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Dear Sirs:

Re: Comments on Proposed CSE Rule and Policy Amendments (the "Proposal")

This letter represents my personal comments on the proposed CSE Rule and Policy Amendments (and not those of the firm generally or any client of the firm) and they are being submitted without prejudice to any position taken or that may be taken by me or by our firm on its own behalf or on behalf of any client.

They are categorized under the headings Major Comments and Other Comments, and in addition I attach a markup to address drafting issues.

Major Comments

1. The Proposal indicates that the CSE would determine if and when a listed company would be designated as an NV Issuer. In fact, p. 17 states that the "NV designation will be assigned by the Exchange and is not optional", as well as referring to the CSE's "sole discretion" to make such a designation. I believe that this is fundamentally inappropriate, and that a listed issuer should be required to concur in any such designation and the timing thereof, and preferably should have to apply for such listing. There are a number of reasons for this. Firstly, such a change could have substantial consequences from a cost and human resources perspective, both at the company level and at the level of its auditors and legal and other advisers (including the need to certify internal controls and disclosure controls, the acceleration of time frames to file financial statements and MD&A, the need for an AIF, likely higher CSE listing fees, audit committee composition requirements, executive compensation disclosure requirements, corporate governance disclosure requirements, etc.). Secondly, a listed company may have chosen the CSE specifically due to its venture exchange status for any number of reasons, and its choice should not be over-ridden without its consent.

   In addition, if as the Proposal suggests the CSE will seek to have the CSA alter the definition of the term venture issuer to exclude NV Issuers, this could have other significant consequences, including among others a change in what constitutes a significant acquisition as well as related filing deadlines. The result of this could be that a subsequent prospectus

offering or merger could suddenly require historical financial statements that could be difficult or impossible to provide.

2. The Proposal indicates that under proposed section 1.3 regarding restricted securities the CSE "will generally object to the distribution of Superior Voting Shares of a Listed Issuer that is not an NV Issuer". Given that many current CSE listed issuers have dual or multiple class share structures, I believe that this approach should be reconsidered.

3. The Proposal indicates that shareholder approval would be required where an NV Issuer proposed to issue greater than 5% of its outstanding shares in connection with an asset acquisition where a related party has a 10% of greater interest in the assets to be acquired. This raises a number of issues, including:

   a. Would it apply to share acquisitions and/or mergers or only to asset acquisitions?
   b. The 5% threshold seems low, given the 10% level in TSX Rule 604(a)(ii).
   c. Many CSE listed issuers have exchangeable share structures given their US business focus, so the 5% test should be based on a diluted number rather than an outstanding number of shares so as to appropriately reflect the economic impact of the acquisition.

4. As noted above, many CSE listed issuers have exchangeable share structures given their US business focus, so all of the tests that are related to issued and outstanding shares being determined on a non-diluted basis (including in the definitions of "Change of Control" and "Materially Affect Control" and in proposed CSE Policies 4, s. 4.6(2)(a), s. 4.6(3)(a)(ii), s. 6.5(6), the 5% alternative NCIB test, the 2% NCIB purchase limit for non-NV issuers, and the 2% investor relations limit) should perhaps be based on a diluted number rather than an outstanding number of shares so as to appropriately reflect the economic impact of the transaction in question.

5. Many CSE listed issuers also have "compressed" or "proportional" voting share structures. This suggests that language (e.g. see the definitions of "Change of Control" and "Materially Affect Control", and see s. 4.6(1)(b), s. 6.5(6), the 5% alternative NCIB test, the 2% NCIB purchase limit for non-NV issuers, and the 2% investor relations limit) should perhaps be based on underlying votes or underlying shares, rather than numbers of securities. The proposed "Control Block Holder" and "Control Person" definitions may be more appropriate.

6. It is unclear (and no rationale whatsoever is provided) as to why a block purchase exemption will not be available to non-NV Listed Issuers engaging in normal course issuer bids under s. 6.10. In the past, under CSA rules, there has been no such limit, and it could be very important given lower levels of shareholders and liquidity.

7. Proposed Policy 6 will require, in both s. 2.5 and s. 3.1, public disclosure a minimum of 5 days prior to closing. This seems inappropriate, as it could involve a highly confidential transaction, such as for example a strategic investment or acquisition, that the parties could be very reticent to disclose prior to closing, especially in for example the US cannabis space. This could discourage third parties from financing CSE listed issuers or prevent CSE listed issuers from being able to complete sensitive acquisitions. I note that there is no TSX or NEO equivalent. MI 61-101 does have an equivalent provision in the case of related party transactions in certain circumstances, and I would propose that the CSE go no further than that.

8. There appear to be a couple of errors in the proposed SPAC rules if as indicated they are "intended to be in all material aspects the same as" those of the TSX and NEO. In particular:

   a. The "Founding Security Holders" definition should not include independent directors, who are sometime compensated with a small number of founder shares rather than cash so as to preserve cash.

b. The definition of a "Qualifying Acquisition" should be much more flexible, and incorporate the concept set forth in 2C.4(8).
c. Appendix 2A.5(4) should explicitly exclude prior SPACs from the "re-qualifying" concept.
d. The 20% cap in Appendix 2C.1(2)(c) fails to take into account the frequently used additional non-redeemable class B shares which are purchased (together with warrants) at the IPO issue price to provide working capital and pay the initial tranche of the underwriters' commissions. While sometimes warrants alone are used for this purpose, where class B shares are used the overall equity percentage will climb into the 23-24% range.
e. Re Appendix 2C.1(6)(b)(ii), the expiry date of the warrants is typically 5 years after the Qualifying Acquisition closing, so a date cannot be specified up front.
f. The TSX does not impose a $5 million limit on SPAC debt financing, just the 10% of escrowed funds limit.
g. Re Appendix 2C.1(8), the language seems wrong as it seems to require 100% of the proceeds plus the underwriter's deferred commissions to be escrowed. This is not done in practice, just an amount equal to 100% of the gross proceeds is escrowed. The risk capital from the sponsor group is used to gross up the escrow amount to cover the initial underwriting commissions and deal expenses that are deducted by the underwriters from what they raise. I note that the TSX and NEO allow for the escrowing of only 90% of the gross IPO proceeds. Appendix 2C.3(1) uses this 90% level for rights offerings, which is inconsistent with Appendix 2C.1(8), as is Appendix 2C.3(3). Appendix 2C.5(2) is similarly incorrect.
h. Appendix 2C.3(3) doesn't allow SPACs to "make Equity Securities issuable" until the Qualifying Acquisition closing. This isn't workable as they frequently plan contingent PIPE financing transactions and agree to issue shares as part of the Qualifying Acquisition itself. Also the last sentence is duplicative of Appendix 2C.2(15).
i. The last sentence of Appendix 2C.3(3) should refer to acquisitions by the SPAC. Often a target itself is completing acquisitions, but they are not made subject to SPAC shareholder approval.
j. The TSX does not require physical delivery of the prospectus but instead allows for electronic delivery (see TSX Rule 1028).
k. Appendix 2C.4(8) should clarify that if the resulting entity would be exempt under NP 46-201's escrow provisions then no escrow would be applied.

9. Proposed CSE Policy 6 would be amended in s. 2.4 to create a closing deadline of 45 days. I note that the TSX permits 135 days where shareholder approval is required by the TSX. Also, given the requirements for regulatory approvals in US cannabis businesses, it may be appropriate to explicitly allow for longer closings where regulatory approvals are required.

10. Proposed s. 4.6(3)(b) would require shareholder approval of a disposition "that is more than 50% of the assets, business or undertaking" of a listed issuer. These thresholds are very unclear. Are they intended to relate to book values (which would seem inappropriate) or fair market values (which are difficult to determine)? There is no TSX or NEO equivalent shareholder approval requirement for dispositions. At most, perhaps the CSE should refer to the well-established corporate law concept of a "sale of all or substantially all".

11. P.31 discusses a shareholder approval requirement for public offerings. This is inappropriate and would be unworkable given the time frames of public offerings, and there is no TSX or NEO equivalent.

12. P. 32 asks if CSE or shareholder approval should be required for an issuance of shares that "appears to be undertaken as a defensive tactic". There could be valid fiduciary duties for such a transaction, and I would not suggest that a firm shareholder approval requirement be baked into the CSE's policies.

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13. S. 6.3 suggests that all acquisitions involving the issuance of shares are subject to CSE approval and prior public announcement. This could lead counterparties to be very worried and discourage M&A activity with CSE listed issuers. I think it would set a dangerous precedent.

14. The identities of persons receiving shares in financings or acquisitions should not be made public, as appears to be suggested.

15. It seems that transition provisions will be needed to address transactions in progress prior to the effective date of these policy amendments, as well as previously valid evergreen security based incentive compensation plans.

16. S. 6.9(2) is not workable. A grandfathering provision will if required need to be in force from time of adoption of a poison pill, well before shareholder approval is obtained (unless the plan is in force for under 6 months, in which case shareholder approval may never be sought).

17. Halting trading because of a Fundamental Change as contemplated in s. 8.5 will almost certainly be inappropriate for an NV issuer, a substantial venture issuer with a substantial market capitalization or any issuer where the transaction is with another public company. S. 8.8 should also clarify that if the resulting issuer would be an “exempt issuer” under NP 46-201, no escrow will apply. The “as if” language may suggest otherwise.

Other Comments

1. It should be clarified in connection with rights offerings what the time is at which the Maximum Permitted Discount analysis will be applied.

2. It is unclear why the investor relations and promotional activity requirements will apply to NV Listed Issuers, especially given that the TSX has no similar requirements.

3. CSE Policy 2.12 is proposed to be amended to require the delivery of treasury orders to the CSE. I note that there is no TSX or NEO equivalent. Furthermore, the proposed contents of the treasury orders seem very detailed and unworkable. Often treasury orders apply to a class of future transactions (e.g. the exercise of warrants, stock options or exchangeable shares). It would not be possible to helpfully disclose item (v) [the balance of the issued securities following the issuance]. Item (vi) would not be feasible to disclose in connection with many transactions, including prospectus offerings, mergers with or acquisitions of public targets or private targets with many securityholders. Item (viii) would properly only apply to shares (as discussed elsewhere). Also, the hold period required by s. 6.1(4) of Policy 6 may not apply.

4. Page 9 of the comments suggest that a company will not be permitted to change its business while listed on the CSE. However, it may be essential for a company to do so if, for example, a required license could not be obtained, or a mineral resource proved too difficult to economically mine, or there were external developments that made an original business plan no longer appropriate.

5. Page 9 of the comments also suggest that the proposed amended Appendix 2A public float and distribution requirements are identical to those of NEO. I note that NEO has proposed changing its requirements in Nov. 2021, including among other reducing the minimum number of public securityholders to 150 from 300. See also p. 13.

6. Policy 8 seems very “Alice in Wonderland” like where it says that the CSE “may, in its discretion, determine that a transaction or series of transactions is … a fundamental change, notwithstanding the definition of Fundamental Change.” Such a provision can create a great deal of uncertainty in planning a transaction.

