwise, immediately notify CNSX and promptly make a *bona fide* application to the Alberta Securities Commission to be deemed to be a reporting issuer in Alberta (a CNSX Issuer must become a reporting issuer in Alberta within six months of becoming aware that it has a significant connection to Alberta);
- c) assess, on an annual basis, in connection with the delivery of its annual financial statements to securityholders, whether it has a significant connection to Alberta;
- d) obtain and maintain for a period of three years after each annual review referenced in this section, evidence of residency of their registered holders and beneficial holders; and
- e) if requested, provide to CNSX evidence of the residency of its non-objecting beneficial owners (as defined in National Policy 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* or its successor instruments).

9.3 Where it appears to CNSX that an Issuer making an application for listing on CNSX has a significant connection to Alberta, CNSX will, as a condition of its acceptance or approval of the listing application, require the Issuer to provide to CNSX evidence that it has made a *bona fide* application to the Alberta Securities Commission to become a reporting issuer in Alberta.

10 Suspensions

10.1 CNSX will automatically suspend from trading the securities of a CNSX Issuer if CNSX or the Market Regulator determines that the CNSX Issuer fails to meet any of the above criteria or it is in the public interest to suspend trading of the securities of the CNSX Issuer.

11 Listing in US Dollars

11.1 Securities may be traded and quoted in US dollars.

12 Transfer and Registration of Securities

12.1 The Issuer must maintain transfer and registration facilities in good standing where the securities of the Issuer are directly transferable. Certificates must name the cities where they are transferable and must be interchangeably transferable and identical in colour and form with each other.

13 Share Certificates

13.1 Certificates must bear a valid CUSIP number.

13.2 All certificates must conform with the requirements of the corporate and securities legislation applicable to the Issuer.

13.3 The foregoing requirements, except for a CUSIP number, do not apply to a completely non-certificated issue that complies with the requirements of the Clearing Corporation.

14 Book-Based System

14.1 The securities of the Issuer must be qualified for and entered into the book-based system maintained by the Clearing Corporation.

15 Full, True & Plain Disclosure

15.1 As an overriding principle, the Listing Statement must contain such particulars and information which, according to the particular nature of the Issuer and the securities for which listing is sought, are necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Issuer and of its profits and losses (and of any guarantor) and of the rights attaching to such securities and must set out such information in true and plain English.

APPENDIX A: Equity Securities**Important Note: All securities are subject to the requirements of the “General” section of Policy 2**

For the purposes of this Appendix, equity securities include any securities that are convertible into equity securities and any other security that CNSX deems to be an equity security.

PART A: Eligibility for Listing**1 GENERAL**

1.1 An Issuer of equity securities must have a public float of at least 500,000 freely-tradeable shares worth at least \$250,000 and consisting of at least 150 public holders holding at least a board lot each of the security. The public float must constitute at least 10% of the total issued and outstanding of that security, provided that a CNSX Issuer may have a public float that constitutes less than 10% but at least 5% of the total issued and outstanding securities if the total number of shares in the public float, the value of the public float and the number of public holders of at least a board lot each of the security are significantly greater than the basic requirements. For the purposes of this Policy, a “public holder” is any shareholder other than a Related Person, an employee of a Related Person of a CNSX Issuer or any person or group of persons acting jointly or in concert holding:

- a) more than 5% of the issued and outstanding securities; or
- b) securities convertible or exchangeable into the listed equity security and would, on conversion or exchange, hold more than 5% of the issued and outstanding securities.

1.2 CNSX shall designate as a “thin float” Issuer any CNSX Issuer that has less than 10% of the total issued and outstanding securities held by the public holders as freely tradeable shares.

- a) CNSX will also apply this designation to companies that have a smaller public float as a percentage of the issued and outstanding securities than would be determined by the following formula:

Target % freely tradeable shares = $35 - (0.05 \times \text{actual number of public holders of at least a board lot})$.

For example, an Issuer that had a public float comprising 25% of the outstanding shares would need to have at least 200 public board lot holders to avoid being a thin float Issuer ($35 - (0.05 \times 200) = 25$). If the float were 20% of the outstanding, the Issuer would need at least 300 shareholders ($35 - (0.05 \times 300) = 20$). An Issuer that has a public float comprising at least 27.5% of the outstanding and that otherwise meets the requirements for listing would not be a thin float Issuer as the formula is satisfied by the minimum number of shareholders ($35 - (0.05 \times 150) = 27.5$). An Issuer that has a public float of 10% or less of the outstanding will always be a thin float Issuer.

- b) An identifying marker will be added to the Issuer’s disclosure on the CNSX.ca website.

1.3 Notwithstanding compliance with the foregoing, CNSX may in its discretion designate any CNSX Issuer as a “thin float” Issuer whose shareholder distribution profile indicates a susceptibility to market volatility.

1.4 An Issuer must have:

- a) demonstrable revenue from operations;
- b) a recent history as a listed company and a minimum working capital of \$50,000; or
- c) a minimum working capital of \$100,000.

a company has a “recent history as a listed company” if it has been listed on a Canadian stock exchange within the previous 6 months and has not violated any of that exchange’s requirements (other than minimum financial or shareholder distribution requirements for maintaining a listing) or applicable securities legislation.

1.5 An operating company in any industry must have achieved revenue from the sale of goods or the delivery of services to customers and these revenues must appear on its audited financial statements, or on an interim statement supported by a comfort letter from the company’s auditor. Such companies, if not yet profitable, must have liquid assets or a business plan that demonstrates a reasonable likelihood that the company can sustain its operations and achieve its objectives.

- 1.6 A non-operating company in any industry must have a reasonable plan to develop an active business and the financial resources to carry out that plan. A company at an early stage of development must be able to achieve limited objectives that will advance its development to a stage where additional financing is typically available to the companies in its industry. In particular, the following criteria apply:
- a) A mineral resource company must have title to a property that is prospective for minerals and on which there has been exploration previously conducted. It must have obtained an independent report that meets the requirements of National Instrument 43-101 or any successor instrument and that recommends further exploration on the property. If the company does not have title to the property, it must have the means and ability to earn a significant interest in the property upon completion of a fully-financed exploration program that will be completed within a reasonable time.
 - b) An energy resource company must have title to a property on which measurable quantities of conventional energy resources have been identified or the means and ability to earn a significant interest in the property upon completion of a fully-financed exploration program. The company must also submit a qualifying report on the property in accordance with National Instrument 51-101 or any successor instrument.
- 1.7 An investment company must have an appropriate balance between income and activity depending on the nature of its investments. A holding company that is not active in the management of investee companies should own majority interests or have effective control in businesses that can generate returns that will flow to the shareholders through distributions, or have prospects for growth through the reinvestment of earnings. Such companies must have minimum net assets of:
- a) \$2 million, at least 50% of which has been allocated to at least 2 specific investments; or
 - b) \$4 million; and
 - c) a track record of acquiring and divesting interests in arm's-length enterprises in a manner that can be characterized as conducting an active business.
- 1.8 CNSX will not approve an Issuer for listing if any Related Persons, or investor relations persons associated with the Issuer have been convicted of fraud, breach of fiduciary duty, violations of securities legislation (other than a minor breach that does not necessarily give rise to investor protection or market integrity concerns) or any other activity that concerns integrity of conduct unless the Issuer first severs relations with such person(s) to CNSX's satisfaction.
- 1.9 CNSX may not approve an Issuer for listing if any Related Persons, or investor relations person(s) associated with the Issuer:
- a) have entered into a settlement agreement with a securities regulator or other authority;
 - b) are known to be associated with other offenders depending on the nature and extent of the relationship and the seriousness of the offence committed; or
 - c) have a consistent record of business failures, particularly failures involving public companies,
- unless the Issuer first severs relations with such person(s) to CNSX's satisfaction.
- 1.10 CNSX may deem any person to be unacceptable to be associated in any manner with a CNSX Issuer if CNSX reasonably believes such association will give rise to investor protection concerns or could bring CNSX into disrepute.

2 CAPITAL STRUCTURE, BUILDER SHARES AND ESCROW

2.1 Capital Structure

An Issuer's capital structure must be acceptable to CNSX.

2.2 Definition of Builder Shares

"Builder Shares" means any security issued or issuable upon conversion of another security to:

- a) any person for less than \$0.02 per security;
- b) a Related Person to the Issuer for the purchase of an asset with no acceptable supporting valuation;

- c) a Related Person to settle a debt or obligation for less than the last issued price per security; or
- d) a Related Person for the primary purpose of increasing that principal's interest in the Issuer without a corresponding tangible benefit to the Issuer.

2.3 Pricing

The Issuer may not sell securities pursuant to an initial public offering for less than \$0.10 per share or unit. For Issuers not yet generating revenue from business activity, CNSX will not consider an application where Builder Shares have been issued for less than \$0.005 in the previous 18 month period.

2.4 Specific Restrictions

- a) The ratio of shares in the post-offering or reverse takeover capital structure must not exceed one Builder Share for every three non-Builder Shares.
- b) Where there is no concurrent financing, the minimum permitted price at which the securities can be exercisable or convertible and not be subject to escrow is \$0.10. CNSX will not permit the exercise, conversion or exchange price of any exercisable, convertible or exchangeable security to be fixed until the security has been granted to a particular person.

2.5 Substantial Float

CNSX may consider exercising discretion to amend or waive the provisions of paragraphs 11, 12 and 13 if an Issuer has a "Substantial Float". CNSX will generally consider an Issuer that meets all the following criteria to have a Substantial Float:

- a) \$1,000,000 public float value;
- b) 1,000,000 free trading shares;
- c) 200 public shareholders with a minimum of one board lot each with no resale restrictions, and
- d) 20% of the issued and outstanding shares held by public shareholders.

2.6 Acceptance of an alternative proposed structure is contingent upon an evaluation by CNSX using the following criteria:

- a) track record, quality and experience of management and board;
- b) percentage of time devoted by management to the Issuer;
- c) capital contribution (cash paid in, reasonable value of assets and reasonable value of services performed, less any cash payments) by Related Persons;
- d) relationship of capital contribution to ownership by Related Persons; and
- e) relationship of share price in pre-IPO financing rounds to the IPO price.

2.7 All issuances prior to listing will be reviewed seriatim to determine suitability taking into account management activity, significant developments, and elapsed time as well as arm's-length party participation.

2.8 Escrow

Prior to listing, all securities issued to Related Persons are generally required to be subject to an escrow agreement pursuant to National Policy 46-201.

- a) In addition, where convertible securities (such as stock options, common share purchase warrants, special warrants, convertible debentures or notes) are issued less than 18 months before listing and exercisable or convertible into listed shares at a price that is less than the issuance price per security under a prospectus offering or other financing or acquisition made contemporaneously with the listing application then the underlying security will be subject to escrow with releases scheduled at periods specified under National Policy 46-201.

- b) An Issuer that has, within the six months prior to applying to list on CNSX, completed a transaction that would have been considered a “fundamental change”, as defined in section 1.1 of Policy 8, must enter into escrow agreements with the Related Persons as if the Issuer was subject to the requirements of National Policy 46-201 and the provisions of section 1.8 of Policy 8 shall apply in all respects to the Issuer.
- c) CNSX, in its sole discretion, may impose escrow arrangements that are in addition to those required by National Policy 46-201, or consider different proposals such as an “earn-out” escrow, on a case-by-case basis.

PART B: Documents required with application

3 Application

3.1 The application for listing must include the following:

- a) a letter applying to qualify for listing (Form 1A – Equity Securities) requesting qualification for listing of one or more specific classes of equity securities of the Issuer and indicating the number and class of the Issuer’s securities issued and outstanding and, if convertible or exchangeable securities are issued and outstanding, the number and type of securities reserved for issuance;
- b) a completed Listing Application (Form 1B – Equity Securities) together with the supporting documentation set out in Appendix A to the Listing Application;
- c) a draft Listing Statement (Form 2A) including financial statements approved by the Issuer’s Board of Directors and its Audit Committee, if the Issuer has an Audit Committee;
- d) a duly executed Personal Information Form (Form 3) from each Related Person of the Issuer and, if any of these persons is not an individual, a Personal Information Form from each director, senior officer and each person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting rights of such non-individual;
- e) current insider reports from each person required to file a Personal Information Form, as filed with the Commission;
- f) the escrow agreement required under paragraph 2.8 of Part A of this Appendix; and
- g) the relevant portion of the Listing Fees, plus applicable taxes.

APPENDIX B: Debt Securities

Important Note: All securities are subject to the requirements of the “General” section of Policy 2

For the purposes of this Appendix, debt securities includes bonds, debentures, notes, Eurobonds, Medium Term Notes, Sukuk (Islamic bonds) and any other fixed income security that CNSX deems to be a debt security.

PART A: Eligibility for Listing

1 General

- 1.1 An Issuer must have net assets of at least \$1 million or where the Issuer is a special purpose vehicle, or a holding company that does not meet this requirement itself, then CNSX may consider the assets of an underlying entity.
- 1.2 In the case of asset-backed securities, a trustee or other independent representative must be appointed to represent the interests of the holders of the asset-backed securities and the trustee or an independent custodian must hold the underlying assets and all money and benefits flowing from the assets to the Issuer or the holder of the asset-backed securities.
- 1.3 In the case of asset-backed securities that are secured on debt obligations or other receivables from a managed pool of assets, the entity appointed to manage the pool of assets must have adequate experience and expertise and such entity must be required to provide periodic financial reports on the performance and credit quality of the pool, for the benefit of the trustee.
- 1.4 In the case of asset-backed securities that are secured by equity securities, the equity securities must represent minority interests in, and must not carry legal or management control of, the underlying entities and must be listed on CNSX or listed on another exchange recognised for this purpose by CNSX.
- 1.5 The Issuer must appoint and maintain a payment agent acceptable to CNSX.

PART B: Documents required with application

2 Application

- 2.1 The application for listing must include the following:
 - a) a letter applying to qualify for listing (Form 1A – Debt Securities) requesting qualification for listing of one or more specific classes of securities of the Issuer;
 - b) a completed Listing Application (Form 1B – Debt Securities) together with the supporting documentation set out below;
 - c) a draft Listing Statement (Form 2A); and
 - d) the relevant portion of the Listing Fees, plus applicable taxes.

2.2 Listing Statement

The Listing Statement required to be submitted to CNSX shall comprise:

- a) a document that contains all of the information required by Form 2A; or
- b) in the case of a tranche issued pursuant to a programme, a term sheet (see Form 2C – Debt Securities).

2.3 Supporting Documents

In addition to the Listing Application (Form 1B – Debt Securities) the Issuer must submit:

- a) the participation agreement; and
- b) the declaration of trust or other document constituting the securities.

CNSX may also require a legal opinion that confirms that the debt securities have been duly constituted and, when issued, will be fully paid and non-assessable.

2.4 Pre-approval of issuance programmes

- a) Where an Issuer issues debt securities of the same class on a regular basis under an issuance programme an Issuer may make an application for the pre-approval of the listing of a specified number of securities which may be issued in a particular case.
- b) Where debt securities are to be issued under an issuance programme, the initial application must cover the maximum amount of securities that may be in issue at any one time under the programme. If CNSX approves the application, it will grant pre-approval for the listing of all the securities that may be issued under the programme within twelve (12) months after the approval, subject to CNSX receiving:
 - i. advice of the final terms of each issue,
 - ii. copies of any supplementary document or pricing supplement issued in support of the tranche or series,
 - iii. confirmation that the Issuer is still in full compliance with these Listing Rules and that the issue falls within the terms and conditions of the issuance programme, and
 - iv. confirmation that the securities in question have been issued.
- c) The debt securities to be issued under an issuance programme must be identical, except in respect of their designation (i.e., they can be different series), the term of the securities (i.e., the maturity date may vary), the amount of the tranche (within the overall maximum amount of the programme), and the yield (e.g., the coupon rate may vary). Securities that are not identical may not be issued under a programme and will require a separate application.

- 2.5 The final terms of each issue which is intended to be listed must be submitted in writing to CNSX as soon as possible after they have been agreed and in any event no later than two (2) Business Days before the listing is required to become effective. CNSX reserves the right to impose additional requirements on an issue made under an issuance programme, including imposing a requirement to make a new application in respect of that issue, if it considers that the issue does not fall within the scope of the programme.

POLICY 2

QUALIFICATION QUALIFICATIONS FOR LISTING

1. Eligibility for Listing

1 General

1.1 To be eligible for listing an Issuer must:

- a) be a reporting issuer or the equivalent in a jurisdiction in Canada; and
- b) 1.1 Only an Issuer that is a reporting issuer or the equivalent in a jurisdiction in Canada and that is not be in default of any requirements of securities legislation in any jurisdiction in Canada is eligible for listing.

In addition, an issuer that is a reporting issuer in a jurisdiction in Canada solely as a result of BC Instrument 51-509 Issuers Quoted in the U.S. Over-the-Counter Markets (or any successor rule) or any similar rule that may be made by a securities regulator or securities regulatory authority in Canada is not eligible for listing unless the issuer files and obtains a receipt for a preliminary prospectus and a prospectus in a jurisdiction in Canada.

1.2 1.2 Each Issuer wishing to qualify for listing of its securities must:

- a) (a) prepare and file with CNSX the Listing Statement and prescribed documentation;
- b) (b) enter into a CNSX Issuer Agreement;
- c) have high speed access to the Internet and post on the CNSX.ca website the Listing Statement and prescribed documentation; and
- e) (d) pay to CNSX the non-refundable listing application fee prescribed by Policy 10-Schedule of Fees relevant listing fees, based on the type of securities to be listed, in accordance with the amounts and the payment schedule prescribed by CNSX from time to time, plus applicable taxes, and the listing of the Issuer's securities will not be completed until the relevant listing fees have been paid to CNSX.

1.3 Each CNSX Issuer must have a public float of at least 500,000 freely-tradeable shares worth at least \$50,000 and consisting of at least 150 public holders holding at least a board lot each of the security. The public float must constitute at least 10% of the total issued and outstanding of that security, provided that a CNSX Issuer may have a public float that constitutes at least 5% of the total issued and outstanding if it has at least 200 public holders of at least a board lot each of the security. For the purposes of this Policy, a "public holder" is any shareholder other than a Related Person, an employee or a Related Person of a CNSX Issuer or any person or group of persons acting jointly or in concert holding

- (a) more than 5% of the issued and outstanding; or
- (b) securities convertible or exchangeable into the listed security and would, on conversion or exchange, hold more than 5% of the issued and outstanding.

1.4 CNSX shall designate as a "thin float issuer" any CNSX Issuer that has less than 10% of the total issued and outstanding held by the public holders as freely tradeable shares. CNSX will also apply this designation to companies that have a smaller public float as a percentage of the issued and outstanding than would be determined by the following formula:

Target % freely tradeable shares = $35 - (0.05 \times \text{actual number of public holders of at least a board lot})$
For example, an issuer that had a public float comprising 25% of the outstanding shares would need to have at least 200 public board lot holders to avoid being a thin float issuer ($35 - (0.05 \times 200) = 25$). If the float were 20% of the outstanding, the issuer would need at least 300 shareholders ($35 - (0.05 \times 300) = 20$). An issuer that has a public float comprising at least 27.5% of the outstanding and that otherwise meets the requirements for listing would not be a thin float issuer as the formula is satisfied by the minimum number of shareholders ($35 - (0.05 \times 150) = 27.5$). An issuer that has a public float of 10% or less of the outstanding will always be a thin float issuer.

An identifying marker will be added to the Issuer's stock symbol and disclosure on the CNSX.ca website.

- 1.5 — Notwithstanding compliance with the foregoing, CNSX may in its discretion designate any CNSX Issuer as a “thin float” issuer whose shareholder distribution profile indicates a susceptibility to market volatility.
- 1.6 — Operating companies in any industry must have achieved revenue from the sale of goods or the delivery of services to customers and these revenues must appear on its audited financial statements, or on an interim statement supported by a comfort letter from the company’s auditor. These companies, if not yet profitable, must have liquid assets or a business plan that demonstrates a reasonable likelihood that the company can sustain its operations and achieve its objectives.
- 1.7 — Non-operating companies in any industry must have a reasonable plan to develop an active business and the financial resources to carry out that plan. Companies at an early stage of development must be able to achieve limited objectives that will advance their development to a stage where additional financing is typically available to the companies in their industry. In particular, the following criteria apply:
- (a) — Mineral resource companies must have title to a property that is prospective for minerals and on which there has been exploration previously conducted. It must have obtained an independent report that meets the requirements of National Instrument 43-101 and that recommends further exploration on the property. If the company does not have title to the property, it must have the means and ability to earn a significant interest in the property upon completion of a fully-financed exploration program that will be completed within a reasonable time.
 - (b) — Energy resource companies must have title to a property on which measurable quantities of conventional energy resources have been identified or the means and ability to earn a significant interest in the property upon completion of a fully-financed exploration program. The company must also submit a qualifying report on the property in accordance with National Policy 2B or any successor instrument.
 - (c) — Investment companies must have an appropriate balance between income and activity depending on the nature of their investments. Holding companies that are not active in the management of investee companies should own majority interests or have effective control in businesses that can generate returns that will flow to the shareholders of the issuer through distributions, or have prospects for growth through the reinvestment of earnings. Merchant banking or venture capital companies must have minimum net tangible assets of
 - (i) — \$2 million, at least 50% of which has been allocated to at least 2 specific investments, or
 - (ii) — \$4 million,and a track record of acquiring and divesting interests in arm’s-length enterprises in a manner that can be characterized as conducting an active business.
- 1.8 — An Issuer must have (i) cash generating capacity; (ii) a recent history as a listed company and a minimum working capital of \$50,000; or (iii) a minimum working capital of \$100,000. A company has a “recent history as a listed company” if it has been listed on a Canadian stock exchange within the previous 6 months and has not violated any of that exchange’s requirements (other than minimum financial or shareholder distribution requirements for maintaining a listing) or applicable securities legislation.
- 1.9 — CNSX will not approve an Issuer for listing if any Related Persons, or investor relations persons associated with the Issuer have been convicted of fraud, breach of fiduciary duty, violations of securities legislation (other than a minor breach that does not necessarily give rise to investor protection or market integrity concerns) or any other activity that concerns integrity of conduct unless the Issuer severs relations with such person to CNSX’s satisfaction.
- 1.10 — CNSX may not approve an Issuer for listing if any Related Persons, or investor relations persons associated with the Issuer
- (a) — have entered into a settlement agreement with a securities regulator or other authority;
 - (b) — are known to be associated with other offenders depending on the nature and extent of the relationship and the seriousness of the offence committed; or
 - (c) — have a consistent record of business failures, particularly failures involving public companies,
- unless the Issuer severs relations with such person to CNSX’s satisfaction.

~~1.11~~ CNSX may deem any person to be unacceptable to be associated in any manner with a CNSX Issuer if CNSX reasonably believes such association will give rise to investor protection concerns or could bring the CNSX marketplace into disrepute.

1.3 This Policy sets out the basic conditions that must be met as a pre-requisite to the listing of securities on CNSX. They apply to every method by which securities may be brought to listing and to both new applicants and listed Issuers, except where otherwise stated. It should be noted that:

- a) these requirements are not exhaustive and CNSX may impose additional requirements in a particular case; and
- b) CNSX retains an absolute discretion to accept or reject applications for listing, and compliance with the relevant conditions may not of itself ensure an applicant's suitability for listing.

1.4 Where application is made to list a security that is convertible into another security CNSX must be satisfied that investors will be able to obtain the necessary information to form a reasoned opinion regarding the value of the underlying security. This requirement may be met where the underlying security is listed on a stock exchange.

2. Eligibility for Listing

2.1 An Issuer must meet the eligibility requirements set out in the appendices to this Policy, based on the type of securities to be listed, as follows:

- a) equity securities – Appendix A: Part A; and
- b) debt securities – Appendix B: Part A.

2.2 In addition, if the Issuer's securities are held out as being in compliance with specific, non-exchange-mandated requirements, the Issuer must also comply with the requirements of Policy 10.

3. Required Documentation

3.1 In connection with an initial application for listing, an Issuer must file with CNSX the documents described below, set out in the appendices to this Policy, based on the type of securities to be listed, as follows:

2.1 Application

The application for listing must include the following:

- ~~(a) a letter applying to qualify for listing (Form 1A) requesting qualification for listing of one or more specific classes of equity securities of the Issuer and indicating the number and class of the Issuer's securities issued and outstanding and, if convertible or exchangeable securities are issued and outstanding, the number and type of securities reserved for issuance;~~
 - ~~(b) a completed Listing Application (Form 1B) together with the supporting documentation set out in Appendix A to the Listing Application;~~
 - ~~(c) a draft Listing Statement (Form 2A) (including financial statements approved by the Issuer's Board of Directors and its Audit Committee, if the Issuer has an Audit Committee);~~
 - ~~(d) a draft Listing Summary (Form 2B);~~
 - ~~(e) a duly executed Personal Information Form (Form 3) from each Related Person of the Issuer; if any of these persons is not an individual, a PIF from each director, senior officer and each person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting rights of such non-individual;~~
 - ~~(f) current insider reports from each person required to file a PIF, as filed with the Commission; and~~
 - ~~(g) the application fee prescribed by Policy 10 – Schedule of Fees.~~
- a) equity securities – Appendix A: Part B; and
 - b) debt securities – Appendix B: Part B.

4 Limited Liability

4.1 All securities to be listed should be fully paid and non-assessable.

5 2.2 — Comments, Responses and Additional Information and Documentation

5.1 The Issuer must respond to any questions or comments, written or oral, from CNSX, and submit any additional information, documents or agreements requested by CNSX.

6 2.3 — Final Documentation

6.1 CNSX must receive the following documents prior to qualification for listing:

- a) ~~(a) two originally~~one original executed ~~copies~~copy of the Listing Statement (Form 2A) dated within three business days of the date ~~they are~~it is submitted to CNSX together with any additions or amendments to the supporting documentation previously provided as required by Appendix A to the Listing Application;
- b) ~~(b) two originally~~one original executed ~~copies~~copy of the Listing Summary (Form 2B) dated within three business days of the date ~~they are~~it is submitted to CNSX;
- c) ~~(c) two duly~~original executed ~~copies of the applicable~~Listing AgreementsAgreement (Form 4A);
- d) ~~(d) three~~ choices for a stock symbol;
- e) ~~(e) a~~legal opinion of counsel that the Issuer:
 - i. ~~(i) is in good standing under and not in default of applicable corporate law;~~or other applicable laws of establishment,
 - ii. ~~(ii) is a reporting issuer or equivalent under the securities legislation of [state applicable jurisdictions] and is not in default of any requirement of any jurisdiction in which it is a reporting issuer or equivalent;~~;
 - iii. ~~(iii) has the corporate power and capacity to own its properties and assets, to carry on its business as it is currently being conducted, and to enter into the Listing Agreement and to perform its obligations thereunder;~~ and
 - iv. ~~(iv) has taken all necessary corporate action to authorize the execution, delivery and performance of the Listing Agreement and that the Listing Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms;~~
- f) ~~(f) a~~legal opinion of counsel that all ~~shares~~securities previously issued of the class of securities to be listed or that may be issued upon conversion, exercise or exchange of other previously-issued securities are or will be duly issued and are or will be outstanding as fully paid and non-assessable ~~shares;~~securities; and
- g) ~~(g) a certificate of the applicable government authority that the Issuer is in good standing under and not in default of applicable corporate law;~~or other applicable laws of establishment.
- ~~(h) a certificate of the applicable commission(s) that the Issuer is a reporting issuer and not on the list of defaulting reporting issuers maintained under applicable securities legislation; and~~
- ~~(i) [Repealed].~~

2.4 — Posting Officer

- ~~(a) A CNSX Issuer may not post any documents required under the CNSX Requirements except through its designated posting officer who has been designated, trained and approved as follows:~~
 - ~~(i) The Issuer must designate at least one individual to act as the Issuer's posting officer and at least one backup. The posting officers will be responsible for executing, on behalf of the Issuer, all of the postings required of the Issuer under the CNSX Requirements.~~

~~(ii) — The Issuer's designated postings officers must be trained by CNSX or a party selected by CNSX to execute postings on CNSX's Internet website.~~

~~(iii) — The Issuer's designated posting officers will not be permitted to execute any postings until CNSX is satisfied that the designated posting officers are capable of executing postings.~~

~~(b) — A CNSX Issuer may post documents through the facilities of a third party CNSX approved posting service provider.~~

7. **2.5 — CNSX Postings**

7.1 (a) — **Access** – The Issuer must have high speed access to the Internet.

7.2 (b) — **Postings** – The Issuer must post on the CNSX.ca website the following:

a) (i) — the Listing Statement, including all reports required to be filed therewith;

b) (ii) — the Listing Summary;

c) (iii) — the Listing Agreement;

~~(iv) — the opinions of counsel described in Policy 2 – 2.3(e) and (f);~~

~~(v) — the certificate of good standing described in Policy 2 – 2.3(g);~~

~~(vi) — the reporting issuer certificate described in Policy 2 – 2.3(h);~~

d) (vii) — an executed Certificate of Compliance (Form 6); and

e) (viii) — an index of all documents comprising the Issuer's SEDAR record, and an index of such filings, for the previous two calendar years.

7.3 All documents must be posted in the data format prescribed by CNSX from time to time.

8 Posting Officer

8.1 A CNSX Issuer must designate at least one individual to act as the Issuer's posting officer and at least one alternate. The posting officers will be responsible for posting or arranging for the posting, on behalf of the Issuer, of all of the documents required to be posted by the Issuer.

8.2 A CNSX Issuer may post documents through the facilities of a third-party service provider.

9 3. — Continuing to Qualify for Listing

9.1 3.1 — To continue to qualify for listing ~~on the CNSX System~~, a CNSX Issuer must meet all of the following requirements:

a) ~~(a) the CNSX Issuer must be in good standing under and not in default of applicable corporate law;~~

b) ~~(b) the CNSX Issuer must remain a reporting issuer or equivalent in good standing in each jurisdiction in which it is a reporting issuer or equivalent and must not be in default of any requirement of any such jurisdiction;~~

c) ~~(c) the CNSX Issuer must be in compliance with the CNSX Requirements, and the terms of the Listing Agreement;~~

d) ~~(d) the CNSX Issuer must post all required documents and information required under the Policies of CNSX, including without limitation, the requirement to post a monthly Certificate of Compliance (Form 6);~~

e) ~~(e) the CNSX Issuer must concurrently post all public documents submitted to SEDAR (unless identical disclosure has not already been posted in a CNSX Form); and~~

f) ~~(f) Theif the Issuer is required to submit Personal Information Forms for each Related Person at the time of listing then the CNSX Issuer must submit a Personal Information Form for any new Related Person of the~~

Issuer (and if any of these persons is not an individual, a PIF from Personal Information Form for each director, officer and each person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting rights of such non-individual); and

- g) the Issuer must take all reasonable care to ensure that any statement, document or other information which is provided to or made available to CNSX or posted by the Issuer is not misleading, false or deceptive and does not omit anything likely to affect the import of such statement, document or other information.

9.2 Each CNSX Issuer that is not a reporting issuer in Alberta must:

- a) 3.2 — All CNSX Issuers and applicants for listing that are not reporting issuers in Alberta must immediately assess whether they have it has a significant connection to Alberta;

3.3 — Where it appears to CNSX that an issuer making an initial application for listing on CNSX has a significant connection to Alberta, CNSX will, as a condition of its acceptance or approval of the listing application, require the issuer to provide to CNSX evidence that it has made a *bona fide* application to the Alberta Securities Commission to become a reporting issuer in Alberta.

- b) 3.4 — Where a CNSX Issuer that is not a reporting issuer in Alberta becomes upon becoming aware that it has a significant connection to Alberta as a result of complying with section 3.29.2 a) above or otherwise, the CNSX Issuer must immediately notify CNSX and promptly make a *bona fide* application to the Alberta Securities Commission to be deemed to be a reporting issuer in Alberta. The (a CNSX Issuer must become a reporting issuer in Alberta within six months of becoming aware that it has a significant connection to Alberta.);

- c) assess, on an annual basis, in connection with the delivery of its annual financial statements to securityholders, whether it has a significant connection to Alberta;

- d) 3.5 — All CNSX Issuers that are not reporting issuers in Alberta must assess, on an annual basis, in connection with the delivery of their annual financial statements to securityholders, whether they have a significant connection to Alberta. All CNSX Issuers that are not reporting issuers in Alberta must obtain and maintain for a period of three years after each annual review referenced in this section, evidence of residency of their registered holders and beneficial holders; and

- e) 3.6 — If requested, CNSX Issuers must provide to CNSX evidence of the residency of their its non-objecting beneficial owners (as defined in National Policy 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* or its successor instruments).

4. Procedure

9.3 Where it appears to CNSX that an Issuer making an application for listing on CNSX has a significant connection to Alberta, CNSX will, as a condition of its acceptance or approval of the listing application, require the Issuer to provide to CNSX evidence that it has made a bona fide application to the Alberta Securities Commission to become a reporting issuer in Alberta.

10 Suspensions

10.1 4.1 — CNSX will automatically suspend from quotation trading the securities of a CNSX Issuer if CNSX or the GNSX Market Regulator determines that the CNSX Issuer fails to meet any of the above criteria or it is in the public interest to suspend quotation trading of the securities of the CNSX Issuer.

11 5. Listing in US Dollars

The CNSX System accommodates trading

11.1 Securities may be traded and quoted in US dollars.

6. Listing of Securities Convertible or Exercisable into Securities of Exchange Listed Issuers [repealed September 12, 2006, Notice 2006-005]

12 Transfer and Registration of Securities

12.1 The Issuer must maintain transfer and registration facilities in good standing where the securities of the Issuer are directly transferable. Certificates must name the cities where they are transferable and must be interchangeably

transferable and identical in colour and form with each other.

13 Share Certificates

13.1 Certificates must bear a valid CUSIP number.

13.2 All certificates must conform with the requirements of the corporate and securities legislation applicable to the Issuer.

13.3 The foregoing requirements, except for a CUSIP number, do not apply to a completely non-certificated issue that complies with the requirements of the Clearing Corporation.

14 Book-Based System

14.1 The securities of the Issuer must be qualified for and entered into the book-based system maintained by the Clearing Corporation.

15 Full, True & Plain Disclosure

15.1 As an overriding principle, the Listing Statement must contain such particulars and information which, according to the particular nature of the Issuer and the securities for which listing is sought, are necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Issuer and of its profits and losses (and of any guarantor) and of the rights attaching to such securities and must set out such information in true and plain English.

APPENDIX A: Equity Securities

Important Note: All securities are subject to the requirements of the “General” section of Policy 2

For the purposes of this Appendix, equity securities include any securities that are convertible into equity securities and any other security that CNSX deems to be an equity security.

PART A: Eligibility for Listing

1 GENERAL

1.1 An Issuer of equity securities must have a public float of at least 500,000 freely-tradeable shares worth at least \$250,000 and consisting of at least 150 public holders holding at least a board lot each of the security. The public float must constitute at least 10% of the total issued and outstanding of that security, provided that a CNSX Issuer may have a public float that constitutes less than 10% but at least 5% of the total issued and outstanding securities if the total number of shares in the public float, the value of the public float and the number of public holders of at least a board lot each of the security are significantly greater than the basic requirements. For the purposes of this Policy, a “public holder” is any shareholder other than a Related Person, an employee of a Related Person of a CNSX Issuer or any person or group of persons acting jointly or in concert holding:

- a) more than 5% of the issued and outstanding securities; or
- b) securities convertible or exchangeable into the listed equity security and would, on conversion or exchange, hold more than 5% of the issued and outstanding securities.

1.2 CNSX shall designate as a “thin float” Issuer any CNSX Issuer that has less than 10% of the total issued and outstanding securities held by the public holders as freely tradeable shares.

- (a) CNSX will also apply this designation to companies that have a smaller public float as a percentage of the issued and outstanding securities than would be determined by the following formula:

$$\text{Target \% freely tradeable shares} = 35 - (0.05 \times \text{actual number of public holders of at least a board lot}).$$

For example, an Issuer that had a public float comprising 25% of the outstanding shares would need to have at least 200 public board lot holders to avoid being a thin float Issuer ($35 - (0.05 \times 200) = 25$). If the float were 20% of the outstanding, the Issuer would need at least 300 shareholders ($35 - (0.05 \times 300) = 20$). An Issuer that has a public float comprising at least 27.5% of the outstanding and that otherwise meets the requirements for listing would not be a thin float Issuer as the formula is satisfied by the minimum number of shareholders ($35 - (0.05 \times 150) = 27.5$). An Issuer that has a public float of 10% or less of the outstanding will always be a thin float Issuer.