7. P. 32 asks if a share consolidation greater than 10:1 should require shareholder approval. I suggest that this should be left to corporate law.

8. Re the definition of Average Daily Trading Volume, will the CSE publish such statistics? Will it include US OTC or other markets? Will there be any exceptions as exist in the TSX definition? Similar questions arise re the definition of VWAP and perhaps it should be similarly drafted.

9. Given the possible SRO changes afoot, it is unclear why the words referring to successors are being removed from the definition of IIROC.

10. I would suggest deleting Certificates of Compliance, at least for NV Issuers. Their lack of any materiality threshold makes them generally quite difficult to work with, I note.

11. Should the definition of “Beneficial Holders” include other concepts, such as Broadridge reports, known OBOs, etc.?

12. The definition of “freely tradeable” should s exclude restrictions under US securities laws where the Listed Issuer is a ‘foreign private issuer” for US securities law purposes, as well as the “ordinary course” restrictions contained in ss. 2.5(2) (after the expiry of the 4 month period) and s. 2.6(3) of Ni 45-102.

13. The definition of “Independent Director” fails to distinguish between ss. 1.4 and 1.5 of NI 52-110. The latter is only relevant for audit committee purposes, not independence under for example NI 58-101.

14. Where the Proposal refers to “filing”, for example in the definition of NCIB, is this a confidential filing? In some cases, such as a draft NCIB filing, it should be.

15. Should the term “voting securities” be defined, as it is in the Ontario statute for example.

16. The term “Promotional Activity” should be defined in full rather than cross-referenced to the BC statute.

17. Should para (f) of the “Related Person” be limited to voting control? For example, it would seem to extend to debt securities?

18. “Evergreen plans” should be defined or described in the definition of “Security based Compensation Arrangement”. See TSX Rule 613.

19. The definition of “Significant Transaction” should include materiality, especially in clauses (a) through (e)(i) and (f) through (h) and especially for NV Issuers.

20. The amount of the fee referred to in s. 2.3(1) should be indicated.

21. The wording non-assessable in s. 2.4 is a concept that relates to shares. Some securities, for example instalment receipts, are explicitly assessable. Note the different wording re debt securities in Appendix 2B.2(3).

22. The wording re legal opinions in s. 2.6(e) and s. 2.6(f) is not workable. A legal opinion cannot practically address defaults in (i) or (iv) except if and to the extent (and in reliance upon) a governmental (or perhaps an officer's) certificate. The reference to "corporate" power and capacity in (e)(ii) and (iii) may not apply, for example to a limited partnership or trust. Also as noted above the non-assessable concept may not apply.

23. The references in 2.6(g) to good standing certificates is not workable. None of the certificates available under, for example, the OBCA, the CBCA or in connection with Ontario limited partnerships contain the language referred to, and for trusts no governmental certificates of any sort are available.

24. In s. 2.14, often some existing previously issued securities will be in registered form, rather than held in CDS.

25. In s. 2.16 the words in parentheses should perhaps refer to the entire section, rather than just to "violations of securities laws"?

26. The definition "Public Holder" in Appendix 2A.2 should perhaps cover dealers involved in the transaction and their personnel? Using the term "dealer" in the "Related Person" definition would seem overbroad as it would seem to cover all dealers.

27. The requirement in s. 4.2(5) for written position descriptions seems excessive, especially for smaller companies. Compare TSX Rule 473's "if adopted" language.

28. S. 4.6(2)(a)(iii) uses a different test than the TSX, which only looks back 6 months and tests versus market capitalization (see TSX rule 6.04(a)(ii)).

29. The meaning of s. 6.2(2)(c)(i) seems unclear in its reference to including the discount for shareholder approval purposes.

30. The materials referred to in s. 6.2(7) should not be made public. Hedge funds in particular object to their strategies being made public so could refuse to invest in CSE issuers if this was to be made public.

31. In s. 6.7(1)(b), warrants should be able to be issued as sweeteners on acquisitions or to lenders.

32. In s. 6.8(5)(a), why is this restriction present. Aren't block trades allowed? Isn't a permitted cross in (d) potentially a private agreement?

33. Does Policy 9 need to clarify when a new ISIN would be required?

34. In s. 9.3(1) should the reference to CUSIP be to an ISIN, and what is "a new Listed number"?

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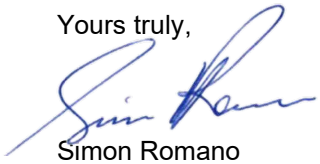
Stikeman Elliott

Thank you for the opportunity to comment. Please do not hesitate to contact me if you have any questions.

Yours truly,



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1.3 Definitions

(1) Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in these Policies that is:

a) defined in the applicable Securities Act has the meaning as ascribed therein;

b) defined in the applicable Regulation has the meaning as ascribed therein;

c) defined in subsection 1.1(3) of National Instrument 14-101 *Definitions* has the meaning ascribed to it in that subsection;

d) defined in subsection 1.1(2) of Ontario Securities Commission Rule 14- 501 *Definitions* has the meaning ascribed to it in that subsection;

e) defined or interpreted in Part 1 of National Instrument 21-101 *Marketplace Operation* has the meaning ascribed to it in that Part;

f) defined in section 1.1 of National Instrument 44-101 *Short Form Prospectus Distributions* has the meaning ascribed to it in that section;

g) defined in section 1.1 of UMIR (Universal Market Integrity Rules) has the meaning ascribed to it in that section; and

h) a reference to a requirement of the Exchange shall have the meaning ascribed to it in the applicable CSE By-law, Rule or Policy of CNSX Markets Inc.

(2) In all Policies, unless the subject matter or context otherwise requires:

"**Amendment of Warrant Terms**" means Form 13.

"**Annual Listing Statement**" means Form 5A - Annual Listing Summary or Form 51-102F2 *Annual Information Form*.

"Application Letter" means Form 1A or a letter in a format acceptable to the Exchange.

"Average Daily Trading Volume" means, with respect to a Normal Course Issuer Bid, the trading volume for a listed security on all marketplaces for the six months preceding the date of Posting of an initial Notice of Normal Course Issuer Bid [excluding any purchases made under a Normal Course Issuer Bid, all marketplace purchases by the issuer of the listed security or a Person acting jointly or in concert with the issuer, and all purchases made under section 6.10(3)(a)(ii), divided by the number of Trading Days during that period. If the securities have traded for less than six months, the trading volume on all marketplaces since the first day on which the security traded, which must be at least four weeks prior to the date of Posting of the final Notice of Normal Course Issuer Bid.

"Award" or "Grant" means an award issued pursuant to a Security Based Compensation Arrangement

"**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" means Board of Directors.

"BCSC" means British Columbia Securities Commission.

"CSE Board" means the CSE Board of Directors and includes any committee of the CSE Board to which powers have been delegated in accordance with the By-laws, Policies or Rules.

"Board Lot" means a standard trading unit as defined in UMIR.

"Builder Shares" means, except in the case of a SPAC, 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 Listed 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 Listed Issuer without a corresponding tangible benefit to the Listed Issuer.

"Bulletin" means an electronic communication from the Exchange to Dealers.

"Business Day" means any day from Monday to Friday inclusive, excluding Statutory Holidays.

"By-laws" means any By-law of the Exchange as amended and supplemented from time to time.

"Clearing Corporation" means CDS Clearing and Depository Services Inc. or such other Person as recognized as a clearing agency and which has been designated by the Exchange as an acceptable clearing agency.

"Certificate of Compliance" means the certificate of compliance which each Listed Issuer must complete and Post in Form 6.

"Change of Business" is a redeployment of the Listed Issuer's assets or resources that results in a change to the principal business without a Major Acquisition or Change of Control.

"Change of Control" means, for the purpose of a Fundamental Change, a transaction or series of transactions involving the issue or potential issue of that number of securities of a Listed Issuer that:

a) is equal to or greater than 100% of the number of Equity Securities of the Listed Issuer outstanding prior to the transaction or series of transactions (commonly referred to as a "reverse take-over"), or

b) results in new shareholders holding greater than 50% of the voting securities of the Listed Issuer, or

c) otherwise results in a change in voting control of the Listed Issuer or a substantial change of management or the Board of the Listed Issuer.

"Circular Bid" means a non-exempt Take-Over Bid or a non-exempt issuer bid made in compliance with the requirements of the applicable *Securities Act.*

"Closed End Fund" or **"CEF"** means a "non-redeemable investment fund" within the meaning of the applicable Securities Act.

"Common Shares" are Equity Securities with voting rights exercisable in all circumstances that

are not, on a per share basis, less than the voting rights attached to any other class of securities of the issuer.

"Control Block Holder" or "Control Person" means any Person or combination of Persons holding a sufficient number of any securities of a Listed Issuer or ~~a Dealer~~ to affect materially the control of that Listed Issuer ~~or Dealer~~, but any holding of any Person or combination of Persons holding more than 20% of the voting rights attached to all outstanding voting securities of a Listed Issuer ~~or Dealer~~ shall, in the absence of evidence to the contrary, be deemed to affect materially the control of that Listed Issuer ~~or Dealer~~.

"CSE", "Canadian Securities Exchange", "CNSX" and "**Exchange**" each mean CNSX Markets Inc.

"Dealer" means a participant which has applied to the Exchange for, and has been permitted by Exchange to access the Trading System, provided such access has not been terminated or suspended.

"Decision" means any decision, direction, order, ruling, guideline or other determination of the Exchange or the Market Regulator made in the administration or application of these Policies or any Rule.

"**Developments**" means any internal corporate development that constitutes Material Information concerning the Listed Issuer and may include changes to a Listed Issuer's product(s), the creation of a new product, and agreements (such as the Listed Issuer completing or failing to complete a milestone provided for in an agreement or breaching the terms of an agreement).

"Disqualify", **"Disqualification"** and **"Disqualified"** where used in relation to the Listing of an Issuer's securities means termination of the qualification of a Listed Issuer for Listing of its securities on the Exchange.

"EMI" means Listed Issuers whose directing management is largely outside Canada and whose principal active operations are outside of Canada, in regions such as Asia, Africa, South America and Eastern Europe.

"Equity Security" means a security that carries a residual right to participate in the earnings of the issuer and in its assets upon dissolution or liquidation.

"NV Issuer" means a Listed Issuer that has met the additional qualifications set out in Appendix 2A and has been identified as such by the Exchange.

"ETF" or "Exchange Traded Fund means a "mutual fund" within the meaning of the applicable *Securities Act,* the units of which are listed and are in continuous distribution.

"Exchange 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. The electronic version of the Rules and the Policies, as published on the CSE's website, shall be the definitive version

of such if the website so indicates.

"**Financial Institution**" means a financial institution regulated by the Office of the Superintendent of Financial Institutions ("OFSI"), if a foreign financial institution, regulated by a regulatory body with equivalency to OSFI and having not less than $150 million market capitalization.

"Founding Security Holders" means, with respect to a SPAC, insiders and Equity Security holders of the Listed Issuer prior to the completion of the IPO who continue to be insiders or Equity Security holders, as the case may be, immediately after the IPO.

"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.

"Fundamental Change" means a Major Acquisition accompanied or preceded by a Change of Control, or a transaction or series of transactions determined to be such by the CSE.

"Handbook" means the handbook of the Chartered Professional Accountants of Canada, as amended from time to time.

"Inactive Issuer" means a Listed Issuer that has been designated by the Exchange as having not met the continued Listing requirements as set out in Policy 2.

"Independent Director" means a director of a Board that is considered independent in accordance with National Instrument 52-110 *Audit Committees*.

"IIROC" means the Investment Industry Regulatory Organization of Canada.

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

a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Listed Issuer

   (i) to promote the sale of its products or services, or

   (ii) to raise public awareness of the Listed Issuer,

   that cannot reasonably be considered to promote the purchase, or sale of securities of the Listed Issuer;

b) activities or communications necessary to comply with

   (i) applicable securities law, or

   (ii) Exchange Requirements or the requirements of any other regulatory body having jurisdiction over the Listed 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 the Exchange.

"IPO" means an initial public offering.

"Issuer" and "Listed Issuer" both mean an issuer which has any of its securities qualified for Listing on the Exchange and, as the context requires, an issuer which has applied to have its securities qualified for Listing on the Exchange.

"Listing" means the grant of a Listing and quotation of, and permission to deal in, securities on the Exchange and "listed" and "quoted" shall be construed accordingly.

"Listing Agreement" means Form 4.

"Listing Application" means Form 1B.

"Listing Statement" means Form 2A, or a current prospectus for which a final receipt has been issued, together with all required supporting documents.

"Listing Summary" means Form 2B.

"Major Acquisition" means, with respect to Policy 8, an asset purchase (whether for cash or securities), take-over (either a formal or exempt bid), amalgamation, arrangement or other form of merger, the result of which is that for the next 12-month period at least 50% of the Listed Issuer's

a) assets or resources ~~will~~ be comprised of,

b) anticipated revenues are expected to be derived from, or

c) expenditures and management time and effort ~~will~~ be devoted to

the assets, properties businesses or other interests that are the subject of the Major Acquisition.

(valued at fair market value in the Listed Issuer's Board's view)

are expected to

"Market Regulator" means IIROC or such other Person recognized by the applicable Securities Regulatory Authority as a regulation services provider for the purposes of securities laws and which has been designated by the Exchange as an acceptable regulation services provider.

"Material Information" means any information relating to the business and affairs of an issuer that results in or would reasonably be expected to result in a significant change in the market price or value of any of the issuer's listed securities and includes a material fact or a material change.

"Materially Affect Control" means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances outlined above.

"Maximum Permitted Discount" means the discount as set out in s. 6.2(2)(a).

"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.

"Non-voting Securities" mean Restricted Securities that do not carry a right to vote or carry a right to vote only in certain circumstances as required by applicable corporate or securities law.

"Normal Course Issuer Bid" or "NCIB" means an issuer bid by a Listed Issuer for its own listed securities to be made over a 12-month period and subject to certain volume and price restrictions, specifically where the purchases over a 12-month period by the Listed Issuer or Persons acting jointly and in concert with the Listed Issuer, commencing on the date specified in the Notice of Normal Course Issuer bid, do not exceed the greater of

a) 10% of the Public Float on the date of filing of the initial Notice of Normal Course Issuer Bid with the Exchange, or

b) 5% of such class of securities issued and outstanding on the date of filing of the Notice of Normal course issuer Bid with the Exchange,

excluding purchases made under a Circular Bid.

"Notice of ETF Creation or Redemption" means Form 15.

"Notice of Formal Issuer Bid" means Form 16.

"Notice of Normal Course Issuer Bid" means Form 17A.

"Notice of Proposed Consolidation or Reclassification" means Form 12.

"Notice of Prospectus Offering" means Form 8.

"Notice of Proposed Issuance of Listed Securities" means Form 9.

"Notice of Proposed Stock Options" means Form 11.

"Notice of Proposed Transaction" means Form 10.

"Notice of Shareholder Rights Plan" means Form 14.

"Notice of Take-Over Bid" means Form 18.

"OSC" means Ontario Securities Commission.

"OSC EMI Guide" means OSC Staff Notice 51-720 - Issuer Guide for Companies Operating in Emerging Markets.

"Outside Director" means a director who is not an officer or employee of a Listed Issuer or any of its affiliates, and may or may not be an Unrelated Director.

"Permitted Investments" means, with respect to a SPAC, investments in the following: cash or in book-based securities, negotiable instruments, investments or securities which evidence: (i) obligations issued or fully guaranteed by the Government of Canada, the Government of the United States of America or any Province of Canada or State of the United States of America; (ii) demand deposits, term deposits or certificates of deposit of banks listed Schedule I or Schedule III of the Bank Act (Canada), which have an approved credit rating by an approved credit rating organization (as defined under National Instrument 45-106 - *Prospectus Exemptions*); (iii) commercial paper directly issued by Schedule I or Schedule III Banks which have an approved credit rating by an approved credit rating organization (as defined under

National Instrument 45-106 - *Prospectus Exemptions*); or (iv) call loans to and notes or bankers' acceptances issued or accepted by any depository institution described in (ii) above;

"Person" includes without limitation a company, corporation, incorporated syndicate or other incorporated organization, sole proprietorship, partnership, trust, and individual.

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

"Policy" means any Decision of the CSE Board in connection with the administration or application of these Policies.

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

"Preferred Shares" or "Preference Shares" are securities that have a preference or right over any class of equity securities.

"Principal Security Holder" means a person or company who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding securities of any class of voting securities or equity securities of the Listed Issuer.

"Promoter" means "Promoter" within the meaning of the applicable Securities Act.

"Promotional Activity" means promotional activity as defined in the *Securities Act* (British Columbia).

"Public Float" means the number of securities of the class which are issued and outstanding, less the number of securities that are pooled, escrowed or non-transferable, and less the number of securities of the class, known to the Listed Issuer after reasonable inquiry, beneficially owned, or over which control or direction is exercised by:

a) the Listed Issuer;

b) every senior officer or director of the Listed Issuer; ~~and~~ or

c) every Principal Security Holder of the Listed Issuer.

"Qualifying Acquisition" means, with respect to a SPAC, the acquisition of assets or one or more businesses by the corporation which result in the corporation meeting the Exchange's original Listing requirements set out in Policy 2,

"Quarterly Listing Statement" means Form 5Q.

"Record Date" means the date fixed as the record date for the purpose of determining shareholders of a Listed 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 a general regulation made under the applicable Securities Act.

"Related Person" means, in respect of a Listed Issuer, means a person, other than a person that is solely a bona fide lender, that, at the relevant time and after reasonable inquiry, is known

by the Listed Issuer or a director or senior officer of the Listed Issuer to be:

a) a Control Person of the Listed Issuer;

b) a person of which a person referred to in paragraph (a) is a Control Person;

c) a person of which the Listed Issuer is a Control Person;

d) a person that has

(i) beneficial ownership of, or control or direction over, directly or indirectly, or

(ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

securities of the Listed Issuer carrying more than 10% of the voting rights attached to all the Listed Issuer's outstanding voting securities,

e) a director or senior officer of

(i) the Listed Issuer, or

(ii) a person described in any other paragraph of this definition,

f) a person that manages or directs, to any substantial degree, the affairs or operations of the Listed Issuer under an agreement, arrangement or understanding between the person and the Listed Issuer, including the general partner of a Listed Issuer that is a limited partnership, but excluding a person acting under bankruptcy or insolvency law,

g) a person of which persons described in any paragraph of this definition beneficially own, in the aggregate, more than 50 per cent of the securities of any outstanding class of securities,

h) an affiliated entity of any person described in any other paragraph of this definition,

i) a Promoter of the Listed Issuer, or, where the Promoter is not an individual, an officer, director or Control Person of the Promoter; or

j) if the Listed Issuer is an investment fund, a "related party" to the investment fund determined with reference to section 2.5(1) National Instrument 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance*; and

k) such other Person as may be designated from time to time by the Exchange.

"Report of Purchase Normal Course Issuer Bid" means Form 17B.

"Restricted Securities" means Equity Securities with voting rights inferior to another class of securities and includes Non-Voting Securities, Subordinate Voting Securities and Restricted Voting Securities, but does not include Common Shares.

"Restricted Voting Securities" means Restricted Securities that carry a vote subject to a restriction on the number or percentage that may be voted by a shareholder or combination of shareholders (unless the voting restriction applies only to Persons that are non-residents or non-citizens of Canada).

"Rules" means the CSE trading rules adopted by CSE.

"Security Based Compensation Arrangement" means a compensation or incentive plan that includes:

should define

a) Stock Option plan or individual option grants for employees, insiders, consultants or service providers;

b) share purchase plans;

c) stock appreciation rights;

d) any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Listed Issuer,

and for clarity, includes evergreen plans.

Arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Listed Issuer are not Security Based Compensation Arrangements.

"Securities Act" means the *Securities Act* (Ontario) and the *Securities Act* (British Columbia).

"Securities Regulatory Authorities" means one or more of the members of the Canadian Securities Administrators.

"SEDAR" means SEDAR as defined in National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR) or any replacement filing system to SEDAR under a successor instrument.

"SEDI" means SEDI as defined in National Instrument 55-102 *System for Electronic Disclosure by Insiders* (SEDI) or any replacement filing system to SEDI under a successor instrument.

"Significant Connection to Alberta" means, with respect to a Listed Issuer, 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.

"Significant Transaction" means any corporate transaction not involving Equity Securities that constitutes Material Information concerning the Listed Issuer, including:

material

a) acquisitions,

b) dispositions,

c) option and joint venture agreements,

d) license agreements,

e) ~~any~~ transaction or series of transactions with a Related Person with an aggregate value greater than:

(i) $100,000,

(ii) 10% of the Listed Issuer's market capitalization, or

(iii) 25% of an NV Issuer's market capitalization;

f) ~~any~~ loan to a Listed Issuer other than a loan made by a Financial Institution;

g) ~~any~~ payment of bonuses, finders fees, commissions or other similar payment by a Listed Issuer; and

h) the entering into any contract (whether written or oral) for Investor Relations Activities relating to the Listed Issuer by the Listed Issuer or by any other Person of which the Listed Issuer has knowledge.

"SPAC" means a special purpose acquisition corporation.

"SPAC Builder Shares" means shares issued to the founding holders, excluding those purchased under the IPO or on the same or similar terms as the IPO at essentially the same time, on the secondary market, or by way of a rights offering of a listed SPAC.

"Statutory Holiday" means such day or days as may be designated by the CSE 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 Listed Issuer.

"Structured Products" mean securities generally issued by a Financial Institution under a base shelf prospectus and pricing supplement where an investor's return is contingent on, or highly sensitive to, changes in the value of underlying assets, indices, interest rates or cash flows. Structured Products include securities such as non-convertible notes, principal or capital protected notes, index or equity linked notes, tracker certificates and barrier certificates. CSE, in its discretion, shall determine if the securities will be considered a Structured Product.