- (b) An identifying marker will be added to the Issuer’s disclosure on the CNSX.ca website.

1.3 Notwithstanding compliance with the foregoing, CNSX may in its discretion designate any CNSX Issuer as a “thin float” Issuer whose shareholder distribution profile indicates a susceptibility to market volatility.

1.4 An Issuer must have:

- a) demonstrable revenue from operations;
- b) a recent history as a listed company and a minimum working capital of \$50,000; or
- c) a minimum working capital of \$100,000.

a company has a “recent history as a listed company” if it has been listed on a Canadian stock exchange within the previous 6 months and has not violated any of that exchange’s requirements (other than minimum financial or shareholder distribution requirements for maintaining a listing) or applicable securities legislation.

1.5 An operating company in any industry must have achieved revenue from the sale of goods or the delivery of services to customers and these revenues must appear on its audited financial statements, or on an interim statement supported by a comfort letter from the company’s auditor. Such companies, if not yet profitable, must have liquid assets or a business plan that demonstrates a reasonable likelihood that the company can sustain its operations and achieve its objectives.

1.6 A non-operating company in any industry must have a reasonable plan to develop an active business and the financial resources to carry out that plan. A company at an early stage of development must be able to achieve limited objectives that will advance its development to a stage where additional financing is typically available to the companies in its industry. In particular, the following criteria apply:

- a) A mineral resource company must have title to a property that is prospective for minerals and on which there has been exploration previously conducted. It must have obtained an independent report that meets the requirements of National Instrument 43-101 or any successor instrument and that recommends further exploration on the property. If the company does not have title to the property, it must have the means and ability to earn a significant interest in the property upon completion of a fully-financed exploration program that will be completed within a reasonable time.
- b) An energy resource company must have title to a property on which measurable quantities of conventional energy resources have been identified or the means and ability to earn a significant interest in the property upon completion of a fully-financed exploration program. The company must also submit a qualifying report on the property in accordance with National Instrument 51-101 or any successor instrument.

1.7 An investment company must have an appropriate balance between income and activity depending on the nature of its investments. A holding company that is not active in the management of investee companies should own majority interests or have effective control in businesses that can generate returns that will flow to the shareholders through distributions, or have prospects for growth through the reinvestment of earnings. Such companies must have minimum net assets of:

- a) \$2 million, at least 50% of which has been allocated to at least 2 specific investments; or
- b) \$4 million; and
- c) a track record of acquiring and divesting interests in arm's-length enterprises in a manner that can be characterized as conducting an active business.

1.8 CNSX will not approve an Issuer for listing if any Related Persons, or investor relations persons associated with the Issuer have been convicted of fraud, breach of fiduciary duty, violations of securities legislation (other than a minor breach that does not necessarily give rise to investor protection or market integrity concerns) or any other activity that concerns integrity of conduct unless the Issuer first severs relations with such person(s) to CNSX's satisfaction.

1.9 CNSX may not approve an Issuer for listing if any Related Persons, or investor relations person(s) associated with the Issuer:

- a) have entered into a settlement agreement with a securities regulator or other authority;
- b) are known to be associated with other offenders depending on the nature and extent of the relationship and the seriousness of the offence committed; or
- c) have a consistent record of business failures, particularly failures involving public companies,

unless the Issuer first severs relations with such person(s) to CNSX's satisfaction.

1.10 CNSX may deem any person to be unacceptable to be associated in any manner with a CNSX Issuer if CNSX reasonably believes such association will give rise to investor protection concerns or could bring CNSX into disrepute.

2 CAPITAL STRUCTURE, BUILDER SHARES AND ESCROW

2.1 Capital Structure

An Issuer's capital structure must be acceptable to CNSX.

2.2 Definition of Builder Shares

"Builder Shares" means any security issued or issuable upon conversion of another security to:

- a) any person for less than \$0.02 per security;
- b) a Related Person to the Issuer for the purchase of an asset with no acceptable supporting valuation;

- c) a Related Person to settle a debt or obligation for less than the last issued price per security; or
- d) a Related Person for the primary purpose of increasing that principal's interest in the Issuer without a corresponding tangible benefit to the Issuer.

2.3 Pricing

The Issuer may not sell securities pursuant to an initial public offering for less than \$0.10 per share or unit. For Issuers not yet generating revenue from business activity, CNSX will not consider an application where Builder Shares have been issued for less than \$0.005 in the previous 18 month period.

2.4 Specific Restrictions

- a) The ratio of shares in the post-offering or reverse takeover capital structure must not exceed one Builder Share for every three non-Builder Shares.
- b) Where there is no concurrent financing, the minimum permitted price at which the securities can be exercisable or convertible and not be subject to escrow is \$0.10. CNSX will not permit the exercise, conversion or exchange price of any exercisable, convertible or exchangeable security to be fixed until the security has been granted to a particular person.

2.5 Substantial Float

CNSX may consider exercising discretion to amend or waive the provisions of paragraphs 11, 12 and 13 if an Issuer has a "Substantial Float". CNSX will generally consider an Issuer that meets all the following criteria to have a Substantial Float:

- a) \$1,000,000 public float value;
- b) 1,000,000 free trading shares;
- c) 200 public shareholders with a minimum of one board lot each with no resale restrictions, and
- d) 20% of the issued and outstanding shares held by public shareholders.

2.6 Acceptance of an alternative proposed structure is contingent upon an evaluation by CNSX using the following criteria:

- a) track record, quality and experience of management and board;
- b) percentage of time devoted by management to the Issuer;
- c) capital contribution (cash paid in, reasonable value of assets and reasonable value of services performed, less any cash payments) by Related Persons;
- d) relationship of capital contribution to ownership by Related Persons; and
- e) relationship of share price in pre-IPO financing rounds to the IPO price.

2.7 All issuances prior to listing will be reviewed seriatim to determine suitability taking into account management activity, significant developments, and elapsed time as well as arm's-length party participation.

2.8 Escrow

Prior to listing, all securities issued to Related Persons are generally required to be subject to an escrow agreement pursuant to National Policy 46-201.

- a) In addition, where convertible securities (such as stock options, common share purchase warrants, special warrants, convertible debentures or notes) are issued less than 18 months before listing and exercisable or convertible into listed shares at a price that is less than the issuance price per security under a prospectus offering or other financing or acquisition made contemporaneously with the listing application then the underlying security will be subject to escrow with releases scheduled at periods specified under National Policy 46-201.

- b) An Issuer that has, within the six months prior to applying to list on CNSX, completed a transaction that would have been considered a “fundamental change”, as defined in section 1.1 of Policy 8, must enter into escrow agreements with the Related Persons as if the Issuer was subject to the requirements of National Policy 46-201 and the provisions of section 1.8 of Policy 8 shall apply in all respects to the Issuer.
- c) CNSX, in its sole discretion, may impose escrow arrangements that are in addition to those required by National Policy 46-201, or consider different proposals such as an “earn-out” escrow, on a case-by-case basis.

PART B: Documents required with application

3 Application

3.1 The application for listing must include the following:

- a) a letter applying to qualify for listing (Form 1A – Equity Securities) requesting qualification for listing of one or more specific classes of equity securities of the Issuer and indicating the number and class of the Issuer’s securities issued and outstanding and, if convertible or exchangeable securities are issued and outstanding, the number and type of securities reserved for issuance;
- b) a completed Listing Application (Form 1B – Equity Securities) together with the supporting documentation set out in Appendix A to the Listing Application;
- c) a draft Listing Statement (Form 2A) including financial statements approved by the Issuer’s Board of Directors and its Audit Committee, if the Issuer has an Audit Committee;
- d) a duly executed Personal Information Form (Form 3) from each Related Person of the Issuer and, if any of these persons is not an individual, a Personal Information Form from each director, senior officer and each person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting rights of such non-individual;
- e) current insider reports from each person required to file a Personal Information Form, as filed with the Commission;
- f) the escrow agreement required under paragraph 2.8 of Part A of this Appendix; and
- g) the relevant portion of the Listing Fees, plus applicable taxes.

APPENDIX B: Debt Securities

Important Note: All securities are subject to the requirements of the “General” section of Policy 2

For the purposes of this Appendix, debt securities includes bonds, debentures, notes, Eurobonds, Medium Term Notes, Sukuk (Islamic bonds) and any other fixed income security that CNSX deems to be a debt security.

PART A: Eligibility for Listing

1 General

- 1.1 An Issuer must have net assets of at least \$1 million or where the Issuer is a special purpose vehicle, or a holding company that does not meet this requirement itself, then CNSX may consider the assets of an underlying entity.
- 1.2 In the case of asset-backed securities, a trustee or other independent representative must be appointed to represent the interests of the holders of the asset-backed securities and the trustee or an independent custodian must hold the underlying assets and all money and benefits flowing from the assets to the Issuer or the holder of the asset-backed securities.
- 1.3 In the case of asset-backed securities that are secured on debt obligations or other receivables from a managed pool of assets, the entity appointed to manage the pool of assets must have adequate experience and expertise and such entity must be required to provide periodic financial reports on the performance and credit quality of the pool, for the benefit of the trustee.
- 1.4 In the case of asset-backed securities that are secured by equity securities, the equity securities must represent minority interests in, and must not carry legal or management control of, the underlying entities and must be listed on CNSX or listed on another exchange recognised for this purpose by CNSX.
- 1.5 The Issuer must appoint and maintain a payment agent acceptable to CNSX.

PART B: Documents required with application

2 Application

- 2.1 The application for listing must include the following:
 - a) a letter applying to qualify for listing (Form 1A – Debt Securities) requesting qualification for listing of one or more specific classes of securities of the Issuer;
 - b) a completed Listing Application (Form 1B – Debt Securities) together with the supporting documentation set out below;
 - c) a draft Listing Statement (Form 2A); and
 - d) the relevant portion of the Listing Fees, plus applicable taxes.

2.2 Listing Statement

The Listing Statement required to be submitted to CNSX shall comprise:

- a) a document that contains all of the information required by Form 2A; or
- b) in the case of a tranche issued pursuant to a programme, a term sheet (see Form 2C – Debt Securities).

2.3 Supporting Documents

In addition to the Listing Application (Form 1B – Debt Securities) the Issuer must submit:

- a) the participation agreement; and
- b) the declaration of trust or other document constituting the securities.

CNSX may also require a legal opinion that confirms that the debt securities have been duly constituted and, when issued, will be fully paid and non-assessable.

2.4 Pre-approval of issuance programmes

- a) Where an Issuer issues debt securities of the same class on a regular basis under an issuance programme an Issuer may make an application for the pre-approval of the listing of a specified number of securities which may be issued in a particular case.
- b) Where debt securities are to be issued under an issuance programme, the initial application must cover the maximum amount of securities that may be in issue at any one time under the programme. If CNSX approves the application, it will grant pre-approval for the listing of all the securities that may be issued under the programme within twelve (12) months after the approval, subject to CNSX receiving:
 - i. advice of the final terms of each issue,
 - ii. copies of any supplementary document or pricing supplement issued in support of the tranche or series,
 - iii. confirmation that the Issuer is still in full compliance with these Listing Rules and that the issue falls within the terms and conditions of the issuance programme, and
 - iv. confirmation that the securities in question have been issued.
- c) The debt securities to be issued under an issuance programme must be identical, except in respect of their designation (i.e., they can be different series), the term of the securities (i.e., the maturity date may vary), the amount of the tranche (within the overall maximum amount of the programme), and the yield (e.g., the coupon rate may vary). Securities that are not identical may not be issued under a programme and will require a separate application.

2.5 The final terms of each issue which is intended to be listed must be submitted in writing to CNSX as soon as possible after they have been agreed and in any event no later than two (2) Business Days before the listing is required to become effective. CNSX reserves the right to impose additional requirements on an issue made under an issuance programme, including imposing a requirement to make a new application in respect of that issue, if it considers that the issue does not fall within the scope of the programme.

POLICY 4

CORPORATE GOVERNANCE AND MISCELLANEOUS PROVISIONS

1. Introduction

- 1.1 Boards of directors should be structured and their proceedings conducted in a way calculated to encourage, reinforce, and demonstrate the board's role as an independent and informed monitor of the conduct of the corporation's affairs and the performance of its management. Board structure and practice will, over time, significantly affect the extent to which a board of directors is likely to exercise its powers and discharge its obligations in a manner that effectively advances corporate objectives.
- 1.2 No single governance structure fits all publicly held corporations, and there is considerable diversity of organizational styles. Each CNSX Issuer should develop a governance structure that is appropriate to its nature and circumstances.

2. Corporate Governance

- 2.1 The board of directors of every CNSX Issuer is responsible for, among other things, the following matters:
- (a) strategic planning;
 - (b) principal business risks and risk management;
 - (c) appointing, training and monitoring senior management;
 - (d) executive compensation;
 - (e) succession planning;
 - (f) communications policy; and
 - (g) internal control and management information systems.
- 2.2 Canadian corporate law generally prescribes requirements related to the number or percentage of outside directors. For example, the Business Corporations Act (Ontario) requires that an offering corporation have at least three directors, at least one-third of whom are outside directors. The similar provisions of the *Canada Business Corporations Act* require that at least two directors be outside directors. An outside director may or may not be an unrelated director, which is a director who has no tie to the corporation other than as a director or as a shareholder who is not a control block holder. Both outside and unrelated directors can bring a fresh perspective to issuers in addition to acting as an independent discipline on management. CNSX considers that a requirement to have a specified number or percentage of outside directors or a specified number or percentage of unrelated directors may not be suitable for all CNSX Issuers. Smaller corporations frequently do not have the resources or the ability to attract talented individuals to serve as outside or unrelated directors. It may also be more important for small issuers to have on the board individuals who have a prior familiarity with the issuer's business rather than those who can bring an independent perspective or discipline. For this reason CNSX does not prescribe requirements dealing with outside or unrelated directors; however CNSX Issuers must comply with applicable corporate law. However, CNSX Issuers are encouraged to examine the appropriateness of including either or both outside or unrelated directors, on their boards of directors.
- 2.3 Every CNSX Issuer, as an integral element of the process for appointing new directors, should provide an orientation and education program or manual for new recruits to the board.
- 2.4 Every board of directors should examine its size and, with a view to determining the impact of the number of directors upon effectiveness, undertake where appropriate, a program to reduce or increase the number of directors to a number which facilitates more effective decision-making.
- 2.5 The board of directors, together with the senior management, such as the Chief Executive Officer or President, should develop position descriptions for the board and for the senior management, involving the definition of the limits to management's responsibilities. In addition, the board should approve or develop the corporate objectives which the senior management is responsible for meeting.
- 2.6 Canadian corporate law generally prescribes a minimum number or percentage of directors sitting on the audit committee of the board of directors that must be outside directors. For example, the *Business Corporations Act*

(Ontario) requires that an offering corporation have an audit committee composed of not less than three directors, a majority of whom are not officers or employees of the corporation or any of its affiliates.

- 2.7 The Canadian Securities Administrators (the “CSA”) Notice respecting audit committees provides additional guidelines to CNSX Issuers. The CSA Notice provides that the objectives of an audit committee are as follows:
- (a) to help directors meet their responsibilities, especially for accountability;
 - (b) to provide better communication between directors and external auditors;
 - (c) to enhance the external auditor’s independence;
 - (d) to increase the credibility and objectivity of financial reports; and
 - (e) to strengthen the role of the outside directors by facilitating in-depth discussions between directors on the audit committee, management and external auditors.
- 2.8 The role of audit committees is continuing to evolve. Boards of directors of CNSX Issuers should adapt the responsibilities of their audit committees to their particular circumstances. CNSX agrees with the CSA Notice that no published set of practices can substitute for the active commitment to high standards by every party having responsibility for the corporate disclosure system.
- 2.9 CNSX strongly encourages boards of directors of CNSX Issuers to select independent directors as members of audit committees, to limit membership to such directors whenever possible and that the chairperson of the audit committee should be an independent director.
- 2.10 For reasons similar to those expressed in paragraph 2.2, CNSX does not consider that it is appropriate to prescribe a higher threshold for CNSX Issuers than that prescribed by corporate law or recommended by the CSA. However, CNSX endorses the recommendations and guidelines of the CSA Notice. CNSX Issuers should consider that placing a greater number or higher percentage of outside or unrelated directors on the audit committee may function as an effective protection of shareholder interests.
- 2.11 The board of directors should implement a system which enables an individual director to engage an outside adviser at the expense of the CNSX Issuer in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.
- 2.12 Although CNSX does not prescribe corporate governance requirements, investors will expect that all CNSX Issuers are subject to the requirements that generally apply to Canadian corporations unless informed otherwise. Therefore, non-corporate issuers and issuers incorporated in jurisdictions outside of Canada must state in their listing statement the nature and extent to which their governing legislation or constituting documents differ materially from Canadian legislation with respect to the aspects of corporate governance described in this Policy.

3. Directors and Officers

- 3.1 The identity, history and experience of management, including officers and directors, is important information concerning a CNSX Issuer.
- 3.2 Every officer and director of a CNSX Issuer is required to complete a Personal Information Form (Form 3) upon their appointment or election as an officer or director of a CNSX Issuer.
- 3.3 CNSX may collect such personal information about the directors and officers of a CNSX Issuer as CNSX may require and, notwithstanding the qualification for listing of its securities, a CNSX Issuer must remove, or cause the resignation of, any director or officer which CNSX determines is not suitable for the purpose of acting as a director or officer of a CNSX Issuer, failing which CNSX may immediately disqualify for listing the Issuer’s securities.
- 3.4 Where a CNSX Issuer has a significant connection to Alberta, CNSX may refuse to accept any director, officer or insider, or revoke, amend or impose conditions in connection with CNSX acceptance of any such application until such time as the CNSX Issuer has complied with a direction from CNSX or CNSX requirement to make application to the Alberta Securities Commission and to become a reporting issuer in Alberta.

POLICY 4

CORPORATE GOVERNANCE AND MISCELLANEOUS PROVISIONS

1. Introduction

- 1.1 Boards of directors should be structured and their proceedings conducted in a way calculated to encourage, reinforce, and demonstrate the board's role as an independent and informed monitor of the conduct of the corporation's affairs and the performance of its management. Board structure and practice will, over time, significantly affect the extent to which a board of directors is likely to exercise its powers and discharge its obligations in a manner that effectively advances corporate objectives.
- 1.2 No single governance structure fits all publicly held corporations, and there is considerable diversity of organizational styles. Each corporation CNSX Issuer should develop a governance structure that is appropriate to its nature and circumstances.

2. Corporate Governance

- 2.1 The board of directors of every CNSX Issuer is responsible for, among other things, the following matters:
- (a) strategic planning;
 - (b) principal business risks and risk management;
 - (c) appointing, training and monitoring senior management;
 - (d) executive compensation;
 - (e) succession planning;
 - (f) communications policy; and
 - (g) internal control and management information systems.
- 2.2 Canadian corporate law generally prescribes requirements related to the number or percentage of outside directors. For example, the *Business Corporations Act* (Ontario) requires that an offering corporation have at least three directors, at least one-third of whom are outside directors. The similar provisions of the *Canada Business Corporations Act* require that at least two directors be outside directors. An outside director may or may not be an unrelated director, which is a director who has no tie to the corporation other than as a director or as a shareholder who is not a control block holder. Both outside and unrelated directors can bring a fresh perspective to issuers in addition to acting as an independent discipline on management. CNSX considers that a requirement to have a specified number or percentage of outside directors or a specified number or percentage of unrelated directors may not be suitable for all CNSX Issuers. Smaller corporations frequently do not have the resources or the ability to attract talented individuals to serve as outside or unrelated directors. It may also be more important for small issuers to have on the board individuals who have a prior familiarity with the issuer's business rather than those who can bring an independent perspective or discipline. For this reason CNSX does not prescribe requirements dealing with outside or unrelated directors; however CNSX Issuers must comply with applicable corporate law. However, CNSX Issuers are encouraged to examine the appropriateness of including either or both outside or unrelated directors, on their boards of directors.
- 2.3 Every CNSX Issuer, as an integral element of the process for appointing new directors, should provide an orientation and education program or manual for new recruits to the board.
- 2.4 Every board of directors should examine its size and, with a view to determining the impact of the number of directors upon effectiveness, undertake where appropriate, a program to reduce or increase the number of directors to a number which facilitates more effective decision-making.
- 2.5 The board of directors, together with the senior management, such as the Chief Executive Officer or President, should develop position descriptions for the board and for the senior management, involving the definition of the limits to management's responsibilities. In addition, the board should approve or develop the corporate objectives which the senior management is responsible for meeting.
- 2.6 Canadian corporate law generally prescribes a minimum number or percentage of directors sitting on the audit committee of the board of directors that must be outside directors. For example, the *Business Corporations Act*

(Ontario) requires that an offering corporation have an audit committee composed of not less than three directors, a majority of whom are not officers or employees of the corporation or any of its affiliates.

- 2.7 The Canadian Securities Administrators (the "CSA") Notice respecting audit committees provides additional guidelines to CNSX Issuers. The CSA Notice provides that the objectives of an audit committee, are as follows:
- (a) to help directors meet their responsibilities, especially for accountability;
 - (b) to provide better communication between directors and external auditors;
 - (c) to enhance the external auditor's independence;
 - (d) to increase the credibility and objectivity of financial reports; and
 - (e) to strengthen the role of the outside directors by facilitating in _depth discussions between directors on the audit committee, management and external auditors.
- 2.8 The role of audit committees is continuing to evolve. Boards of directors of CNSX Issuers should adapt the responsibilities of their audit committees to their particular circumstances. CNSX agrees with the CSA Notice that no published set of practices can substitute for the active commitment to high standards by every party having responsibility for the corporate disclosure system.
- 2.9 CNSX strongly encourages boards of directors of CNSX Issuers to select independent directors as members of audit committees, to limit membership to such directors whenever possible and that the chairperson of the audit committee should be an independent director.
- 2.10 For reasons similar to those expressed in paragraph 2.2, CNSX does not consider that it is appropriate to prescribe a higher threshold for CNSX Issuers than that prescribed by corporate law or recommended by the CSA. However, CNSX endorses the recommendations and guidelines of the CSA Notice. CNSX Issuers should consider that placing a greater number or higher percentage of outside or unrelated directors on the audit committee may function as an effective protection of shareholder interests.
- 2.11 The board of directors should implement a system which enables an individual director to engage an outside adviser at the expense of the CNSX Issuer in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.
- 2.12 Although CNSX does not prescribe corporate governance requirements, investors will expect that all CNSX issuers|issuers are subject to the requirements that generally apply to Canadian corporations unless informed otherwise. Therefore, non-corporate issuers and issuers incorporated in jurisdictions outside of Canada must state in their listing statement the nature and extent to which their governing legislation or constating documents differ materially from Canadian legislation with respect to the aspects of corporate governance described in this Policy.

3. Directors and Officers

- 3.1 The identity, history and experience of management, including officers and directors, is important information concerning a CNSX Issuer.
- 3.2 Every officer and director of a CNSX Issuer is required to complete a Personal Information Form (Form 3) upon their appointment or election as an officer or director of a CNSX Issuer.
- 3.3 CNSX may collect such personal information about the directors and officers of a CNSX Issuer as CNSX may require and, notwithstanding the qualification for listing of its securities, a CNSX Issuer must remove, or cause the resignation of, any director or officer which CNSX determines is not suitable for the purpose of acting as a director or officer of a CNSX Issuer, failing which CNSX may immediately disqualify for listing the Issuer's securities.
- 3.4 Where a CNSX Issuer has a significant connection to Alberta, CNSX may refuse to accept any director, officer or insider, or revoke, amend or impose conditions in connection with CNSX acceptance of any such application until such time as the CNSX Issuer has complied with a direction from CNSX or CNSX requirement to make application to the Alberta Securities Commission and to become a reporting issuer in Alberta.

4. Transfer and Registration of Securities

4.1 Every CNSX Issuer must maintain in good standing transfer and registration facilities in the City of Toronto, where the securities of the CNSX Issuer must be directly transferable. Where transfer facilities are maintained in other cities, certificates must be interchangeably transferable and identical in colour and form with the certificates transferable in Toronto. Certificates must name the cities where they are transferable.

5. Share Certificates

5.1 Certificates must bear a CUSIP number which can be obtained from the Clearing Corporation.

5.2 All certificates must conform with the requirements of the corporate and securities legislation applicable to the CNSX Issuer. All certificates must be printed by a recognized bank note company or its affiliate or other security printer which has a contractual affiliation with a recognized bank note company.

5.3 The foregoing requirements, except for a CUSIP number, do not apply to a completely non-certificated issue that complies with the requirements of the Clearing Corporation.

6. Book Based System

The securities of all CNSX Issuers must be qualified for and entered into the book-based system maintained by the Clearing Corporation.

POLICY 5

TIMELY DISCLOSURE, TRADING HALTS AND POSTING REQUIREMENTS

1 Introduction

- 1.1 CNSX believes that two of the fundamental requirements for a fair and efficient capital market that fosters confidence and protects investors from unfair, improper or fraudulent practices are: (a) high quality and timely continuous disclosure by CNSX Issuers, and (b) comprehensive market regulation to ensure that high quality and timely continuous disclosure occurs. All investors must have equal and timely access to material information about a CNSX Issuer, both to allow investors to make reasoned and informed investment decisions, and to participate in securities markets on an equal footing with other investors.
- 1.2 Recent advances in the technology of information dissemination such as SEDAR and the Internet facilitate immediate, widespread and economical dissemination of Issuer information. For this reason, CNSX requires CNSX Issuers to provide an enhanced standard of disclosure to secondary market participants, irrespective of the Issuer's size. The establishment of a comprehensive, publicly available disclosure base for every CNSX Issuer lies at the heart of the CNSX market.
- 1.3 To continue to qualify for listing, every CNSX Issuer must make high quality, timely continuous disclosure of material information.
- 1.4 This Policy is not an exhaustive statement of the timely and continuous disclosure requirements applicable to Issuers. CNSX Issuers must comply with all applicable requirements of securities legislation and Commission rules. In particular, mining Issuers must comply with the additional disclosure requirements of National Instrument 43-101- Standards of Disclosure for Mineral Projects. Oil and gas Issuers must comply with the additional disclosure requirements of National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. All CNSX Issuers must comply with National Policy 51-201 – Disclosure Standards.

2 Disclosable Events

- 2.1 Issuers are required to make public disclosure of all material information.
- 2.2 CNSX Issuers are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development will have or has had a direct effect on their business and affairs that is both material and uncharacteristic of the effect generally experienced as a result of such development by other companies engaged in the same business or industry, CNSX Issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most companies in a particular industry does not require an announcement, but if it affects only one or a few companies in a material way, an announcement should be made. A reasonable investor's investment decision may be affected by factors relating directly to the securities themselves as well as by information concerning the CNSX Issuer's business and affairs. For example, changes in a CNSX Issuer's issued capital, stock splits, redemptions and dividend decisions may all have an impact upon the reasonable investor's investment decision.
- 2.3 Actual or proposed developments that require immediate disclosure include, but are not limited to, the following:
- (a) changes in share ownership that may affect control of the Issuer;
 - (b) changes in corporate structure, such as reorganizations, amalgamations, etc.;
 - (c) take-over bids or issuer bids;
 - (d) major corporate acquisitions or dispositions;
 - (e) changes in capital structure;
 - (f) borrowing of a significant amount of funds;
 - (g) public or private sale of additional securities;
 - (h) development of new products and developments affecting the Issuer's resources, technology, products or market;

- (i) significant discoveries or exploration results, both positive and negative, by resource companies;
- (j) entering into or loss of significant contracts;
- (k) firm evidence of significant increases or decreases in near-term earnings prospects;
- (l) changes in capital investment plans or corporate objectives;
- (m) significant changes in management;
- (n) significant litigation;
- (o) major labour disputes or disputes with major contractors or suppliers;
- (p) events of default under financing or other agreements; or
- (q) any other developments relating to the business and affairs of the Issuer that might reasonably be expected to influence or change an investment decision of a reasonable investor.

2.4 Disclosure is only required where a development is material. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been made to proceed with it by the CNSX Issuer's board of directors, or by senior management with the expectation of concurrence from the board of directors. However, a corporate development in respect of which no firm decision has yet been made but that is reflected in the market price may require prompt disclosure.

2.5 Forecasts of earnings and other financial forecasts need not be disclosed, but where a significant increase or decrease in earnings is indicated in the near future, such as in the next fiscal quarter, this fact must be disclosed. Forecasts should not be provided on a selective basis to investors or others not involved in the management of the affairs of the Issuer. If disclosed, they should be generally disclosed.

3 Consultation with the Market Regulator

3.1 It is the responsibility of each Issuer to determine what information is material in the context of the CNSX Issuer's own affairs. The materiality of information varies from one CNSX Issuer to another, and will be influenced by factors such as the CNSX Issuer's profitability, assets, capitalization, and the nature of its operations. An event that is "significant" or "major" in the context of a smaller CNSX Issuer's business and affairs may not be material to a larger CNSX Issuer.

3.2 Given the element of judgment involved, CNSX Issuers are encouraged to consult with the Market Regulator on a confidential basis as to whether a particular event gives rise to material information.

4 Rumours and Unusual Trading Activity

4.1 Rumours and unusual trading activity may influence or change the investment decision of a reasonable investor and/or the trading price of the CNSX Issuer's securities. It is impractical to expect management to be aware of, and comment on, all rumours or unusual trading activity. However, when either rumours or unusual trading activity occur, the Market Regulator may request that the CNSX Issuer make a clarifying statement. A trading halt may be imposed pending release of a "no corporate developments" statement from the CNSX Issuer. If a rumour is correct in whole or in part, or if it appears that the unusual trading activity reflects illicit trading on non-disclosed material information, the Market Regulator will require the CNSX Issuer to make immediate disclosure of the relevant material information, and a trading halt may be imposed pending release and dissemination of that information.

5 Timing of Disclosure and Pre-Notification of the Market Regulator

5.1 Subject to pre-notification of the Market Regulator, a CNSX Issuer is required to disclose material information forthwith upon the information becoming known to management, or in the case of information previously known, forthwith upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk that persons with access to that information will act upon undisclosed information.

5.2 The policy of immediate disclosure frequently requires that press releases be issued during trading hours, especially when an important corporate development has occurred. When this occurs, the CNSX Issuer must notify the Market Regulator prior to the issuance of a press release. The Market Regulator will then be able to determine whether trading in the CNSX Issuer's securities should be temporarily halted.

6 Dissemination

- 6.1 A news release must be transmitted to the media by the quickest possible method, and by a method that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, a wire service (or combination of services) must be used that provides national and simultaneous coverage.
- 6.2 CNSX accepts the use of any news services that meet the following criteria:
- (a) dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;
 - (b) dissemination to all CNSX Dealers; and
 - (c) dissemination to all relevant regulatory bodies.
- 6.3 Dissemination of news is essential to ensure that all investors have equal and timely information. The onus is the CNSX Issuer to ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this policy and shall be grounds for suspension or disqualification from listing of the CNSX Issuer's securities. In particular, CNSX will not consider relieving a CNSX Issuer from its obligation to disseminate news properly because of cost factors.
- 6.4 CNSX Issuers must simultaneously post to the CNSX.ca website all news releases disseminated.

7 No Selective Disclosure

- 7.1 Disclosure of material information must not be made on a selective basis. The disclosure of material information should not occur except by means that ensure that all investors have access to the information on an equal footing. CNSX recognizes that good corporate governance involves actively communicating with investors, brokers, analysts, and other interested parties with respect to the corporation's business and affairs, through private meetings, formal or informal conferences, or by other means. However, when communications of any nature occur other than widely disseminated press releases in accordance with this rule, CNSX Issuers may not, under any circumstances, communicate material information to anyone, other than in the necessary course of business, in which case the party receiving the information must be instructed to keep it confidential and not to trade the CNSX Issuer's securities.
- 7.2 The board of directors of a CNSX Issuer should put in place policies and procedures that will ensure that those responsible for dealing with shareholders, brokers, analysts, and other external parties are aware of their and the CNSX Issuer's obligations with respect to the disclosure of material information.
- 7.3 Should material information be disclosed, whether deliberately or inadvertently, other than through a widely disseminated press release in accordance with the rule, the CNSX Issuer must immediately contact the Market Regulator and request a trading halt pending the widespread dissemination of the information.

8 Content of News Releases

- 8.1 Announcements of material information should be factual and balanced and unfavourable news must be disclosed just as promptly and completely as favourable news. News releases must contain sufficient detail to enable investors to assess the importance of the information to allow them to make informed investment decisions. CNSX Issuers should communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary.
- 8.2 All news releases must include the name of an officer or director of the CNSX Issuer who is responsible for the announcement, together with the CNSX Issuer's telephone number. The Issuer may also include the name and telephone number of an additional contact person.
- 8.3 Any CNSX Issuer that fails to comply with any provision of this Policy may be subject to a halt of quotation and trading of its securities without prior notice to the CNSX Issuer.

9 Confidential Disclosure - When Information May be Kept Confidential

- 9.1 Section 75(3) of the *Securities Act* (Ontario), as supplemented by National Policy 51-201, provides that where, in the opinion of the reporting issuer, the public disclosure of a material change would be unduly detrimental to the interests of the reporting issuer, or where the material change consists of a decision to implement a change made by senior management of the Issuer who believe that confirmation of the decision by the board of directors is probable, the

reporting Issuer may file a report disclosing a material change on a confidential basis. Non-disclosure of information is also provided for in s.140(2) of the *Securities Act* (Ontario).

9.2 When a reporting issuer requests that information be kept confidential, then pursuant to s.75(4) of the *Securities Act*, the reporting issuer must advise the Commission in writing within 10 days if it wishes that the information continue to be held on a confidential basis, and every 10 days thereafter until the material information is generally disclosed. The Commission takes the view that it can require the Issuer to disclose confidential information when, in its view, the benefit from public disclosure would outweigh the harm to the Issuer resulting from disclosure.

9.3 CNSX Issuers should be guided by pertinent securities legislation in determining whether material information can be filed on a confidential basis with the Commission. Where a decision is made to file a confidential report with the Commission, the Market Regulator must be immediately notified of the CNSX Issuer's decision to do so. The Market Regulator must be provided with a copy of all submissions to the Commission relating to a request to make or to continue confidential disclosure, or to make general disclosure of previously held confidential information. The Market Regulator must be kept fully apprised of the nature of any discussions between the CNSX Issuer and the Commission relevant thereto, and any decision of the Commission with respect to the ability of the CNSX Issuer to make or continue confidential disclosure, or requiring the CNSX Issuer to make general disclosure.

9.4 Similar provisions exist in the securities legislation of other jurisdictions. CNSX Issuers that are reporting issuers in other jurisdictions must ensure that they comply with all applicable rules in addition to this Policy.

10 Maintaining Confidentiality

10.1 Where disclosure of material information is delayed, the CNSX Issuer must maintain complete confidentiality. In the event that such confidential information, or rumours respecting the same, is divulged in any manner (other than in the necessary course of business), the CNSX Issuer is required to make an immediate announcement on the matter. The Market Regulator must be notified of the announcement, in advance, in the usual manner. During the period before material information is disclosed, market activity in the CNSX Issuer's securities should be closely monitored by the Issuer. Any unusual market activity probably means that news of the matter is being disclosed and that certain persons are taking advantage of it. In such case, the Market Regulator should be advised immediately and a halt in trading will be imposed until the CNSX Issuer has made disclosure of the material information.

10.2 At any time when material information is being withheld from the public, the CNSX Issuer is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any of the CNSX Issuer's officers, employees or advisers, except in the necessary course of business. The directors, officers and employees of a CNSX Issuer should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed.

11 Insider Trading

11.1 CNSX Issuers should make insiders and others who have access to material information about the CNSX Issuer before it is generally disclosed aware that trading in securities of the Issuer (or securities whose market price or value varies materially with the securities of the Issuer) while in possession of undisclosed material information or tipping such information is prohibited under applicable securities legislation, and may give rise to administrative, civil and/or criminal liability.

11.2 In any situation where material information is being kept confidential, management is under a duty to take every possible precaution to ensure that no trading whatsoever takes place by any insiders or persons in a "special relationship" with the CNSX Issuer in which use is made of such information before it is generally disclosed to the public.