"Subordinate Voting Securities" means Restricted Securities that carry a right to vote where there is another class of securities outstanding that carry a greater right to vote on a per-security basis.

"Superior Voting Securities" means any class of securities with greater voting rights on a per-security basis than another class of securities.

"Take-Over Bid" means an offer to purchase securities which, under applicable securities law or Exchange Requirements, must be made to all or substantially all holders of the securities.

"Trading Day" means a Business Day during which trades are executed on the Exchange.

"Trading System" means the electronic system operated by the Exchange for trading and quoting securities.

"Trading and Access Systems" includes all facilities and services provided by the Exchange to facilitate quotation and trading, including, but not limited to: the Trading System, data entry services; any other computer-based quotation and trading systems and programs, communications facilities between a system operated or maintained by the Exchange and a trading or order routing system operated or maintained by a Dealer, another market or other Person approved by the Exchange, 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 the Exchange.

"Unrelated Director" means an Outside Director who has no relationship with the Listed Issuer,

POLICY 2

QUALIFICATIONS FOR LISTING

2.1 This Policy sets out the minimum requirements that must be met as a pre- requisite to the Listing of securities on the Exchange, irrespective of Listing method.

(1) These minimum requirements are not exhaustive. The Exchange may impose additional requirements as it determines appropriate, including those taking into consideration the public interest.

The Exchange has discretion to accept or reject applications for Listing. Satisfaction of the applicable requirements may not result in approval of the Listing application.

(2) Where an application is made to list a security that is convertible into another security or backed by another security or asset, the Exchange 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 or asset. This requirement may be met where the underlying security is listed on a stock exchange.

An issuer is eligible for Listing if is not in default of any requirements of securities law in any jurisdiction in Canada and:

a) has filed and received a receipt for a preliminary prospectus and a prospectus in a jurisdiction in Canada;

b) will only list debt securities issued or guaranteed by

(i) a government in Canada that are exempt from the prospectus requirements under paragraph 2.34(2)(a) of National Instrument 45-106 *Prospectus Exemptions* ("NI 45-106") or clause 73(1)(a) of the *Securities Act* (Ontario), or

(ii) a Financial Institution that are exempt from the prospectus requirements under paragraph 2.34(2)(c) of NI 45-106 or clause 73(1)(b) of the *Securities Act* (Ontario); or

c) is a reporting issuer or the equivalent in a jurisdiction in Canada other than:

(i) solely as a result of Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets* or any similar rule that may be made by a Securities Regulatory Authority,

(ii) as a company with only a capital pool through the filing of a prospectus and has not completed a qualifying transaction as defined in the prospectus,

(iii) as a result of a business combination with a reporting issuer that was created, by way of a statutory plan of arrangement or other means, for

the purpose of providing security holder distribution or reporting issuer status to the applicant, or

(iv) having a controlling interest of its principal assets or operations through one or more special purpose entities or variable interest entities.

(3) Each Issuer submitting a Listing application must:

a) prepare and file with the Exchange a Listing Statement and prescribed documentation;

b) execute a Listing Agreement; and

c) remit the applicable Listing fees, based on the type of securities to be listed, in accordance with the Exchange's fee schedule.

The Listing of the Issuer's securities will not be completed until the Listing fees in full have been received by the Exchange.

2.2 Eligibility for Listing

(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 2A: Part A;

b) debt securities - Appendix 2B: Part A; and

c) SPACs – Appendix 2C: Part A.

should clarify amount?

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

(3) Eligibility of a particular issuer can usually be confirmed through discussions with the Exchange prior to an application. An issuer intending to apply for Listing concurrently with or immediately following the filing of a preliminary prospectus with a Securities Regulatory Authority must first receive confirmation from the Exchange that the eligibility requirements have been met by providing the information described in s. 2.3(1).

2.3 Required Documentation

(1) For the purpose of obtaining written confirmation of eligibility an issuer must submit a document with sufficient detail to determine that the eligibility requirements of the Exchange have been met or will be met prior to Listing. A draft prospectus will be accepted, provided the required information is included. For natural resource issuers, the relevant technical report is required. The Exchange will conduct a review ("Eligibility Review") and provide a confirmation of eligibility or identify any conditions to be met prior to Listing. The Eligibility Review is subject to a fee, which will be applied to the non-refundable portion of the Listing fee.

(2) In connection with an initial application for Listing, an issuer must file with the Exchange 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 2A: Part B;

b) debt securities - Appendix 2B: Part B; and

c) SPACs – Appendix 2C: Part B

2.4 Limited Liability

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

2.5 Responses and Additional Information and Documentation

The Listed Issuer must submit any additional information, documents or agreements requested by the Exchange.

2.6 Final Documentation

(1) The Exchange must receive the following documents prior to qualification for Listing:

a) one executed original of the Listing Statement dated within three Business Days of the date it is submitted to the Exchange, together with any additions or amendments to the supporting documentation previously provided as required by Appendix A to the Listing Application;

b) one original Listing Summary dated within three Business Days of the date it is submitted to the Exchange and all documents set out in the Listing Summary;

c) two executed originals of the applicable Listing Agreement;

d) three choices for a stock symbol;

e) a legal opinion that the Listed Issuer:

i. is in good standing under and not in default of applicable corporate law or other applicable laws of establishment,

ii. 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

iii. 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 Listed Issuer, enforceable against the Listed Issuer in accordance with its terms;

iv. is a reporting issuer or equivalent under the securities law of [state applicable jurisdictions] and is not in default of any requirement of any jurisdiction in which it is a reporting issuer or equivalent; or

v. if it is not a reporting issuer and is proposing to list debt securities that qualify under section 1.1 of this Policy, that the securities so qualify;

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 Listed Issuer is in good standing under and not in default of applicable corporate law or other applicable laws of

establishment.

2.7 Postings

(1) The Listed Issuer must Post the following:

a) the Listing Statement, which must also be concurrently filed on SEDAR as a filing statement, including all reports and material contracts required to be filed therewith;

b) the Listing Summary;

c) the Listing Agreement;

d) an executed Certificate of Compliance;

e) an unqualified letter from the Clearing Corporation confirming the ISIN assigned to the securities;

f) a letter from its duly appointed transfer agent indicating the date of appointment and stating that the transfer agent is ready to record security transfers and make prompt delivery of shares; and

g) If the issuer completed a financing concurrently with Listing, or to qualify for Listing, a completed Notice of Proposed Issuance of Listed Securities.

(2) All documents must be Posted in the format prescribed by the Exchange from time to time.

2.8 Posting Officer

(1) A Listed Issuer must designate at least two individuals to act as the Issuer's Posting officers ("Posting Officers"). The Posting Officers will be responsible for Posting or arranging for the Posting of all of the documents required to be Posted by the Issuer.

(2) A Listed Issuer may Post documents through the facilities of a third-party service provider.

2.9 Continuing to Qualify for Listing

(1) A Listed Issuer must meet all of the following requirements, failing which the Listed Issuer may be subject to suspension, delisting, or such other action as the Exchange may determine appropriate for the situation:

a) the Listed Issuer must be in good standing under and not in default of applicable corporate law or other applicable laws of establishment;

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

c) the Listed Issuer must be in compliance with Exchange Requirements, and the terms of the Listing Agreement;

d) the Listed Issuer must Post all required documents and information required under the Policies of the Exchange;

e) the Listed Issuer must concurrently Post all public documents submitted to SEDAR

(unless identical disclosure has not already been Posted in an Exchange-specific Form);

f) if the Issuer is required to submit PIFs for each Related Person at the time of Listing then the Listed Issuer must submit a PIF for any new Related Person of the Listed Issuer (and if any of these Persons is not an individual, a PIF 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);

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

h) a Listed Issuer with Equity Securities listed must meet the continued Listing requirements described in section 2A.1(9) of Appendix 2A of this Policy.

(2) Each Listed 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, immediately notify the Exchange and promptly make a *bona fide* application to the Alberta Securities Commission to be deemed to be a reporting issuer in Alberta (a Listed 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 security holders, 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 the Exchange 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*).

(3) Where it appears to the Exchange that a Listed Issuer making an application for Listing has a Significant Connection to Alberta, the Exchange will, as a condition of its acceptance or approval of the Listing application, require the Listed Issuer to provide evidence that it has made a *bona fide* application to the Alberta Securities Commission to become a reporting issuer in Alberta.

2.10 Suspensions

The Exchange may suspend from trading the securities of a Listed Issuer if the Exchange or the Market Regulator determines that the Listed Issuer fails to meet any requirement, or it is otherwise in the public interest to suspend trading of the securities of the Listed Issuer.

2.11 Listing in US Dollars

Securities may be traded and quoted in US dollars.

2.12 Transfer and Registration of Securities

(1) The Listed Issuer must maintain transfer and registration facilities in good standing where the securities of the Listed Issuer are directly transferable. Where certificates are issued, they must name the cities where they are transferable and must be interchangeably transferable and identical in colour and form with each other.

not defined - US

(2) **Treasury Orders**

(a) Every Listed Issuer must require that its transfer agent provide to the Exchange, within five business days following the issuance of any securities, a copy of the applicable treasury order.

(b) Each treasury order and reservation order submitted to the Listed Issuer's transfer agent must contain the following information:

(i) the date of the treasury order;

(ii) the name and municipality of the transfer agent;

(iii) full particulars of the number and type of securities being issued or reserved for issuance;

(iv) the issue price per security or the deemed issue price;

(v) the balance of issued securities of the Listed Issuer following the issuance;

(vi) the names and addresses of all parties to whom the securities are being issued or are reserved for issuance;

(vii) the date of the Exchange acceptance, if applicable, of the issuance of such securities;

(viii) confirmation that the Issuer has received full payment for the securities and that the securities are validly issued as fully paid and non-assessable;

(ix) instructions that the wording of any legend required by applicable Securities Laws or by s. 6.1(4) of Policy 6 be imprinted on the face of the certificate (or if the face of the certificate has insufficient space, on the back of the certificate with a reference on the face of the certificate to the legend); and

(x) a legend describing the hold period required by s 6.1(4) of Policy 6.

(c) Every treasury order must be signed by at least two directors or senior officers of the Issuer. The names and titles of each signatory must be printed beneath their respective signatures.

2.13 Share Certificates

(1) Certificates must bear a valid ISIN number.

(2) Certificates must conform with the requirements of the corporate and securities law applicable to the Listed Issuer.

(3) The foregoing requirements, except for a valid ISIN, do not apply to a completely uncertificated issue that complies with the requirements of the Clearing Corporation.

APPENDIX 2A: Equity Securities

For the purposes of this Appendix, Equity Securities include any securities that are convertible into Equity Securities. Appendix 2A does not apply to Special Purpose Acquisition Corporations

PART A: Eligibility for Listing

2A.1 GENERAL

In addition to meeting the minimum Listing requirements at the time of Listing, an issuer meeting the NV Issuer requirements set out in this Appendix 2A may be considered by the Exchange to be an NV Issuer.

(1) **Business Development Prior to Listing**

The qualifications for Listing are intended to allow for early-stage businesses that are well managed and are adequately financed with clearly stated objectives. An issuer that appears to be a shell company or a blind pool company with little or no operating history, a limited history of financing, or minimal expenditures to develop the business or proposed business in which it operates or intends to operate may be considered ineligible for Listing. In such cases the Exchange will also consider the relevant experience of the Board and senior management of the issuer. Listing expenses or fees for professional services associated with Listing do not qualify as business development expenditures.

(2) **Pursuit of Objectives and Milestones**

The comprehensive disclosure provided in a Listing Statement describes the business objectives and milestones of a Listed Issuer and how available funds and management effort will be spent to achieve those objectives or reach those milestones. An issuer that has applied and been granted a Listing based on the disclosure in a Listing Statement should diligently pursue those objectives or engage in the business activities described in that disclosure.

of the class to be listed

2A.2 Float and Distribution

For the purposes of Policy 2, a "Public Holder" is any security holder other than: a Related Person, an employee of a Related Person of a Listed Issuer or any Person or group of Persons acting jointly or in concert holding:

a) more than 10% of the issued and outstanding securities of the class to be listed; or

b) securities convertible or exchangeable into the listed Equity Security and would, on conversion or exchange, hold more than 10% of the issued and outstanding securities.

(1) Minimum Float

a) An issuer of Equity Securities must have a Public Float of at least 500,000 Freely Tradeable shares 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.

b) NV Issuer - A Listed Issuer must have: (i) a Public Float of at least 1,000,000 Freely Tradeable and (ii) at least 300 Public Holders each holding at least a Board Lot.

c) Closed End Funds, ETFs and Structured Products must meet the minimum float requirements for an NV Issuer.

(2) The Exchange may not consider as part of the Public Float any shares that were obtained in a distribution that was primarily effected as a gift or through an arrangement primarily designed for the purpose of meeting the minimum float distribution requirement. The minimum float distribution requirement will not be met if a significant number of the Public security holders:

a) did not purchase the shares directly or receive the shares in exchange for previously purchased shares of another issuer; or

b) hold the minimum number of shares described in s. 2A.2(1) above.

2A.3 Restricted Securities

This section is applicable to Listed Issuers with outstanding listed Restricted Securities or those intending to list Restricted Securities. Restricted share structures may not be appropriate for all Listed Issuers. Details of a proposed issuance of Superior Voting Securities should be provided to the Exchange in advance of the Listed Issuer seeking security-holder approval.

(1) Restricted Securities

a) A Listed Issuer's constating documents must clearly designate and identify any securities that are Restricted Securities. Such securities will be identified by the Exchange as Restricted Securities in market data displays prepared for the financial media.

b) A class of shares may not be designated or identified in any Listed Issuer's constating documents or other communication as 'common' unless the shares are Common Shares and there are no Superior Voting Securities.

c) A class of shares may not be designated or identified in any Listed Issuer's constating documents or other communication as 'preference' or 'preferred' securities unless the shares are Preference Shares.

d) A Listed Issuer's constating documents must provide Restricted Security holders the same right to receive notice of, attend and speak at all shareholder meetings as holders of any Superior Voting Securities and to receive all disclosure documents and other information sent to holders of any Superior Voting Securities.

e) A Listed Issuer with outstanding listed Restricted Securities or those intending to list Restricted Securities must include in its Listing Statement the disclosure required by Part 2 of OSC Rule 56-501 *Restricted Shares*.

(2) Coattail Provisions

a) Coattail provisions are intended to ensure that holders of Restricted Securities are able to participate in a Take-Over Bid together with holders of Superior Voting Securities, proportionate to their equity interests in the Listed Issuer. The Exchange may intervene in a transaction that has been structured to circumvent the coattail provisions.

(e) Policy 6;

(f) Policy 9; and

(g) Applicable listing fees and forms.

Until completion of a Qualifying Acquisition, a SPAC may only issue and make Equity Securities issuable in accordance with Sections 2C.3(1) and (2) of this Appendix. Security Based Compensation Arrangements may not be adopted until completion of a Qualifying Acquisition.

2C.4 Completion of a Qualifying Acquisition

Permitted Time for Completion of a Qualifying Acquisition

(1) A SPAC must complete a Qualifying Acquisition within 36 months of the date of closing of the distribution under its IPO prospectus or complete a liquidation distribution pursuant to 2C.5. Where the Qualifying Acquisition is comprised of more than one acquisition, the SPAC must complete each of the acquisitions comprising the Qualifying Acquisition within 36 months of the date of closing of the distribution under its IPO prospectus, in addition to meeting the requirements of Section 2C.4(2).

Value of a Qualifying Acquisition

(2) The businesses or assets forming the Qualifying Acquisition must have an aggregate fair market value equal to at least 80% of the aggregate amount then on deposit in the escrow account, excluding deferred underwriting commissions held in escrow and any taxes payable on the income earned on the escrowed funds. Where the Qualifying Acquisition is comprised of more than one acquisition, and the multiple acquisitions are required to satisfy the aggregate fair market value of a Qualifying Acquisition, these acquisitions must close concurrently and within the time frame in Section 2C.4(1).

Approvals

(3) The Qualifying Acquisition must be approved by:

(a) a majority of directors unrelated to the Qualifying Acquisition; and

(b) a majority of the votes cast by shareholders of the SPAC at a meeting duly called for that purpose.

Shareholder approval of the Qualifying Acquisition is not required where the Listed Issuer has placed 100% of the gross proceeds raised in its IPO and any additional equity raised pursuant to Section 2C.3(1) in escrow in accordance with Section 2C.2(8). The shareholder approval requirements set out in Sections 8.6 and 8.9 of Policy 8 will not apply to transactions concurrently effected with the Qualifying Acquisition, provided that they are disclosed in the prospectus for the resulting issuer and shareholder approval is not otherwise required for the Qualifying Acquisition. Where the Qualifying Acquisition is comprised of more than one acquisition, each acquisition must be approved.

(4) The IPO prospectus must disclose whether shareholder approval will be required as a condition of the completion of the Qualifying Acquisition and the shareholders entitled to vote upon the matter. If a Qualifying Acquisition is subject to shareholder approval, the Listed Issuer must prepare an information circular containing disclosure of the resulting issuer assuming completion of the Qualifying Acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.

(5) The Listed Issuer may impose additional conditions on the completion of a Qualifying Acquisition, provided that the conditions are described in the prospectus or information circular describing the Qualifying Acquisition. For example, a SPAC may impose a condition not to proceed with a proposed Qualifying Acquisition if more than a pre-determined percentage of public shareholders exercise their redemption rights.

(6) In accordance with Section C2.6, holders of shares other than SPAC Builder Shares must be entitled to redeem their shares for their pro rata portion of the escrowed funds in the event that the Qualifying Acquisition is completed. Subject to applicable laws, shareholders who exercise their redemption rights shall be paid within 30 calendar days of completion of the Qualifying Acquisition and such redeemed shares shall be cancelled.

Prospectus Requirement for Qualifying Acquisition

(7) A prospectus must be filed containing disclosure regarding the SPAC and its proposed Qualifying Acquisition with the Securities Regulatory Authority in each jurisdiction in which the SPAC and the resulting issuer is, and will be, a reporting issuer assuming completion of the Qualifying Acquisition and, if applicable, in the jurisdiction in which the head office of the resulting issuer assuming completion of the Qualifying Acquisition is located in Canada. Completion of the Qualifying Acquisition without a receipt for the final prospectus will result in the delisting from the Exchange.

If a Qualifying Acquisition is subject to shareholder approval, the SPAC must obtain a receipt for its final prospectus from the applicable Securities Regulatory Authorities prior to mailing the information circular described in Section 2C.4(4).

If a Qualifying Acquisition is not subject to shareholder approval, the SPAC must: (i) mail a notice of redemption to shareholders and make its final prospectus publicly available on its website at least 21 days prior to the deadline for redemption; and (ii) send by prepaid mail or otherwise physically deliver the prospectus to shareholders no later than midnight (Toronto time) on the second Business Day prior to the deadline for redemption. The notice of redemption must be pre-cleared by CSE prior to mailing.

Exchange discretion with respect to the requirements of this Section may only be exercised after discussions with, and the concurrence of, the OSC and BCSC.

Exchange Approval

(8) The Listed Issuer resulting from the completion of the Qualifying Acquisition by the SPAC must meet the Exchange's original Listing requirements for an NV Issuer set out in Policy 2. The

PART B: Documents required with application

2C.7 Application

(1) The application for Listing must include the following:

a) an Application Letter for Listing one or more specific classes of Equity Securities of the Listed Issuer and indicating the number and class of the Listed 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 together with the supporting documentation set out in Appendix A to the Listing Application;

c) a draft Listing Statement including financial statements approved by the Listed Issuer's Board or its audit;

d) a duly executed PIF from each Related Person of the Issuer and, 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;

e) current insider reports from each Person required to file a PIF, as filed on SEDI; or confirmation that a SEDI profile has been created; or an undertaking to create such profile;

f) if applicable, 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.

POLICY 3
SUSPENSIONS AND INACTIVE ISSUERS

3.1 Listing Agreement

The Listing Agreement authorizes the Exchange or the Market Regulator to halt, and authorizes the Exchange to suspend, trading in a Listed Issuer's securities without notice and at any time, or the Exchange to delist the securities of a Listed Issuer, if the Exchange or the Market Regulator, as the case may be, has determined it is in the public interest to do so.

3.2 Halts

The Exchange or the Market Regulator can halt trading to allow for public dissemination of material news pursuant to Policy 5.

3.3 Suspensions

(1) The Exchange may without any prior notice suspend trading in a Listed Issuer's securities if, at any time, the Listed Issuer fails to meet any of the requirements as set out in CSE Policies.

(2) **Reinstatement and Extension of Suspension**

a) Subject to section 3.5(3) for Inactive Issuers, if a Listed Issuer which has had its securities suspended pursuant to this Policy 3 or otherwise has, within 90 days from the date of such suspension,

(i) cured the default or breach that gave rise to the suspension, and

(ii) paid the reinstatement fee set out in fee schedule of the Exchange,

the Listed Issuer's securities may resume trading.

b) The Exchange will extend the period of suspension for an additional 90 days if the Exchange is satisfied that the Listed Issuer has made progress towards curing the default or breach that gave rise to the suspension.

(3) Throughout the period during which a Listed Issuer's securities are suspended, the Exchange will not allow quotation or trading by Dealers in the securities of the Listed Issuer and the Exchange website will indicate that the Issuer's securities have been suspended. Dealers may quote or trade the securities of the Listed Issuer on other marketplaces or over-the-counter unless prohibited under securities law or UMIR.

(4) Throughout the period during which a Listed Issuer's securities are suspended, the Listed Issuer must continue to comply with all applicable Exchange Requirements.

3.4 Delisting

(1) Following a 90 -day suspension the Exchange will, without any prior notice, delist a Listed Issuer's securities unless the period of suspension has been extended in accordance with Section 3.3(2)(b) of this Policy.

received such notice from the Exchange:

(a) an Inactive Issuer may not enter into a contract or agreement with any person for the provision of investor relations services.