11.3 In the event that the Market Regulator is of the opinion that insider or improper trading may have occurred before material information has been disclosed and disseminated, the Market Regulator may require that an immediate announcement be made disclosing such material information. The Market Regulator will refer the matter to the appropriate securities commission(s) for enforcement action.

12 Listing and Trading Halts

12.1 The Market Regulator will normally halt quotation and trading if:

- (a) the CNSX Issuer requests a halt, during trading hours, to allow for the dissemination of material information - the Market Regulator must be advised of the material information and halt request as soon as possible, by

phone or fax, so that the Market Regulator may determine whether a quotation and trading halt is warranted pending the filing and dissemination of the news release;

- (b) rumours are circulating in the marketplace that might influence or change a reasonable investor's investment decision;
- (c) unusual trading activity suggests that material information is selectively available - the Market Regulator may require that the CNSX Issuer either disseminate an initial news release if it has not yet done so, or a further news release to rectify the situation;
- (d) the CNSX Issuer is not in compliance with the terms of its Listing Agreement or any CNSX Requirement or applicable securities legislation;
- (e) the CNSX Issuer has issued an inaccurate, inadequate or misleading news release or the CNSX Issuer has issued a news release but has not requested a halt pending public dissemination of the news, and the market reacts sharply; or
- (f) circumstances exist which, in the opinion of CNSX or the Market Regulator, could adversely affect the public interest or the integrity of the CNSX market.

12.2 Where rumours or unusual trading activity are not based on undisclosed material information, the Market Regulator may halt quotation and trading pending the release and dissemination of a "no corporate developments" statement. When the rumours or unusual trading activity are based on whole or in part on undisclosed material information, the Market Regulator may halt trading and quotation pending the release of the material information.

12.3 The Market Regulator, upon consultation with the CNSX Issuer, if appropriate, will determine the time required to disseminate the news release and consequently the length of any quotation and trading halt.

12.4 A CNSX Issuer may request a halt in quotation and trading of its securities pending public disclosure of material information concerning the CNSX Issuer.

12.5 In the event a CNSX Issuer requests a halt in quotation and trading of its securities, the CNSX Issuer shall disseminate a news release as soon as practicable and in any event within 24 hours of the halt, either:

- (a) disclosing the material information; or
- (b) advising that the halt is at the request of the CNSX Issuer and that public disclosure is pending.

In the former case the halt shall be lifted after dissemination of the news release. In the latter case the halt shall continue unless CNSX or the Market Regulator determines resumption of quotation and trading is in the public interest.

12.6 It is not appropriate for a CNSX Issuer to request a halt if an announcement of material information is not going to be made forthwith.

12.7 A CNSX Issuer may request a halt if material information is to be kept confidential and disclosure delayed temporarily.

12.8 Throughout the period during which a CNSX Issuer's securities are halted, CNSX Dealers shall not quote or trade the securities of the CNSX Issuer on any marketplace or over-the-counter as principal or agent.

13 Documents Required to be Posted

13.1 Subject to section 13.2, every CNSX Issuer must post the following documents (unless the disclosure contained therein is posted in a CNSX Form):

- (a) every document required by the CNSX Policies;
- (b) every document required to be:
 - (i) filed with any securities regulatory authority for a jurisdiction in which the CNSX Issuer is a reporting issuer or equivalent; or
 - (ii) delivered to shareholders; or

(iii) filed on SEDAR,

and such documents must be posted concurrently or as soon as practicable following the filing or the delivery;

- (c) an annually-updated Management's Discussion and Analysis set out in Section 6 of the Listing Statement, to be posted within 140 days after the end of the financial year of the Issuer or such shorter time period as may be specified in securities legislation for Issuers that are not exempt from the requirement to provide Management's Discussion and Analysis;
- (d) a Quarterly Listing Statement (Form 5) current as of the last day of the relevant quarter, to be posted concurrently with a CNSX Issuer's unaudited interim financial statement required under applicable securities legislation;
- (e) a Monthly Progress Report (Form 7) current as of the last day of each month (whether or not the month is also the end of a quarter or year), to be posted before the opening of trading on the fifth trading day of the following month; and
- (f) an annually-updated Listing Statement completed to reflect all changes to information appearing in the previously posted Listing Statement to be posted concurrently with the CNSX Issuer's audited annual financial statements.

13.2 In respect of every debt security listed on CNSX, the CNSX Issuer must post the following documents (unless the disclosure contained therein is posted in a CNSX Form):

- (a) every document required to be:
 - i) filed with any securities regulatory authority for a jurisdiction in which the CNSX Issuer is a reporting issuer or equivalent; or
 - ii) delivered to securityholders of the CNSX Issuer; or
 - iii) filed on SEDAR,and such documents must be posted concurrently or as soon as practicable following the filing or the delivery; and
- (b) an annually-updated Listing Statement completed to reflect all changes to information appearing in the previously posted Listing Statement to be posted concurrently with the CNSX Issuer's audited annual financial statements.

14 Continuous Disclosure Obligations

14.1 General:

- (a) a CNSX Issuer shall disclose to the public as soon as reasonably practicable any information relating to the Issuer or any of its subsidiaries that has come to the knowledge of the Issuer, if the information
 - (i) is necessary to enable the public to appraise the financial position of the Issuer and its subsidiaries,
 - (ii) is necessary to avoid the creation or continuation of a false market in the securities of the Issuer, or
 - (iii) might reasonably be expected to materially affect market activity in or the price of the securities of the Issuer.
- (b) paragraph (a) does not apply to information that
 - (i) affects the market or a sector of the market generally, and
 - (ii) has already been made available to the investing public.

POLICY 5

TIMELY DISCLOSURE, TRADING HALTS AND POSTING REQUIREMENTS

4-1 Introduction

- 1.1 CNSX believes that two of the fundamental requirements for a fair and efficient capital market that fosters confidence and protects investors from unfair, improper or fraudulent practices are: (a) high quality and timely continuous disclosure by CNSX Issuers, and (b) comprehensive market regulation to ensure that high quality and timely continuous disclosure occurs. All investors must have equal and timely access to material information about a CNSX Issuer, both to allow investors to make reasoned and informed investment decisions, and to participate in securities markets on an equal footing with other investors.
- 1.2 Recent advances in the technology of information dissemination such as SEDAR and the Internet facilitate immediate, widespread and economical dissemination of issuer~~Issuer~~ information. For this reason, CNSX requires CNSX Issuers to provide an enhanced standard of disclosure to secondary market participants, irrespective of the Issuer's size. The establishment of a comprehensive, publicly available disclosure base for every CNSX issuer~~Issuer~~ lies at the heart of the CNSX market.
- 1.3 To continue to qualify for listing, every CNSX Issuer must make high quality, timely continuous disclosure of material information.
- 1.4 This Policy is not an exhaustive statement of the timely and continuous disclosure requirements applicable to Issuers. CNSX Issuers must comply with all applicable requirements of securities legislation and Commission rules. In particular, mining issuers~~Issuers~~ must comply with the additional disclosure requirements of National Policy~~Instrument~~ 43-101- Standards of Disclosure for Mineral Projects. Oil and gas issuers~~Issuers~~ must comply with the additional disclosure requirements of ~~(Proposed)~~ National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. All CNSX Issuers must comply with National Policy 51-201 – Disclosure Standards.

2-2 Disclosable Events

- 2.1 Issuers are required to make public disclosure of all material information.
- 2.2 CNSX Issuers are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development will have or has had a direct effect on their business and affairs that is both material and uncharacteristic of the effect generally experienced as a result of such development by other companies engaged in the same business or industry, CNSX Issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most companies in a particular industry does not require an announcement, but if it affects only one or a few companies in a material way, an announcement should be made. A reasonable investor's investment decision may be affected by factors relating directly to the securities themselves as well as by information concerning the CNSX Issuer's business and affairs. For example, changes in a CNSX Issuer's issued capital, stock splits, redemptions and dividend decisions may all have an impact upon the reasonable investor's investment decision.
- 2.3 Actual or proposed developments that require immediate disclosure include, but are not limited to, the following:
- (a) changes in share ownership that may affect control of the issuer~~Issuer~~;
 - (b) changes in corporate structure, such as reorganizations, amalgamations, etc.;
 - (c) take-over bids or issuer bids;
 - (d) major corporate acquisitions or dispositions;
 - (e) changes in capital structure;
 - (f) borrowing of a significant amount of funds;
 - (g) public or private sale of additional securities;
 - (h) development of new products and developments affecting the Issuer's resources, technology, products or market;

- (i) significant discoveries or exploration results, both positive and negative, by resource companies;
- (j) entering into or loss of significant contracts;
- (k) firm evidence of significant increases or decreases in near-term earnings prospects;
- (l) changes in capital investment plans or corporate objectives;
- (m) significant changes in management;
- (n) significant litigation;
- (o) major labour disputes or disputes with major contractors or suppliers;
- (p) events of default under financing or other agreements; or
- (q) any other developments relating to the business and affairs of the issuer~~Issuer~~ that might reasonably be expected to influence or change an investment decision of a reasonable investor.

2.4 Disclosure is only required where a development is material. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been made to proceed with it by the CNSX Issuer's board of directors, or by senior management with the expectation of concurrence from the board of directors. However, a corporate development in respect of which no firm decision has yet been made but that is reflected in the market price may require prompt disclosure.

2.5 Forecasts of earnings and other financial forecasts need not be disclosed, but where a significant increase or decrease in earnings is indicated in the near future, such as in the next fiscal quarter, this fact must be disclosed. Forecasts should not be provided on a selective basis to investors or others not involved in the management of the affairs of the issuer~~Issuer~~. If disclosed, they should be generally disclosed.

3-3 Consultation with the Market Regulator

3.1 It is the responsibility of each issuer~~Issuer~~ to determine what information is material in the context of the CNSX Issuer's own affairs. The materiality of information varies from one CNSX Issuer to another, and will be influenced by factors such as the CNSX Issuer's profitability, assets, capitalization, and the nature of its operations. An event that is "significant" or "major" in the context of a smaller CNSX Issuer's business and affairs may not be material to a larger CNSX Issuer.

3.2 Given the element of judgment involved, CNSX Issuers are encouraged to consult with the Market Regulator on a confidential basis as to whether a particular event gives rise to material information.

4-4 Rumours and Unusual Trading Activity

4.1 Rumours and unusual trading activity may influence or change the investment decision of a reasonable investor and/or the trading price of the CNSX Issuer's securities. It is impractical to expect management to be aware of, and comment on, all rumours or unusual trading activity. However, when either rumours or unusual trading activity occur, the Market Regulator may request that the CNSX Issuer make a clarifying statement. A trading halt may be imposed pending release of a "no corporate developments" statement from the CNSX Issuer. If a rumour is correct in whole or in part, or if it appears that the unusual trading activity reflects illicit trading on non-disclosed material information, the Market Regulator will require the CNSX Issuer to make immediate disclosure of the relevant material information, and a trading halt may be imposed pending release and dissemination of that information.

5-5 Timing of Disclosure and Pre-Notification of the Market Regulator

5.1 Subject to pre-notification of the Market Regulator, a CNSX Issuer is required to disclose material information forthwith upon the information becoming known to management, or in the case of information previously known, forthwith upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk that persons with access to that information will act upon undisclosed information.

5.2 The policy of immediate disclosure frequently requires that press releases be issued during trading hours, especially when an important corporate development has occurred. When this occurs, the CNSX Issuer must notify the Market Regulator prior to the issuance of a press release. The Market Regulator will then be able to determine whether trading

in the CNSX Issuer's securities should be temporarily halted.

6-6 Dissemination

- 6.1 A news release must be transmitted to the media by the quickest possible method, and by a method that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, a wire service (or combination of services) must be used ~~which~~that provides national and simultaneous coverage.
- 6.2 CNSX accepts the use of any news services that meet the following criteria:
- (a) dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;
 - (b) dissemination to all CNSX Dealers; and
 - (c) dissemination to all relevant regulatory bodies.
- 6.3 Dissemination of news is essential to ensure that all investors have equal and timely information. The onus is the CNSX Issuer to ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this policy and shall be grounds for suspension or disqualification from listing of the CNSX Issuer's securities. In particular, CNSX will not consider relieving a CNSX Issuer from its obligation to disseminate news properly because of cost factors.
- 6.4 CNSX Issuers must simultaneously post to the CNSX.ca website all news releases disseminated.

7-7 No Selective Disclosure

- 7.1 Disclosure of material information must not be made on a selective basis. The disclosure of material information should not occur except by means that ensure that all investors have access to the information on an equal footing. CNSX recognizes that good corporate governance involves actively communicating with investors, brokers, analysts, and other interested parties with respect to the corporation's business and affairs, through private meetings, formal or informal conferences, or by other means. However, when communications of any nature occur other than widely disseminated press releases in accordance with this rule, CNSX Issuers may not, under any circumstances, communicate material information to anyone, other than in the necessary course of business, in which case the party receiving the information must be instructed to keep it confidential and not to trade the CNSX Issuer's securities.
- 7.2 The board of directors of a CNSX Issuer should put in place policies and procedures that will ensure that those responsible for dealing with shareholders, brokers, analysts, and other external parties are aware of their and the CNSX Issuer's obligations with respect to the disclosure of material information.
- 7.3 Should material information be disclosed, whether deliberately or inadvertently, other than through a widely disseminated press release in accordance with the rule, the CNSX Issuer must immediately contact the Market Regulator and request a trading halt pending the widespread dissemination of the information.

8-8 Content of News Releases

- 8.1 Announcements of material information should be factual and balanced and unfavourable news must be disclosed just as promptly and completely as favourable news. News releases must contain sufficient detail to enable investors to assess the importance of the information to allow them to make informed investment decisions. CNSX Issuers should communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary.
- 8.2 All news releases must include the name of an officer or director of the CNSX Issuer who is responsible for the announcement, together with the CNSX Issuer's telephone number. The Issuer may also include the name and telephone number of an additional contact person.
- 8.3 Any CNSX Issuer that fails to comply with any provision of this Policy may be subject to a halt of quotation and trading of its securities without prior notice to the CNSX Issuer.

9-9 Confidential Disclosure - When Information May be Kept Confidential

- 9.1 Section 75(3) of the *Securities Act* (Ontario), as supplemented by National Policy 51-201, provides that where, in the opinion of the reporting issuer, the public disclosure of a material change would be unduly detrimental to the interests

of the reporting issuer, or where the material change consists of a decision to implement a change made by senior management of the issuer~~issuer~~ who believe that confirmation of the decision by the board of directors is probable, the reporting issuer~~issuer~~ may file a report disclosing a material change on a confidential basis. Non-disclosure of information is also provided for in s.140(2) of the *Securities Act* (Ontario).

- 9.2 When a reporting issuer requests that information be kept confidential, then pursuant to s.75(4) of the *Securities Act*, the reporting issuer must advise the Commission in writing within 10 days if it wishes that the information continue to be held on a confidential basis, and every 10 days thereafter until the material information is generally disclosed. The Commission takes the view that it can require the issuer~~issuer~~ to disclose confidential information when, in its view, the benefit from public disclosure would outweigh the harm to the issuer~~issuer~~ resulting from disclosure.
- 9.3 CNSX Issuers should be guided by pertinent securities legislation in determining whether material information can be filed on a confidential basis with the Commission. Where a decision is made to file a confidential report with the Commission, the Market Regulator must be immediately notified of the CNSX Issuer's decision to do so. The Market Regulator must be provided with a copy of all submissions to the Commission relating to a request to make or to continue confidential disclosure, or to make general disclosure of previously held confidential information. The Market Regulator must be kept fully apprised of the nature of any discussions between the CNSX Issuer and the Commission relevant thereto, and any decision of the Commission with respect to the ability of the CNSX Issuer to make or continue confidential disclosure, or requiring the CNSX Issuer to make general disclosure.
- 9.4 Similar provisions exist in the securities legislation of other jurisdictions. CNSX Issuers that are reporting issuers in other jurisdictions must ensure that they comply with all applicable rules in addition to this Policy.

40-10 Maintaining Confidentiality

- 10.1 Where disclosure of material information is delayed, the CNSX Issuer must maintain complete confidentiality. In the event that such confidential information, or rumours respecting the same, is divulged in any manner (other than in the necessary course of business), the CNSX Issuer is required to make an immediate announcement on the matter. The Market Regulator must be notified of the announcement, in advance, in the usual manner. During the period before material information is disclosed, market activity in the CNSX Issuer's securities should be closely monitored by the issuer~~issuer~~. Any unusual market activity probably means that news of the matter is being disclosed and that certain persons are taking advantage of it. In such case, the Market Regulator should be advised immediately and a halt in trading will be imposed until the CNSX Issuer has made disclosure of the material information.
- 10.2 At any time when material information is being withheld from the public, the CNSX Issuer is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any of the CNSX Issuer's officers, employees or advisers, except in the necessary course of business. The directors, officers and employees of a CNSX Issuer should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed.

41-11 Insider Trading

- 11.1 CNSX Issuers should make insiders and others who have access to material information about the CNSX Issuer before it is generally disclosed aware that trading in securities of the issuer~~issuer~~ (or securities whose market price or value varies materially with the securities of the reporting issuer~~issuer~~) while in possession of undisclosed material information or tipping such information is prohibited under applicable securities legislation, and may give rise to administrative, civil and/or criminal liability.
- 11.2 In any situation where material information is being kept confidential, management is under a duty to take every possible precaution to ensure that no trading whatsoever takes place by any insiders or persons in a "special relationship" with the CNSX Issuer in which use is made of such information before it is generally disclosed to the public.
- 11.3 In the event that the Market Regulator is of the opinion that insider or improper trading may have occurred before material information has been disclosed and disseminated, the Market Regulator may require that an immediate announcement be made disclosing such material information. The Market Regulator will refer the matter to the appropriate securities commission(s) for enforcement action.

42-12 Listing and Trading Halts

- 12.1 The Market Regulator will normally halt quotation and trading if:
- (a) the CNSX Issuer requests a halt, during trading hours, to allow for the dissemination of material information-

~~The - the~~ Market Regulator must be advised of the material information and halt request as soon as possible, by phone or fax, so that the Market Regulator may determine whether a quotation and trading halt is warranted pending the filing and dissemination of the news release;

- (b) rumours are circulating in the marketplace that might influence or change a reasonable investor's investment decision;
- (c) unusual trading activity suggests that material information is selectively available. ~~The - the~~ Market Regulator may require that the CNSX Issuer either disseminate an initial news release if it has not yet done so, or a further news release to rectify the situation;
- (d) the CNSX Issuer is not in compliance with the terms of its Listing Agreement or any CNSX Requirement or applicable securities legislation;
- (e) the CNSX Issuer has issued an inaccurate, inadequate or misleading news release or the CNSX Issuer has issued a news release but has not requested a halt pending public dissemination of the news, and the market reacts sharply; or
- (f) circumstances exist which, in the opinion of CNSX or the Market Regulator, could adversely affect the public interest or the integrity of the CNSX market.

12.2 Where rumours or unusual trading activity are not based on undisclosed material information, the Market Regulator may halt quotation and trading pending the release and dissemination of a "no corporate developments" statement. When the rumours or unusual trading activity are based on whole or in part on undisclosed material information, the Market Regulator may halt trading and quotation pending the release of the material information.

12.3 The Market Regulator, upon consultation with the CNSX Issuer, if appropriate, will determine the time required to disseminate the news release and consequently the length of any quotation and trading halt.

12.4 A CNSX Issuer may request a halt in quotation and trading of its securities pending public disclosure of material information concerning the CNSX Issuer.

12.5 In the event a CNSX Issuer requests a halt in quotation and trading of its securities, the CNSX Issuer shall disseminate a news release as soon as practicable and in any event within 24 hours of the halt, either:

- (a) disclosing the material information; ~~;~~ or
- (b) advising that the halt is at the request of the CNSX Issuer and that public disclosure is pending.

In the former case the halt shall be lifted after dissemination of the news release. In the latter case the halt shall continue unless CNSX or the Market Regulator determines resumption of quotation and trading is in the public interest.

12.6 It is not appropriate for a CNSX Issuer to request a halt if an announcement of material information is not going to be made forthwith.

12.7 A CNSX Issuer may request a halt if material information is to be kept confidential and disclosure delayed temporarily.

12.8 Throughout the period during which a CNSX Issuer's securities are halted, CNSX Dealers shall not quote or trade the securities of the CNSX Issuer on any marketplace or over-the-counter as principal or agent.

13-13 Documents Required to be Posted

13.1 ~~Every~~ Subject to section 13.2, every CNSX Issuer must post the following documents (unless the disclosure contained therein is posted in a CNSX Form):

- (a) every document required by the CNSX Policies;
- (b) every document required to be:
 - (i) ~~(b) every document required to be~~ filed with any commission securities regulatory authority for a jurisdiction in which the CNSX issuer is a reporting issuer or equivalent, ~~to be ; or~~
 - (ii) delivered to shareholders of a CNSX Issuer or to be filed on SEDAR to ; or

(iii) filed on SEDAR,

and such documents must be posted concurrently or as soon as practicable following the filing with the Commission or SEDAR or the delivery to shareholders or the delivery;

- (c) an annually-updated Management's Discussion and Analysis set out in Section 6 of the Listing Statement, to be posted within 140 days after the end of the financial year of the Issuer or such shorter time period as may be specified in securities legislation for ~~issuers~~Issuers that are not exempt from the requirement to provide Management's Discussion and Analysis;
- (d) a Quarterly Listing Statement (Form 5) current as of the last day of the relevant quarter, to be posted concurrently with a CNSX Issuer's unaudited interim financial statement required under applicable securities legislation;
- (e) a Monthly Progress Report (Form 7) current as of the last day of each month (whether or not the month is also the end of a quarter or year), to be posted before the opening of trading on the fifth trading day of the following month;
- (f) a Certificate of Compliance (Form 6), to be posted concurrently with the filing of the Monthly Progress Report; and
- (f) ~~(g)~~ an annually-updated Listing Statement completed to reflect all changes to information appearing in the previously posted Listing Statement to be posted concurrently with the CNSX Issuer's audited annual financial statements.

13.2 In respect of every debt security listed on CNSX, the CNSX Issuer must post the following documents (unless the disclosure contained therein is posted in a CNSX Form):

(a) every document required to be:

- i) filed with any securities regulatory authority for a jurisdiction in which the CNSX Issuer is a reporting issuer or equivalent; or
- ii) delivered to securityholders of the CNSX Issuer; or
- iii) filed on SEDAR,

and such documents must be posted concurrently or as soon as practicable following the filing or the delivery; and

(b) an annually-updated Listing Statement completed to reflect all changes to information appearing in the previously posted Listing Statement to be posted concurrently with the CNSX Issuer's audited annual financial statements.

14 Continuous Disclosure Obligations

14.1 General:

- (a) a CNSX Issuer shall disclose to the public as soon as reasonably practicable any information relating to the Issuer or any of its subsidiaries that has come to the knowledge of the Issuer, if the information
 - (i) is necessary to enable the public to appraise the financial position of the Issuer and its subsidiaries,
 - (ii) is necessary to avoid the creation or continuation of a false market in the securities of the Issuer, or
 - (iii) might reasonably be expected to materially affect market activity in or the price of the securities of the Issuer.
- (b) paragraph (a) does not apply to information that
 - (i) affects the market or a sector of the market generally, and
 - (ii) has already been made available to the investing public.

POLICY 10

SPECIALIST SECURITIES

Important Note: All securities are subject to the requirements of the “General” section of Policy 2

Eligibility for Listing

- 1 Where the securities to be listed are held out as being in compliance with specific, non-exchange mandated requirements, the Issuer must disclose how it has been established and, if relevant, who has established that the securities are in compliance with the stated requirements.
- 2 In the case of securities that are held out as being in compliance with Shari’ah, this requirement is met if the Issuer:
 - 2.1 appoints a Shari’ah Supervisory Board, with at least two members, to advise in respect of Shari’ah compliance, on all aspects of the offering including advice on the information to be provided;
 - 2.2 discloses the names of the members of the Shari’ah Supervisory Board and their respective qualifications, experience and expertise in Islamic jurisprudence and Islamic finance; and
 - 2.3 ensures that that the Shari’ah Supervisory Board issues a Shari’ah pronouncement in writing that is signed by the Chairman and at least one other member of the Shari’ah Supervisory Board.

PART B: Documents required before approval

- 1 In the case of Islamic securities, the Shari’ah Supervisory Board’s Shari’ah pronouncement.

RULE 1

INTERPRETATION AND GENERAL PROVISIONS

1-101 Definitions

(2) In these Rules, unless the subject matter or context otherwise requires:

“**Alternative Market security**” means a security that is listed on a Canadian stock exchange and approved for trading on the Alternative Market;

“**CNSX Board**” means the Board of Directors of CNSX Markets Inc. and includes any committee of CNSX Markets Inc.’s Board of Directors to which powers have been delegated in accordance with the by-laws or the Rules.

“**Market Regulator**” means Investment Industry Regulatory Organization of Canada or such other person recognized by the Commission as a regulation services provider for the purposes of the *Securities Act* and which has been retained by CNSX as an acceptable regulation services provider.

RULE 1

INTERPRETATION AND GENERAL PROVISIONS

1-101 Definitions

(2) In these Rules, unless the subject matter or context otherwise requires:

“**Alternative Market security**” means a security ~~other than a CNSX-listed security~~ that is listed on another Canadian stock exchange and approved for trading on CNSX the Alternative Market;

“**CNSX Board**” means the Board of Directors of CNSX Markets Inc. and includes any committee of CNSX Markets Inc.'s Board of Directors to which powers have been delegated in accordance with the by-laws or the Rules.

“**Market Regulator**” means Investment Industry Regulatory Organization of Canada or such other person as recognized by the Commission as a regulation services provider for the purposes of the *Securities Act* and which has been retained by CNSX as an acceptable regulation services provider.

RULE 11

TRADING OF ALTERNATIVE MARKET SECURITIES

11-102 Qualification for Alternative Market

- (1) CNSX may designate securities listed on a stock exchange recognized in a jurisdiction in Canada as eligible for trading in the Alternative Market provided such securities are not suspended or subject to a regulatory halt.
- (2) CNSX may disqualify an Alternative Market security for trading at any time without prior notice.
- (3) Notwithstanding the foregoing, an Alternative Market security shall be disqualified for trading immediately
 - (a) upon suspension or delisting by another stock exchange if such suspension or delisting would result in CNSX Markets being the only stock exchange on which the security would trade in Canada;
 - (b) if the security is subject to a regulatory halt; or
 - (c) if CNSX Markets, acting reasonably, determines that disqualification is necessary to protect the public interest or the maintenance of a fair and orderly market.

11-103 Access by Eligible Clients to the Alternative Market

- (1) In this Rule,

“eligible client” means

 - (a) a client that falls within the definition of “acceptable counterparties” or “acceptable institutions” as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report;
 - (b) a client that is registered as an investment counselor or portfolio manager under the *Securities Act* of one or more of the provinces of Canada;
 - (c) a client that is a foreign broker or dealer (or the equivalent registration) registered with the appropriate regulatory body in the broker’s or dealer’s home jurisdiction and that is an affiliate of a CNSX Dealer acting for its own account, the accounts of other eligible clients or the accounts of its clients;
 - (d) a client that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the client and falls into one of the following categories:
 - (i) an insurance company as defined in section 2(13) of the U.S. Securities Act of 1933,
 - (ii) an investment company registered under the U.S. Securities Act of 1933 or any business development company as defined in section 2(a)(48) of the Act,
 - (iii) a small business investment company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the U.S. Small Business Investment Act of 1958,
 - (iv) a plan established and maintained by a U.S. state, its political subdivisions, or any agency or instrumentality of a U.S. state or its political subdivisions, for the benefit of its employees,
 - (v) an employee benefit plan within the meaning of Title I of the U.S. Employee Retirement Income Securities Act of 1974,
 - (vi) a trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in (iv) or (v) above, except trust funds that include as participants individual retirement accounts or U.S. H.R. 10 plans,
 - (vii) a business development company as defined in section 202(a)22 of the Investment Advisors Act of 1940,
 - (viii) an organization described in section 501(c)(3) of the U.S. Internal Revenue Code, corporation (other than a bank as defined in section 3(a)2 of the U.S. Securities Act of 1933 or a savings and loan

association or other institution referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933 or a foreign bank or savings and loan association or equivalent institution), partnership or Massachusetts or similar business trust, and

- (ix) an investment advisor registered under the U.S. Investment Advisors Act;
 - (e) a client that is a dealer registered pursuant to section 15 of the U.S. Securities Exchange Act of 1934, acting for its own account or the accounts of other eligible clients, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer;
 - (f) a client that is an investment company registered under the U.S. Investment Company Act, acting for its own account or for the accounts of other eligible clients, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies and, for these purposes, "family of investment companies" means any two or more investment companies registered under the U.S. Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment advisor (or, in the case of unit investment trusts, the same depositor), provided, for these purposes:
 - (i) each series of a series company (as defined in Rule 18f-2 under the U.S. Investment Company Act) shall be deemed to be a separate investment company, and
 - (ii) investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor);
 - (g) a client, all of the equity owners of which are eligible clients, acting for its own account or the accounts of other eligible clients;
 - (h) a client that is a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933, or any savings and loan institution or other institution as referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933, acting for its own account or the accounts of other eligible clients, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million;
 - (i) a client that is a non-individual with total securities under administration or management exceeding \$10 million, where the client is resident in a jurisdiction that falls within the definition of "Basle Accord Countries" as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report; and
 - (j) a client that enters an order through an order execution account; and an "**order execution account**" is a client account in respect of which a CNSX Dealer is exempted, in whole or in part, from making a determination on the suitability of trades for the client in accordance with the requirements of a securities regulatory authority or a recognized self-regulatory organization.
- (2) In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.
- (3) The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value and no current information with respect to the cost of those securities has been published and in the latter event, the securities may be valued at market.
- (4) In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the discretion of the entity, except that, unless the entity is a reporting company under section 13 or

15(d) of the U.S. Securities Exchange Act, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

- (5) A CNSX Dealer may transmit orders received electronically from an eligible client in an Alternative Market security directly to the CNSX System provided that the CNSX Dealer has obtained prior written approval from CNSX
- (a) that the system of the CNSX Dealer meets the prescribed conditions;
 - (b) for the standard form of agreement containing the prescribed conditions to be entered into between the CNSX Dealer and an eligible client and the CNSX Dealer has entered into an agreement in such form with the eligible client; and
 - (c) for any amendments to the standard form of agreement;
- and has met such other conditions as prescribed.
- (6) For the purposes of Rule 11-103(5)(a), the system of the CNSX Dealer is required to:
- (a) support compliance with CNSX Requirements dealing with the entry and trading of orders by all eligible clients who will have direct access (for example, supporting all valid order information that may be required, including designation of short sales);
 - (b) ensure security of access to the system (for example, through a password that will only enable persons at the eligible client authorized by the CNSX Dealer to have access to the system);
 - (c) comply with the specific requirements prescribed pursuant to Rule 4-101A(5);
 - (d) provide the CNSX Dealer with an immediate report of the entry or execution of orders;
 - (e) enable the CNSX Dealer to employ order parameters or filters that will route orders over a certain size or value to the CNSX Dealer's trading desk (which parameters can be customized for each eligible client on the system) and to reject orders that do not fall within those designated parameters;
 - (f) enable the CNSX Dealer to transmit information concerning orders entered by eligible clients to the CNSX Dealer's compliance staff on a real time basis; and
 - (g) support any other requirements of this Rule.
- (7) For the purposes of Rule 11-103(5)(b), the agreement between the CNSX Dealer and the eligible client shall provide that:
- (a) the eligible client is authorized to connect to the CNSX Dealer's order routing system;
 - (b) the eligible client shall enter orders in compliance with CNSX Requirements respecting the entry and trading of orders and other applicable regulatory requirements;
 - (c) specific parameters defining the orders that may be entered by the eligible client are stated, including restriction to specific securities or size of orders;
 - (d) the CNSX Dealer has the right to reject an order for any reason;
 - (e) the CNSX Dealer has the right to change or remove an order in the CNSX System and has the right to cancel any trade made by the eligible client for any reason;
 - (f) the CNSX Dealer has the right to discontinue accepting orders from the eligible client at any time without notice;
 - (g) the CNSX Dealer agrees to train the eligible client in the CNSX Requirements dealing with the entry and trading of orders and other applicable CNSX Requirements; and
 - (h) the CNSX Dealer accepts the responsibility to ensure that revisions and updates to CNSX Requirements relating to the entry and trading of orders are promptly communicated to the eligible client;

provided that, in respect of an agreement with a client in respect of an order execution account, the agreement:

- (i) may be in written form or be in the form of a written or electronic notice acknowledged by the client prior to the entry of the initial order in respect of such order execution account; and
 - (j) may omit provisions that would otherwise be required by clauses (c), (g) and (h) above if the system:
 - (i) enforces CNSX Requirements relating to the entry of orders,
or
 - (ii) routes orders that do not comply with CNSX Requirements relating to the entry of orders to an person authorized to enter orders pursuant to Rule 11-103 for review prior to entry to the trading system.
- (8) Training materials regarding CNSX Requirements that the CNSX Dealer proposes to use must be reviewed by CNSX prior to use.
- (9) The CNSX Dealer shall designate a specific person as being responsible for the system.
- (10) Orders executed through the system shall be reviewed for compliance and credit purposes daily by such designated person of the CNSX Dealer.
- (11) The CNSX Dealer shall have procedures in place to ensure that only eligible clients use the system and that such eligible clients can comply with CNSX Requirements and other applicable regulatory requirements.
- (12) The CNSX Dealer shall review the eligibility of eligible clients using the system at least annually.
- (13) The CNSX Dealer shall make available for review by CNSX, as required from time to time, copies of the agreements between the CNSX Dealer and its eligible clients.

RULE 11

TRADING OF ALTERNATIVE MARKET SECURITIES

11-102 Qualification for Alternative Market

- (1) CNSX may designate securities listed on another stock exchange recognized in a jurisdiction in Canada as eligible for trading in the Alternative Market provided such securities are not suspended or subject to a regulatory halt.
- (2) CNSX may disqualify an Alternative Market security for trading at any time without prior notice.
- (3) Notwithstanding the foregoing, an Alternative Market security shall be disqualified for trading immediately
 - (a) upon suspension or delisting by another stock exchange if such suspension or delisting would result in CNSX Markets being the only stock exchange on which the security would trade in Canada;
 - (b) if the security is subject to a regulatory halt; or
 - (c) if CNSX Markets, acting reasonably, determines that disqualification is necessary to protect the public interest or the maintenance of a fair and orderly market.