(b) an Inactive Issuer is not eligible for confidential price protection as per Policy 6 section 6.2(4). An Inactive Issuer with an intention to complete a private placement must issue a news release.

(c) in addition to the procedures set out in Policy 6, any private placement proposed by an Inactive Issuer must be approved by the Exchange prior to closing.

(d) any additional requirements or restrictions as the Exchange determines appropriate.

(3) **Suspensions – Inactive Issuers**

Section 3.3(2) does not apply for suspended Inactive issuers or Listed Issuers suspended pursuant to section 3.5(1)(a). Such Listed Issuers will be delisted in 90 days unless an application is made to requalify for Listing pursuant to Policy 2 Qualification for Listing or Policy 8 Fundamental Changes and Changes of Business. If the Listed Issuer's requalification application is approved, the Listed Issuer will not be delisted and for Inactive Issuers, the inactive designation will be removed upon the approval. If the Listed Issuer's requalification application is not approved, the Listed Issuer will be delisted at the later of the expiry of the 90-day suspension or the date of disapproval.

(4) **Removal of the Inactive Designation**

A Listed Issuer that has, pursuant to section 3.5(1), received notice or been designated as inactive, will be considered inactive until:

a) there is evidence in the Listed Issuer's interim or audited financial statements, updated Listing Statement or other continuous disclosure document that confirms the Listed Issuer meets the continued listing requirements;

b) the Listed Issuer requalifies for Listing pursuant to Policy 2 or Policy 8; or

c) the Exchange is otherwise satisfied that the Listed issuer has met the continued Listing requirements.

(2) A Listed Issuer may at any time request that all or any class of its securities be delisted. Any such request must be made in writing and must identify the securities that will be the subject of the delisting. Pursuant to Policy 1 Section 1.2(1), the Exchange may, in its sole discretion, deny such request for any of the following reasons:

(a) outstanding fees are owed to the Exchange;

(b) the request is made in order to proceed with a transaction that is unacceptable to the Exchange or that the Exchange finds objectionable;

(c) the Exchange has determined it is in the public interest to deny such a request.

3.5 Application of Continued Listing Requirements

For the purpose of this section, "applicable continued listing requirements" means, for all Listed Issuers the requirements set out in 2A.6(1) "Minimum" and for NV issuers, the requirements set out in 2A.6(2) "NV Issuer".

A Listed Issuer must meet the applicable continued listing requirements to remain listed in good standing. The Exchange may remove the NV designation, designate a Listed Issuer as inactive, assign it to a different industry segment, suspend trading or delist an issuer that does not meet applicable continued listing requirements.

(1) **Notification**

A Listed Issuer, upon receiving notice from the Exchange that it does not meet a continued listing requirement, will have nine months from the date of the notice to meet the requirement(s). If, after the nine-month period, the Issuer has not demonstrated to the Exchange that it has met the requirements, the Exchange will:

a) for an NV Issuer, remove the NV designation;

b) suspend the Listed Issuer pending delisting in 90 days;

c) assign the Listed Issuer to a different industry classification; or

d) designate the Listed Issuer as inactive, with relevant disclosure on the Exchange website and a designation on the trading symbol of the Listed Issuer.

The policy intent of the 9-month period is to permit the Listed Issuer time to demonstrate that it is pursuing the business objectives as described in its Listing Statement and that its failure to meet a continued listing requirement is temporary. An Issuer that discloses, directly or indirectly, that it is not pursuing its stated business objectives or actively operating its described business ~~has~~ acknowledged that it is inactive, and therefore the reason for the 9-month period does not apply. In such cases, the inactive designation may be applied by Exchange immediately, or at any time following the Exchange becoming aware of the disclosure.

(2) **Restrictions**

The following restrictions apply to any Listed Issuer that has been designated inactive and

(3) Application of the Guidance

a) **Original Listing**

The Listing Statement includes specific disclosure requirements concerning risk issues. Section 17 - Risk Factors - includes, in the first 2 sections, some of the common risks that should be described. Section 17.3 specifically addresses "any risk factors material to the Listed 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." For Listed Issuers with their principal business operations or operating assets in emerging markets, the OSC EMI Guide areas of concern should be addressed in the context of the guidance provided by OSC Staff.

b) **Continued Listing**

All Listed Issuers are reminded that the OSC EMI Guide provides an excellent reference for any questions regarding continuous disclosure requirements, including disclosure in CSE filings. Notice of Proposed Issuance of Listed Securities, and Notice of Proposed Transaction, for example, each include questions that relate to one or more of the OSC EMI Guide areas of concern. A change related to any of these areas could be Material Information that requires immediate disclosure by news release.

4.5 Requirements for Issuers with Principal Business Operations or Operating Assets in Emerging Markets

(1) A Listed Issuer must demonstrate clear title or right to its assets or operations, and the receipt of the relevant licence or permit required to operate. At the time of Listing where applicable, the Listed Issuer must provide a title opinion or appropriate confirmation, and a legal opinion that the Listed Issuer has the required permits, licences or approvals to carry out its operations in each relevant jurisdiction.

(2) **Audit Committee**

In addition to the guidance in section 2.7 and requirements of NI 52-110, the majority of the members of a Listed Issuer's audit committee must be financially literate as defined in NI 52-110, subject to a minimum of three financially literate members.

Disclosure in the Listing Statement must include a summary of the steps taken in selecting an external auditor and the procedures in place to ensure the audit committee can effectively evaluate the audit process.

(3) **Risk Disclosure and Mitigation**

Disclosure in the Listing Statement must address and adequately explain the risks and the reasonable steps taken, consistent with the OSC EMI Guide, to mitigate these risks.

4.6 Security holder Approvals

(1) **General Requirements**

a) Any Related Party of a Listed Issuer that has a material interest in a transaction that:

(i) differs from the interests of security holders generally, and

(ii) would Materially Affect Control of the Listed Issuer,

may not vote on any resolution to approve that transaction.

b) Any Exchange Requirement for securityholder approval may be satisfied by a written resolution signed by security holders of more than 50% of the securities having voting rights.

c) Listed Issuers relying on s. 4.6(2)(b) will be required to issue a press release at least seven Trading Days in advance of the closing of the transaction, which shall disclose the material terms of the transaction and that the Listed Issuer has relied upon this exemption.

d) The securityholder approval requirements apply to transactions involving the issuance or potential issuance of listed Non-Voting Securities.

e) Where a transaction will affect the rights of holders of different classes of securities, the securityholder approval requirements will apply on a class-by-class basis, provided that the Exchange may permit voting together as if a single class or series provided this complies with all applicable corporate and securities law and the issuer's constating documents.

f) Where a transaction involves the issuance of Restricted Securities or Super-Voting Securities, the provisions of 2A.3(1) shall apply.

g) Materials sent to security holders in connection with a vote for approval must contain information in sufficient detail to allow a security holder to make an informed decision. The Listed Issuer must file a draft of the information circular for Exchange review before it sends the information circular to security holders in respect of a transaction that requires Exchange review or approval.

h) In addition to any specific requirement for security holder approval, the Exchange will generally require security holder approval if in the opinion of the Exchange the transaction would Materially Affect Control of the Listed Issuer.

i) CSE may, in its discretion, require that security holder approval be given at a meeting at which holders of Restricted Securities are entitled to vote with the holders of any class of securities of the Listed Issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the Listed Issuer.

(2) **Sale of Securities**

(a) Subject to subsection 4.6(2)(b), security holders must approve a proposed securities offering (by way ~~of prospectus or by~~ private placement) if:

(i) the number of securities issuable in the offering (calculated on a fully diluted basis) is more than

1) 25% of the total number of securities or votes outstanding (calculated on a non-diluted basis) for an NV Issuer, or

2) for a Listed Issuer that is not an NV Issuer, 50% of the total number of securities or votes of the Listed Issuer outstanding (calculated on a non-diluted basis) accompanied by a new Control Person or 100% of the total number of securities or votes outstanding;

(ii) the price is lower than the market price less the Maximum Permitted Discount, regardless of the number of shares to be issued; or

(iii) the number of securities issuable to Related Persons of an NV Issuer in the offering, when added to the number of securities issued to such Related Persons of the NV Issuer in private placements or acquisitions in the preceding twelve months (in each case, calculated on a fully diluted basis), is more than 10% of the total number of securities or votes outstanding (calculated on a non-diluted basis), regardless of the price of the offering.

(b) Security holder approval of an offering may not be required if:

(i) the Listed Issuer is in serious financial difficulty;

(ii) the Listed Issuer has reached an agreement to complete the offering;

(iii) no Related Person of a Listed Issuer is participating in the offering; and

(iv) the

(1) audit committee, if comprised solely of Independent Directors, or

(2) Independent Directors constituting a majority of the Board's Independent Directors in a vote in which only Independent Directors participate,

have determined that the offering is in the best interests of the Listed Issuer, is reasonable in the circumstances and that it is not feasible to obtain security holder approval or complete a rights offering to existing security holders on the same terms.

(c) A Listed Issuer using the exemption in subsection 4.6(2)(b) must issue a news release five days in advance of the security offering stating it will not hold a security holder vote and fully explaining how it qualifies for the exemption.

(3) **Acquisitions and Dispositions**

a) Securityholders must approve an acquisition if:

(i) a Related Person of an NV Issuer or a group of Related Persons of an NV Issuer has a 10% or greater interest in the assets to be acquired and the total number of securities issuable (calculated on a fully diluted basis) are more than 5% of the total number of securities or votes of the NV Issuer outstanding (calculated on a non-diluted basis); or

(ii) for Listed Issuers that are not investment funds, the total number of securities issuable (calculated on a fully diluted basis) is more than

1) 25% of the total number of securities or votes of the Listed Issuer outstanding (calculated on a non-diluted basis) for an NV Issuer; or

2) for a Listed Issuer that is not an NV Issuer, 50% of the total number of securities or votes of the Listed Issuer outstanding (calculated on a non-diluted basis)

accompanied by a new Control Person or 100% of the total number of securities or votes outstanding;

where,

(iii) the term "total number of securities issuable" includes securities issuable pursuant to:

1) the acquisition agreement;

2) any Security Based Compensation Arrangement of the target Entity assumed by the Listed Issuer, Awards issued by the Listed Issuer as a replacement for Awards issued by the target Entity, and Security Based Compensation Arrangements created for employees of the target Entity as a result of the acquisition; and

(iv) any concurrent private placement upon which the acquisition is contingent or otherwise linked.

b) Security holders must approve a disposition that is more than 50% of the assets, business or undertaking of the Listed issuer.

c) A Listed Issuer that is an investment fund must comply with applicable securities law requirements.

(4) Security Based Compensation Arrangements

Security holders must approve the adoption of, or amendments to, a plan as described in Policy 6, s. 6.5.

on what date ?

(5) Rights Offering

(a) Subject to section 4.6(5)(b), security holder approval is required where securities offered by way of rights offering are offered at a price greater than the Maximum Permitted Discount to the market price.