11-103 Access by Eligible Clients to the Alternative Market

- (1) In this Rule,
“eligible client” means
 - (a) a client that falls within the definition of “acceptable counterparties” or “acceptable institutions” as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report;
 - (b) a client that is registered as an investment counselor or portfolio manager under the *Securities Act* of one or more of the provinces of Canada;
 - (c) a client that is a foreign broker or dealer (or the equivalent registration) registered with the appropriate regulatory body in the broker’s or dealer’s home jurisdiction and that is an affiliate of a CNSX Dealer acting for its own account, the accounts of other eligible clients or the accounts of its clients;
 - (d) a client that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the client and falls into one of the following categories:
 - (i) an insurance company as defined in section 2(13) of the U.S. Securities Act of 1933,
 - (ii) an investment company registered under the U.S. Securities Act of 1933 or any business development company as defined in section 2(a)(48) of the Act,
 - (iii) a small business investment company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the U.S. Small Business Investment Act of 1958,
 - (iv) a plan established and maintained by a U.S. state, its political subdivisions, or any agency or instrumentality of a U.S. state or its political subdivisions, for the benefit of its employees,
 - (v) an employee benefit plan within the meaning of Title I of the U.S. Employee Retirement Income Securities Act of 1974,
 - (vi) a trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in (iv) or (v) above, except trust funds that include as participants individual retirement accounts or U.S. H.R. 10 plans,
 - (vii) a business development company as defined in section 202(a)22 of the Investment Advisors Act of 1940,
 - (viii) an organization described in section 501(c)(3) of the U.S. Internal Revenue Code, corporation (other than a bank as defined in section 3(a)2 of the U.S. Securities Act of 1933 or a savings and loan

association or other institution referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933 or a foreign bank or savings and loan association or equivalent institution), partnership or Massachusetts or similar business trust, and

- (ix) an investment advisor registered under the U.S. Investment Advisors Act;
 - (e) a client that is a dealer registered pursuant to section 15 of the U.S. Securities Exchange Act of 1934, acting for its own account or the accounts of other eligible clients, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer;
 - (f) a client that is an investment company registered under the U.S. Investment Company Act, acting for its own account or for the accounts of other eligible clients, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies and, for these purposes, "family of investment companies" means any two or more investment companies registered under the U.S. Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment advisor (or, in the case of unit investment trusts, the same depositor), provided, for these purposes:
 - (i) each series of a series company (as defined in Rule 18f-2 under the U.S. Investment Company Act) shall be deemed to be a separate investment company, and
 - (ii) investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor);
 - (g) a client, all of the equity owners of which are eligible clients, acting for its own account or the accounts of other eligible clients;
 - (h) a client that is a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933, or any savings and loan institution or other institution as referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933, acting for its own account or the accounts of other eligible clients, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million; and
 - (i) a client that is a non-individual with total securities under administration or management exceeding \$10 million, where the client is resident in a jurisdiction that falls within the definition of "Basle Accord Countries" as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report; and
 - (j) a client that enters an order through an order execution account; and an "**order execution account**" is a client account in respect of which a CNSX Dealer is exempted, in whole or in part, from making a determination on the suitability of trades for the client in accordance with the requirements of a securities regulatory authority or a recognized self-regulatory organization.
- (2) In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.
- (3) The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value and no current information with respect to the cost of those securities has been published and in the latter event, the securities may be valued at market.
- (4) In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with generally accepted accounting principles may be included if the investments of such subsidiaries are managed under the discretion of the entity, except that, unless the entity is a reporting company under section 13 or

15(d) of the U.S. Securities Exchange Act, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

- (5) A CNSX Dealer may transmit orders received electronically from an eligible client in an Alternative Market security directly to the CNSX System provided that the CNSX Dealer has obtained prior written approval from CNSX
- (a) that the system of the CNSX Dealer meets the prescribed conditions;
 - (b) for the standard form of agreement containing the prescribed conditions to be entered into between the CNSX Dealer and an eligible client and the CNSX Dealer has entered into an agreement in such form with the eligible client; and
 - (c) for any amendments to the standard form of agreement; and has met such other conditions as prescribed.
- (6) For the purposes of Rule 11-103(5)(a), the system of the CNSX Dealer is required to:
- (a) support compliance with CNSX Requirements dealing with the entry and trading of orders by all eligible clients who will have direct access (for example, supporting all valid order information that may be required, including designation of short sales);
 - (b) ensure security of access to the system (for example, through a password that will only enable persons at the eligible client authorized by the CNSX Dealer to have access to the system);
 - (c) comply with the specific requirements prescribed pursuant to Rule 4-101A(5);
 - (d) provide the CNSX Dealer with an immediate report of the entry or execution of orders;
 - (e) enable the CNSX Dealer to employ order parameters or filters that will route orders over a certain size or value to the CNSX Dealer's trading desk (which parameters can be customized for each eligible client on the system) and to reject orders that do not fall within those designated parameters;
 - (f) enable the CNSX Dealer to transmit information concerning orders entered by eligible clients to the CNSX Dealer's compliance staff on a real time basis; and
 - (g) support any other requirements of this Rule.
- (7) For the purposes of Rule 11-103(5)(b), the agreement between the CNSX Dealer and the eligible client shall provide that:
- (a) the eligible client is authorized to connect to the CNSX Dealer's order routing system;
 - (b) the eligible client shall enter orders in compliance with CNSX Requirements respecting the entry and trading of orders and other applicable regulatory requirements;
 - (c) specific parameters defining the orders that may be entered by the eligible client are stated, including restriction to specific securities or size of orders;
 - (d) the CNSX Dealer has the right to reject an order for any reason;
 - (e) the CNSX Dealer has the right to change or remove an order in the CNSX System and has the right to cancel any trade made by the eligible client for any reason;
 - (f) the CNSX Dealer has the right to discontinue accepting orders from the eligible client at any time without notice;
 - (g) the CNSX Dealer agrees to train the eligible client in the CNSX Requirements dealing with the entry and trading of orders and other applicable CNSX Requirements; and
 - (h) the CNSX Dealer accepts the responsibility to ensure that revisions and updates to CNSX Requirements relating to the entry and trading of orders are promptly communicated to the eligible client;

provided that, in respect of an agreement with a client in respect of an order execution account, the agreement:

- (i) may be in written form or be in the form of a written or electronic notice acknowledged by the client prior to the entry of the initial order in respect of such order execution account; and
 - (j) may omit provisions that would otherwise be required by clauses (c), (g) and (h) above if the system:
 - (i) enforces CNSX Requirements relating to the entry of orders,
 - or
 - (ii) routes orders that do not comply with CNSX Requirements relating to the entry of orders to a person authorized to enter orders pursuant to Rule 11-103 for review prior to entry to the trading system.
- (8) Training materials regarding CNSX Requirements that the CNSX Dealer proposes to use must be reviewed by CNSX prior to use.
- (9) The CNSX Dealer shall designate a specific person as being responsible for the system.
- (10) Orders executed through the system shall be reviewed for compliance and credit purposes daily by such designated person of the CNSX Dealer.
- (11) The CNSX Dealer shall have procedures in place to ensure that only eligible clients use the system and that such eligible clients can comply with CNSX Requirements and other applicable regulatory requirements.
- (12) The CNSX Dealer shall review the eligibility of eligible clients using the system at least annually.
- (13) The CNSX Dealer shall make available for review by CNSX, as required from time to time, copies of the agreements between the CNSX Dealer and its eligible clients.

FORM 1A

APPLICATION LETTER

[LETTERHEAD OF APPLICANT]

[Date]

Canadian National Stock Exchange
220 Bay Street
9th Floor
Toronto, Ontario
M5J 2W4

Dear Sirs/Mesdames:

Re: Qualification for Listing of [insert name of issuer] (the "Issuer")

The Issuer hereby applies to have the following securities qualified for listing, quotation and trading on the Canadian National Stock Exchange_____.

[In the case of an application to list equity securities] There are currently _____ shares issued and outstanding and _____ shares reserved for issuance.

Please find enclosed, in duplicate, Form 1B Listing Application, Form 2A Listing Statement, Form 2B Listing Summary, executed Listing Agreement, the supporting documents set out in Appendix A to the Listing Application and a cheque representing the non-refundable portion of the application fee of \$2,000 plus GST.

Yours very truly,

[NAME OF APPLICANT ISSUER]

Per: (signature of authorized company representative)

FORM 1A

APPLICATION LETTER

[LETTERHEAD OF APPLICANT]

[Date]

Canadian National Stock Exchange
220 Bay Street
9th Floor
Toronto, Ontario
M5J 2W4

Dear Sirs/Mesdames:

Re: Qualification for Listing of [insert name of issuer] (the "Issuer")

The Issuer hereby applies to have ~~its~~the following securities qualified for listing, quotation and trading on the Canadian National Stock Exchange _____.

[In the case of an application to list equity securities] There are currently _____ shares issued and outstanding and _____ shares reserved for issuance.

Please find enclosed, in duplicate, Form 1B Listing Application, Form 2A Listing Statement, Form 2B Listing Summary, executed Listing Agreement, the supporting documents set out in Appendix A to the Listing Application and a cheque representing the non-refundable portion of the application fee of \$2,000 plus GST.

Yours very truly,

[NAME OF APPLICANT ISSUER]

Per: (signature of authorized company representative)

FORM 1B

Listing Application

General Instructions

Please complete the following application and submit to CNSX in printed form with the application fee and the documents listed in Appendix A.

Part 1

ISSUER INFORMATION

General instruction: In this application, the term “predecessor” means any legal predecessor of the CNSX Issuer and any company with which the Issuer has engaged in a transaction that would give effect to a Fundamental Change.

Initial Application

Application Following Fundamental Change

1.1 Issuer Name:

State the full legal name(s) of Issuer.

1.2 Address:

Please give all addresses. Indicate registered office, head office, mailing, etc.

1.3 Telephone Number:

1.4 Fax Number:

1.5 General e-mail address:

1.6 Website address:

1.7 Jurisdiction of Incorporation:

1.8 Reporting Jurisdictions:

In addition to Ontario please state any other reporting jurisdiction.

1.9 North American Industrial Classification:

Please state your industrial classification below.

1.10 Description of Business:

Briefly describe the business the Issuer is engaged in.

1.11 Class (es) of Shares/Description of Securities to be qualified for listing:

1.12 CUSIP Number(s):

Please provide CUSIP numbers for all securities to be listed.

1 _____

2 _____

3 _____

1.13 Desired CNSX Symbol(s)

Please specify 3 choices in order of preference. A symbol must be 3 letters and will be subject to availability. CNSX has final approval of any symbol request.

1. _____

2. _____

3. _____

1.14 Trading Currency:

CDN\$ US\$

1.15 Outstanding Shares (equity securities only):

Basic:

Fully Diluted:
(provide details)

1.16 Outstanding Warrants, Rights, Options (equity securities only):

(provide details of terms such as exercise price, expiry date, etc. as well as number outstanding)

<u>Security</u>	<u>Number Outstanding</u>	<u>Details</u>

1.17 Fiscal Year End:

1.18 News Wire Service:

Please specify which Newswire service (s) currently disseminates Issuer press releases.

1.19 Issuer Contact Information:

Please provide full contact details of the person to be contacted regarding regulatory matters, accounting/administration and for shareholder inquiries.

Regulatory Contact:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

Accounting/Administrative Contact:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

Investor Relations:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

Other Contacts:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

1.20 Directors, Officers, Promoter and Related Persons

Provide the name, residential address, birth date, place of birth and position or status with the Issuer for each Related Person as defined in CNSX Policy 1. Provide date and jurisdiction of incorporation or formation if not an individual.

(Please provide attachments if additional space is necessary.)

<u>Name and Address</u>	<u>Birth date and Place of Birth⁽¹⁾</u>	<u>Position with Issuer</u>

(1) Provide date and jurisdiction of incorporation or formation if not an individual.

1.21 Predecessor and Related Companies (as defined in CNSX Policy 1)

Names:

1.22 Other Listings

Provide the name and the address of any other stock exchanges on which any securities of the issuer are already listed (or to which application for listing has been made)

Names:

Part 2

TRADING INFORMATION

2.1 Transfer and Registration:

Please provide contact information for the company's Transfer Agent(s) and Registrar(s) where (i) transfers may be effected, and (ii) registration facilities are maintained.

Transfer agent:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

Registrar:

Name:

Address:

Telephone:

Fax number:

E-mail address:

2.2 *Has the Issuer traded on another exchange in Canada? If yes, please provide trading symbol.*

2.3 *Does the Issuer have any other class of shares?*

Part 3

HISTORICAL INFORMATION

3.1 *Has the Issuer (or any of its predecessors) ever applied to have its shares traded on another market and been denied? If yes, please provide the name of the market or markets, dates and the reason why the application was denied.*

3.2 *Has the Issuer or any predecessor ever had trading in its securities halted by a marketplace or been suspended from trading or delisted by an exchange? If yes, provide details. Do not include routine halts for dissemination of information, halts due to system problems in the marketplace or volatility controls imposed by a marketplace or sector or market-wide halts not specific to the Issuer (e.g. a halt due to circuit breakers for price drops). Be specific when providing reasons (e.g. suspended for failure to meet financial requirements, not "failure to meet exchange requirements"). State whether the action giving rise to the halt or suspension was remedied.*

3.3 Has the issuer or any of its predecessors ever been in default of their obligations as a reporting issuer (or equivalent) or its obligations as a listed issuer on another exchange? in any jurisdiction in which it is or has been a reporting issuer (or equivalent)? Include any details of cease trade orders against the issuer or any predecessor.

Part 4

BANKING INFORMATION

Please provide banking details.

Bank Name:

Address:

Transit number (five digits):

Account number (Proof of Account Required):

Account Manager (Please Print):

Telephone Number:

Fax Number:

I certify that the above information is true to the best of my knowledge.

Date:

this _____ day of _____, _____

Director

Signing Officer

Name

Name

[Print or type names beneath signatures]

Appendix A

FILING REQUIREMENTS

Please supply the following documentation along with the completed application form.

- a) The documentation set out in Part B of the relevant Appendix to Policy 2.
- b) Certified copies of all charter documents, including, Articles of Amendment, Articles of Continuance, Articles of Amalgamation, or equivalent documents.
- c) A letter from the transfer agent stating that it has been duly appointed by the Issuer and is in a position to make transfers and make prompt delivery of share certificates.
- d) An unqualified letter from the Canadian Depository for securities Limited (CDS) confirming the CUSIP number(s) assigned to the shares.
- e) One copy of each of the annual reports for the past three years. If the applicant was formed as a result of an amalgamation, one copy of the annual reports for each of the amalgamated companies for the past three years.
- f) Any additional financial statements required in the Listing Statement (Form 2A).
- g) If applicable, copies of reports required to support the disclosures in the Listing Statement.
- h) For non-operating companies issuing equity securities, evidence that the company meets the requirements of section 1.6 of Appendix A – Equity Securities to Policy 2.
- i) Such other documentation as may be required by CNSX to consider the application.
- j) One copy of each of the preliminary and final receipts (if applicable) issued by the Ontario securities Commission in respect of the preliminary and final prospectus, as they become available.
- k) A void cheque for automatic withdrawal of monthly maintenance fee.
- l) A cheque representing the application fee.

FORM 1B

Listing Application

General Instructions

Please complete the following application and submit to CNSX in printed form with the application fee and the documents listed in Appendix A.

Part 1

ISSUER INFORMATION

General instruction: In this application, the term “predecessor” means any legal predecessor of the CNSX Issuer and any company with which the Issuer has engaged in a transaction that would give effect to a Fundamental Change.

Initial Application

Application Following Fundamental Change

1.1 Issuer Name:

State the full legal name(s) of Issuer.

1.2 Address:

Please give all addresses. Indicate registered office, head office, mailing, etc.

1.3 Telephone Number:

1.4 Fax Number:

1.5 General e-mail address:

1.6 Website address:

1.7 Jurisdiction of Incorporation:

1.8 Reporting Jurisdictions:

In addition to Ontario please state any other reporting jurisdiction.

1.9 North American Industrial Classification:

Please state your industrial classification below.

1.10 Description of Business:

Briefly describe the business the Issuer is engaged in.

1.11 Class (es) of Shares/Description of Securities to be qualified for listing:

1.12 CUSIP Number(s):

Please provide CUSIP numbers for all ~~shares~~ securities to be listed.

1 _____

2 _____

3 _____

1.13 Desired CNSX Symbol(s)

Please specify 3 choices in order of preference. A symbol must be 43 letters and will be subject to availability. CNSX has final approval of any symbol request.

1. _____

2. _____

3. _____

1.14 Trading Currency:

CDN\$ US\$

1.15 Outstanding Shares (equity securities only):

Basic:

Fully Diluted:
(provide details)

1.16 Outstanding Warrants, Rights, Options (equity securities only):

(provide details of terms such as exercise price, expiry date, etc. as well as number outstanding)

<u>Security</u>	<u>Number Outstanding</u>	<u>Details</u>

1.17 Fiscal Year End:

1.18 News Wire Service:

Please specify which Newswire service (s) currently disseminates Issuer press releases.

Canadian Corporate News (**CCN**)

Canadian NewsWire Services (**CNW**)

Infolink Technologies Ltd.

Other, please state _____

1.19 Issuer Contact Information:

Please provide full contact details of the person to be contacted regarding regulatory matters, accounting/administration and for shareholder inquiries.

Regulatory Contact:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

Accounting/Administrative Contact:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

Investor Relations:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

Other Contacts:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

1.20 Directors, Officers, Promoter and Related Persons

Provide the name, residential address, birth date, place of birth and position or status with the Issuer for each Related Person as defined in CNSX Policy 1. Provide date and jurisdiction of incorporation or formation if not an individual.

(Please provide attachments if additional space is necessary.)

<u>Name and Address</u>	<u>BirthdateBirth date and Place of Birth⁽¹⁾</u>	<u>Position with Issuer</u>

(1) *Provide date and jurisdiction of incorporation or formation if not an individual.*

1.21 Predecessor and Related Companies (as defined in CNSX Policy 1)

Names:

1.22 Other Listings

Provide the name and the address of any other stock exchanges on which any securities of the issuer are already listed (or to which application for listing has been made)

Names:

Part 2

TRADING INFORMATION

2.1 Transfer and Registration:

Please provide contact information for the company's Transfer Agent (s) and Registrar(s) where (i) transfers may be effected, and (ii) registration facilities are maintained. One of the addresses in each of (i) and (ii) must be in Toronto.

Transfer agent:

Name:

Address:

Telephone number:

Fax number:

E-mail address:

Registrar:

Name:

Address:

Telephone:

Fax number:

E-mail address:

2.2 *Has the Issuer traded on another exchange in Canada? If yes, please provide trading symbol.*

2.3 *Does the Issuer have any other class of shares?*

Part 3

HISTORICAL INFORMATION

3.1 *Has the Issuer (or any of its predecessors) ever applied to have its shares traded on another market and been denied? If yes, please provide the name of the market or markets, dates and the reason why the application was denied.*

3.2 *Has the Issuer or any predecessor ever had trading in its securities halted by a marketplace or been suspended from trading or delisted by a marketplace or exchange? If yes, provide details. Do not include routine halts for dissemination of information, halts due to system problems in the marketplace or volatility controls imposed by a marketplace or sector or market-wide halts not specific to the Issuer (e.g. a halt due to circuit breakers for price drops). Be specific when providing reasons (e.g. suspended for failure to meet financial requirements, not "failure to meet exchange requirements"). State whether the action giving rise to the halt or suspension was remedied.*

3.3 Has the issuer or any of its predecessors ever been in default of their obligations as a reporting issuer (or equivalent) or its obligations as a listed issuer on another exchange? in any jurisdiction in which it is or has been a reporting issuer (or equivalent)? Include any details of cease trade orders against the issuer or any predecessor.

Part 4

BANKING INFORMATION

Please provide banking details.

Bank Name:

Address:

Transit number (five digits):

Account number (Proof of Account Required):

Account Manager (Please Print):

Telephone Number:

Fax Number:

I certify that the above information is true to the best of my knowledge.

Date: _____

this _____ day of _____,

Director

Name

Signing Officer

Name

[Print or type names beneath signatures]

Appendix A

FILING REQUIREMENTS

Please supply the following documentation along with the completed application form.

- a) ~~The documentation set out in Policy 2-2.1 for an initial application for listing and the documentation set out in Policy 2-2.3 for a final application. Part B of the relevant Appendix to Policy 2.~~
- b) Certified copies of all charter documents, including, Articles of Amendment, Articles of Continuance, Articles of Amalgamation, or equivalent documents.
- c) A letter from the ~~trust company which acts as transfer agent in the City of Toronto~~ stating that it has been duly appointed as transfer agent ~~for~~by the Issuer and is in a position to make transfers and make prompt delivery of share certificates.
- d) An unqualified letter from the Canadian Depository for securities Limited (CDS) confirming the CUSIP number(s) assigned to the shares.
- e) One copy of each of the annual reports for the past three years. If the applicant was formed as a result of an amalgamation, one copy of the annual reports for each of the amalgamated companies for the past three years.
- f) Any additional financial statements required in the Listing Statement (Form 2A).
- g) If applicable, copies of reports required to support the disclosures in the Listing Statement.
- h) For non-operating companies issuing equity securities, evidence that the company meets the requirements of section 1.6 of Appendix A – Equity Securities to Policy 2-1.7-2.
- i) Such other documentation as may be required by CNSX to consider the application.
- j) One copy of each of the preliminary and final receipts (if applicable) issued by the Ontario securities Commission in respect of the preliminary and final prospectus, as they become available.
- k) A void cheque for automatic withdrawal of monthly maintenance fee.
- l) A cheque representing the application fee.

FORM 2A

LISTING STATEMENT

This Listing Statement must be used for all initial applications for listing and for Issuers resulting from a fundamental change. CNSX requires prospectus level disclosure in the Listing Statement (other than certain financial disclosure and interim Management's Discussion and Analysis) and can require that the Issuer include additional disclosure.

General Instructions

- (a) Please prepare this Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) In this form, the term "Issuer" includes the applicant Issuer and any of its subsidiaries.
- (c) In determining the degree of detail required, a standard of materiality should be applied. Materiality is a matter of judgment in a particular circumstance, and should generally be determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the Issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.
- (d) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation.
- (e) For Issuers that are re-qualifying for listing following a fundamental change, provide historic and current details on
 - (i) the Issuer
 - (ii) all other companies or businesses that are involved in the fundamental change (the "target"); and
 - (iii) the entity that will result from the fundamental change (the "New Issuer").

Information concerning the Issuer that was contained in the most recent Listing Statement may be incorporated by reference, but this statement must indicate if any of the information in the prior statement has changed (e.g. describing a business that will no longer be undertaken by the New Issuer). Information concerning assets or lines of business of the target that will not be part of the New Issuer's business should not be included.

- (f) This Listing Statement provides prospectus-level disclosure. It will be amended from time to time to reflect any changes to the prospectus disclosure requirements. If changed, the new form is to be used for the next listing statement the Issuer is required to file. The Issuer does not have to amend a listing statement currently on file to reflect any new disclosure requirements.

1. Table of Contents

- 1.1 Include a table of contents with the following headings:
1. Table of Contents
 2. Corporate Structure
 3. General Development of the Business
 4. Narrative Description of the Business
 5. Selected Consolidated Financial Information
 6. Management's Discussion and Analysis
Annual MD&A
Interim MD&A
 7. Market for Securities
 8. Consolidated Capitalization
 9. Options to Purchase Securities
 10. Description of the Securities
 11. Escrowed Securities
 12. Principal Shareholders
 13. Directors and Officers
 14. Capitalization
 15. Executive Compensation
 16. Indebtedness of Directors and Executive Officers
 17. Risk Factors
 18. Promoters
 19. Legal Proceedings
 20. Interest of Management and Others in Material Transactions
 21. Auditors, Transfer Agents and Registrars
 22. Material Contracts
 23. Interest of Experts
 24. Other Material Facts
 25. Financial Statements
- APPENDIX A: MINERAL PROJECTS
APPENDIX B: OIL AND GAS PROJECTS
APPENDIX C: DESCRIPTION OF CERTAIN SECURITIES

2. Corporate Structure

- 2.1 State the full corporate name of the Issuer or, if the Issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the Issuer's head and registered office.
- 2.2 State the statute under which the Issuer is incorporated or continued or organized or, if the Issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the Issuer is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of the Issuer.
- 2.3 Describe, by way of a diagram or otherwise, the intercorporate relationships among the Issuer and the Issuer's subsidiaries. For each subsidiary state
- (a) the percentage of votes attaching to all voting securities of the subsidiary represented by voting securities beneficially owned, or over which control or direction is exercised, by the Issuer;
 - (b) the place of incorporation or continuance; and
 - (c) the percentage of each class of restricted shares beneficially owned, or over which control or direction is exercised, by the Issuer.
- 2.4 If the Issuer is requalifying following a fundamental change or is proposing an acquisition, amalgamation, merger, reorganization or arrangement, describe by way of diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.

Instruction: A particular subsidiary may be omitted if

- (a) the total assets of the subsidiary do not constitute more than 10 per cent of the consolidated assets of the Issuer at the most recent financial year end;
- (b) the sales and operating revenues of the subsidiary do not exceed 10 per cent of the consolidated sales and operating revenues of the Issuer at the most recent financial year end; and
- (c) the conditions in paragraphs (a) and (b) would be satisfied if
 - (i) the subsidiaries that may be omitted under paragraphs (a) and (b) were considered in the aggregate, and
 - (ii) the reference to 10 per cent in those paragraphs was changed to 20 per cent.

- 2.5 Non-corporate Issuers and Issuers incorporated outside of Canada must describe how their governing legislation or constating documents differ materially from Canadian corporate legislation with respect to the corporate governance principles set out in Policy 4.

3. General Development of the Business

- 3.1 Describe the general development of the Issuer's business over its three most recently completed financial years and any subsequent period. Include only major events or conditions that have influenced the general development of the Issuer's business. If the business consists of the production or distribution of more than one product or the rendering of more than one kind of service, describe the principal products or services. Also discuss changes in the business of the Issuer that are expected to occur during the current financial year of the Issuer.

Instruction: Include the business of subsidiaries only insofar as is necessary to explain the character and development of the business conducted by the combined enterprise.

- 3.2 Disclose:
- (1) (a) any significant acquisition completed by the Issuer or any significant probable acquisition proposed by the Issuer, for which financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus; and
 - (b) any significant disposition completed by the Issuer during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus.

- (2) Under paragraph (1) include particulars of
- (a) the nature of the assets acquired or disposed of or to be acquired or disposed of;
 - (b) the actual or proposed date of each significant acquisition or significant disposition;
 - (c) the consideration, both monetary and non-monetary paid, or to be paid, to or by the Issuer;
 - (d) any material obligations that must be complied with to keep any significant acquisition or significant disposition agreement in good standing;
 - (e) the effect of the significant acquisition or significant disposition on the operating results and financial position of the Issuer;
 - (f) any valuation opinion obtained within the last 12 months required under Canadian securities legislation, a directive of a Canadian securities regulatory authority, or a requirement of a Canadian stock exchange or other Canadian market to support the value of the consideration received or paid by the Issuer or any of its subsidiaries for the assets, including the name of the author, the date of the opinion, the assets to which the opinion relates and the value attributed to the assets; and
 - (g) whether the transaction is with a Related Party of the Issuer and if so, disclose the identity of the other parties and the relationship of the other parties to the Issuer.

3.3 Discuss any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on the Issuer's business, financial condition or results of operations, providing forward-looking information based on the Issuer's expectations as of the date of the Listing Statement.

Instruction: Issuers are encouraged, but not required, to supply other forward-looking information. Optional forward-looking disclosure involves anticipating a future trend or event or anticipating a less predictable effect of a known event, trend or uncertainty. This other forward-looking information is to be distinguished from presently-known information that is reasonably expected to have a material effect on future operating results, such as known future increases in costs of labour or materials, which information is required to be disclosed.

4 Narrative Description of the Business

4.1 General

- (1) Describe the business of the Issuer with reference to the reportable operating segments as defined in the Handbook and the Issuer's business in general. Include the following for each reportable operating segment of the Issuer:
- (a) state the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;
 - (b) describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;
 - (c) disclose the total funds available to the Issuer and the following breakdown of those funds:
 - (i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and
 - (ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and
 - (d) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

Instruction:

- (1) The description of the Issuer's business objectives should also provide the context for the description of the milestones which are required to be disclosed. For example, one business objective of an Issuer may be to commence marketing and licencing technology nationally through direct sales and a network of agents; a milestone may be to conduct four feasibility studies over the next ten months to facilitate marketing of the technology, with an anticipated cost of \$X for the studies.
- (2) For the purposes of paragraph (1)(b), examples of significant events would include the hiring of key personnel, making major capital acquisitions, obtaining necessary regulatory approvals, implementing marketing plans and strategies and commencing production and sales.
- (2) For principal products or services describe:
- a) the methods of their distribution and their principal markets;
 - b) as dollar amounts or as percentages, for each of the two most recently completed financial years, the revenues for each category of principal products or services that accounted for 15 per cent or more of total consolidated revenues for the applicable financial year derived from:
 - (i) sales or transfers to joint ventures in which your company is a participant or to entities in which your company has an investment accounted for by the equity method,
 - (ii) sales to customers, other than those referred to in clause (i), outside the consolidated entity,
 - (iii) sales or transfers to controlling shareholders; and
 - (iv) sales or transfers to investees.
 - c) if not fully developed, the stage of development of the principal products or services and, if the products are not at the commercial production stage,
 - (i) the timing and stage of research and development programs,
 - (ii) the major components of the proposed programs, including an estimate of anticipated costs,
 - (iii) whether the Issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and
 - (iv) the additional steps required to reach commercial production and an estimate of costs and timing.
- (3) Concerning production and sales, disclose:
- a) the actual or proposed method of production of products and if the Issuer provides services, the actual or proposed method of providing services;
 - b) the payment terms, expiration dates and terms of any renewal options of any material leases or mortgages, whether they are in good standing and, if applicable, that the landlord or mortgagee is a Related Person of the Issuer;
 - c) specialized skill and knowledge requirements and the extent that the skill and knowledge are available to the Issuer;
 - d) the sources, pricing and availability of raw materials, component parts or finished products;
 - e) the importance, duration and effect on the segment of identifiable intangible properties such as brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks;
 - f) the extent to which the business of the segment is cyclical or seasonal;

- g) a description of any aspect of the Issuer's business that may be affected in the 12 months following the date of the Listing Statement by renegotiation or termination of contracts or sub-contracts and the likely effect;
 - h) the financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Issuer in the current financial year and the expected effect, on future years;
 - i) the number of employees, as at the most recent financial year end or as an average over that year, whichever is more relevant;
 - j) any risks associated with foreign operations of the Issuer and any dependence of the segments upon the foreign operations;
 - k) a description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends;
 - l) a description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.
- (4) Describe the competitive conditions in the principal markets and geographic areas in which the Issuer operates, including, if reasonably possible, an assessment of the Issuer's competitive position.
 - (5) With respect to lending operations of an Issuer's business, describe the investment policies and lending and investment restrictions.
 - (6) Disclose the nature and results of any bankruptcy, or any receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Issuer or any of its subsidiaries, within the three most recently completed financial years or the current financial year.
 - (7) Disclose the nature and results of any material restructuring transaction of the Issuer within the three most recently completed financial years or completed during or proposed for the current financial year.
 - (8) If the Issuer has implemented social or environmental policies that are fundamental to the Issuer's operations, such as policies regarding the Issuer's relationship with the environment or with the communities in which the Issuer does business, or human rights policies, describe them and the steps the Issuer has taken to implement them.

Instruction:

- (1) The Issuer's stated business objectives must not include any prospective financial information with respect to sales, whether expressed in terms of dollars or units, unless the information is derived from future-oriented financial information issued in accordance with National Instrument 51-102 Continuous Disclosure Obligations or any successor instrument and is included in the Listing Statement.
- (2) Where sales performance is considered to be an important objective, it must be stated in general terms. For example, the Issuer may state that it anticipates generating sufficient cash flow from sales to pay its operating cost for a specified period.

Companies with Asset-backed Securities Outstanding

4.2 In respect of any outstanding asset-backed securities, disclose the following information:

- (1) **Payment Factors** - A description of any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of any payments or distributions to be made under the asset-backed securities.

- (2) Underlying Pool of Assets - For the three most recently completed financial years of your company or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, information on the pool of financial assets servicing the asset-backed securities relating to
 - (a) the composition of the pool as of the end of each financial year or partial period;
 - (b) income and losses from the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
 - (c) the payment, prepayment and collection experience of the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
 - (d) servicing and other administrative fees; and
 - (e) any significant variances experienced in the matters referred to in paragraphs (a), (b), (c), or (d).
- (3) Investment Parameters - The investment parameters applicable to investments of any cash flow surpluses.
- (4) Payment History - The amount of payments made during the three most recently completed financial years or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, in respect of principal and interest or capital and yield, each stated separately, on asset-backed securities of your company outstanding.
- (5) Acceleration Event - The occurrence of any event that has led to, or with the passage of time could lead to, the accelerated payment of principal, interest or capital of asset-backed securities.
- (6) Principal Obligors - The identity of any principal obligors for the outstanding asset-backed securities of your company, the percentage of the pool of financial assets servicing the asset-backed securities represented by obligations of each principal obligor and whether the principal obligor has filed an AIF in any jurisdiction or a Form 10-K, Form 10-KSB or Form 20F in the United States.

Instruction:

- (1) For the purposes of this item an "asset backed security" is treated as in item 5.3 of Form 41-101F1.
- (2) Present the information requested under section 4.2 in a manner that enables a reader to easily determine the status of the events, covenants, standards and preconditions referred to in subsection (1)
- (3) If the information required under subsection (2)
 - (A) is not compiled specifically on the pool of financial assets servicing the asset- backed securities, but is compiled on a larger pool of the same assets from which the securitized assets are randomly selected so that the performance of the larger pool is representative of the performance of the pool of securitized assets, or
 - (B) in the case of a new company, where the pool of financial assets servicing the asset-backed securities will be randomly selected from a larger pool of the same assets so that the performance of the larger pool will be representative of the performance of the pool of securitized assets to be created,
- (4) a company may comply with subsection (2) by providing the information required based on the larger pool and disclosing that it has done so.

- 4.3 For Issuers with a mineral project, disclose and insert here the information required by Appendix A for each property material to the Issuer.

Instructions:

- (1) Disclosure regarding mineral exploration development or production activities on material properties is required to comply with National Instrument 43-101, including the use of the appropriate terminology to describe mineral reserves and mineral resources.
- (2) Disclosure is required for each property material to the Issuer. Materiality is to be determined in the context of the Issuer's overall business and financial condition, taking into account quantitative and qualitative factors. A property will not generally be considered material to an Issuer if the book value of the property as reflected in the Issuer's most

recently filed financial statements or the value of the consideration paid or to be paid (including exploration obligations) is less than 10 per cent of the book value of the total of the Issuer's mineral properties and related plant and equipment.

- (3) The information required under these items is required to be based upon a technical report or other information prepared by or under the supervision of a qualified person, as that term is defined in National Instrument 43-101.
- (4) In giving the information required under these items, include the nature of ownership interests, such as fee interests, leasehold interests, royalty interests and any other types and variations of ownership interests.

4.4 For Issuers with Oil and Gas Operations disclose and insert here the information required by Appendix B (in tabular form, if appropriate).

Instruction: The information required under this item shall be derived from or supported by information obtained from a report prepared in accordance with the provisions of National Instrument 51-101 or any successor instrument.

5. Selected Consolidated Financial Information

5.1 Annual Information — Provide the following financial data for the Issuer in summary form for each of the last three completed financial years and any period subsequent to the most recent financial year end for which financial statements have been prepared, accompanied by a discussion of the factors affecting the comparability of the data, including discontinued operations, changes in accounting policies, significant acquisitions or significant dispositions and major changes in the direction of the Issuer's business:

- (a) net sales or total revenues;
- (b) income from continuing operations, in total and on a per share basis and fully diluted per share basis, calculated in accordance with the Handbook;
- (c) net income or loss, in total and on a per share and fully diluted per share basis, calculated in accordance with the Handbook;
- (d) total assets;
- (e) total long-term financial liabilities as defined in the Handbook;
- (f) cash dividends declared per share for each class of share; and
- (g) such other information as would enhance an investor's understanding of the Issuer's financial condition and results of operations and would highlight other trends in financial condition and results of operations.

5.2 Quarterly Information — For each of the eight most recently completed quarters ending at the end of the most recently completed financial year, provide the information required in paragraphs (a), (b) and (c) of Section 5.1.

Instruction:

- (1) For an Issuer that has not been a reporting issuer for the eight most recently completed quarters ending at the end of the most recently completed financial year, provide the information required in paragraphs (a), (b) and (c) of Section 5.1 for the period that the Issuer was not a reporting issuer only if the Issuer has prepared quarterly financial statements for that period.
- (2) If the Issuer is only required to file six month interim financial statements, the information required under paragraph (1) may instead be provided for each of the four most recently completed six month periods ended at the end of the most recently completed financial year for which financial statements have been prepared.

5.3 Dividends – disclose:

- (a) any restriction that could prevent the Issuer from paying dividends; and
- (b) the Issuer's dividend policy and, if a decision has been made to change the dividend policy, the intended change in dividend policy.

- 5.4 Foreign GAAP — An Issuer may present the selected consolidated financial information required in this section on the basis of foreign GAAP if:
- (a) the Issuer's primary financial statements have been prepared using foreign GAAP; and
 - (b) if the Issuer is required under applicable securities legislation to have reconciled its financial statements to Canadian GAAP at the time of filing its financial statements or the Issuer has otherwise done so, a cross reference to the notes to the financial statements containing the reconciliation of the financial statements to Canadian GAAP is included.

Instruction:

- (1) If financial information that is included in the summary is derived from financial statements included in the Listing Statement, but the financial information is neither directly presented in, nor readily determinable from, the financial statements, include a reconciliation to the financial statements in notes.
- (2) If financial information that is included in the listing statement is derived from financial statements that are not included in the Listing Statement, indicate in the lead-in to the summary the source from which the information is extracted, the percentage interest that the Issuer has in the person or company, the GAAP principles used, the name of the auditors, the date of the report, and the nature of the opinion expressed.
- (3) The derivation of ratios included in the Listing Statement in notes should be disclosed in notes to the Listing Statement.
- (4) Information included in the Listing Statement should be presented in a manner that is consistent with the intent of Canadian accounting recommendations and practices (e.g., cash flow data should not be interspersed with amounts from an income statement in a manner which suggests that cash flow data has been or should be presented in an income statement, and cash flow data should not be presented in a manner that appears to give it prominence equal to or greater than earnings data).