(b) Security holder approval for a rights offering is not required where:

(i) the audit committee, if comprised solely of Independent Directors has, or

(ii) a majority of the Independent Directors in a vote in which only Independent Directors participate have,

determined that the rights offering, including the pricing thereof, is in the best interests of the Listed Issuer, and is reasonable in the circumstances.

(c) A Listed Issuer taking advantage of the exemption in s. 4.6(5)(b) must forthwith issue a news release stating it will not hold a security holder vote and fully explaining how it qualifies for the exemption.

(6) Shareholder Rights Plan

Security holders must approve the adoption of or amendments to a plan as described in Policy 6, s. 6.9.

POLICY 6

DISTRIBUTIONS & CORPORATE FINANCE

6.1 General

(1) Listed Issuers must comply with this Policy for any distribution of listed securities or any distribution of a security that is exchangeable, exercisable or convertible into a listed security. The specific requirements that apply depend on the nature of the agreement giving rise to the distribution.

(2) Policy 5 recognizes that certain circumstances exist where a Listed Issuer may keep Material Information confidential for a limited period of time if general disclosure would be unduly detrimental to the company.

Listed Issuers must not set option exercise prices or prices at which shares may be issued that do not reflect information known to management that has not been disclosed. Exceptions are where the share option or issuance relates directly to the undisclosed event and the grantee or recipient of the shares is not an employee or insider of the Listed Issuer at the time of grant or issue (e.g., an issuance of shares in payment for an acquisition, or a grant of options to an employee of the company to be acquired as an incentive to continue employment with the Listed Issuer).

(3) Requirements for stock splits and consolidations are detailed in Policy 9. Distributions that result in or could result in a Change of Business or a Change of Control may be subject to Policy 8. Non-arm's length distributions may also be subject to the requirements of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* in addition to the requirements of this Policy.

(4) Listed Issuers must comply with applicable requirements of securities and corporate law for any distribution of securities. In particular, Listed Issuers should refer to National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) for exempt distributions including rights offerings and National Instrument 45-102 *Resale of Securities* (45-102) for restrictions on resale of securities.

a) In addition to any applicable resale restrictions under securities law, securities issued under the prospectus exemption in section 2.24 of NI 45-106 (Employee, executive officer, director and consultant) must be subject to a hold period of 4 months commencing on the date of distribution of the securities unless written approval to issue the securities without the hold period is obtained from the Exchange.

b) In determining whether the hold period will be required, the Exchange will consider such things as the relationship between the Listed Issuer and the Person receiving securities, the price per security, number of securities to be issued, the value of the transaction, and any other factors the Exchange considers relevant to the decision.

c) A news release announcing a financing or issuance of securities must include a description of any resale restrictions, or lack thereof, on the securities to be issued.

(5) As an issuance or potential issuance of securities constitutes Material Information, the Listed Issuer must comply with Policy 5 in addition to the requirements of this Policy.

(6) All treasury and reservation orders must contain the information set out in Policy 2 s. 2.12, and copies must be provided to the Exchange within 5 business days of each issuance of shares.

6.2 Private Placements

(1) The Exchange defines "private placement" as a prospectus-exempt distribution of securities for cash or in consideration for forgiveness of *bona fide* debt. Private placements are subject to the securityholder approval requirements in Policy 4.

(2) Price

(a) Listed Issuers may not make a private placement at a price per security lower than the greater of:

(i) $0.05, and

(ii) the closing market price of the security on the Exchange on the Trading Day prior to the earlier of the dissemination of a news release disclosing the private placement or the Posting of notice of the proposed private placement, less a discount which shall not exceed the Maximum Permitted Discount set forth below:

Closing Price	Maximum Permitted Discount
Up to $0.50	25% (subject to a minimum price of $0.05)
$0.51 to $2.00	20%
Above $2.00	15%

(b) The closing price is to be adjusted to reflect stock splits or consolidations and may not be influenced by the Listed Issuer, any officer or director of the issuer or any Person with knowledge of the private placement.

(c) Notwithstanding s. 6.2(2)(a), a Listed Issuer may complete a private placement at a price lower than $0.05 provided that:

(i) The price must not be lower than the volume-weighted-average-price for the previous 20 Trading Days as determined by the Exchange, which for the purposes of shareholder approval in 4.6(3) will be considered to include the Maximum Permitted Discount); and

(ii) The proceeds are to be used for working capital or *bona fide* debt settlement, excluding accrued salaries to officers or directors of the Listed Issuer and payment for Investor Relations Activities; and

(iii) The information required by 6.2(4) is provided to the Exchange and the price is approved by the Exchange in advance of closing.

(d) The Exchange, at its discretion, may accept or require an alternate price such as a multi-day volume-weighted-average-price in place of a closing price.

(3) If debt is to be exchanged for shares, the purchase price is to be determined by the face amount of the debt divided by the number of shares to be issued. If the private placement consists of special warrants, the price per share is to be determined based on the total number of shares that may be issued under the private placement assuming any penalty provisions are triggered.

see TSX re 135'

If the private placement involves securities exercisable or convertible into a listed security, also refer to section 7 in addition to this section.

(4) Other than an Inactive Issuer, a Listed Issuer with a *bona fide* intention to do a private placement may, on a confidential basis, request price protection based on the closing price on the Trading Day prior to the date on which notice is given to the Exchange. The price protection will expire if the private placement has not closed within 45 days of the day on which notice is given to the Exchange and the Exchange has not consented to an extension. An Inactive Issuer may not close a financing without prior Exchange approval. The request must be submitted via email to PriceProtection@thecse.com and must include the following:

a) Listed Issuer name and trading symbol;

b) the level of intended or anticipated insider participation, including whether the proposed issuance will result in a new insider or control position;

c) confirmation there is no undisclosed Material Information about the Listed Issuer;

d) the intended total value and use of proceeds;

e) the structure of the financing, including type and issue price of securities and the exercise price of any securities convertible into listed securities.

f) any significant information not included above that may be relevant, including but not limited to, any upcoming shareholders meeting for which a Record Date has been or is shortly expected to be determined, any pending mergers, acquisitions, Take-Over Bids, changes to capital structure or other significant transactions, and any details regarding potential dissident shareholders and/or proxy contests.

(5) Subject to the Timely Disclosure requirements of Policy 5, a Listed Issuer, including a Listed Issuer that has requested price protection pursuant to section 6.2(4),

a) must announce an intention to complete a private placement at least 5 Business Days prior to closing, and

b) immediately Post notice of the proposed private placement (Notice of Proposed Issuance of Listed Securities).

(6) Upon closing of the proposed private placement the Listed Issuer must Post:

a) an amended Notice of Proposed Issuance of Listed Securities, if applicable, and

b) a signed Certificate of Compliance.

(7) Forthwith upon closing, the Listed Issuer must Post the following documents:

(a) a letter from the Listed Issuer confirming receipt of proceeds;

(b) an opinion of counsel that the securities issued in connection with the private placement (including any underlying securities, if applicable) have been duly issued and are outstanding as fully paid and non-assessable shares; and

(c) a copy of final Notice of Proposed Issuance of Listed Securities, with an appendix containing the information set out in Table 1B of the Notice of Proposed Issuance of Listed Securities for all placees in the financing.

should not be made public

6.3 Acquisitions

(1) Where a Listed Issuer proposes to issue securities as full or partial consideration for assets (including securities), the Listed Issuer must immediately Post notice of the proposed acquisition (Notice of Proposed Issuance of Listed Securities). Management of the Listed Issuer is responsible for ensuring that the consideration paid for the asset is reasonable and must retain adequate evidence of value received for consideration paid such as confirmation of out-of-pocket costs or replacement costs, fairness opinions, geological reports, financial statements or valuations. The evidence of value must be made available to the Exchange upon request. Notwithstanding compliance with the specific requirements set out in this section 6.3, the Exchange may object to a transaction or impose additional requirements pursuant to Policy 1 s. 1.2.

(a) Shares must be issued at a price that does not exceed the Maximum Permitted Discount under section 6.2(1).

(b) Where a Listed Issuer is relying on confidential price protection, the requirements of section 6.2(4) apply.

(c) Acquisitions are subject to the security holder approval requirements in Policy 4.

(d) A Listed Issuer must, at least 5 Business Days prior to closing,

(i) announce the intention to complete the acquisition.

(ii) provide notice to the Exchange and a completed Notice of Proposed Issuance of Listed Securities.

(e) If the Exchange has not objected to the acquisition within the five business day period, the Listed Issuer may proceed to close the acquisition

(2) Forthwith upon closing, a Listed Issuer must Post the following documents:

(a) a letter from the Listed Issuer confirming closing of the acquisition and receipt of the assets, transfer of title to the assets or other evidence of receipt of consideration for the issuance of the securities,

(b) a signed Certificate of Compliance, and

(c) an amended Notice of Proposed Issuance of Listed Securities, if applicable.

(3) In addition, forthwith upon closing, the Listed Issuer must provide the Exchange with an opinion of counsel that the securities issued in connection with the acquisition (including any underlying securities, if applicable) have been or will be duly issued and are or will be outstanding as fully paid and non-assessable shares.

6.4 Prospectus Offerings

(1) A Listed Issuer proposing to issue securities pursuant to a prospectus must disseminate a press release and file Notice of Prospectus Offering forthwith upon filing the preliminary prospectus or earlier for a bought deal.

(2) The Listed Issuer must Post the following documents concurrently with their filing on SEDAR:

(a) a copy of the preliminary prospectus;

than three years from the date such resolution was approved. If security holder approval is not obtained within three years of either the institution of an evergreen plan or subsequent approval, as the case may be, all unallocated entitlements must be cancelled and the Listed Issuer must not be permitted to grant further entitlements under the evergreen plan, until such time as security holder approval is obtained. However, all allocated Awards under an evergreen plan, such as options that have been granted but not yet exercised, can continue unaffected. If security holders fail to approve the resolution for the renewal of a plan, the Listed Issuer must forthwith stop granting Awards under such plan, even if such renewal approval was sought prior to the end of the three-year period.

(5) A Listed Issuer must Post the notice of Stock Option or Award grant Notice of Proposed Stock Options immediately following each Grant by the Listed Issuer.

(6) Upon the first Grant under a Security Based Compensation Arrangement, or following an amendment to a Security Based Compensation Arrangement, the Listed Issuer must provide the Exchange with:

(a) an opinion of counsel that all the securities issuable under the Security Based Compensation Arrangement will be duly issued and be outstanding as fully paid and non- assessable shares ("Opinion"). For Grants outside of a plan, the Opinion must be provided with each Grant;

(i) a copy of the Security Based Compensation Arrangement; and

(ii) if the Security Based Compensation Arrangement provides for the issuance of greater than 5% of the issued and outstanding shares at the time of adoption as applying to an individual, or 10% in total in the next 12 months, evidence of shareholder approval of the Security Based Compensation Arrangement and confirmation that it was adopted by the majority of shareholders other than those excluded by law, Exchange Requirements, or the Listed Issuer constating documents.