6. Management's Discussion and Analysis

General Instructions and Interpretation

Provide MD&A for the most recent annual financial statements filed with the application for listing (or filed since the last update of the listing statement, and interim MD&A for each interim financial statement filed with the application for listing (or filed since the last update of the quotation statement). The first interim MD&A will update the annual MD&A, and each subsequent interim MD&A will update the previous interim MD&A. If the Issuer includes annual income statements, statements of retained earnings, and cash flow statements for three financial years under Section 5, provide MD&A for the second most recent annual financial statements of the Issuer.

What is MD&A? — MD&A is a narrative explanation, through the eyes of management, of how an Issuer performed during the period covered by the financial statements, and of an Issuer's financial condition and future prospects. MD&A complements and supplements your financial statements, but does not form part of your financial statements. Management's objective when preparing the MD&A should be to improve the Issuer's overall financial disclosure by giving a balanced discussion of the Issuer's results of operations and financial condition including, without limitation, such considerations as liquidity and capital resources - openly reporting bad news as well as good news.

MD&A should help current and prospective investors understand what the financial statements show and do not show; discuss material information that may not be fully reflected in the financial statements, such as contingent liabilities, defaults under debt, off-balance sheet financing arrangements, or other contractual obligations; discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future; and provide information about the quality, and potential variability, of the Issuer's earnings and cash flow, to assist investors in determining if past performance is indicative of future performance.

Date of Information — In preparing the MD&A, management must take into account information available up to the date of the MD&A. If the date of the MD&A is not the date it is filed, management must ensure the disclosure in the MD&A is current so that it will not be misleading when it is filed.

Explain the Analysis — Explain the nature of, and reasons for, changes in the Issuer's performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid using boilerplate language. The discussion should assist the reader to understand trends, events, transactions and expenditures.

Focus on Material Information — Management does not need to disclose information that is not material. Exercise judgment when determining whether information is material.

What is Material? — Would a reasonable investor's decision whether or not to buy, sell or hold the Issuer's securities likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

Forward-Looking Information — Management is encouraged to provide forward-looking information if it has a reasonable basis for making the statements. Preparing MD&A necessarily involves some degree of prediction or projection. For example, MD&A requires a discussion of known trends or uncertainties that are reasonably likely to affect the Issuer's business. However, MD&A does not require that the Issuer provide a detailed forecast of future revenues, income or loss or other information. All forward-looking information must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, management's material assumptions and appropriate risk disclosure and cautionary language.

The MD&A must discuss any forward-looking information disclosed in MD&A for a prior period which, in light of intervening events and absent further explanation, may be misleading. Forward looking statements may be considered misleading when they are unreasonably optimistic or aggressive, or lack objectivity, or are not adequately explained. Timely disclosure obligations might also require the Issuer to issue a news release and file a material change report.

Issuers Without Significant Revenues — If the Issuer is without significant revenues from operations, focus the discussion and analysis of results of operations on expenditures and progress towards achieving management's business objectives and milestones.

Reverse Takeover Transactions — When an acquisition is accounted for as a reverse takeover, the MD&A should be based on the reverse takeover acquirer's financial statements.

Foreign Accounting Principles — If the Issuer's primary financial statements have been prepared using accounting principles other than Canadian GAAP and a reconciliation is provided, the MD&A must focus on the primary financial statements.

Resource Issuers — If the Issuer has mineral projects, the disclosure must comply with National Instrument 43-101 Standards of Disclosure for Mineral Projects, including the requirement that all scientific and technical disclosure be based on a technical report or other information prepared by or under the supervision of a qualified person. If the Issuer has oil and gas activities, the disclosure must comply with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

US issuers –

- (1) If the Issuer is a US issuer, for any MD&A that is included in the Listing Statement, include the disclosure prepared in accordance with subsection (2) if the Issuer:
 - (a) has based the discussion in the MD&A on financial statements prepared in accordance with U.S. GAAP, and
 - (b) is required by subsection 4.1(1) of NI 52-107 to provide a reconciliation to Canadian GAAP.
- (2) In the disclosure required under subsection (1) restate, based on financial information of the Issuer prepared in accordance with, or reconciled to, Canadian GAAP, those parts of the MD&A that are based on financial statements of the Issuer prepared in accordance with U.S. GAAP, and would contain material differences if they were based on financial statements of the Issuer prepared in accordance with Canadian GAAP.

Annual MD&A

- 6.1 Date - Specify the date of the MD&A. The date of the MD&A must be no earlier than the date of the auditor's report on the financial statements for the Issuer's most recently completed financial year.
- 6.2 Overall Performance - Provide an analysis of the Issuer's financial condition, results of operations and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on the Issuer's business. Compare the Issuer's performance in the most recently completed financial year to the prior year's performance. The analysis should address at least the following:
 - (a) operating segments that are reportable segments as those terms are used in the Handbook;
 - (b) other parts of the business if

- (i) they have a disproportionate effect on revenues, income or cash needs, or
- (ii) there are any legal or other restrictions on the flow of funds from one part of the Issuer's business to another;
- (c) industry and economic factors affecting the Issuer's performance;
- (d) why changes have occurred or expected changes have not occurred in the Issuer's financial condition and results of operations; and
- (e) the effect of discontinued operations on current operations.

Instruction:

- (1) When explaining changes in the Issuer's financial condition and results, include an analysis of the effect on the Issuer's continuing operations of any acquisition, disposition, write-off, abandonment or other similar transaction.
- (2) Financial condition includes the Issuer's financial position (as shown on the balance sheet) and other factors that may affect the Issuer's liquidity and capital resources.
- (3) Include information for a period longer than one financial year if it will help the reader to better understand a trend.

Selected Annual Financial Information

- 6.3 Provide the following financial data derived from the Issuer's financial statements for each of the three most recently completed financial years:
- (a) net sales or total revenues;
 - (b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis;
 - (c) net income or loss, in total and on a per-share and diluted per-share basis;
 - (d) total assets;
 - (e) total long-term financial liabilities; and
 - (f) cash dividends declared per-share for each class of share.
- 6.4 Variations - Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of the Issuer's business, and any other information the Issuer believes would enhance an understanding of, and would highlight trends in, financial condition and results of operations.

Instruction: Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to Canadian GAAP, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

- 6.5 Results of Operations - Discuss management's analysis of the Issuer's operations for the most recently completed financial year, including:
- (a) net sales or total revenues by operating business segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold, or the introduction of new products or services;
 - (b) any other significant factors that caused changes in net sales or total revenues;
 - (c) cost of sales or gross profit;
 - (d) for Issuers that have significant projects that have not yet generated operating revenue, describe each project, including the Issuer's plan for the project and the status of the project relative to that plan, and expenditures

made and how these relate to anticipated timing and costs to take the project to the next stage of the project plan;

- (e) for resource Issuers with producing mines, identify milestones such as mine expansion plans, productivity improvements, or plans to develop a new deposit;
- (f) factors that caused a change in the relationship between costs and revenues, including changes in costs of labour or materials, price changes or inventory adjustments;
- (g) commitments, events, risks or uncertainties that you reasonably believe will materially affect the Issuer's future performance including net sales, total revenue and income or loss before discontinued operations and extraordinary items;
- (h) effect of inflation and specific price changes on the Issuer's net sales and total revenues and on income or loss before discontinued operations and extraordinary items;
- (i) a comparison in tabular form of disclosure you previously made about how the Issuer was going to use proceeds (other than working capital) from any financing, an explanation of variances and the impact of the variances, if any, on the Issuer's ability to achieve its business objectives and milestones; and
- (j) unusual or infrequent events or transactions.

Instruction: The discussion under Item 6.5(d) should include:

- a) whether or not management plans to expend additional funds on the project; and
- b) any factors that have affected the value of the project(s) such as change in commodity prices, land use or political or environmental issues.

6.6 Summary of Quarterly Results - Provide the following information in summary form, derived from the Issuer's financial statements, for each of the eight most recently completed quarters:

- (a) net sales or total revenues;
- (b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis; and
- (c) net income or loss, in total and on a per-share and diluted per-share basis.

Discuss the factors that have caused variations over the quarters necessary to understand general trends that have developed and the seasonality of the business.

Instruction:

- (1) The most recently completed quarter is the quarter that ended on the last day of your most recently completed financial year. Information does not have to be provided for a quarter prior to the Issuer becoming a reporting issuer if the Issuer has not prepared financial statements for those quarters.
- (2) For sections 6.2, 6.3, 6.4 and 6.5 consider identifying, discussing and analyzing the following factors:
 - a) changes in customer buying patterns, including changes due to new technologies and changes in demographics;
 - b) changes in selling practices, including changes due to new distribution arrangements or a reorganization of a direct sales force;
 - c) changes in competition, including an assessment of the Issuer's resources, strengths and weaknesses relative to those of its competitors;
 - d) the effect of exchange rates;
 - e) changes in pricing of inputs, constraints on supply, order backlog, or other input-related matters;

- f) changes in production capacity, including changes due to plant closures and work stoppages;
 - g) changes in volume of discounts granted to customers, volumes of returns and allowances, excise and other taxes or other amounts reflected on a net basis against revenues;
 - h) changes in the terms and conditions of service contracts;
 - i) the progress in achieving previously announced milestones; and
 - j) for resource Issuers with producing mines, identify changes to cash flow caused by changes in production throughput, head-grade, cut-off grade, metallurgical recovery and any expectation of future changes.
- (3) Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to Canadian GAAP, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

6.7 Liquidity - Provide an analysis of the Issuer's liquidity, including:

- (a) its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain the Issuer's capacity, to meet the Issuer's planned growth or to fund development activities;
- (b) trends or expected fluctuations in the Issuer's liquidity, taking into account demands, commitments, events or uncertainties;
- (c) its working capital requirements;
- (d) liquidity risks associated with financial instruments;
- (e) if the Issuer has or expects to have a working capital deficiency, discuss its ability to meet obligations as they become due and how you expect it to remedy the deficiency;
- (f) balance sheet conditions or income or cash flow items that may affect the Issuer's liquidity;
- (g) legal or practical restrictions on the ability of subsidiaries to transfer funds to the Issuer and the effect these restrictions have had or may have on the ability of the Issuer to meet its obligations; and
- (h) defaults or arrears or anticipated defaults or arrears on
 - (i) dividend payments, lease payments, interest or principal payment on debt,
 - (ii) debt covenants during the most recently completed financial year, and
 - (iii) redemption or retraction or sinking fund payments; and
- (i) details on how the Issuer intends to cure the default or arrears.

Instruction:

- (1) In discussing the Issuer's ability to generate sufficient amounts of cash and cash equivalents, describe sources of funding and the circumstances that could affect those sources that are reasonably likely to occur. Examples of circumstances that could affect liquidity are market or commodity price changes, economic downturns, defaults on guarantees and contractions of operations.
- (2) In discussing trends or expected fluctuations in the Issuer's liquidity and liquidity risks associated with financial instruments, discuss
 - (a) provisions in debt, lease or other arrangements that could trigger an additional funding requirement or early payment (examples of such situations are provisions linked to credit rating, earnings, cash flows or share price); and

- (b) circumstances that could impair the Issuer’s ability to undertake transaction considered essential to operations. Examples of such circumstances are the inability to maintain investment grade credit rating, earnings per-share, cash flow or share price.
- (3) In discussing the Issuer’s working capital requirements, discuss situations where the Issuer must maintain significant inventory to meet customers’ delivery requirements or any situations involving extended payment terms.
- (4) In discussing the Issuer’s balance sheet conditions or income or cash flow items consider a summary, in tabular form, of contractual obligations including payments due for each of the next five years and thereafter. This summary and table is not, however, mandatory. An example of a table that can be adapted to the Issuer’s particular circumstances follows:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Long Term Debt					
Capital Lease Obligations					
Operating Leases					
Purchase Obligations ¹					
Other Long Term Obligations ²					
Total Contractual Obligations					

1 “Purchase Obligation” means an agreement to purchase goods or services that is enforceable and legally binding on the Issuer that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

2 “Other Long Term Obligations” means other long-term liabilities reflected on the Issuer’s balance sheet.

The tabular presentation may be accompanied by footnotes to describe provisions that create, increase or accelerate obligations, or other details to the extent necessary for an understanding of the timing and amount of the Issuer’s specified contractual obligations.

6.8 Capital Resources - Provide an analysis of the Issuer’s capital resources, including

- (a) commitments for capital expenditures as of the date of the Issuer’s financial statements including:
 - (i) the amount, nature and purpose of these commitments,
 - (ii) the expected source of funds to meet these commitments, and
 - (iii) expenditures not yet committed but required to maintain the Issuer’s capacity, to meet the Issuer’s planned growth or to fund development activities;
- (b) known trends or expected fluctuations in the Issuer’s capital resources, including expected changes in the mix and relative cost of these resources; and
- (c) sources of financing that the Issuer has arranged but not yet used.

Instruction:

- (1) Capital resources are financing resources available to the Issuer and include debt, equity and any other financing arrangements that management reasonably considers will provide financial resources to the Issuer.
- (2) In discussing the Issuer’s commitments management should discuss any exploration and development, or research and development expenditures required to maintain properties or agreements in good standing.

6.9 Off-Balance Sheet Arrangements - Discuss any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Issuer including, without limitation, such considerations as liquidity and capital resources. This discussion shall include their business purpose and activities, their economic substance, risks associated with the arrangements, and the key terms and conditions associated with any commitments, including:

- (a) a description of the other contracting part(ies);
- (b) the effects of terminating the arrangement;
- (c) the amounts receivable or payable, revenues, expenses and cash flows resulting from the arrangement;
- (d) the nature and amounts of any other obligations or liabilities arising from the arrangement that could require the Issuer to provide funding under the arrangement and the triggering events or circumstances that could cause them to arise; and
- (e) any known event, commitment, trend or uncertainty that may affect the availability or benefits of the arrangement (including any termination) and the course of action that management has taken, or proposes to take, in response to any such circumstances.

Instruction:

- (1) Off-balance sheet arrangements include any contractual arrangement with an entity not reported on a consolidated basis with the Issuer, under which the Issuer has
 - (a) any obligation under certain guarantee contracts;
 - (b) a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for the assets;
 - (c) any obligation under certain derivative instruments; or
 - (d) any obligation under a material variable interest held by the Issuer in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Issuer, or engages in leasing, hedging or, research and development services with the Issuer.
- (2) Contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.
- (3) Disclosure of off-balance sheet arrangements should cover the most recently completed financial year. However, the discussion should address changes from the previous year where such discussion is necessary to understand the disclosure.
- (4) The discussion need not repeat information provided in the notes to the financial statements if the discussion clearly cross-references to specific information in the relevant notes and integrates the substance of the notes into the discussion in a manner that explains the significance of the information not included in the MD&A.

6.10 Transactions with Related Parties - Discuss all transactions involving related parties as defined by the Handbook.

Instruction: In discussing the Issuer's transactions with related parties, the discussion should include both qualitative and quantitative characteristics that are necessary for an understanding of each transaction's business purpose and economic substance. Management should discuss:

- (a) the relationship and identify the related person or entities;
- (b) the business purpose of the transaction;
- (c) the recorded amount of the transaction and the measurement basis used; and
- (d) any ongoing contractual or other commitments resulting from the transaction.

6.11 Fourth Quarter - Discuss and analyze fourth quarter events or items that affected the Issuer's financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments, seasonal aspects of the Issuer's business and dispositions of business segments.

6.12 Proposed Transactions - Discuss the expected effect on financial condition, results of operations and cash flows of any proposed asset or business acquisition or disposition if the Issuer's board of directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with the transaction. Include the status of any required shareholder or regulatory approvals.

6.13 Changes in Accounting Policies including Initial Adoption - Discuss and analyze any changes in the Issuer's accounting policies, including:

- (a) for any accounting policies that management has adopted or expects to adopt subsequent to the end of the most recently completed financial year, including changes management has made or expects to make voluntarily and those due to a change in an accounting standard or a new accounting standard that you do not have to adopt until a future date:
 - (i) describe the new standard, the date the Issuer required to adopt it and, if determined, the date the Issuer plans to adopt it,
 - (ii) disclose the methods of adoption permitted by the accounting standard and the method management expects to use,
 - (iii) discuss the expected effect on the Issuer's financial statements, or if applicable, state that management cannot reasonably estimate the effect, and
 - (iv) discuss the potential effect on the Issuer's business, for example technical violations or default of debt covenants or changes in business practices; and
- (b) for any accounting policies that management has initially adopted during the most recently completed financial year,
 - (i) describe the events or transactions that gave rise to the initial adoption of an accounting policy,
 - (ii) describe the accounting principle that has been adopted and the method of applying that principle,
 - (iii) discuss the effect resulting from the initial adoption of the accounting policy on the Issuer's financial condition, changes in financial condition and results of operations,
 - (iv) if the Issuer is permitted a choice among acceptable accounting principles,
 - (A) state that management made a choice among acceptable alternatives,
 - (B) identify the alternatives,
 - (C) describe why management made the choice that you did, and
 - (D) discuss the effect, where material, on the Issuer's financial condition, changes in financial condition and results of operations under the alternatives not chosen; and
 - (v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to management's initial adoption of the accounting policy, explain management's decision regarding which accounting principle to use and the method of applying that principle.

Instruction: Management does not have to present the discussion under paragraph 6.13(b) for the initial adoption of accounting policies resulting from the adoption of new accounting standards.

6.14 Financial Instruments and Other Instruments - For financial instruments and other instruments:

- (a) discuss the nature and extent of the Issuer's use of, including relationships among, the instruments and the business purposes that they serve;
- (b) describe and analyze the risks associated with the instruments;
- (c) describe how management manages the risks in paragraph (b), including a discussion of the objectives, general strategies and instruments used to manage the risks, including any hedging activities;
- (d) disclose the financial statement classification and amounts of income, expenses, gains and losses associated with the instrument; and
- (e) discuss the significant assumptions made in determining the fair value of financial instruments, the total amount and financial statement classification of the change in fair value of financial instruments recognized in

income for the period, and the total amount and financial statement classification of deferred or unrecognized gains and losses on financial instruments.

Instruction:

- (1) "Other instruments" are instruments that may be settled by the delivery of non-financial assets. A commodity futures contract is an example of an instrument that may be settled by delivery of non-financial assets.
- (2) The discussion under paragraph 6.14(a) should enhance a reader's understanding of the significance of recognized and unrecognized instruments on the Issuer's financial position, results of operations and cash flows. The information should also assist a reader in assessing the amounts, timing, and certainty of future cash flows associated with those instruments. Also discuss the relationship between liability and equity components of convertible debt instruments.
- (3) For purposes of paragraph 6.14(c), if the Issuer is exposed to significant price, credit or liquidity risks, consider providing a sensitivity analysis or tabular information to help readers assess the degree of exposure. For example, an analysis of the effect of a hypothetical change in the prevailing level of interest or currency rates on the fair value of financial instruments and future earnings and cash flows may be useful in describing the Issuer's exposure to price risk.
- (4) For purposes of paragraph 6.14(d), disclose and explain the income, expenses, gains and losses from hedging activities separately from other activities.

Interim MD&A

- 6.15 Date - Specify the date of the interim MD&A.
- 6.16 Updated Disclosure - Interim MD&A must update the Issuer's annual MD&A for all disclosure required by sections 6.2 to 6.14 except sections 6.3 and 6.4. This disclosure must include:
- (a) a discussion of management's analysis of
 - (i) current quarter and year-to-date results including a comparison of results of operations and cash flows to the corresponding periods in the previous year;
 - (ii) changes in results of operations and elements of income or loss that are not related to ongoing business operations;
 - (iii) any seasonal aspects of the Issuer's business that affect its financial condition, results of operations or cash flows; and
 - (b) a comparison of the Issuer's interim financial condition to the Issuer's financial condition as at the most recently completed financial year-end.

Instruction:

- (1) For the purposes of paragraph (b), do not duplicate the discussion and analysis of financial condition in the annual MD&A. For example, if economic and industry factors are substantially unchanged the interim MD&A may make a statement to this effect.
- (2) For the purposes of subparagraph (a)(i), you should generally give prominence to the current quarter.
- (3) In discussing the Issuer's balance sheet conditions or income or cash flow items for an interim period, you do not have to present a summary, in tabular form, of all known contractual obligations contemplated under section 6.7. Instead, you should disclose material changes in the specified contractual obligations during the interim period that are outside the ordinary course of the Issuer's business.
- (4) Interim MD&A is not required for the Issuer's fourth quarter as relevant fourth quarter content will be contained in the Issuer's annual MD&A.

- 6.17 Additional Disclosure for Issuers without Significant Revenue:
- (a) unless the information is disclosed in the financial statements to which the annual or interim MD&A relates, an Issuer that has not had significant revenue from operations in either of its last two financial years must disclose a breakdown of material components of:

- (i) capitalized or expensed exploration and development costs,
 - (ii) expensed research and development costs,
 - (iii) deferred development costs,
 - (iv) general and administration expenses, and
 - (v) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (i) through (iv);
- (b) if the Issuer's business primarily involves mining exploration and development, the analysis of capitalized or expensed exploration and development costs must be presented on a property-by-property basis; and
- (c) the disclosure in the annual MD&A must be for the two most recently completed financial years and the disclosure in the interim MD&A for the each year-to-date interim period and the comparative period presented in the interim statements.

6.18 Description of Securities:

- (a) disclose the designation and number or principal amount of:
- (i) each class and series of voting or equity securities of the Issuer for which there are securities outstanding,
 - (ii) each class and series of securities of the Issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the Issuer, and
 - (iii) subject to subsection (b), each class and series of voting or equity securities of the Issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the Issuer;
- (b) if the exact number or principal amount of voting or equity securities of the Issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the Issuer is not determinable, the Issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the Issuer and, if that maximum number or principal amount is not determinable, the Issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined; and
- (c) the disclosure under subsections (a) and (b) must be prepared as of the latest practicable date.

6.19 Provide Breakdown:

- (a) if the Issuer has not had significant revenue from operations in either of its last two financial years, disclose a breakdown of material components of:
- (i) capitalized or expensed exploration and development costs,
 - (ii) expensed research and development costs,
 - (iii) deferred development costs,
 - (iv) general and administrative expenses, and
 - (v) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (i) through (iv);
- (b) present the analysis of capitalized or expensed exploration and development costs required by subsection (a) on a property-by-property basis, if the Issuer's business primarily involves mining exploration and development; and
- (c) provide the disclosure in subsection (a) for the following periods:

- (i) the two most recently completed financial years, and
- (ii) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included, if any.

Subsection (a) does not apply if the information required under that subsection has been disclosed in the financial statements.

6.20 Negative cash-flow - If the Issuer had negative operating cash flow in its most recently completed financial year for which financial statements have been included, disclose:

the period of time the proceeds raised are expected to fund operations;

the estimated total operating costs necessary for the Issuer to achieve its stated business objectives during that period of time; and

the estimated amount of other material capital expenditures during that period of time.

6.21 Additional disclosure for Issuers with significant equity investees:

if the Issuer has a significant equity investee

- (i) summarized information as to the assets, liabilities and results of operations of the equity investee, and
- (ii) the Issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the Issuer's share of earnings; and

provide the disclosure in subsection (a) for the following periods

- (i) the two most recently completed financial years, and
- (ii) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included in the Listing Statement, if any.

Subsection (a) does not apply if:

- (i) the information required under that subsection has been disclosed in the financial statements included, or
- (ii) the Issuer includes separate financial statements of the equity investee for the periods referred to in subsection (b).

7. Market for Securities

7.1 Identify the exchange(s) and quotation and trade reporting system(s) on which the Issuer's securities are listed and posted for trading or quoted.

8. Consolidated Capitalization

8.1 Describe any material change in, and the effect of the material change on, the share and loan capital of the Issuer, on a consolidated basis, since the date of the comparative financial statements for the Issuer's most recently completed financial year contained in the Listing Statement.

9. Options to Purchase Securities

9.1 State, in tabular form, as at a specified date not more than 30 days before the date of the Listing Statement, information as to options to purchase securities of the Issuer or a subsidiary of the Issuer that are held by:

- (a) all executive officers and past executive officers of the Issuer as a group and all directors and past directors of the Issuer who are not also executive officers as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies, without naming them;

- (b) all executive officers and past executive officers of all subsidiaries of the Issuer as a group and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary as a group, in each case, without naming them and excluding individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies;
- (c) all other employees and past employees of the Issuer as a group, without naming them;
- (d) all other employees and past employees of subsidiaries of the Issuer as a group, without naming them;
- (e) all consultants of the Issuer as a group, without naming them; and
- (f) any other person or company, including the underwriter, naming each person or company.

Instruction:

- (1) Describe the options, stating the material provisions of each class or type of option, including:
 - (a) the designation and number of the securities under option;
 - (b) the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;
 - (c) if reasonably ascertainable, the market value of the securities under option on the date of grant;
 - (d) if reasonably ascertainable, the market value of the securities under option on the specified date; and
 - (e) with respect to options referred to in paragraph (f) of Item 9.1, the particulars of the grant including the consideration for the grant.
- (2) For the purposes of item (f) of section 9.1, provide the information required for all options except warrants and special warrants.

10. Description of the Securities

- 10.1 General - State the description or the designation of each class of equity securities and describe all material attributes and characteristics, including:
 - a) dividend rights;
 - b) voting rights;
 - c) rights upon dissolution or winding-up;
 - d) pre-emptive rights;
 - e) conversion or exchange rights;
 - f) redemption, retraction, purchase for cancellation or surrender provisions,
 - g) sinking or purchase fund provisions;
 - h) provisions permitting or restricting the issuance of additional securities and any other material restrictions; and
 - i) provisions requiring a securityholder to contribute additional capital.
- 10.2 Debt securities - If debt securities are being listed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including:
 - (a) provisions for interest rate, maturity and premium, if any;
 - (b) conversion or exchange rights;

- (c) redemption, retraction, purchase for cancellation or surrender provisions,
- (d) sinking or purchase fund provisions;
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the Issuer or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities;
- (g) the name of the trustee under any indenture relating to the Issuer and
- (h) any financial arrangements between the Issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

10.4 Other securities - If securities other than equity securities or debt securities are being listed, describe fully the material attributes and characteristics of those securities.

10.5 Modification of terms:

- (a) describe provisions about the modification, amendment or variation of any rights attached to the securities being listed; and
- (b) if the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

10.6 Other attributes:

- (a) if the rights attaching to the securities being listed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being listed, include information about the other securities that will enable investors to understand the rights attaching to the securities being listed; and
- (b) if securities of the class being listed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

10.7 Prior Sales - State the prices at which securities of the same class as the securities to be listed have been sold within the 12 months before the date of the Listing Statement, or are to be sold, by the Issuer or any Related Person and the number of securities of the class sold or to be sold at each price.

Instruction: In the case of sales by a Related Person, the information required under section 10.7 may be given in the form of price ranges for each calendar month.

10.8 Stock Exchange Price:

- a) if shares of the same class as the shares to be listed were or are listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the Canadian stock exchange or market on which the greatest volume of trading generally occurs;
- b) if shares of the same class as the shares to be listed were or are not listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the foreign stock exchange or market on which the greatest volume of trading generally occurs; and
- c) information is to be provided on a monthly basis for each month or, if applicable, part month, of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters.

11. Escrowed Securities

11.1 State as of a specified date within 30 days before the date of the Listing Statement, in substantially the following tabular form, the number of securities of each class of securities of the Issuer held, to the knowledge of the Issuer, in escrow (which, for the purposes of this Form includes any securities subject to a pooling agreement) and the percentage that

number represents of the outstanding securities of that class. In a note to the table, disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow.

ESCROWED SECURITIES

Designation of class held in escrow	Number of securities held in escrow	Percentage of class

12. Principal Shareholders

- 12.1 (1) Provide the following information for each principal shareholder of the Issuer as of a specified date not more than 30 days before the date of the Listing Statement:
- (a) Name;
 - (b) The number or amount of securities owned of the class to be listed;
 - (c) Whether the securities referred to in subsection 12(1)(b) are owned both of record and beneficially, of record only, or beneficially only; and
 - (d) The percentages of each class of securities known by the Issuer to be owned.
- (2) If the Issuer is requalifying following a fundamental change or has proposed an acquisition, amalgamation, merger, reorganization or arrangement, indicate, to the extent known, the holding of each person of company described in paragraph (1) that will exist after giving effect to the transaction.
- (3) If, to the knowledge of the Issuer, more than 10 per cent of any class of voting securities of the Issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.
- (4) If, to the knowledge of the Issuer, any principal shareholder is an associate or affiliate of another person or company named as a principal shareholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the Issuer held by the person or company other than the holding of voting securities of the Issuer.
- (5) In addition to the above, include in a footnote to the table, the required calculation(s) on a fully-diluted basis.

Instruction: If a company, partnership, trust or other unincorporated entity is a principal shareholder of an Issuer, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of the company or membership in the partnership, as the case may be, is a principal shareholder of the company or partnership.

13 Directors and Officers

- 13.1 List the name and municipality of residence of each director and executive officer of the Issuer and indicate their respective positions and offices held with the Issuer and their respective principal occupations within the five preceding years.

Instruction: If, during the period, a director or officer has held more than one position with the Issuer or the Issuer's controlling shareholder or a subsidiary of the Issuer, state only the current position held.

- 13.2 State the period or periods during which each director has served as a director and when his or her term of office will expire.
- 13.3 State the number and percentage of securities of each class of voting securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers of the Issuer as a group.

Instruction: Securities of subsidiaries that are beneficially owned, directly or indirectly, or over which control or direction is exercised by directors or executive officers through ownership or control or direction over securities of the Issuer do not need to be included.

- 13.4 Disclose the board committees of the Issuer and identify the members of each committee.
- 13.5 If the principal occupation of a director or officer of the Issuer is acting as an officer of a person or company other than the Issuer, disclose the fact and state the principal business of the person or company.
- 13.6 Disclose if a director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity:
- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;
 - (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;
 - (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
 - (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.
- 13.7 Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has:
- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
 - (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
- 13.8 Despite section 13.7, no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable investor in making an investment decision.
- 13.9 If a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer, state the fact.
- 13.10 Disclose particulars of existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director or officer of the Issuer or a subsidiary of the Issuer.
- 13.11 Management — In addition to the above provide the following information for each member of management:
- (a) state the individual's name, age, position and responsibilities with the Issuer and relevant educational background;
 - (b) state whether the individual works full time for the Issuer or what proportion of the individual's time will be devoted to the Issuer;
 - (c) state whether the individual is an employee or independent contractor of the Issuer;
 - (d) state the individual's principal occupations or employment during the five years prior to the date of the Listing Statement, disclosing with respect to each organization as of the time such occupation or employment was carried on:

- (i) its name and principal business,
- (ii) if applicable, that the organization was an affiliate of the Issuer,
- (iii) positions held by the individual, and
- (iv) whether it is still carrying on business, if known to the individual;
- (e) describe the individual's experience in the Issuer's industry; and
- (f) state whether the individual has entered into a non-competition or non-disclosure agreement with the Issuer.

Instruction:

- (1) For purposes of this Item "management" means all directors, officers, employees and contractors whose expertise is critical to the Issuer, its subsidiaries and proposed subsidiaries in providing the Issuer with a reasonable opportunity to achieve its stated business objectives.
- (2) The description of the principal occupation of a member of management must be specific. The terms "businessman" or "entrepreneur" are not sufficiently specific.

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

Issued Capital

	Number of Securities (non- diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	_____			
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	_____			
Total Public Float (A-B)	_____			
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	_____			
Total Tradeable Float (A-C)	_____			

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

<u>Class of Security Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	_____	_____
	=====	=====

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

<u>Class of Security Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	_____	_____
Unable to confirm	_____	_____
	=====	=====

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

<u>Class of Security Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	_____	_____

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

15. Executive Compensation

15.1 Attach a Statement of Executive Compensation from Form 51-102F6 or any successor instrument and describe any intention to make any material changes to that compensation.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

AGGREGATE INDEBTEDNESS (\$)					
Purpose	To the Issuer or its Subsidiaries	To Another Entity			
			(a)	(b)	(c)
Share purchases					
Other					

(1) Complete the above table for the aggregate indebtedness outstanding as at a date within thirty days before the date of the information circular entered into in connection with:

SRO Notices and Disciplinary Proceedings

- (a) a purchase of securities; and
 - (b) all other indebtedness.
- (2) Report separately the indebtedness to:
- (a) the Issuer or any of its subsidiaries (column (b)); and
 - (b) another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries (column (c)),
- of all officers, directors, employees and former officers, directors and employees of the Issuer or any of its subsidiaries.
- (3) "Support agreement" includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

16.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS						
Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During [Most Recently Completed Financial Year] (\$)	Amount Outstanding as at [the date of the Form] (\$)	Financially Assisted Securities Purchases During [Most Recently Completed Financial Year] (#)	Security for Indebtedness	Amount Forgiven During [Most Recently Completed Financial Year] (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Securities Purchase Programs						
Other Programs						

- (1) Complete the above table for each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Issuer, each proposed nominee for election as a director of the Issuer, and each associate of any such director, executive officer or proposed nominee,
- (a) who is, or at any time since the beginning of the most recently completed financial year of the Issuer has been, indebted to the Issuer or any of its subsidiaries, or
 - (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries,
- and separately disclose the indebtedness for security purchase programs and all other programs.

(2) Note the following:

Column (a) – disclose the name and principal position of the borrower. If the borrower was, during the year, but no longer is a director or executive officer, state that fact. If the borrower is a proposed nominee for election as a director, state that fact. If the borrower is included as an associate, describe briefly the relationship of the borrower to an individual who is or, during the year, was a director or executive officer or who is a proposed nominee for election as a director, name that individual and provide the information required by this subparagraph for that individual.

Column (b) – disclose whether the Issuer or a subsidiary of the Issuer is the lender or the provider of a guarantee, support agreement, letter of credit or similar arrangement or understanding.

Column (c) – disclose the largest aggregate amount of the indebtedness outstanding at any time during the last completed financial year.

Column (d) – disclose the aggregate amount of indebtedness outstanding as at a date within thirty days before the date of the information circular.

Column (e) – disclose separately for each class or series of securities, the sum of the number of securities purchased during the last completed financial year with the financial assistance (security purchase programs only).

Column (f) – disclose the security for the indebtedness, if any, provided to the Issuer, any of its subsidiaries or the other entity (security purchase programs only).

Column (g) – disclose the total amount of indebtedness that was forgiven at any time during the last completed financial year.

(3) Supplement the above table with a summary discussion of:

(a) the material terms of each incidence of indebtedness and, if applicable, of each guarantee, support agreement, letter of credit or other similar arrangement or understanding, including:

- (i) the nature of the transaction in which the indebtedness was incurred,
- (ii) the rate of interest,
- (iii) the term to maturity,
- (iv) any understanding, agreement or intention to limit recourse, and
- (v) any security for the indebtedness;

(b) any material adjustment or amendment made during the most recently completed financial year to the terms of the indebtedness and, if applicable, the guarantee, support agreement, letter of credit or similar arrangement or understanding. Forgiveness of indebtedness reported in column (g) of the above table should be explained; and

(c) the class or series of the securities purchased with financial assistance or held as security for the indebtedness and, if the class or series of securities is not publicly traded, all material terms of the securities, including the provisions for exchange, conversion, exercise, redemption, retraction and dividends.

Instruction:

(1) For purposes of this item, the following interpretation applies to the term "routine indebtedness":

(a) A loan, whether or not in the ordinary course of business, is considered as routine indebtedness if made on terms, including terms relating to interest rate and security, no more favourable to the borrower than the terms on which loans are made by the Issuer to employees generally unless the amount at any time during the last completed financial year remaining unpaid under the loans to any one director or executive officer together with his or her associates exceeds \$25,000, in which case the indebtedness is not routine;

(b) A loan made by an Issuer to a director or executive officer, whether or not the Issuer makes loans in the ordinary course of business, is routine indebtedness if:

- (i) the borrower is a full-time employee of the Issuer or a subsidiary of the Issuer,
 - (ii) the loan is fully secured against the residence of the borrower, and
 - (iii) the amount of the loan does not exceed the annual aggregate salary of the borrower from the Issuer and its subsidiaries;
- (c) If the Issuer makes loans in the ordinary course of business, a loan to a person or company other than a full-time employee of the Issuer or of a subsidiary of the Issuer is routine indebtedness, if the loan:
- (i) is made on substantially the same terms, including terms relating to interest rate and security, as are available when a loan is made to other customers of the Issuer with comparable credit ratings, and
 - (ii) involves no greater than usual risks of collectability; and
- (d) Indebtedness for purchases made on usual trade terms, for ordinary travel or expense advances or for loans or advances made for similar purposes is routine indebtedness if the repayment arrangements are in accordance with usual commercial practice.
- (2) For purposes of this item, "support agreement" includes an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.
- (3) No disclosure need be made under this item of indebtedness that has been entirely repaid on or before the date of the Listing Statement.

17. Risk Factors

- 17.1 Disclose risk factors relating to the Issuer and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by the Issuer, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be likely to influence an investor's decision to purchase securities of the Issuer.
- 17.2 If there is a risk that securityholders of the Issuer may become liable to make an additional contribution beyond the price of the security, disclose that risk.
- 17.3 Describe any risk factors material to the Issuer that a reasonable investor would consider relevant to an investment in the securities being listed and that are not otherwise described under section 17.1 or 17.2.

Instruction: Disclose risks in the order of seriousness from the most serious to the least serious. A risk factor must not be de-emphasized by including excessive caveats or conditions.

18. Promoters

Instruction: In this Part, "promoter" includes any person performing Investor Relations Activities (as defined in the CNSX Policies) for the Issuer.

- 18.1 For a person or company that is, or has been within the two years immediately preceding the date of the Listing Statement, a promoter of the Issuer or of a subsidiary of the Issuer, state:
- (a) the person or company's name;
 - (b) the number and percentage of each class of voting securities and equity securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised;
 - (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the Issuer or from a subsidiary of the Issuer, and the nature and amount of any assets, services or other consideration therefor received or to be received by the Issuer or a subsidiary of the Issuer in return; and
 - (d) for an asset acquired within the two years before the date of the Listing Statement or thereafter, or to be acquired, by the Issuer or by a subsidiary of the Issuer from a promoter:

- (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,
- (ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the Issuer, the promoter, or an associate or affiliate of the Issuer or of the promoter, and
- (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

18.2 (1) If a promoter referred to in section 18.1 is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or company that:

- a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or
- b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer,

state the fact and describe the basis on which the order was made and whether the order is still in effect.

(2) For the purposes of section 18.2 (1), "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

(3) If a promoter referred to in section 18.2 (1):

- (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

(4) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in section 18.2(1) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

(5) Despite section 18.2(4), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

Instruction: The disclosure required by sections 18.2(2), 18.2(4) and 18.2(5) also applies to any personal holding companies of any of the persons referred to in sections 18.2(2), 18.2(4), and 18.2(5).

1. *A management cease trade order which applies to a promoter referred to in section 18.1 is an "order" for the purposes of section 18.2(2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*
2. *For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a "penalty or sanction". The disclosure in section 18.2(2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The Issuer does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued*

19. Legal Proceedings

- 19.1 Describe any legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter and any such proceedings known to the Issuer to be contemplated, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Instruction: No information need be given with respect to any proceeding that involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10 per cent of the current assets of the Issuer and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the amount involved in the other proceedings shall be included in computing the percentage.

- 19.2 Regulatory actions - Describe any:

- (a) penalties or sanctions imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof;
- (b) other penalties or sanctions imposed by a court or regulatory body against the Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and
- (c) settlement agreements the Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

20. Interest of Management and Others in Material Transactions

- 20.1 Describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer:

- (a) any director or executive officer of the Issuer;
- (b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of your outstanding voting securities; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

Instruction:

- (1) The materiality of an interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to investors.
- (2) Give a brief description of the material transaction. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to the Issuer.
- (3) For any transaction involving the purchase of assets by or sale of assets to the Issuer or a subsidiary of the Issuer, state the cost of the assets to the purchaser, and the cost of the assets to the seller if acquired by the seller within three years before the transaction.

- (4) This item does not apply to any interest arising from the ownership of securities of the Issuer if the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.
- (5) Information must be included as to any material underwriting discounts or commissions upon the sale of securities by the Issuer if any of the specified persons or companies were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.
- (6) No information need be given in answer to this item as to a transaction, or an interest in a transaction, if
 - (a) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;
 - (b) the interest of a specified person or company in the transaction is solely that of a director of another company that is a party to the transaction;
 - (c) the transaction involves services as a bank or other depository of funds, a transfer agent, registrar, trustee under a trust indenture or other similar services; or
 - (d) the transaction does not involve remuneration for services and the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of equity securities of another company that is party to the transaction and the transaction is in the ordinary course of business of the Issuer or its subsidiaries.
- (7) Describe all transactions not excluded above that involve remuneration (including an issuance of securities), directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of equity securities of another company furnishing the services to the Issuer or its subsidiaries.

21. Auditors, Transfer Agents and Registrars

- 21.1 State the name and address of the auditor of the Issuer.
- 21.2 For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the Issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the Issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

22. Material Contracts

- 22.1 Give particulars of every material contract, other than contracts entered into in the ordinary course of business that was entered into within the two years before the date of Listing Statement by the Issuer or a subsidiary of the Issuer.

Instruction:

- (1) The term "material contract" for this purpose means a contract that can reasonably be regarded as material to a proposed investor in the securities being listed and may in some circumstances include contracts with a person or company providing the Issuer with promotional or investor relations services.
- (2) Set out a complete list of all material contracts, indicating those that are disclosed elsewhere in Listing Statement and provide particulars about those material contracts for which particulars are not given elsewhere in the Listing Statement.
- (3) Particulars of contracts should include the dates of, parties to, consideration provided for in, and general nature of, the contracts.

- 22.2 If applicable, attach a copy of any co-tenancy, unitholders' or limited partnership agreement.

23 Interest of Experts

- 23.1 Disclose all direct or indirect interests in the property of the Issuer or of a Related Person of the Issuer received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

- 23.2 Disclose the beneficial ownership, direct or indirect, by a person or company referred to in section 23.1 of any securities of the Issuer or any Related Person of the Issuer.
- 23.3 For the purpose of section 23.2, if the ownership is less than one per cent, a general statement to that effect shall be sufficient.
- 23.4 If a person, or a director, officer or employee of a person or company referred to in section 23.1 is or is expected to be elected, appointed or employed as a director, officer or employee of the Issuer or of any associate or affiliate of the Issuer, disclose the fact or expectation.

24. Other Material Facts

- 24.1 Give particulars of any material facts about the Issuer and its securities that are not disclosed under the preceding items and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. Financial Statements

- 25.1 Provide the following audited financial statement for the Issuer:
- (a) copies of all financial statements including the auditor's reports required to be prepared and filed under applicable securities legislation for the preceding three years as if the Issuer were subject to such law; and
 - (b) a copy of financial statements for any completed interim period of the current fiscal year.
- 25.2 For Issuers re-qualifying for listing following a fundamental change provide
- (a) the information required in sections 5.1 to 5.3 for the target;
 - (b) financial statement for the target prepared in accordance with the requirements of National Instrument 41-101 *General Prospectus Requirements* as if the target were the Issuer;
 - (c) pro-forma consolidated financial statements for the New Issuer giving effect to the transaction for:
 - (i) the last full fiscal year of the Issuer, and
 - (ii) any completed interim period of the current fiscal year.

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on CNSX. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at _____

this _____ day of _____, _____.

Chief Executive Officer

Promoter (if applicable)

Director

[print or type names beneath signatures]

Chief Financial Officer

Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the target). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at _____

this _____ day of _____, _____.

Chief Executive Officer

Promoter (if applicable)

Director

[print or type names beneath signatures]

Chief Financial Officer

Director

APPENDIX A: MINERAL PROJECTS

- (1) Property Description and Location – Describe:
 - (a) the area (in hectares or other appropriate units) and location of the property;
 - (b) the nature and extent of the Issuer's title to or interest in the property, including surface rights, obligations that must be met to retain the property and the expiration date of claims, licences and other property tenure rights;
 - (c) the terms of any royalties, overrides, back-in rights, payments or other agreements and encumbrances to which the property is subject;
 - (d) all environmental liabilities to which the property is subject;
 - (e) the location of all known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailings ponds, waste deposits and important natural features and improvements; and
 - (f) to the extent known, the permits that must be acquired to conduct the work proposed for the property and whether permits have been obtained;

- (2) Accessibility, Climate, Local Resources, Infrastructure and Physiography – Describe:
 - (a) the means of access to the property;
 - (b) the proximity of the property to a population centre and the nature of transport;
 - (c) to the extent relevant to the mining project, the climate and length of the operating season;
 - (d) the sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pads areas and potential processing plant sites; and
 - (e) the topography, elevation and vegetation;

- (3) History - Describe:
 - (a) the prior ownership of the property and ownership changes and the type, amount, quantity and results of the exploration work undertaken by previous owners, and any previous production on the property, to the extent known;
 - (b) if a property was acquired within the three most recently completed financial years of the Issuer or during its current financial year from, or is intended to be acquired by the Issuer from, an insider or promoter of the Issuer or an associate or affiliate of an insider or promoter, the name and address of the vendor, the relationship of the vendor to the Issuer, and the consideration paid or intended to be paid to the vendor; and
 - (c) to the extent known, the name of every person or company that has received or is expected to receive a greater than five per cent interest in the consideration received or to be received by the vendor referred to in subparagraph (b).

- (4) Geological Setting — The regional, local and property geology.

- (5) Exploration Information — The nature and extent of all exploration work conducted by, or on behalf of, the Issuer on the property, including:
 - (a) the results of all surveys and investigations and the procedures and parameters relating to surveys and investigations;
 - (b) an interpretation of the exploration information;
 - (c) whether the surveys and investigations have been carried out by the Issuer or a contractor and if by a contractor, identifying the contractor; and
 - (d) a discussion of the reliability or uncertainty of the data obtained in the program.

- (6) Mineralization — The mineralization encountered on the property, the surrounding rock types and relevant geological controls, detailing length, width, depth and continuity together with a description of the type, character and distribution of the mineralization.
- (7) Drilling — The type and extent of drilling including the procedures followed and an interpretation of all results.
- (8) Sampling and Analysis — The sampling and assaying including:
 - (a) a description of sampling methods and the location, number, type, nature, spacing and density of samples collected;
 - (b) identification of any drilling, sampling or recovery factors that could materially impact the accuracy or reliability of the results;
 - (c) a discussion of sample quality and whether the samples are representative of any factors that may have resulted in sample biases;
 - (d) rock types, geological controls, widths of mineralized zones, cut-off grades and other parameters used to establish the sampling interval; and
 - (e) quality control measures and data verification procedures.
- (9) Security of Samples — The measures taken to ensure the validity and integrity of samples taken.
- (10) Mineral Resources and Mineral Reserves — The mineral resources and mineral reserves, if any, including:
 - (a) the quantity and grade or quality of each category of mineral resources and mineral reserves;
 - (b) the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves; and
 - (c) the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues.
- (11) Mining Operations — For development properties and production properties, the mining method, metallurgical process, production forecast, markets, contracts for sale of products, environmental conditions, taxes, mine life and expected payback period of capital.
- (12) Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

Instructions:

- (1) Disclosure regarding mineral exploration development or production activities on material properties is required to comply with National Instrument 43-101, including the use of the appropriate terminology to describe mineral reserves and mineral resources.
- (2) Disclosure is required for each property material to the Issuer. Materiality is to be determined in the context of the Issuer's overall business and financial condition, taking into account quantitative and qualitative factors. A property will not generally be considered material to an Issuer if the book value of the property as reflected in the Issuer's most recently filed financial statements or the value of the consideration paid or to be paid (including exploration obligations) is less than 10 per cent of the book value of the total of the Issuer's mineral properties and related plant and equipment.
- (3) The information required under these items is required to be based upon a technical report or other information prepared by or under the supervision of a qualified person, as that term is defined in National Instrument 43-101.
- (4) In giving the information required under these items, include the nature of ownership interests, such as fee interests, leasehold interests, royalty interests and any other types and variations of ownership interests.

APPENDIX B: OIL AND GAS PROJECTS

1. Drilling Activity — The number of wells the Issuer has drilled or has participated in drilling, the number of these wells that were completed as oil wells and gas wells that are capable of production, each stated separately, and the number of dry holes, expressed in each case as gross and net wells, during each of the two most recently completed financial years of the Issuer.
2. Location of Production — The geographical areas of the Issuer's production, the groups of oil and gas properties, the individual oil and gas properties and the plants, facilities and installations that, in each case, are owned or leased by the Issuer and are material to the Issuer's operations or exploratory activities.
3. Location of Wells — The location, stated separately for oil wells and gas wells, by jurisdiction, if in Canada, by state, if in the United States, and by country otherwise, of producing wells and wells capable of producing, in which the Issuer has an interest and which are material, with the interest expressed in terms of gross and net wells.
4. Interest in Material Properties — For interests in material properties to which no proved reserves have been attributed, the gross acreage in which the Issuer has an interest and the net interest of the Issuer, and the location of acreage by geographical area.
5. Reserve Estimates — To the extent material, estimated reserve volumes and discounted cash flow from such reserves, stated separately by country and by categories and types that conform to the classifications, definitions and disclosure requirements of National Instrument 51-101 or any successor instrument, on both a gross and net basis as at the most recent financial year end, including information on royalties.
6. Source of Reserve Estimates — The source of the reserve estimates and whether the reserve estimates have been prepared by the Issuer or by independent engineers or other qualified independent persons and any other information relating to reserve estimates required to be disclosed in a prospectus by any successor instrument to National Instrument 51-101.
7. Reconciliation of Reserves — A reconciliation of the reserve volumes by categories and types that conform to the classifications, definitions and disclosure requirements of National Instrument 51-101 or any successor instrument, as at the financial year end immediately preceding the most recently completed financial year to the reserve volume information furnished under paragraph 5, with the effects of production, acquisitions, dispositions, discoveries and revision of estimates shown separately, if material.
8. Production History — For each quarter of the most recently completed financial year of the Issuer, with comparative data for the same periods in the preceding financial year.
9. If your company is engaged in oil and gas activities as defined in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, disclose the following information:
 - (a) Reserves Data and Other Information -
 - (i) In the case of information that, for purposes of Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information, is to be prepared as at the end of a financial year, disclose that information as at your company's most recently completed financial year-end;
 - (ii) In the case of information that, for purposes of Form 51-101F1, is to be prepared for a financial year, disclose that information for your company's most recently completed financial year; and
 - (iii) To the extent not reflected in the information disclosed in response to paragraphs (i) and (ii), disclose the information contemplated by Part 6 of National Instrument 51-101 in respect of material changes that occurred after your company's most recently completed financial year-end.
 - (b) Report of Independent Qualified Reserves Evaluator or Auditor - Include with the disclosure under subsection (a) a report in the form of Form 51-101F2 Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor, on the reserves data included in the disclosure required under paragraphs (a)(i) and (a)(ii) above.
 - (c) Report of Management - Include with the disclosure under subsection (a) a report in the form of Form 51-101F3 Report of Management and Directors on Oil and Gas Disclosure that refers to the information disclosed under subsection (a).

- (d) the average daily production volume, before deduction of royalties, of
 - (i) conventional crude oil,
 - (ii) natural gas liquids, and
 - (iii) natural gas;
 - (e) the following on a per barrel basis for conventional crude oil and natural gas liquids and on a per thousand cubic feet basis for natural gas
 - (i) the average net product prices received,
 - (ii) royalties,
 - (iii) operating expenses, specifying the particular items included, and
 - (iv) netback received;
 - (f) the average net product price received for the following, if the Issuer's production of the following is material to the Issuer's overall production,
 - (i) light and medium conventional crude oil,
 - (ii) heavy conventional crude oil, and
 - (ii) synthetic crude oil; and
 - (g) the dollar amounts expended on
 - (i) property acquisition,
 - (ii) exploration, including drilling, and
 - (iii) development, including facilities.
10. Future Commitments — A description of the Issuer's future material commitments to buy, sell, exchange or transport oil or gas, stating for each commitment separately
- (a) the aggregate price;
 - (b) the price per unit;
 - (c) the volume to be purchased, sold, exchanged or transported; and
 - (d) the term of the commitment.
11. Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

Instruction: The information required under this item shall be derived from or supported by information obtained from a report prepared in accordance with the provisions of National Instrument 51-101 or any successor instrument.

FORM 2A

LISTING STATEMENT

This Listing Statement must be used for all initial applications for listing and for Issuers resulting from a fundamental change. CNSX requires prospectus level disclosure in the Listing Statement (other than certain financial disclosure and interim Management's Discussion and Analysis) and can require that the Issuer include additional disclosure.

General Instructions

- (a) (a) — Please prepare this Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) (b) — ~~The~~In this form, the term "Issuer" includes the applicant Issuer and any of its subsidiaries.
- (c) In determining the degree of detail required, a standard of materiality should be applied. Materiality is a matter of judgment in a particular circumstance, and should generally be determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the ~~issuer~~Issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.
- (d) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation.
- (e) For Issuers that are re-qualifying for listing following a fundamental change, provide historic and current details on
- (i) (i) — the Issuer
- (ii) (ii) — all other companies or businesses that are involved in the ~~fundamental~~fundamental change (the "target"); and
- (iii) (iii) — the entity that will result from the fundamental change (the "New Issuer").
- Information concerning the Issuer that was contained in the most recent Listing Statement may be incorporated by reference, but this statement must indicate if any of the information in the prior statement has changed (e.g. describing a business that will no longer be undertaken by the New Issuer). Information concerning assets or lines of business of the target that will not be part of the New Issuer's business should not be included.
- (f) ~~This listing statement~~Listing Statement provides prospectus-level disclosure. It will be amended from time to time to reflect any changes to the prospectus disclosure requirements. If changed, the new form is to be used for the next listing statement the Issuer is required to file. The Issuer does not have to amend a listing statement currently on file to reflect any new disclosure requirements.

SRO Notices and Disciplinary Proceedings

1. Table of Contents
- 1.1 Include a table of contents with the following headings:
 1. Table of Contents
 2. Corporate Structure
 3. General Development of the Business
 - ~~4-4~~ Narrative Description of the Business
 5. Selected Consolidated Financial Information
 6. Management's Discussion and Analysis
 - Annual MD&A
 - Interim MD&A
 7. Market for Securities
 8. Consolidated Capitalization
 9. Options to Purchase Securities
 - ~~10.~~ Prior Sales
 10. Description of the Securities
 11. Escrowed Securities
 12. Principal Shareholders
 - ~~13-13~~ Directors and Officers
 14. Capitalization
 15. Executive Compensation
 16. Indebtedness of Directors and Executive Officers
 17. Risk Factors
 18. Promoters
 19. Legal Proceedings
 20. Interest of Management and Others in Material Transactions
 21. Auditors, Transfer Agents and Registrars
 22. Material Contracts
 - 23 Interest of Experts
 - ~~23-24.~~ Other Material Facts
 - ~~24-25.~~ Financial Statements
- APPENDIX A: MINERAL PROJECTS
- APPENDIX B: OIL AND GAS PROJECTS
- APPENDIX C: DESCRIPTION OF CERTAIN SECURITIES

2. Corporate Structure

- 2.1 State the full corporate name of the Issuer or, if the Issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the Issuer's head and registered office.
- 2.2 State the statute under which the Issuer is incorporated or continued or organized or, if the Issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the Issuer is established and exists. If Describe the substance of any material, state whether amendments to the articles or other constating or establishing documents of the Issuer ~~have been amended and describe the substance of the material amendments.~~
- 2.3 Describe, by way of a diagram or otherwise, the intercorporate relationships among the Issuer and the Issuer's subsidiaries. For each subsidiary state
- the percentage of votes attaching to all voting securities of the subsidiary represented by voting securities beneficially owned, or over which control or direction is exercised, by the Issuer;
 - the place of incorporation or continuance; and
 - the percentage of each class of restricted shares beneficially owned, or over which control or direction is exercised, by the Issuer.
- 2.4 If the ~~issuer~~Issuer is requalifying following a fundamental change or is proposing an acquisition, amalgamation, merger, reorganization or arrangement, describe by way of diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.-

Instruction: A particular subsidiary may be omitted if

- the total assets of the subsidiary do not constitute more than 10 per cent of the consolidated assets of the Issuer at the most recent financial year end;
- the sales and operating revenues of the subsidiary do not exceed 10 per cent of the consolidated sales and operating revenues of the Issuer at the most recent financial year end; and
- the conditions in paragraphs (a) and (b) would be satisfied if
 - the subsidiaries that may be omitted under paragraphs (a) and (b) were considered in the aggregate, and
 - the reference to 10 per cent in those paragraphs was changed to 20 per cent.

- 2.5 Non-corporate Issuers and Issuers incorporated outside of Canada must describe how their governing legislation or constating documents differ materially from Canadian corporate legislation with respect to the corporate governance principles set out in Policy 4.

3. General Development of the Business

- 3.1 Describe the general development of the Issuer's business over its three most recently completed financial years and any subsequent period. Include only major events or conditions that have influenced the general development of the Issuer's business. If the business consists of the production or distribution of more than one product or the rendering of more than one kind of service, describe the principal products or services. Also discuss changes in the business of the Issuer that are expected to occur during the current financial year of the Issuer.

Instruction: Include the business of subsidiaries only insofar as is necessary to explain the character and development of the business conducted by the combined enterprise.

- 3.2 Disclose:
- any significant acquisition completed by the Issuer or any significant probable acquisition proposed by the Issuer, for which financial statements would be required under ~~Part 6 or 7 of OSC Rule 41-501~~National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus; and
 - any significant disposition completed by the Issuer during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under ~~Part 8~~

of ~~OSC Rule 41-501~~National Instrument 41-101 General Prospectus Requirements if this Listing Statement were a prospectus.

- (2) Under paragraph (1) include particulars of
- (a) the nature of the assets acquired or disposed of or to be acquired or disposed of;
 - (b) the actual or proposed date of each significant acquisition or significant disposition;
 - (c) the consideration, both monetary and non-monetary paid, or to be paid, to or by the Issuer;
 - (d) any material obligations that must be complied with to keep any significant acquisition or significant disposition agreement in good standing;
 - (e) the effect of the significant acquisition or significant disposition on the operating results and financial position of the Issuer;
 - (f) any valuation opinion obtained within the last 12 months required under Canadian securities legislation ~~or Canadian securities directives~~, a directive of a Canadian securities regulatory authority, or a requirement of a Canadian stock exchange or other Canadian market to support the value of the consideration received or paid by the Issuer or any of its subsidiaries for the assets, including the name of the author, the date of the opinion, the assets to which the opinion relates and the value attributed to the assets; and
 - (g) whether the transaction is with a Related Party of the Issuer and if so, disclose the identity of the other parties and the relationship of the other parties to the Issuer.

3.3 Discuss any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on the Issuer's business, financial condition or results of operations, providing forward-looking information based on the Issuer's expectations as of the date of the Listing Statement.

Instruction: Issuers are encouraged, but not required, to supply other forward-looking information. Optional forward-looking disclosure involves anticipating a future trend or event or anticipating a less predictable effect of a known event, trend or uncertainty. This other forward-looking information is to be distinguished from presently known information that is reasonably expected to have a material effect on future operating results, such as known future increases in costs of labour or materials, which information is required to be disclosed.

4 Narrative Description of the Business

4.1 General

- (1) Describe the business of the Issuer with reference to the reportable operating segments as defined in the Handbook and the Issuer's business in general. Include the following for each reportable operating segment of the Issuer:
- (a) ~~State~~state the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period~~;~~
 - (b) ~~Describe~~describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event~~;~~
 - (c) ~~Disclose~~disclose the total funds available to the Issuer and the following breakdown of those funds:
 - (i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement~~;~~ and
 - (ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b)~~;~~ and
 - (d) ~~Describe~~describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

Instructions:**Instruction:**

- (1) The description of the Issuer's business objectives should also provide the context for the description of the milestones which are required to be disclosed. For example, one business objective of an Issuer may be to commence marketing and licencing technology nationally through direct sales and a network of agents; a milestone may be to conduct four feasibility studies over the next ten months to facilitate marketing of the technology, with an anticipated cost of \$X for the studies.
- (2) For the purposes of paragraph (1)(b), examples of significant events would include the hiring of key personnel, making major capital acquisitions, obtaining necessary regulatory approvals, implementing marketing plans and strategies and commencing production and sales.

(e2) For principal products or services, describe:

a(i) —the methods of their distribution and their principal markets;

b(ii) —as dollar amounts or as percentages, for each of the two most recently completed financial years, the revenues for each category of principal products or services that accounted for 15 per cent or more of total consolidated revenues for the applicable financial year derived from:

(i) sales or transfers to joint ventures in which your company is a participant or to entities in which your company has an investment accounted for by the equity method.

(ii) (A) —sales to customers, other than investees those referred to in clause (i), outside the consolidated entity,

(B) —sales or transfers to investees; and

(iii) (C) —sales or transfers to controlling shareholders; and

(iv) sales or transfers to investees.

c (iii) —if not fully developed, the stage of development of the principal products or services and, if the products are not at the commercial production stage,

(i) (A) —the timing and stage of research and development programs,

(ii) (B) —the major components of the proposed programs, including an estimate of anticipated costs,

(iii) (C) —whether the Issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and

(iv) (D) —the additional steps required to reach commercial production and an estimate of costs and timing.

(f3) Concerning production and sales, disclose:

a (i) —the actual or proposed method of production of products and if the Issuer provides services, the actual or proposed method of providing services;

b (ii) —the payment terms, expiration dates and terms of any renewal options of any material leases or mortgages, whether they are in good standing and, if applicable, that the landlord or mortgagee is a Related Person of the Issuer;

c (iii) —specialized skill and knowledge requirements and the extent that the skill and knowledge are available to the Issuer;

d (iv) —the sources, pricing and availability of raw materials, component parts or finished products;

e (v) —the importance, duration and effect on the segment of identifiable intangible properties such as

brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks;

- f) ~~(vi)~~—the extent to which the business of the segment is cyclical or seasonal;
 - g) ~~(vii)~~—a description of any aspect of the Issuer's business that may be affected in the 12 months following the date of the Listing Statement by renegotiation or termination of contracts or sub-contracts and the likely effect;
 - h) ~~(viii)~~—the financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Issuer in the current financial year and the expected effect, on future years;
 - i) ~~(ix)~~—the number of employees, as at the most recent financial year end or as an average over that year, whichever is more relevant; ~~and~~
 - j) ~~(x)~~—any risks associated with foreign operations of the Issuer and any dependence of the segments upon the foreign operations;
 - k) a description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends;
 - l) a description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.
- (g4) ~~The~~Describe the competitive conditions in the principal markets and geographic areas in which the Issuer operates, including, if reasonably possible, an assessment of the Issuer's competitive position.
- (h5) With respect to lending operations of an Issuer's business, describe the investment policies and lending and investment restrictions.
- (26) Disclose the nature and results of any bankruptcy, or any receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Issuer or any of its subsidiaries, within the three most recently completed financial years or the current financial year.
- (7) ~~(3)~~—Disclose the nature and results of any material ~~reorganization~~restructuring transaction of the Issuer ~~or any of its subsidiaries~~ within the three most recently completed financial years or completed during or proposed for the current financial year.
- (8) If the Issuer has implemented social or environmental policies that are fundamental to the Issuer's operations, such as policies regarding the Issuer's relationship with the environment or with the communities in which the Issuer does business, or human rights policies, describe them and the steps the Issuer has taken to implement them.

Instructions:

Instruction:

- (1) The Issuer's stated business objectives must not include any prospective financial information with respect to sales, whether expressed in terms of dollars or units, unless the information is derived from a future-oriented financial forecast or financial projection prepared in information issued in accordance with National Policy Statement No. 48 Instrument 51-102 Continuous Disclosure Obligations or any successor instrument and is included in the Listing Statement.
- (2) Where sales performance is considered to be an important objective, it must be stated in general terms. For example, the Issuer may state that it anticipates generating sufficient cash flow from sales to pay its operating cost for a specified period.

4.2 — ~~For issuers with asset-backed securities outstanding provide the disclosure required by items 6.2 and 10.3 of OSC Form 41-501F1 as if the securities were or were being distributed under a prospectus.~~

Companies with Asset-backed Securities Outstanding

4.2 In respect of any outstanding asset-backed securities, disclose the following information:

- (1) Payment Factors - A description of any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of any payments or distributions to be made under the asset-backed securities.
- (2) Underlying Pool of Assets - For the three most recently completed financial years of your company or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, information on the pool of financial assets servicing the asset-backed securities relating to
 - (a) the composition of the pool as of the end of each financial year or partial period;
 - (b) income and losses from the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
 - (c) the payment, prepayment and collection experience of the pool on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
 - (d) servicing and other administrative fees; and
 - (e) any significant variances experienced in the matters referred to in paragraphs (a), (b), (c), or (d).
- (3) Investment Parameters - The investment parameters applicable to investments of any cash flow surpluses.
- (4) Payment History - The amount of payments made during the three most recently completed financial years or the lesser period commencing on the first date on which your company had asset-backed securities outstanding, in respect of principal and interest or capital and yield, each stated separately, on asset-backed securities of your company outstanding.
- (5) Acceleration Event - The occurrence of any event that has led to, or with the passage of time could lead to, the accelerated payment of principal, interest or capital of asset-backed securities.

Instructions:

- (6) Principal Obligors - The identity of any principal obligors for the outstanding asset-backed securities of your company, the percentage of the pool of financial assets servicing the asset-backed securities represented by obligations of each principal obligor and whether the principal obligor has filed an AIF in any jurisdiction or a Form 10-K, Form 10-KSB or Form 20F in the United States.

Instruction:

- (1) (1) — For the purposes of this item an "asset backed security" has the same meaning as treated as in item 6-25.3 of Form 41-504101F1.
- (2) Present the information requested under section 4.2 in a manner that enables a reader to easily determine the status of the events, covenants, standards and preconditions referred to in subsection (1)
- (3) If the information required under subsection (2)
 - (A) is not compiled specifically on the pool of financial assets servicing the asset-backed securities, but is compiled on a larger pool of the same assets from which the securitized assets are randomly selected so that the performance of the larger pool is representative of the performance of the pool of securitized assets, or
 - (B) in the case of a new company, where the pool of financial assets servicing the asset-backed securities will be randomly selected from a larger pool of the same assets so that the performance of the larger pool will be representative of the performance of the pool of securitized assets to be created.
- (4) a company may comply with subsection (2) by providing the information required based on the larger pool and disclosing that it has done so.

4.3 For Issuers with a mineral project, disclose and insert here the following information required by Appendix A for each property material to the Issuer:

Instructions:

(1) Property Description and Location Disclosure regarding mineral exploration development or production activities on material properties is required to comply with National Instrument 43-101, including the use of the appropriate terminology to describe mineral reserves and mineral resources.

- (a) ~~The area (in hectares or other appropriate units) and location of the property.~~
- (b) ~~The nature and extent of the Issuer's title to or interest in the property, including surface rights, obligations that must be met to retain the property and the expiration date of claims, licences and other property tenure rights.~~
- (c) ~~The terms of any royalties, overrides, back-in rights, payments or other agreements and encumbrances to which the property is subject.~~
- (d) ~~All environmental liabilities to which the property is subject.~~
- (e) ~~The location of all known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailings ponds, waste deposits and important natural features and improvements.~~
- (f) ~~To the extent known, the permits that must be acquired to conduct the work proposed for the property and whether permits have been obtained.~~

(2) ~~Accessibility, Climate, Local Resources, Infrastructure and Physiography~~

- (a) ~~The means of access to the property.~~

(2) Disclosure is required for each property material to the Issuer. Materiality is to be determined in the context of the Issuer's overall business and financial condition, taking into account quantitative and qualitative factors. A property will not generally be considered material to an Issuer if the book value of the property as reflected in the Issuer's most recently filed financial statements or the value of the consideration paid or to be paid (including exploration obligations) is less than 10 per cent of the book value of the total of the Issuer's mineral properties and related plant and equipment.

(3) The information required under these items is required to be based upon a technical report or other information prepared by or under the supervision of a qualified person, as that term is defined in National Instrument 43-101.

(b) ~~The proximity of the property to a population centre and~~ (4) In giving the information required under these items, include the nature of transport.

- (c) ~~To the extent relevant to the mining project, the climate and length of the operating season.~~
- (d) ~~The sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap-leach pads areas and potential processing plant sites.~~
- (e) ~~The topography, elevation and vegetation.~~

(3) ~~History~~

- (a) ~~The prior ownership of the property and ownership changes and the type, amount, quantity and results of the exploration work undertaken by previous owners, and any previous production on the property, to the extent known.~~
- (b) ~~If a property was acquired within the three most recently completed financial years of the Issuer or during its current financial year from, or is intended to be acquired by the Issuer from, an insider or promoter of the Issuer or an associate or affiliate of an insider or promoter, the name and address of the vendor, the relationship of the vendor to the Issuer, and the consideration paid or intended to be paid to the vendor.~~

- (c) — To the extent known, the name of every person or company that has received or is expected to receive a greater than five per cent interest in the consideration received or to be received by the vendor referred to in subparagraph (b).
- (4) — Geological Setting — The regional, local and property geology.
- (5) — Exploration Information — The nature and extent of all exploration work conducted by, or on behalf of, the Issuer on the property, including
 - (a) — the results of all surveys and investigations and the procedures and parameters relating to surveys and investigations;
 - (b) — an interpretation of the exploration information;
 - (c) — whether the surveys and investigations have been carried out by the Issuer or a contractor and if by a contractor, identifying the contractor; and
 - (d) — a discussion of the reliability or uncertainty of the data obtained in the program.
- (6) — Mineralization — The mineralization encountered on the property, the surrounding rock types and relevant geological controls, detailing length, width, depth and continuity together with a description of the type, character and distribution of the mineralization.
- (7) — Drilling — The type and extent of drilling including the procedures followed and an interpretation of all results.
- (8) — Sampling and Analysis — The sampling and assaying including
 - (a) — a description of sampling methods and the location, number, type, nature, spacing and density of samples collected;
 - (b) — identification of any drilling, sampling or recovery factors that could materially impact the accuracy or reliability of the results;
 - (c) — a discussion of sample quality and whether the samples are representative of any factors that may have resulted in sample biases;
 - (d) — rock types, geological controls, widths of mineralized zones, cut-off grades and other parameters used to establish the sampling interval; and
 - (e) — quality control measures and data verification procedures.
- (9) — Security of Samples — The measures taken to ensure the validity and integrity of samples taken.
- (10) — Mineral Resources and Mineral Reserves — The mineral resources and mineral reserves, if any, including
 - (a) — the quantity and grade or quality of each category of mineral resources and mineral reserves;
 - (b) — the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves; and
 - (c) — the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues.
- (11) — Mining Operations — For development properties and production properties, the mining method, metallurgical process, production forecast, markets, contracts for sale of products, environmental conditions, taxes, mine life and expected payback period of capital.
- (12) — Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

Instructions:

- (1) Disclosure regarding mineral exploration, development or production activities on material properties is required to comply with National Instrument 43-101, including the use of the appropriate terminology to describe mineral reserves and mineral resources.
- (2) Disclosure is required for each property material to the Issuer. Materiality is to be determined in the context of the Issuer's overall business and financial condition, taking into account quantitative and qualitative factors. A property will not generally be considered material to an Issuer if the book value of the property as reflected in the Issuer's most recently filed financial statements or the value of the consideration paid or to be paid (including exploration obligations) is less than 10 per cent of the book value of the total of the Issuer's mineral properties and related plant and equipment.
- (3) The information required under these items is required to be based upon a technical report or other information prepared by or under the supervision of a qualified person, as that term is defined in National Instrument 43-101.(4) In giving the information required under these items, include the nature of ownership interests, such as fee interests, leasehold interests, royalty interests and any other types and variations of ownership interests.

4.4 For Issuers with Oil and Gas Operations — For Issuers with oil and gas operations, disclose the following disclose and insert here the information required by Appendix B (in tabular form, if appropriate):

- (a) Drilling Activity — The number of wells the Issuer has drilled or has participated in drilling, the number of these wells that were completed as oil wells and gas wells that are capable of production, each stated separately, and the number of dry holes, expressed in each case as gross and net wells, during each of the two most recently completed financial years of the Issuer.
- (b) Location of Production — The geographical areas of the Issuer's production, the groups of oil and gas properties, the individual oil and gas properties and the plants, facilities and installations that, in each case, are owned or leased by the Issuer and are material to the Issuer's operations or exploratory activities.
- (c) Location of Wells — The location, stated separately for oil wells and gas wells, by jurisdiction, if in Canada, by state, if in the United States, and by country otherwise, of producing wells and wells capable of producing, in which the Issuer has an interest and which are material, with the interest expressed in terms of gross and net wells.
- (d) Interest in Material Properties — For interests in material properties to which no proved reserves have been attributed, the gross acreage in which the Issuer has an interest and the net interest of the Issuer, and the location of acreage by geographical area.
- (e) Reserve Estimates — To the extent material, estimated reserve volumes and discounted cash flow from such reserves, stated separately by country and by categories and types that conform to the classifications, definitions and disclosure requirements of National Policy Statement No. 2-B Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators or any successor instrument, on both a gross and net basis as at the most recent financial year end, including information on royalties.
- (f) Source of Reserve Estimates — The source of the reserve estimates and whether the reserve estimates have been prepared by the Issuer or by independent engineers or other qualified independent persons and any other information relating to reserve estimates required to be disclosed in a prospectus by any successor instrument to National Policy Statement No. 2-B.
- (g) Reconciliation of Reserves — A reconciliation of the reserve volumes by categories and types that conform to the classifications, definitions and disclosure requirements of National Policy Statement No. 2-B or any successor instrument, as at the financial year end immediately preceding the most recently completed financial year to the reserve volume information furnished under paragraph 5, with the effects of production, acquisitions, dispositions, discoveries and revision of estimates shown separately, if material.
- (h) History — For each quarter of the most recently completed financial year of the Issuer, with comparative data for the same periods in the preceding financial year,
 - (i) the average daily production volume, before deduction of royalties, of
 - (A) conventional crude oil,

- (B) — natural gas liquids; and
- (C) — natural gas;
- (ii) — the following on a per barrel basis for conventional crude oil and natural gas liquids and on a per thousand cubic feet basis for natural gas
 - (A) — the average net product prices received;
 - (B) — royalties;
 - (C) — operating expenses, specifying the particular items included; and
 - (D) — netback received;
- (iii) — the average net product price received for the following, if the Issuer's production of the following is material to the Issuer's overall production;
 - (A) — light and medium conventional crude oil;
 - (B) — heavy conventional crude oil; and
 - (C) — synthetic crude oil; and
- (iv) — the dollar amounts expended on
 - (A) — property acquisition;
 - (B) — exploration, including drilling; and
 - (C) — development, including facilities.
- (i) — ~~Future Commitments~~ — A description of the Issuer's future material commitments to buy, sell, exchange or transport oil or gas, stating for each commitment separately
 - (i) — the aggregate price;
 - (ii) — the price per unit;
 - (iii) — the volume to be purchased, sold, exchanged or transported; and
 - (iv) — the term of the commitment.
- (j) — ~~Exploration and Development~~ — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

Instruction: The information required under this item shall be derived from or supported by information obtained from a report prepared in accordance with the provisions of National Policy No. 2-B Instrument 51-101 or any successor instrument.

5. Selected Consolidated Financial Information

- 5.1 Annual Information — Provide the following financial data for the Issuer in summary form for each of the last three completed financial years and any period subsequent to the most recent financial year end for which financial statements have been prepared, accompanied by a discussion of the factors affecting the comparability of the data, including discontinued operations, changes in accounting policies, significant acquisitions or significant dispositions and major changes in the direction of the Issuer's business:
- (a) ~~Net~~ sales or total revenues;₂
 - (b) ~~Income~~ income from continuing operations, in total and on a per share basis and fully diluted per share basis, calculated in accordance with the Handbook;₂
 - (c) ~~Net~~ income or loss, in total and on a per share and fully diluted per share basis, calculated in accordance with the Handbook;₂

- (d) ~~Total~~total assets;
- (e) ~~Total~~total long-term financial liabilities as defined in the Handbook;
- (f) ~~Cash~~cash dividends declared per share for each class of share; and
- (g) ~~Such~~such other information as the ~~Issuer~~ believes would enhance an investor's understanding of the Issuer's financial condition and results of operations and would highlight other trends in financial condition and results of operations.

5.2 Quarterly Information — For each of the eight most recently completed quarters ending at the end of the most recently completed financial year, provide the information required in paragraphs (a), (b) and (b) of Section 5-15.1.

Instruction:

- (1) For an Issuer that has not been a reporting ~~Issuer~~issuer for the eight most recently completed quarters ending at the end of the most recently completed financial year, provide the information required in paragraphs (a), (b) and (c) of Section 5.1 for the period that the Issuer was not a reporting ~~Issuer~~issuer only if the Issuer has prepared quarterly financial statements for that period.
- (2) If the Issuer is only required to file six month interim financial statements, the information required under paragraph (1) may instead be provided for each of the four most recently completed six month periods ended at the end of the most recently completed financial year for which financial statements have been prepared.

5.3 Dividends — disclose:

- (a) ~~Describe any restriction that could prevent the Issuer from paying dividends;~~ and
- (b) ~~Disclose the Issuer's dividend policy and, if a decision has been made to change the dividend policy, disclose the intended change in dividend policy.~~

5.4 Foreign GAAP — An Issuer may present the selected consolidated financial information required in this section on the basis of foreign GAAP if:

- (a) the Issuer's primary financial statements have been prepared using foreign GAAP; and
- (b) if the Issuer is required under applicable securities legislation to have reconciled its financial statements to Canadian GAAP at the time of filing its financial statements or the Issuer has otherwise done so, a cross reference to the notes to the financial statements containing the reconciliation of the financial statements to Canadian GAAP is included.

Instruction:

- (1) If financial information that is included in the summary is derived from financial statements included in the ~~listing statement~~Listing Statement, but the financial information is neither directly presented in, nor readily determinable from, the financial statements, include a reconciliation to the financial statements in notes.
- (2) If financial information that is included in the listing statement is derived from financial statements that are not included in the ~~listing statement~~Listing Statement, indicate in the lead-in to the summary the source from which the information is extracted, the percentage interest that the ~~issuer~~issuer has in the person or company, the GAAP principles used, the name of the auditors, the date of the report, and the nature of the opinion expressed.
- (3) The derivation of ratios included in the ~~listing statement~~Listing Statement in notes should be disclosed in notes to the ~~listing statement~~Listing Statement.
- (4) Information included in the ~~listing statement~~Listing Statement should be presented in a manner that is consistent with the intent of Canadian accounting recommendations and practices (e.g., cash flow data should not be interspersed with amounts from an income statement in a manner which suggests that cash flow data has been or should be presented in an income statement, and cash flow data should not be presented in a manner that appears to give it prominence equal to or greater than earnings data).

6. Management's Discussion and Analysis

General Instructions and Interpretation

Provide MD&A for the most recent annual financial statements filed with the application for quotation listing (or filed since the last update of the quotation listing statement, and interim MD&A for each interim financial statement filed with the application for quotation listing (or filed since the last update of the quotation statement). The first interim MD&A will update the annual MD&A, and each subsequent interim MD&A will update the previous interim MD&A. If the Issuer includes annual income statements, statements of retained earnings, and cash flow statements for three financial years under Section 5, provide MD&A for the second most recent annual financial statements of the Issuer.

What is MD&A? — MD&A is a narrative explanation, through the eyes of management, of how the Issuer performed during the period covered by the financial statements, and of the Issuer's financial condition and future prospects. MD&A complements and supplements your financial statements, but does not form part of your financial statements. Management's objective when preparing the MD&A should be to improve the Issuer's overall financial disclosure by giving a balanced discussion of the Issuer's results of operations and financial condition including, without limitation, such considerations as liquidity and capital resources - openly reporting bad news as well as good news.

MD&A should help current and prospective investors understand what the financial statements show and do not show; discuss material information that may not be fully reflected in the financial statements, such as contingent liabilities, defaults under debt, off-balance sheet financing arrangements, or other contractual obligations; discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future; and provide information about the quality, and potential variability, of the Issuer's earnings and cash flow, to assist investors in determining if past performance is indicative of future performance.

Date of Information — In preparing the MD&A, management must take into account information available up to the date of the MD&A. If the date of the MD&A is not the date it is filed, management must ensure the disclosure in the MD&A is current so that it will not be misleading when it is filed.

Explain the Analysis — Explain the nature of, and reasons for, changes in the Issuer's performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid using boilerplate language. The discussion should assist the reader to understand trends, events, transactions and expenditures.

Focus on Material Information — Management does not need to disclose information that is not material. Exercise judgment when determining whether information is material.

What is Material? — Would a reasonable investor's decision whether or not to buy, sell or hold the Issuer's securities likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

Forward-Looking Information — Management is encouraged to provide forward-looking information if it has a reasonable basis for making the statements. Preparing MD&A necessarily involves some degree of prediction or projection. For example, MD&A requires a discussion of known trends or uncertainties that are reasonably likely to affect the Issuer's business. However, MD&A does not require that the Issuer provide a detailed forecast of future revenues, income or loss or other information. All forward-looking information must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, management's material assumptions and appropriate risk disclosure and cautionary language.

The MD&A must discuss any forward-looking information disclosed in MD&A for a prior period which, in light of intervening events and absent further explanation, may be misleading. Forward looking statements may be considered misleading when they are unreasonably optimistic or aggressive, or lack objectivity, or are not adequately explained. Timely disclosure obligations might also require the Issuer to issue a news release and file a material change report.

Issuers Without Significant Revenues — If the Issuer is without significant revenues from operations, focus the discussion and analysis of results of operations on expenditures and progress towards achieving management's business objectives and milestones.

Reverse Takeover Transactions — When an acquisition is accounted for as a reverse takeover, the MD&A should be based on the reverse takeover acquirer's financial statements.

Foreign Accounting Principles — If the Issuer's primary financial statements have been prepared using accounting principles other than Canadian GAAP and a reconciliation is provided, the MD&A must focus on the primary financial statements.

Resource Issuers — If the Issuer has mineral projects, the disclosure must comply with National Instrument 43-101 Standards of Disclosure for Mineral Projects, including the requirement that all scientific and technical disclosure be based on a technical report or other information prepared by or under the supervision of a qualified person. If the Issuer has oil and gas activities, the disclosure must comply with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

US issuers —

- (1) If the Issuer is a US issuer, for any MD&A that is included in the Listing Statement, include the disclosure prepared in accordance with subsection (2) if the Issuer:
- (a) has based the discussion in the MD&A on financial statements prepared in accordance with U.S. GAAP, and
 - (b) is required by subsection 4.1(1) of NI 52-107 to provide a reconciliation to Canadian GAAP.
- (2) In the disclosure required under subsection (1) restate, based on financial information of the Issuer prepared in accordance with, or reconciled to, Canadian GAAP, those parts of the MD&A that are based on financial statements of the Issuer prepared in accordance with U.S. GAAP, and would contain material differences if they were based on financial statements of the Issuer prepared in accordance with Canadian GAAP.

Annual MD&A

Date

- 6.1 Date - Specify the date of the MD&A. The date of the MD&A must be no earlier than the date of the auditor's report on the financial statements for the Issuer's most recently completed financial year.
- 6.2 Overall Performance 6.2 - Provide an analysis of the Issuer's financial condition, results of operations and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on the Issuer's business. Compare the Issuer's performance in the most recently completed financial year to the prior year's performance. The analysis should address at least the following:
- (a) operating segments that are reportable segments as those terms are used in the Handbook;
 - (b) other parts of the business if
 - (i) they have a disproportionate effect on revenues, income or cash needs; or
 - (ii) there are any legal or other restrictions on the flow of funds from one part of the Issuer's business to another;
 - (c) industry and economic factors affecting the Issuer's performance;
 - (d) why changes have occurred or expected changes have not occurred in the Issuer's financial condition and results of operations; and
 - (e) the effect of discontinued operations on current operations.

Instruction:

- (1) When explaining changes in the Issuer's financial condition and results, include an analysis of the effect on the Issuer's continuing operations of any acquisition, disposition, write-off, abandonment or other similar transaction.
- (2) Financial condition includes the Issuer's financial position (as shown on the balance sheet) and other factors that may affect the Issuer's liquidity and capital resources.
- (3) Include information for a period longer than one financial year if it will help the reader to better understand a trend.

Selected Annual Financial Information

- 6.3 Provide the following financial data derived from the Issuer's financial statements for each of the three most recently completed financial years:

- (a) net sales or total revenues;
- (b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis;
- (c) net income or loss, in total and on a per-share and diluted per-share basis;
- (d) total assets;
- (e) total long-term financial liabilities; and
- (f) cash dividends declared per-share for each class of share.

6.4 Variations - Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of the Issuer's business, and any other information the Issuer believes would enhance an understanding of, and would highlight trends in, financial condition and results of operations.

Instruction: Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to Canadian GAAP, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

6.5 Results of Operations ~~6.5~~ - Discuss management's analysis of the Issuer's operations for the most recently completed financial year, including:

- (a) net sales or total revenues by operating business segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold, or the introduction of new products or services;
- (b) any other significant factors that caused changes in net sales or total revenues;
- (c) cost of sales or gross profit;
- (d) for ~~issuers~~ issuers that have significant projects that have not yet generated operating revenue, describe each project, including the Issuer's plan for the project and the status of the project relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the project to the next stage of the project plan;
- (e) for resource ~~issuers~~ issuers with producing mines, identify milestones such as mine expansion plans, productivity improvements, or plans to develop a new deposit;
- (f) factors that caused a change in the relationship between costs and revenues, including changes in costs of labour or materials, price changes or inventory adjustments;
- (g) commitments, events, risks or uncertainties that you reasonably believe will materially affect the Issuer's future performance including net sales, total revenue and income or loss before discontinued operations and extraordinary items;
- (h) effect of inflation and specific price changes on the Issuer's net sales and total revenues and on income or loss before discontinued operations and extraordinary items;
- (i) a comparison in tabular form of disclosure you previously made about how the Issuer was going to use proceeds (other than working capital) from any financing, an explanation of variances and the impact of the variances, if any, on the Issuer's ability to achieve its business objectives and milestones; and
- (j) unusual or infrequent events or transactions.

Instruction: The discussion under Item 6.5(d) should include:

- a) ~~(i)~~ — whether or not management plans to expend additional funds on the project; and
- b) ~~(ii)~~ — any factors that have affected the value of the project(s) such as change in commodity prices, land use or political or environmental issues.

6.6 Summary of Quarterly Results ~~6.6~~ - Provide the following information in summary form, derived from the Issuer's financial statements, for each of the eight most recently completed quarters:

- (a) net sales or total revenues;
- (b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis; and
- (c) net income or loss, in total and on a per-share and diluted per-share basis.

Discuss the factors that have caused variations over the quarters necessary to understand general trends that have developed and the seasonality of the business.

Instruction:

- (1) The most recently completed quarter is the quarter that ended on the last day of your most recently completed financial year. Information does not have to be provided for a quarter prior to the Issuer becoming a reporting issuer if the Issuer has not prepared financial statements for those quarters.
- (2) For sections ~~1.2, 1.3, 1.4, 2, 6.3, 6.4~~ and ~~1.5, 6.5~~ consider identifying, discussing and analyzing the following factors:
 - a) ~~(i)~~ — changes in customer buying patterns, including changes due to new technologies and changes in demographics;
 - b) ~~(ii)~~ — changes in selling practices, including changes due to new distribution arrangements or a reorganization of a direct sales force;
 - c) ~~(iii)~~ — changes in competition, including an assessment of the issuer's resources, strengths and weaknesses relative to those of its competitors;
 - d) ~~(iv)~~ — the effect of exchange rates;
 - e) ~~(v)~~ — changes in pricing of inputs, constraints on supply, order backlog, or other input-related matters;
 - f) ~~(vi)~~ — changes in production capacity, including changes due to plant closures and work stoppages;
 - g) ~~(vii)~~ — changes in volume of discounts granted to customers, volumes of returns and allowances, excise and other taxes or other amounts reflected on a net basis against revenues;
 - h) ~~(viii)~~ — changes in the terms and conditions of service contracts;
 - i) ~~(ix)~~ — the progress in achieving previously announced milestones; and
 - j) ~~(x)~~ — for resource issuers/issuers with producing mines, identify changes to cash flow caused by changes in production throughput, head-grade, cut-off grade, metallurgical recovery and any expectation of future changes.
- (3) Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to Canadian GAAP, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

6.7 Liquidity ~~6.7~~ - Provide an analysis of the Issuer's liquidity, including:

- (a) its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain the Issuer's capacity, to meet the Issuer's planned growth or to fund development activities;

- (b) trends or expected fluctuations in the Issuer’s liquidity, taking into account demands, commitments, events or uncertainties;
- (c) its working capital requirements;
- (d) liquidity risks associated with financial instruments;
- (e) if the Issuer has or expects to have a working capital deficiency, discuss its ability to meet obligations as they become due and how you expect it to remedy the deficiency;
- (f) balance sheet conditions or income or cash flow items that may affect the Issuer’s liquidity;
- (g) legal or practical restrictions on the ability of subsidiaries to transfer funds to the Issuer and the effect these restrictions have had or may have on the ability of the Issuer to meet its obligations; and
- (h) defaults or arrears or anticipated defaults or arrears on
 - (i) ~~_____ (i)~~ — dividend payments, lease payments, interest or principal payment on debt;₂
 - (ii) ~~_____ (ii)~~ — debt covenants during the most recently completed financial year;₂ and
 - (iii) ~~_____ (iii)~~ — redemption or retraction or sinking fund payments;₂ and
 - (iv) ~~_____ (iv)~~ and details on how the Issuer intends to cure the default or arrears.

Instruction:

- (1) In discussing the Issuer’s ability to generate sufficient amounts of cash and cash equivalents, describe sources of funding and the circumstances that could affect those sources that are reasonably likely to occur. Examples of circumstances that could affect liquidity are market or commodity price changes, economic downturns, defaults on guarantees and contractions of operations.
- (2) In discussing trends or expected fluctuations in the Issuer’s liquidity and liquidity risks associated with financial instruments, discuss
 - (a) provisions in debt, lease or other arrangements that could trigger an additional funding requirement or early payment. ~~Examples~~ (examples) of such situations are provisions linked to credit rating, earnings, cash flows or share price); and
 - (b) circumstances that could impair the Issuer’s ability to undertake transaction considered essential to operations. Examples of such circumstances are the inability to maintain investment grade credit rating, earnings per-share, cash flow or share price.
- (3) In discussing the Issuer’s working capital requirements, discuss situations where the Issuer must maintain significant inventory to meet customers’ delivery requirements or any situations involving extended payment terms.
- (4) In discussing the Issuer’s balance sheet conditions or income or cash flow items consider a summary, in tabular form, of contractual obligations including payments due for each of the next five years and thereafter. This summary and table is not, however, mandatory. An example of a table that can be adapted to the Issuer’s particular circumstances follows:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Long Term Debt					
Capital Lease Obligations					
Operating Leases					
Purchase Obligations ¹					
Other Long Term Obligations ²					
Total Contractual Obligations					

¹ “Purchase Obligation” means an agreement to purchase goods or services that is enforceable and legally binding on the Issuer that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

² “Other Long Term Obligations” means other long-term liabilities reflected on the Issuer’s balance sheet.

The tabular presentation may be accompanied by footnotes to describe provisions that create, increase or accelerate obligations, or other details to the extent necessary for an understanding of the timing and amount of the Issuer’s specified contractual obligations.

6.8 Capital Resources 6.8- Provide an analysis of the Issuer’s capital resources, including

- (a) commitments for capital expenditures as of the date of the Issuer’s financial statements including:
 - (i) the amount, nature and purpose of these commitments;₂
 - (ii) the expected source of funds to meet these commitments;₂ and
 - (iii) expenditures not yet committed but required to maintain the Issuer’s capacity, to meet the Issuer’s planned growth or to fund development activities;
- (b) known trends or expected fluctuations in the Issuer’s capital resources, including expected changes in the mix and relative cost of these resources; and
- (c) sources of financing that the Issuer has arranged but not yet used.

Instruction:

- (1) Capital resources are financing resources available to the Issuer and include debt, equity and any other financing arrangements that management reasonably considers will provide financial resources to the Issuer.
- (2) In discussing the Issuer’s commitments management should discuss any exploration and development, or research and development expenditures required to maintain properties or agreements in good standing.

6.9 Off-Balance Sheet Arrangements 6.9- Discuss any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Issuer including, without limitation, such considerations as liquidity and capital resources. This discussion shall include their business purpose and activities, their economic substance, risks associated with the arrangements, and the key terms and conditions associated with any commitments, including:

- (a) a description of the other contracting party~~part~~(ies);
- (b) the effects of terminating the arrangement;
- (c) the amounts receivable or payable, revenues, expenses and cash flows resulting from the arrangement;
- (d) the nature and amounts of any other obligations or liabilities arising from the arrangement that could require the Issuer to provide funding under the arrangement and the triggering events or circumstances that could cause them to arise; and
- (e) any known event, commitment, trend or uncertainty that may affect the availability or benefits of the arrangement (including any termination) and the course of action that management has taken, or proposes to take, in response to any such circumstances.

Instruction:

- (1) Off-balance sheet arrangements include any contractual arrangement with an entity not reported on a consolidated basis with the Issuer, under which the Issuer has
 - (a) any obligation under certain guarantee contracts;
 - (b) a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for the assets;

- (c) any obligation under certain derivative instruments; or
 - (d) any obligation under a material variable interest held by the Issuer in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Issuer, or engages in leasing, hedging or, research and development services with the Issuer.
- (2) Contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.
- (3) Disclosure of off-balance sheet arrangements should cover the most recently completed financial year. However, the discussion should address changes from the previous year where such discussion is necessary to understand the disclosure.
- (4) The discussion need not repeat information provided in the notes to the financial statements if the discussion clearly cross-references to specific information in the relevant notes and integrates the substance of the notes into the discussion in a manner that explains the significance of the information not included in the MD&A.

6.10 Transactions with Related Parties ~~6.10~~ - Discuss all transactions involving related parties as defined by the Handbook.

Instruction: In discussing the Issuer's transactions with related parties, the discussion should include both qualitative and quantitative characteristics that are necessary for an understanding of the transactions' each transaction's business purpose and economic substance. Management should discuss:

- (a) the relationship and identify the related person or entities;
- (b) the business purpose of the transaction;
- (c) the recorded amount of the transaction and the measurement basis used; and
- (d) any ongoing contractual or other commitments resulting from the transaction.

6.11 Fourth Quarter ~~6.11~~ - Discuss and analyze fourth quarter events or items that affected the Issuer's financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments, seasonal aspects of the Issuer's business and dispositions of business segments.

6.12 Proposed Transactions ~~6.12~~ - Discuss the expected effect on financial condition, results of operations and cash flows of any proposed asset or business acquisition or disposition if the Issuer's board of directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with the transaction. Include the status of any required shareholder or regulatory approvals.

6.13 Changes in Accounting Policies including Initial Adoption ~~6.13~~ - Discuss and analyze any changes in the Issuer's accounting policies, including:

- (a) for any accounting policies that management has adopted or expects to adopt subsequent to the end of the most recently completed financial year, including changes management has made or expects to make voluntarily and those due to a change in an accounting standard or a new accounting standard that you do not have to adopt until a future date:
 - (i) describe the new standard, the date the Issuer required to adopt it and, if determined, the date the Issuer plans to adopt it;
 - (ii) disclose the methods of adoption permitted by the accounting standard and the method management expects to use;
 - (iii) discuss the expected effect on the Issuer's financial statements, or if applicable, state that management cannot reasonably estimate the effect; and
 - (iv) discuss the potential effect on the Issuer's business, for example technical violations or default of debt covenants or changes in business practices; and
- (b) for any accounting policies that management has initially adopted during the most recently completed financial year,

- (i) describe the events or transactions that gave rise to the initial adoption of an accounting policy;
- (ii) describe the accounting principle that has been adopted and the method of applying that principle;
- (iii) discuss the effect resulting from the initial adoption of the accounting policy on the Issuer's financial condition, changes in financial condition and results of operations;
- (iv) if the Issuer is permitted a choice among acceptable accounting principles,
 - (A) state that management made a choice among acceptable alternatives;
 - (B) identify the alternatives;
 - (C) describe why management made the choice that you did; and
 - (D) discuss the effect, where material, on the Issuer's financial condition, changes in financial condition and results of operations under the alternatives not chosen; and
- (v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to management's initial adoption of the accounting policy, explain management's decision regarding which accounting principle to use and the method of applying that principle.

Instruction: Management does not have to present the discussion under paragraph 6.13(b) for the initial adoption of accounting policies resulting from the adoption of new accounting standards.

6.14 Financial Instruments and Other Instruments 6.14 For financial instruments and other instruments:

- (a) discuss the nature and extent of the Issuer's use of, including relationships among, the instruments and the business purposes that they serve;
- (b) describe and analyze the risks associated with the instruments;
- (c) describe how management manages the risks in paragraph (b), including a discussion of the objectives, general strategies and instruments used to manage the risks, including any hedging activities;
- (d) disclose the financial statement classification and amounts of income, expenses, gains and losses associated with the instrument; and
- (e) discuss the significant assumptions made in determining the fair value of financial instruments, the total amount and financial statement classification of the change in fair value of financial instruments recognized in income for the period, and the total amount and financial statement classification of deferred or unrecognized gains and losses on financial instruments.

Instructions:

Instruction:

- (1) "Other instruments" are instruments that may be settled by the delivery of non-financial assets. A commodity futures contract is an example of an instrument that may be settled by delivery of non-financial assets.
- (2) The discussion under paragraph 6.14(a) should enhance a reader's understanding of the significance of recognized and unrecognized instruments on the Issuer's financial position, results of operations and cash flows. The information should also assist a reader in assessing the amounts, timing, and certainty of future cash flows associated with those instruments. Also discuss the relationship between liability and equity components of convertible debt instruments.
- (3) For purposes of paragraph 6.14(c), if the Issuer is exposed to significant price, credit or liquidity risks, consider providing a sensitivity analysis or tabular information to help readers assess the degree of exposure. For example, an analysis of the effect of a hypothetical change in the prevailing level of interest or currency rates on the fair value of financial instruments and future earnings and cash flows may be useful in describing the Issuer's exposure to price risk.
- (4) For purposes of paragraph 6.14(d), disclose and explain the income, expenses, gains and losses from hedging activities separately from other activities.

Interim MD&A

- 6.15 Date - Specify the date of the interim MD&A.
- 6.16 Updated Disclosure - Interim MD&A must update the Issuer's annual MD&A for all disclosure required by sections 6.2 to 6.14 except sections 6.3 and 6.4. This disclosure must include:
- (a) a discussion of management's analysis of
 - (i) current quarter and year-to-date results including a comparison of results of operations and cash flows to the corresponding periods in the previous year;
 - (ii) changes in results of operations and elements of income or loss that are not related to ongoing business operations;
 - (iii) any seasonal aspects of the Issuer's business that affect its financial condition, results of operations or cash flows; and
 - (b) a comparison of the Issuer's interim financial condition to the Issuer's financial condition as at the most recently completed financial year-end.

Instruction:

- (1) For the purposes of paragraph (b), do not duplicate the discussion and analysis of financial condition in the annual MD&A. For example, if economic and industry factors are substantially unchanged the interim MD&A may make a statement to this effect.
- (2) For the purposes of subparagraph (a)(i), you should generally give prominence to the current quarter.
- (3) In discussing the Issuer's balance sheet conditions or income or cash flow items for an interim period, you do not have to present a summary, in tabular form, of all known contractual obligations contemplated under section 6.7. Instead, you should disclose material changes in the specified contractual obligations during the interim period that are outside the ordinary course of the Issuer's business.
- (4) Interim MD&A is not required for the Issuer's fourth quarter as relevant fourth quarter content will be contained in the Issuer's annual MD&A.

6.17 Additional Disclosure for Issuers without Significant Revenue:

~~6.17~~

- (a) ~~(1)~~ Unless the information is disclosed in the financial statements to which the annual or interim MD&A relates, an Issuer that has not had significant revenue from operations in either of its last two financial years must disclose a breakdown of material components of:
 - ~~(i)~~ (a) — capitalized or expensed exploration and development costs;
 - ~~(ii)~~ (b) — expensed research and development costs;
 - ~~(iii)~~ (c) — deferred development costs;
 - ~~(iv)~~ (d) — general and administration expenses; and
 - ~~(v)~~ (e) — any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs ~~(a)~~ through ~~(d)~~;
- (b) and if the Issuer's business primarily involves mining exploration and development, the analysis of capitalized or expensed exploration and development costs must be presented on a property-by-property basis; and
- (c) ~~(2)~~ The disclosure in the annual MD&A must be for the two most recently completed financial years and the disclosure in the interim MD&A for the each year-to-date interim period and the comparative period presented in the interim statements.

6.18 Description of Securities:

- (a) disclose the designation and number or principal amount of:
 - (i) each class and series of voting or equity securities of the Issuer for which there are securities outstanding,
 - (ii) each class and series of securities of the Issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the Issuer, and
 - (iii) subject to subsection (b), each class and series of voting or equity securities of the Issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the Issuer;
- (b) if the exact number or principal amount of voting or equity securities of the Issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the Issuer is not determinable, the Issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the Issuer and, if that maximum number or principal amount is not determinable, the Issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined; and
- (c) the disclosure under subsections (a) and (b) must be prepared as of the latest practicable date.

6.19 Provide Breakdown:

- (a) if the Issuer has not had significant revenue from operations in either of its last two financial years, disclose a breakdown of material components of:
 - (i) capitalized or expensed exploration and development costs,
 - (ii) expensed research and development costs,
 - (iii) deferred development costs,
 - (iv) general and administrative expenses, and
 - (v) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (i) through (iv);
- (b) present the analysis of capitalized or expensed exploration and development costs required by subsection (a) on a property-by-property basis, if the Issuer's business primarily involves mining exploration and development; and
- (c) provide the disclosure in subsection (a) for the following periods:
 - (i) the two most recently completed financial years, and
 - (ii) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included, if any.

Subsection (a) does not apply if the information required under that subsection has been disclosed in the financial statements.

6.20 Negative cash-flow - If the Issuer had negative operating cash flow in its most recently completed financial year for which financial statements have been included, disclose:

the period of time the proceeds raised are expected to fund operations;

the estimated total operating costs necessary for the Issuer to achieve its stated business objectives during that period of time; and

the estimated amount of other material capital expenditures during that period of time.

6.21 Additional disclosure for Issuers with significant equity investees:

if the Issuer has a significant equity investee

- (i) summarized information as to the assets, liabilities and results of operations of the equity investee, and
- (ii) the Issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the Issuer's share of earnings; and

provide the disclosure in subsection (a) for the following periods

- (i) the two most recently completed financial years, and
- (ii) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included in the Listing Statement, if any.

Subsection (a) does not apply if:

- (i) the information required under that subsection has been disclosed in the financial statements included, or
- (ii) the Issuer includes separate financial statements of the equity investee for the periods referred to in subsection (b).

7. Market for Securities

7.1 Identify the exchange(s) and quotation and trade reporting system(s) on which the Issuer's securities are listed and posted for trading or quoted.

8. Consolidated Capitalization

8.1 Describe any material change in, and the effect of the material change on, the share and loan capital of the Issuer, on a consolidated basis, since the date of the comparative financial statements for the Issuer's most recently completed financial year contained in the Listing Statement.

9. Options to Purchase Securities

9.1 State, in tabular form, as at a specified date not more than 30 days before the date of the Listing Statement, information as to options to purchase securities of the Issuer or a subsidiary of the Issuer that are held by:

- (a) all executive officers and past executive officers of the Issuer as a group and all directors and past directors of the Issuer who are not also executive officers as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies, without naming them;
- (b) all executive officers and past executive officers of all subsidiaries of the Issuer as a group and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary as a group, in each case, without naming them and excluding individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies;
- (c) all other employees and past employees of the Issuer as a group, without naming them;
- (d) all other employees and past employees of subsidiaries of the Issuer as a group, without naming them;
- (e) all consultants of the Issuer as a group, without naming them; and
- (f) (f)——any other person or company, including the underwriter, naming each person or company.

Instruction:

- (1) Describe the options, stating the material provisions of each class or type of option, including:
- (a) the designation and number of the securities under option;
 - (b) the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;
 - (c) if reasonably ascertainable, the market value of the securities under option on the date of grant;
 - (d) if reasonably ascertainable, the market value of the securities under option on the specified date; and
 - (e) with respect to options referred to in paragraph (f) of Item 9.1, the particulars of the grant including the consideration for the grant.
- (2) For the purposes of item (f) of ~~Item~~section 9.1, provide the information required for all options except warrants and special warrants.

10. ~~_____~~ Prior Sales**10. ~~_____~~ Description of the Securities**

- 10.1 General - State the description or the designation of each class of equity ~~or debt~~ securities of the Issuer and describe all material attributes and characteristics, including:
- a) ~~(a)~~ — dividend rights;
 - b) ~~(b)~~ — voting rights;
 - c) ~~(c)~~ — rights upon dissolution or winding-up;
 - d) ~~(d)~~ — pre-emptive rights;
 - e) ~~(e)~~ — conversion or exchange rights;
 - f) ~~(f)~~ — redemption, retraction, purchase for cancellation or surrender provisions;₂
 - g) ~~(g)~~ — sinking or purchase fund provisions;
 - h) ~~(h)~~ — provisions permitting or restricting the issuance of additional securities and any other material restrictions; and
 - i) ~~(i)~~ — provisions requiring a securityholder to contribute additional capital;₂
- 10.2 Debt securities - If debt securities are being listed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including:
- (a) ~~(j)~~ — provisions for interest rate, maturity, and premium, if any ~~of debt securities~~;
 - (b) conversion or exchange rights;
 - (c) redemption, retraction, purchase for cancellation or surrender provisions;
 - (d) sinking or purchase fund provisions;
 - (e) ~~(k)~~ — the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;
 - (f) ~~(l)~~ — any provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the Issuer or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities;

- (g) ~~(m) —the name of the trustee under any indenture relating to debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates;~~ the Issuer and
- (h) ~~(n) —any financial arrangements between the Issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.~~

10.4 Other securities - If securities other than equity securities or debt securities are being listed, describe fully the material attributes and characteristics of those securities.

10.5 Modification of terms:

- (a) describe provisions about the modification, amendment or variation of any rights attached to the securities being listed; and
- (b) if the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

10.6 Other attributes:

- (a) if the rights attaching to the securities being listed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being listed, include information about the other securities that will enable investors to understand the rights attaching to the securities being listed; and
- (b) if securities of the class being listed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

10.2-10.7 Prior Sales - State the prices at which securities of the same class as the securities to be listed have been sold within the 12 months before the date of the Listing Statement, or are to be sold, by the Issuer or any Related Person and the number of securities of the class sold or to be sold at each price.

Instruction: In the case of sales by a Related Person, the information required under ~~Item 10.2~~ section 10.7 may be given in the form of price ranges for each calendar month.

10.3-10.8 Stock Exchange Price:

- a) (1) ~~—If~~ if shares of the same class as the shares to be listed were or are listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the Canadian stock exchange or market on which the greatest volume of trading generally occurs.;
- b) (2) ~~—If~~ if shares of the same class as the shares to be listed were or are not listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the foreign stock exchange or market on which the greatest volume of trading generally occurs.; and
- c) (3) ~~Information~~ information is to be provided on a monthly basis for each month or, if applicable, part month, of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters.

11. Escrowed Securities

11.1 State as of a specified date within 30 days before the date of the Listing Statement, in substantially the following tabular form, the number of securities of each class of securities of the Issuer held, to the knowledge of the Issuer, in escrow (which, for the purposes of this Form includes any securities subject to a pooling agreement) and the percentage that number represents of the outstanding securities of that class. In a note to the table, disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow.

ESCROWED SECURITIES

Designation of class held in escrow	Number of securities held in escrow	Percentage of class

12. Principal Shareholders

- 12.1 (1) Provide the following information for each principal shareholder of the Issuer as of a specified date not more than 30 days before the date of the Listing Statement:
- (a) Name;
 - (b) The number or amount of securities owned of the class to be listed;
 - (c) Whether the securities referred to in subsection 12(1)(b) are owned both of record and beneficially, of record only, or beneficially only; and
 - (d) The percentages of each class of securities known by the Issuer to be owned.
- (2) If the Issuer is requalifying following a fundamental change or has proposed an acquisition, amalgamation, merger, reorganization or arrangement, indicate, to the extent known, the holding of each person of company described in paragraph (1) that will exist after giving effect to the transaction.
- (3) If, to the knowledge of the Issuer, more than 10 per cent of any class of voting securities of the Issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.
- (4) If, to the knowledge of the Issuer, any principal shareholder is an associate or affiliate of another person or company named as a principal shareholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the Issuer held by the person or company other than the holding of voting securities of the Issuer.
- (5) In addition to the above, include in a footnote to the table, the required calculation(s) on a fully-diluted basis.

Instruction: If a company, partnership, trust or other unincorporated entity is a principal shareholder of an Issuer, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of the company or membership in the partnership, as the case may be, is a principal shareholder of the company or partnership.

13 Directors and Officers

- 13.1 List the name and municipality of residence of each director and executive officer of the Issuer and indicate their respective positions and offices held with the Issuer and their respective principal occupations within the five preceding years.

Instruction: If, during the period, a director or officer has held more than one position with the Issuer or the Issuer's controlling shareholder or a subsidiary of the Issuer, state only the current position held.

- 13.2 State the period or periods during which each director has served as a director and when his or her term of office will expire.
- 13.3 State the number and percentage of securities of each class of voting securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers of the Issuer as a group.

Instruction: Securities of subsidiaries that are beneficially owned, directly or indirectly, or over which control or direction is exercised by directors or executive officers through ownership or control or direction over securities of the Issuer do not need to be included.

- 13.4 Disclose the board committees of the Issuer and identify the members of each committee.
- 13.5 If the principal occupation of a director or officer of the Issuer is acting as an officer of a person or company other than the Issuer, disclose the fact and state the principal business of the person or company.
- 13.6 ~~If~~ Disclose if a director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity;

- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; ~~or~~
 - (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;
 - (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
 - (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.
- 13.7 Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has:
- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
 - (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
- 13.8 Despite section 13.7, no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable investor in making an investment decision.
- 13.9 If a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer, state the fact.
- 13.913.10 Disclose particulars of existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director or officer of the Issuer or a subsidiary of the Issuer.
- 13.1013.11 Management — In addition to the above provide the following information for each member of management:
- (a) state the individual's name, age, position and responsibilities with the Issuer and relevant educational background;₂
 - (b) state whether the individual works full time for the Issuer or what proportion of the individual's time will be devoted to the Issuer;₂
 - (c) state whether the individual is an employee or independent contractor of the Issuer;₂
 - (d) state the individual's principal occupations or employment during the five years prior to the date of the Listing Statement, disclosing with respect to each organization as of the time such occupation or employment was carried on:
 - (i) its name and principal business;₂
 - (ii) if applicable, that the organization was an affiliate of the Issuer;₂
 - (iii) positions held by the individual;₂ and
 - (iv) whether it is still carrying on business, if known to the individual;

- (e) describe the individual's experience in the Issuer's industry; and
- (f) state whether the individual has entered into a non-competition or non-disclosure agreement with the Issuer.

Instruction:

- (1) For purposes of this Item "management" means all directors, officers, employees and contractors whose expertise is critical to the Issuer, its subsidiaries and proposed subsidiaries in providing the Issuer with a reasonable opportunity to achieve its stated business objectives.
- (2) The description of the principal occupation of a member of management must be specific. The terms "businessman" or "entrepreneur" are not sufficiently specific.

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	_____			
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	_____			
Total Public Float (A-B)	_____			
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	_____			
Total Tradeable Float (A-C)	_____			

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	_____	_____
	=====	=====

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	_____	_____
Unable to confirm	_____	_____
	=====	=====

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	_____	_____

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

15. Executive Compensation

15.1 Attach a Statement of Executive Compensation from Form 40 of Regulation 1015 of the Revised Regulations of Ontario, 1990^{51-102F6} or any successor instrument and describe any intention to make any material changes to that compensation.

15.2 — Exception — Despite Item 15.1, the disclosure required under Items V, VIII, IX and X of Form 40 may be omitted.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

<u>AGGREGATE INDEBTEDNESS (\$)</u>					
<u>Purpose</u>	<u>To the Issuer or its Subsidiaries</u>		<u>To Another Entity</u>		
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>		
<u>Share purchases</u>					
<u>Other</u>					

SRO Notices and Disciplinary Proceedings

(1) Disclose in substantially the following tabular form all indebtedness (other than routine indebtedness), and the other details prescribed in paragraph (2), Complete the above table for the aggregate indebtedness outstanding as at a date within thirty days before the date of the information circular entered into in connection with:

(a) a purchase of securities; and

(b) all other indebtedness.

(2) Report separately the indebtedness to:

(a) the Issuer or any of its subsidiaries (column (b)); and

(b) another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries (column (c)).

of all officers, directors, employees and former officers, directors and employees of the Issuer or any of its subsidiaries.

(3) “Support agreement” includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

16.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

<u>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS</u>						
<u>Name and Principal Position</u>	<u>Involvement of Issuer or Subsidiary</u>	<u>Largest Amount Outstanding During [Most Recently Completed Financial Year] (\$)</u>	<u>Amount Outstanding as at [the date of the Form] (\$)</u>	<u>Financially Assisted Securities Purchases During [Most Recently Completed Financial Year] (#)</u>	<u>Security for Indebtedness</u>	<u>Amount Forgiven During [Most Recently Completed Financial Year] (\$)</u>
<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u>	<u>(f)</u>	<u>(g)</u>
<u>Securities Purchase Programs</u>						
<u>Other Programs</u>						

(1) Complete the above table for each individual who is, or at any time during the most recently completed financial year of the Issuer was, a director or executive officer of the Issuer, each proposed nominee for election as a director of the Issuer, and each associate of such an individual, any such director, executive officer or proposed nominee.

(a) (a) — who is, or at any time since the beginning of the most recently completed financial year of the Issuer has been, indebted to the Issuer or a subsidiary of the Issuer; any of its subsidiaries, or

(b) (b) — whose indebtedness to another entity is, or at any time since the beginning of the most

recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or a subsidiary of the Issuer any of its subsidiaries,

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

<u>Name and Principal Position</u> (a)	<u>Involvement of Issuer or Subsidiary</u> (b)	<u>Largest Amount Outstanding During [Last Completed Financial Year]</u> (c)	<u>Amount Outstanding as at [current date]</u> (d)	<u>Financially Assisted Securities Purchases During [Last Completed Financial Year]</u> (e)	<u>Security for Indebtedness</u> (f)

and separately disclose the indebtedness for security purchase programs and all other programs.

(2) 16.2 — Include Note the following in the table required under paragraph 16.1:

Column (a) — The name of the borrower (column (a)). (b) — If the borrower is a director or executive officer, the disclose the name and principal position of the borrower; if, If the borrower was, during the year, but no longer is a director or executive officer, include a statement to that effect; if state that fact. If the borrower is a proposed nominee for election as a director, state that fact. If the borrower is included as an associate of a director or executive officer, describe briefly the relationship of the borrower to any individual who is or, during the year, was a director or executive officer or who is a proposed nominee for election as a director, name that individual and provide the information that would be required underby this subparagraph for that individual if he or she was the borrower (column (a)).

Column (c) — Whether(b) – disclose whether the Issuer or a subsidiary of the Issuer is the lender or the provider of a guarantee, support agreement, letter of credit or similar arrangement or understanding (column (b)).

Column (d) — The(c) – disclose the largest aggregate amount of the indebtedness outstanding at any time during the last completed financial year (column (c)).

Column (e) — The(d) – disclose the aggregate amount of the indebtedness outstanding as at a specified date not more than 30 within thirty days before the date of Listing Statement (column (d))the information circular.

Column (f) — If the indebtedness was incurred to purchase securities of the Issuer or of a subsidiary of the Issuer, e) – disclose separately for each class or series of securities, the aggregate sum of the number of securities purchased during the last completed financial year with the financial assistance (column (e))security purchase programs only).

Column (g) — The(f) – disclose the security for the indebtedness, if any, provided to the Issuer, a subsidiary of the Issuer any of its subsidiaries or the other entity for the indebtedness (column (f))security purchase programs only).

16.3 — Disclose in the introduction to the table required under paragraph (1) the aggregate indebtedness of all officers, directors, employees, and former officers, directors and employees of the Issuer or a subsidiary of the Issuer outstanding as at a specified date not more than 30 days before the date of the Listing Statement, that is owed to

(a) — the Issuer or a subsidiary of the Issuer; or

(b) — another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries.

16.4 — Disclose in a footnote to, or a narrative accompanying, the table required under paragraph (1)

Column (g) – disclose the total amount of indebtedness that was forgiven at any time during the last completed financial year.

(3) Supplement the above table with a summary discussion of:

(a) the material terms of ~~the~~each incidence of indebtedness and, if applicable, of each guarantee, support agreement, letter of credit or other similar arrangement or understanding, ~~including the term to maturity, rate of interest and any understanding, agreement or intention to limit recourse, and the nature of the transaction in which the indebtedness was incurred;~~

(i) the nature of the transaction in which the indebtedness was incurred,

(ii) the rate of interest,

(iii) the term to maturity,

(iv) any understanding, agreement or intention to limit recourse, and

(v) any security for the indebtedness;

(b) any material adjustment or amendment made during the most recently completed financial year to the terms of the indebtedness and, if applicable, the guarantee, support agreement, letter of credit or similar arrangement or understanding. Forgiveness of indebtedness reported in column (g) of the above table should be explained; and

(c) the class or series of the securities purchased with financial assistance ~~from the Issuer~~ or held as security for the indebtedness and, if the class or series of securities is not publicly traded, all material terms of the securities, including the provisions for exchange, conversion, exercise, redemption, retraction and dividends.

Instructions:

Instruction:

(1) For purposes of this item, the following interpretation applies to the term "routine indebtedness":

(a) A loan, whether or not in the ordinary course of business, is considered as routine indebtedness if made on terms, including terms relating to interest rate and security, no more favourable to the borrower than the terms on which loans are made by the Issuer to employees generally unless the amount at any time during the last completed financial year remaining unpaid under the loans to any one director or executive officer together with his or her associates exceeds \$25,000, in which case the indebtedness is not routine;

(b) A loan made by an Issuer to a director or executive officer, whether or not the Issuer makes loans in the ordinary course of business, is routine indebtedness if:

(i) the borrower is a full-time employee of the Issuer or a subsidiary of the Issuer;

(ii) the loan is fully secured against the residence of the borrower; and

(iii) the amount of the loan does not exceed the annual aggregate salary of the borrower from the Issuer and its subsidiaries;

(c) If the Issuer makes loans in the ordinary course of business, a loan to a person or company other than a full-time employee of the Issuer or of a subsidiary of the Issuer is routine indebtedness, if the loan:

(i) is made on substantially the same terms, including terms relating to interest rate and security, as are available when a loan is made to other customers of the Issuer with comparable credit ratings; and

(ii) involves no greater than usual risks of ~~collectibility~~ collectability; and

(d) Indebtedness for purchases made on usual trade terms, for ordinary travel or expense advances or for loans or advances made for similar purposes is routine indebtedness if the repayment arrangements are in accordance with usual commercial practice.

- (2) For purposes of this item, "support agreement" includes an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.
- (3) No disclosure need be made under this item of indebtedness that has been entirely repaid on or before the date of the Listing Statement.

4717. Risk Factors

17.1 ~~Describe the~~Disclose risk factors ~~material relating~~ to the Issuer that a reasonable investor would consider relevant to an investment in the Issuer and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by the Issuer, environmental and health risks, reliance on key personnel, ~~the arbitrary establishment of the offering price,~~ regulatory constraints, economic or political conditions and financial history and any other matter that in the opinion of the Issuer would be most likely to influence ~~the~~ investor's decision to purchase, hold or sell the Issuer's securities. ~~Risks should be disclosed in the order of their seriousness in the opinion of the Issuer.~~

17.2 If there is a risk that securityholders of the Issuer may become liable to make an additional contribution beyond the price of the security, disclose that risk.

17.3 Describe any risk factors material to the Issuer that a reasonable investor would consider relevant to an investment in the securities being listed and that are not otherwise described under section 17.1 or 17.2.

Instruction: Disclose risks in the order of seriousness from the most serious to the least serious. A risk factor must not be de-emphasized by including excessive caveats or conditions.

18. Promoters

Instruction: In this Part, "promoter" includes any person performing Investor Relations Activities (as defined in the CNSX Policies) for the Issuer.

18.1 For a person or company that is, or has been within the two years immediately preceding the date of the Listing Statement, a promoter of the Issuer or of a subsidiary of the Issuer, state:

- (a) the person or company's name;
- (b) the number and percentage of each class of voting securities and equity securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised;
- (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the Issuer or from a subsidiary of the Issuer, and the nature and amount of any assets, services or other consideration therefor received or to be received by the Issuer or a subsidiary of the Issuer in return; and
- (d) for an asset acquired within the two years before the date of the Listing Statement or thereafter, or to be acquired, by the Issuer or by a subsidiary of the Issuer from a promoter:
 - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,
 - (ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the Issuer, the promoter, or an associate or affiliate of the Issuer or of the promoter, and
 - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

18.2 (1) ~~If a promoter or past promoter referred to in paragraph (1) has been~~section 18.1 is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or promoter, or chief financial officer of any person or company during the 10 years ending on the date of Listing Statement, that that:

- a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or

- b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer,

state the fact and describe the basis on which the order was made and whether the order is still in effect.

- (2) For the purposes of section 18.2 (1), "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) (a) — was the subject of a cease trade or similar order, or an order that denied the relevant person or company access to any exemptionexemption under Ontario securities law, legislation, that was in effect for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or,

- (3) If a promoter referred to in section 18.2 (1):

- (b) a)is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or beenwas subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

18.3 ~~Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter or past promoter referred to in paragraph (1) has~~

- (a) ~~been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or~~
- (b) ~~been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.18.4 — If a promoter or past promoter referred to in paragraph (1), or a personal holding company of such promoter, has, within the 10 years before the date of the Listing Statementthereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or beenbecome subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officerpromoter, state the fact.~~

- (4) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in section 18.2(1) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

- (5) Despite section 18.2(4), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

Instruction: *The disclosure required by sections 18.2(2), 18.2(4) and 18.2(5) also applies to any personal holding companies of any of the persons referred to in sections 18.2(2), 18.2(4), and 18.2(5).*

1. A management cease trade order which applies to a promoter referred to in section 18.1 is an “order” for the purposes of section 18.2(2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.

2. For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a “penalty or sanction”. The disclosure in section 18.2(2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The Issuer does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued

19. Legal Proceedings

19.1 Describe any legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter and any such proceedings known to the Issuer to be contemplated, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Instruction: No information need be given with respect to any proceeding that involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10 per cent of the current assets of the Issuer and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the amount involved in the other proceedings shall be included in computing the percentage.

19.2 Regulatory actions - Describe any:

- (a) penalties or sanctions imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof;
- (b) other penalties or sanctions imposed by a court or regulatory body against the Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and
- (c) settlement agreements the Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

20. Interest of Management and Others in Material Transactions

20.1 Describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer:

- (a) (a) — any director or executive officer of the Issuer;
- (b) — a security holder disclosed in the Listing Statement as a principal shareholder.
- (b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of your outstanding voting securities; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs 4(a) or 2.(b).

Instruction:

- (1) The materiality of an interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to investors.
- (2) Give a brief description of the material transaction. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to the Issuer.

- (3) For any transaction involving the purchase of assets by or sale of assets to the Issuer or a subsidiary of the Issuer, state the cost of the assets to the purchaser, and the cost of the assets to the seller if acquired by the seller within three years before the transaction.
- (4) This item does not apply to any interest arising from the ownership of securities of the Issuer if the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.
- (5) Information must be included as to any material underwriting discounts or commissions upon the sale of securities by the Issuer if any of the specified persons or companies were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.
- (6) No information need be given in answer to this item as to a transaction, or an interest in a transaction, if
 - (a) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;
 - (b) the interest of a specified person or company in the transaction is solely that of a director of another company that is a party to the transaction;
 - (c) the transaction involves services as a bank or other depository of funds, a transfer agent, registrar, trustee under a trust indenture or other similar services; or
 - (d) the transaction does not involve remuneration for services and the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of equity securities of another company that is party to the transaction and the transaction is in the ordinary course of business of the Issuer or its subsidiaries.
- (7) Describe all transactions not excluded above that involve remuneration (including an issuance of securities), directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of equity securities of another company furnishing the services to the Issuer or its subsidiaries.

21. Auditors, Transfer Agents and Registrars

- 21.1 State the name and address of the auditor of the Issuer.
- 21.2 ~~State the names of the Issuer's transfer agent(s) and registrar(s) and the location (by municipalities) of the register(s) of transfers of that class of shares.~~
- 21.2 For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the Issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the Issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

22. Material Contracts

- 22.1 Give particulars of every material contract, other than contracts entered into in the ordinary course of business, that was entered into within the two years before the date of Listing Statement by the Issuer or a subsidiary of the Issuer.

Instructions:

Instruction:

- (1) The term "material contract" for this purpose means a contract that can reasonably be regarded as material to a proposed investor in the securities being ~~distributed~~listed and may in some circumstances include contracts with a person or company providing the Issuer with promotional or investor relations services.
- (2) Set out a complete list of all material contracts, indicating those that are disclosed elsewhere in Listing Statement and provide particulars about those material contracts for which particulars are not given elsewhere in the Listing Statement.
- (3) Particulars of contracts should include the dates of, parties to, consideration provided for in, and general nature of, the contracts.

22.2 If applicable, attach a copy of any co-tenancy, unitholders' or limited partnership agreement.

23 Interest of Experts

23.1 Disclose all direct or indirect interests in the property of the Issuer or of a Related Person of the Issuer received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

23.2 Disclose the beneficial ownership, direct or indirect, by a person or company referred to in ~~Item~~section 23.1 of any securities of the issuer~~Issuer~~ or any Related Person of the issuer~~Issuer~~.

23.3 For the purpose of ~~Item~~section 23.2, if the ownership is less than one per cent, a general statement to that effect shall be sufficient.

23.4 If a person, or a director, officer or employee of a person or company referred to in ~~Item~~section 23.1 is or is expected to be elected, appointed or employed as a director, officer or employee of the issuer~~Issuer~~ or of any associate or affiliate of the issuer~~Issuer~~, disclose the fact or expectation.

24. Other Material Facts

24.1 Give particulars of any material facts about the Issuer and its securities ~~that~~that are not disclosed under the preceding items and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its ~~securities~~securities.

25. Financial Statements

25.1 Provide the following audited financial statement for the Issuer:

(a) ~~(a) ————~~ Copies of all financial statements including the auditor's reports required to be prepared and filed under applicable securities legislation for the preceding three years as if the issuer~~Issuer~~ were subject to such law; and

(b) a copy of financial statements for any completed interim period of the current fiscal year.

25.2 For Issuers re-qualifying for listing following a fundamental change provide

(a) the information required in ~~Items~~sections 5.1 to 5.3 for the target;

(b) financial statement for the target prepared in accordance with the requirements of ~~Parts 4,5,6,7-8 and 9 of OSC Rule 41-501~~National Instrument 41-101 General Prospectus Requirements as if the target were the Issuer;

(c) pro-forma consolidated financial statements for the New Issuer giving effect to the transaction for:

(i) the last full fiscal year of the Issuer, and

(ii) any completed interim period of the current fiscal year.

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on CNSX. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at _____

this _____ day of _____, _____.

Chief Executive Officer

Chief Financial Officer

Promoter (if applicable)

Director

Director

[print or type names beneath signatures]

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the target). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at _____

this _____ day of _____, _____.

Chief Executive Officer

Chief Financial Officer

Promoter (if applicable)

Director

Director

[print or type names beneath signatures]

APPENDIX A: MINERAL PROJECTS

(1) Property Description and Location – Describe:

- (a) the area (in hectares or other appropriate units) and location of the property;
- (b) the nature and extent of the Issuer's title to or interest in the property, including surface rights, obligations that must be met to retain the property and the expiration date of claims, licences and other property tenure rights;
- (c) the terms of any royalties, overrides, back-in rights, payments or other agreements and encumbrances to which the property is subject;
- (d) all environmental liabilities to which the property is subject;
- (e) the location of all known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailings ponds, waste deposits and important natural features and improvements; and
- (f) to the extent known, the permits that must be acquired to conduct the work proposed for the property and whether permits have been obtained;

(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography – Describe:

- (a) the means of access to the property;
- (b) the proximity of the property to a population centre and the nature of transport;
- (c) to the extent relevant to the mining project, the climate and length of the operating season;
- (d) the sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pads areas and potential processing plant sites; and
- (e) the topography, elevation and vegetation;

(3) History - Describe:

- (a) the prior ownership of the property and ownership changes and the type, amount, quantity and results of the exploration work undertaken by previous owners, and any previous production on the property, to the extent known;
- (b) if a property was acquired within the three most recently completed financial years of the Issuer or during its current financial year from, or is intended to be acquired by the Issuer from, an insider or promoter of the Issuer or an associate or affiliate of an insider or promoter, the name and address of the vendor, the relationship of the vendor to the Issuer, and the consideration paid or intended to be paid to the vendor; and
- (c) to the extent known, the name of every person or company that has received or is expected to receive a greater than five per cent interest in the consideration received or to be received by the vendor referred to in subparagraph (b).

(4) Geological Setting — The regional, local and property geology.

(5) Exploration Information — The nature and extent of all exploration work conducted by, or on behalf of, the Issuer on the property, including:

- (a) the results of all surveys and investigations and the procedures and parameters relating to surveys and investigations;
- (b) an interpretation of the exploration information;
- (c) whether the surveys and investigations have been carried out by the Issuer or a contractor and if by a contractor, identifying the contractor; and
- (d) a discussion of the reliability or uncertainty of the data obtained in the program.

SRO Notices and Disciplinary Proceedings

- (6) Mineralization — The mineralization encountered on the property, the surrounding rock types and relevant geological controls, detailing length, width, depth and continuity together with a description of the type, character and distribution of the mineralization.
- (7) Drilling — The type and extent of drilling including the procedures followed and an interpretation of all results.
- (8) Sampling and Analysis — The sampling and assaying including:
- (a) a description of sampling methods and the location, number, type, nature, spacing and density of samples collected;
 - (b) identification of any drilling, sampling or recovery factors that could materially impact the accuracy or reliability of the results;
 - (c) a discussion of sample quality and whether the samples are representative of any factors that may have resulted in sample biases;
 - (d) rock types, geological controls, widths of mineralized zones, cut-off grades and other parameters used to establish the sampling interval; and
 - (e) quality control measures and data verification procedures.
- (9) Security of Samples — The measures taken to ensure the validity and integrity of samples taken.
- (10) Mineral Resources and Mineral Reserves — The mineral resources and mineral reserves, if any, including:
- (a) the quantity and grade or quality of each category of mineral resources and mineral reserves;
 - (b) the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves; and
 - (c) the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues.
- (11) Mining Operations — For development properties and production properties, the mining method, metallurgical process, production forecast, markets, contracts for sale of products, environmental conditions, taxes, mine life and expected payback period of capital.
- (12) Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

Instructions:

- (1) Disclosure regarding mineral exploration development or production activities on material properties is required to comply with National Instrument 43-101, including the use of the appropriate terminology to describe mineral reserves and mineral resources.
- (2) Disclosure is required for each property material to the Issuer. Materiality is to be determined in the context of the Issuer's overall business and financial condition, taking into account quantitative and qualitative factors. A property will not generally be considered material to an Issuer if the book value of the property as reflected in the Issuer's most recently filed financial statements or the value of the consideration paid or to be paid (including exploration obligations) is less than 10 per cent of the book value of the total of the Issuer's mineral properties and related plant and equipment.
- (3) The information required under these items is required to be based upon a technical report or other information prepared by or under the supervision of a qualified person, as that term is defined in National Instrument 43-101.
- (4) In giving the information required under these items, include the nature of ownership interests, such as fee interests, leasehold interests, royalty interests and any other types and variations of ownership interests.

APPENDIX B: OIL AND GAS PROJECTS

1. Drilling Activity — The number of wells the Issuer has drilled or has participated in drilling, the number of these wells that were completed as oil wells and gas wells that are capable of production, each stated separately, and the number of dry holes, expressed in each case as gross and net wells, during each of the two most recently completed financial years of the Issuer.
2. Location of Production — The geographical areas of the Issuer's production, the groups of oil and gas properties, the individual oil and gas properties and the plants, facilities and installations that, in each case, are owned or leased by the Issuer and are material to the Issuer's operations or exploratory activities.
3. Location of Wells — The location, stated separately for oil wells and gas wells, by jurisdiction, if in Canada, by state, if in the United States, and by country otherwise, of producing wells and wells capable of producing, in which the Issuer has an interest and which are material, with the interest expressed in terms of gross and net wells.
4. Interest in Material Properties — For interests in material properties to which no proved reserves have been attributed, the gross acreage in which the Issuer has an interest and the net interest of the Issuer, and the location of acreage by geographical area.
5. Reserve Estimates — To the extent material, estimated reserve volumes and discounted cash flow from such reserves, stated separately by country and by categories and types that conform to the classifications, definitions and disclosure requirements of National Instrument 51-101 or any successor instrument, on both a gross and net basis as at the most recent financial year end, including information on royalties.
6. Source of Reserve Estimates — The source of the reserve estimates and whether the reserve estimates have been prepared by the Issuer or by independent engineers or other qualified independent persons and any other information relating to reserve estimates required to be disclosed in a prospectus by any successor instrument to National Instrument 51-101.
7. Reconciliation of Reserves — A reconciliation of the reserve volumes by categories and types that conform to the classifications, definitions and disclosure requirements of National Instrument 51-101 or any successor instrument, as at the financial year end immediately preceding the most recently completed financial year to the reserve volume information furnished under paragraph 5, with the effects of production, acquisitions, dispositions, discoveries and revision of estimates shown separately, if material.
8. Production History — For each quarter of the most recently completed financial year of the Issuer, with comparative data for the same periods in the preceding financial year.
9. If your company is engaged in oil and gas activities as defined in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, disclose the following information:
 - (a) Reserves Data and Other Information —
 - (i) In the case of information that, for purposes of Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information, is to be prepared as at the end of a financial year, disclose that information as at your company's most recently completed financial year-end;
 - (ii) In the case of information that, for purposes of Form 51-101F1, is to be prepared for a financial year, disclose that information for your company's most recently completed financial year; and
 - (iii) To the extent not reflected in the information disclosed in response to paragraphs (i) and (ii), disclose the information contemplated by Part 6 of National Instrument 51-101 in respect of material changes that occurred after your company's most recently completed financial year-end.
 - (b) Report of Independent Qualified Reserves Evaluator or Auditor - Include with the disclosure under subsection (a) a report in the form of Form 51-101F2 Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor, on the reserves data included in the disclosure required under paragraphs (a)(i) and (a)(ii) above.
 - (c) Report of Management - Include with the disclosure under subsection (a) a report in the form of Form 51-101F3 Report of Management and Directors on Oil and Gas Disclosure that refers to the information disclosed under subsection (a).

- (d) the average daily production volume, before deduction of royalties, of
 - (i) conventional crude oil,
 - (ii) natural gas liquids, and
 - (iii) natural gas;
- (e) the following on a per barrel basis for conventional crude oil and natural gas liquids and on a per thousand cubic feet basis for natural gas
 - (i) the average net product prices received,
 - (ii) royalties,
 - (iii) operating expenses, specifying the particular items included, and
 - (iv) netback received;
- (f) the average net product price received for the following, if the Issuer's production of the following is material to the Issuer's overall production,
 - (i) light and medium conventional crude oil,
 - (ii) heavy conventional crude oil, and
 - (ii) synthetic crude oil; and
- (g) the dollar amounts expended on
 - (i) property acquisition,
 - (ii) exploration, including drilling, and
 - (iii) development, including facilities.

10. Future Commitments — A description of the Issuer's future material commitments to buy, sell, exchange or transport oil or gas, stating for each commitment separately

- (a) the aggregate price;
- (b) the price per unit;
- (c) the volume to be purchased, sold, exchanged or transported; and
- (d) the term of the commitment.

11. Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

Instruction: The information required under this item shall be derived from or supported by information obtained from a report prepared in accordance with the provisions of National Instrument 51-101 or any successor instrument.

FORM 2B

LISTING SUMMARY

Issuer Name:			Listing Statement Date:			
Descriptions of securities to be listed:						
Address:			Brief Description of the Issuer's Business:			
Company Contact:			Description of securities outstanding			
Phone:			Symbol	Type	Number	CUSIP
Fax:			If the Listing Statement was required to be filed because an event giving rise to material information has occurred that makes the previous Statement inaccurate or misleading, briefly describe the event:			
E-mail:			Dates of Press Release and Any Public Filings Concerning the Event:			
Jurisdiction of Incorporation:			Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled):			
Website:						
Fiscal Year End:						
Financial Information as at : [Date]			Board of Directors:			
	[Current]	[Previous]	Name		Position	
Current Assets	\$	\$				
Working Capital	\$	\$				
Total assets	\$	\$				
Long-term liabilities						
Shareholders' equity	\$	\$				

FORM 2B

LISTING SUMMARY

Issuer Name:			Listing Statement Date:			
<u>Descriptions of securities to be listed:</u>						
Address:			Brief Description of the Issuer's Business:			
Company Contact:			<u>Securities</u> <u>Description of securities</u> outstanding			
Phone:			Symbol	Type	Number	CUSIP
Fax:			If the Listing Statement was required to be filed because an event giving rise to material information has occurred that makes the previous Statement inaccurate or misleading, briefly describe the event:			
E-mail:			Dates of Press Release and Any Public Filings Concerning the Event:			
Jurisdiction of Incorporation:			Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled):			
Website:						
Fiscal Year End:						
Financial Information as at : [Date]			Board of Directors:			
	<u>[Current]</u>	<u>[Previous]</u>	Name		Position	
Current Assets	\$	\$				
Working Capital	\$	\$				
Total assets	\$	\$				
Long-term liabilities						
Shareholders' equity	\$	\$				

FORM 4

LISTING AGREEMENT

IN CONSIDERATION of the listing of the securities referred to in the Issuer's Listing Statement or in consideration of the subsequent listing of all other securities, the undersigned (hereinafter called the "Issuer") hereby agrees with Canadian National Stock Exchange (hereinafter called "CNSX") that:

1. The Issuer shall, and shall cause its Related Persons, employees, agents, and consultants to comply, be bound by and observe all existing regulations, by-laws, rules and policies of CNSX and all amendments and additions which may hereafter be made thereto and all applicable legal requirements including, but not limited to, those of its incorporating statutes, all laws, rules, regulations, policies, notices and interpretation notes, discussions, annals and directives of all securities regulatory authorities having jurisdiction over the Issuer and with all other laws, rules and regulations applicable to its business or undertaking.
2. Without limiting the generality of paragraph 1 hereof the Issuer shall:
 - (a) furnish to CNSX or the CNSX Market Regulator, at any time upon demand, all such material information or documentation concerning the Issuer as CNSX may require;
 - (b) not issue any securities without making the requisite postings required by the CNSX Policies;
 - (c) maintain transfer and registration facilities where all listed securities shall be directly transferable and registrable, and no fee shall be charged for the transfer and registration of such securities (other than government stock transfer taxes);
 - (d) have on hand a sufficient supply of certificates to meet demand for the transfer of share certificates, such certificates to be in accordance with CNSX specifications, unless the class of securities is entirely book-based;
 - (e) post all forms, notices, particulars, reports, statements and information required by the CNSX Policies or otherwise by CNSX, in such detail and form, as CNSX may from time to time demand;
 - (f) make prompt public disclosure of any material information, whether favourable or unfavourable, in accordance with CNSX's Policies; and
 - (g) pay, when due, all applicable fees established by CNSX.
3. The Issuer acknowledges that CNSX shall have the right, at any time, to halt or suspend listing in any securities of the Issuer with or without notice and with or without giving any reason for such action, or to disqualify such securities for quotation in accordance with CNSX's Policies;
4. CNSX, at the Issuer's cost, may obtain independent advice or consulting services with respect to any matter relating to the Issuer provided that CNSX has first afforded the Issuer the opportunity to satisfy the particular filing requirements of CNSX with respect to such matter. The Issuer hereby agrees to fully reimburse and indemnify CNSX for all such expenses, costs and fees incurred by CNSX.
5. The Issuer submits to the jurisdiction of CNSX and the Market Regulator, including without limitation, CNSX's and the Market Regulator's regulation, investigation and enforcement jurisdiction.
6. The Issuer acknowledges that CNSX may collect such personal information about the Related Persons of the Issuer as it may require and, notwithstanding the qualification for listing of its securities, the Issuer agrees that either (i) it will remove, or cause the resignation of or termination of the contract of, any Related Person which CNSX determines is not suitable; or (ii) CNSX may immediately disqualify for quotation the Issuer's securities.
7. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflicts of law rules.
8. Terms defined in the CNSX Policies are incorporated by reference into this Agreement.

Signed at _____ on the _____ day of _____, _____.

Name of Company

SRO Notices and Disciplinary Proceedings

Signing Officer

Office Held

Signing Officer

Office Held

Signature

Signature

FORM 4

LISTING AGREEMENT

IN CONSIDERATION of the listing of the securities referred to in the Issuer's Listing Statement or in consideration of the subsequent listing of all other securities, the undersigned (hereinafter called the "Issuer") hereby agrees with Canadian National Stock Exchange (hereinafter called "CNSX") that:

1. The Issuer shall, and shall cause its Related Persons, employees, agents, and consultants to comply, be bound by and observe all existing regulations, by-laws, rules and policies of CNSX and all amendments and additions which may hereafter be made thereto and all applicable legal requirements including, but not limited to, those of its incorporating statutes, all laws, rules, regulations, policies, notices and interpretation notes, discussions, annals and directives of all securities regulatory authorities having jurisdiction over the Issuer and with all other laws, rules and regulations applicable to its business or undertaking.
2. Without limiting the generality of paragraph 1 hereof the Issuer shall:
 - (a) furnish to CNSX or the CNSX Market Regulator, at any time upon demand, all such material information or documentation concerning the Issuer as CNSX may require;
 - (b) not issue any securities without making the requisite postings required by the CNSX Policies;
 - (c) maintain transfer and registration facilities ~~in the City of Toronto~~ where all listed securities shall be directly transferable and registrable, and no fee shall be charged for the transfer and registration of such securities (other than government stock transfer taxes);
 - (d) have on hand a sufficient supply of certificates to meet demand for the transfer of share certificates, such certificates to be in accordance with CNSX specifications, unless the class of securities is entirely book-based;
 - (e) post all forms, notices, particulars, reports, statements and information required by the CNSX Policies or otherwise by CNSX, in such detail and form, as CNSX may from time to time demand;
 - (e) make prompt public disclosure of any material information, whether favourable or unfavourable, in accordance with CNSX's Policies; and
 - (f) pay, when due, all applicable fees established by CNSX.
3. The Issuer acknowledges that CNSX shall have the right, at any time, to halt or suspend listing in any securities of the Issuer with or without notice and with or without giving any reason for such action, or to disqualify such securities for quotation in accordance with CNSX's Policies;
4. CNSX, at the Issuer's cost, may obtain independent advice or consulting services with respect to any matter relating to the Issuer provided that CNSX has first afforded the Issuer the opportunity to satisfy the particular filing requirements of CNSX with respect to such matter. The Issuer hereby agrees to fully reimburse and indemnify CNSX for all such expenses, costs and fees incurred by CNSX.
5. The Issuer submits to the jurisdiction of CNSX and the Market Regulator, including without limitation, CNSX's and the Market Regulator's regulation, investigation and enforcement jurisdiction.
6. The Issuer acknowledges that CNSX may collect such personal information about the Related Persons of the Issuer as it may require and, notwithstanding the qualification for listing of its securities, the Issuer agrees that either (i) it will remove, or cause the resignation of or termination of the contract of, any Related Person which CNSX determines is not suitable; or (ii) CNSX may immediately disqualify for quotation the Issuer's securities.
7. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflicts of law rules.
8. Terms defined in the CNSX Policies are incorporated by reference into this Agreement.

Signed at _____ on the _____ day of _____, _____.

SRO Notices and Disciplinary Proceedings

Name of Company

Signing Officer

Office Held

Signing Officer

Office Held

Signature

Signature