(7) The terms of a Stock Option or Award may not be amended once issued. If a Stock Option or Award is cancelled prior to its expiry date, the Listed Issuer shall not grant new Stock Options or Awards to the same Person until 30 days have elapsed from the date of cancellation.

(8) The Listed Issuer must include notice of exercise or cancellation during any month in the Monthly Progress Report.

6.6 Rights Offerings

(1) General Requirements

A Listed Issuer intending to complete a rights offering must inform the Exchange in advance and provide the following documents (in addition to any other documents that may be required by applicable securities law):

a) a copy of the final version of the rights offering circular in Form 45-106F15 *Rights Offering Circular for Reporting Issuers; and*;

b) a written statement as to the intended mailing date for the rights offering notice and rights certificates to the shareholders. The mailing date should be as soon as possible after the Record Date.

(2) Prior to the Record Date, the Listed Issuer must provide the Exchange with an opinion of counsel

(b) a copy of the receipt for the preliminary prospectus issued by the applicable Securities Regulatory Authority;

(c) a copy of the final prospectus; and

(d) a copy of the receipt for the final prospectus issued by the Securities Regulatory Authority.

The Listed Issuer may Post any other information or documentation relating to the proposed prospectus offering that the Listed Issuer considers relevant or of interest to investors.

(3) Prior to closing of the prospectus offering and the issuance of any securities pursuant thereto the Listed Issuer must Post the following documents:

(a) an amended Notice of Prospectus Offering, if applicable;

(b) a copy of the final prospectus (if not already Posted);

(c) a copy of the receipt for the final prospectus issued by the applicable Securities Regulatory Authority (if not already Posted); and

(d) a signed Certificate of Compliance

(4) In addition, forthwith upon closing, the Listed Issuer must provide the Exchange with an opinion of counsel that the securities issued in connection with the offering (including any underlying securities, if applicable) have been or will be duly issued and are or will be outstanding as fully paid and non-assessable shares.

6.5 Security Based Compensation Arrangements

(1) This section sets out the Exchange Requirements respecting Security Based Compensation Arrangements, including Stock Options (other than overallotment options to an underwriter in a prospectus offering or options to increase the size of the distribution prior to closing) which are used as incentives or compensation mechanisms for employees, directors, officers, consultants and other Persons who provide services for Listed Issuers.

(2) A Security Based Compensation Arrangement must state a maximum number of securities issuable as a fixed number or percentage of the issued and outstanding shares of the same class of securities.

(3) A Listed Issuer must not grant Stock Options or Awards with an exercise price lower than the greater of the closing market prices of the underlying securities on

(a) the Trading Day prior to the date of grant of the Stock Options; and

(b) the date of grant of the Stock Options.

(4) Within three years after institution and within every three years thereafter, a Listed Issuer must obtain security holder approval for an evergreen plan (also known as a rolling plan) in order to continue to grant Awards. Evergreen plans contain provisions so that the Awards replenish upon the exercise of options or other entitlements, and such provisions must be properly disclosed and approved by security holders. Security holders must pass a resolution specifically approving unallocated entitlements under the evergreen plan. Security holder approval relating to other types of amendments to an evergreen plan must not be accepted as implicit approval to continue granting Awards under an evergreen plan. In addition, the resolution should include the next date by which the Listed Issuer must seek security holder approval, such date being no later

$0.45. If a convertible preferred share were issued at $1.00, it could not be convertible into more than 2 Common Shares.

b) Warrants may be attached to or issued concurrently with other securities as a bonus or additional incentive. Warrants may not otherwise be issued for nil or for a purchase price less than $0.05.

c) The conversion price for convertible debentures may be established at the time of issuance as a fixed price in accordance with s6.7(1)(a), or at the market price at the time of conversion, determined by the most recent closing price of the underlying security on the day of conversion.

(2) **Restrictions**

a) If warrants are issued in connection with a private placement of the listed securities, the total number of listed securities issuable under the terms of the warrants cannot be greater than the number of listed securities initially purchased in the private placement.

b) In all other respects, the provisions of this Policy apply to the issuance of convertibles. Please refer to section 6.2 for further requirements for private placements of convertibles, section 3 for issuances of convertibles in connection with an acquisition and section 4 for prospectus offerings.

c) The maximum term permitted for warrants and convertible securities is 5 years from the date of issuance.

(3) **Amendments**

Except as provided for in this section 6.7(3), Listed Issuers must not change, modify or amend the characteristics of outstanding warrants or other convertible securities other than pursuant to standard anti-dilution terms. For greater certainty, the fact that a convertible security will expire out of the money is not an "exceptional circumstance."

A Listed Issuer may amend the terms of private placement warrants (not including warrants issued to an agent as compensation) if:

a) the warrants are not listed for trading;

b) the exercise price is higher than the current market price of the underlying security;

c) no warrants have been exercised in the last six months; and

d) at least 10 Trading Days remain before the expiry date.

(4) The amendment of warrant terms must be disclosed in a press release no later than one day prior to the effective date of the amendment, and a notice Posted to the Exchange website immediately thereafter (Amendment to Warrant Terms). For any amendment, the press release must disclose the old warrant term and the new warrant term so that investors can fully understand the change.

(5) **Warrant Extension**

that the securities issued in connection with the rights offering (including any underlying securities, if applicable) will be duly issued and outstanding as fully paid and non-assessable shares.

(3) **Listing of Rights**

(a) Rights may be qualified for Listing if the rights entitle the holders to purchase securities that are qualified for Listing. Rights which do not fall into this category will normally not be listed unless such other issuer and its securities are qualified for Listing on the Exchange.

(b) Rights are listed on the first Trading Day preceding the Record Date. At the same time, the shares of the Listed Issuer commence trading on an ex-rights basis, which means that purchasers of the Listed Issuer's securities are not entitled to receive the rights.

(c) Quotation and trading in rights for normal settlement ceases prior to the opening on the second Trading Day preceding the expiry date. Quotation and trading of rights ceases at 12:00 noon on the expiry date.

(4) **Other Requirements Respecting Rights**

(a) Rights must be transferable.

(b) Once the rights have been listed on the Exchange, the essential terms of the rights offering, such as the exercise price or the expiry date, may not be amended.

(c) Shareholders must receive at least one right for each share held.

(d) The rights offering must be unconditional.

(5) **Report of Results of Rights Offering**

As soon as possible after the expiry of the rights offering, the Listed Issuer must do the following:

a) Post a letter stating the number of securities issued as a result of the rights offering, including securities issued pursuant to any underwriting or similar arrangement; and

b) disseminate a news release setting out the results of the rights offering and confirming the closing of the offering.

6.7 Options, Warrants and Convertible Securities Other Than Incentive Options or Rights

(1) **Issue Price and Exercise Price**

a) Subject to a minimum of $0.05, listed securities issuable on conversion of an option, warrant or other convertible security other than an incentive option or right (collectively, "convertible securities") may not be issued at a price (including the purchase price of the convertible) lower than the closing market price of the listed security on the Exchange on the Trading Day prior to the earlier of dissemination of a news release disclosing the issuance of the convertible security or the Posting of notice of the proposed issuance of the convertible security. For example, if the closing price of the Common Shares of a Listed Issuer was $0.50 and a warrant was sold at $0.05, the exercise price of the warrant could not be less than

The term of a warrant may not be extended more than 5 years from the date of issuance.

(6) **Warrant Repricing**

A Listed Issuer may amend the exercise price of warrants if:

(a) the warrants were priced above the market price of the underlying security at the time of issuance and the amended price is also at or above that price;

(b) the amended price is at or above the average closing price, or the midpoint between the closing bid and ask on days with no trades, of the underlying shares for the most recent 20 Trading Days;

(c) the price has not previously been amended; and,

(d) the amended exercise price is higher than the exercise price at the time of issuance and all Warrant holders consent to the amended price.

(7) A Listed Issuer may amend the exercise price to a price below the market price of the underlying security at the time of issuance provided that:

a) if, following the amendment, for any 10 consecutive Trading Days the closing price of the listed shares exceeds the amended exercise price by the applicable private placement discount, the term of the warrants must also be amended to 30 days. The amended term must be announced by press release and Amendment to Warrant Terms and the 30-day period will commence 7 days from the end of the 10-day period;

b) consent is obtained from all holders of the warrants; and

c) the price has not previously been amended.

(8) For any repricing of warrants permitted by section 6.7(8), a maximum of 10% of the total number of warrants being repriced may be repriced for insiders holding warrants. If insiders hold more than 10%, then the 10% allowed will be allocated *pro rata* among those insiders.

(9) Listed Issuers must obtain appropriate corporate approvals prior to any change, modification or amendment of outstanding warrants or other convertible securities (including non-listed securities). The amendment of the terms of a warrant (or other security) may be considered to be the distribution of a new security under securities laws and required exemptions from legislative requirements. Furthermore, the amendment of the terms of a security held by an insider or a related party may be considered to be a related party transaction under MI 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and require exemptions from provisions of that rule. Issuers should consult legal counsel before amending the terms of a security.

6.8 Control Block Distributions (Sale From a Control Position)

(1) A Control Block Holder (in this section, "Seller") wishing to distribute securities of a Listed Issuer through a Dealer and the Exchange shall Post a copy of the Form 45-102F1 *Notice of Intention to Distribute Securities* at least seven days prior to the first trade of the distribution.

(2) The Listed Issuer and the Dealer acting on behalf of the Seller shall be responsible for ensuring the Control Block Holder complies with the provisions of this Policy, failing which the Exchange or the Market Regulator may halt for trading, or the Exchange may suspend or Disqualify, the

securities of the Listed Issuer. The Dealer and Seller should review the requirements in Part 2 of National Instrument 45-102 *Resale of Securities.*

(3) The Seller must notify the Exchange of the Dealer that will act on their behalf, and the Dealer must confirm its appointment to the Exchange prior to the first trade of the distribution.

(4) The Seller must file with the Exchange a report of each sale within three days of the trade and such report shall contain substantially the same information as an insider report to filed in accordance with securities law. The Dealer must file with the Exchange, within 5 Trading Days following the end of each month, a summary of the number of shares sold during the month and a confirmation when all shares have been sold.

(5) Restriction on Control Block Sales

(a) Private Agreements – A Dealer is not permitted to participate in sales from control by private agreement transactions.

(b) Normal Course Issuer Bids -- If securities are the subject of a sale from a control position and a Normal Course Issuer Bid in accordance with s. 6.10(3), the sale from control and the NCIB will be permitted on the condition that:

(i) The Dealer acting for the Listed Issuer confirms to the Exchange it will not bid for securities on behalf of the Listed Issuer at a time when the securities are being offered by the Seller;

(ii) the Dealer acting for the Seller confirms in writing to the Exchange that it will no offer securities on behalf of the Seller at a time when securities are being bid for under the NCIB; and

(iii) transaction in which the Listed Issuer is on one side and the Seller on the other are not permitted.

(c) Price Guarantee – The price at which sales are to be made cannot be established or guaranteed prior to the seventh day after Posting the Form 45-102F1.

(d) Crosses – A Dealer may distribute the whole of a control block sale to a client by way of a cross, subject to UMIR.

6.9 Shareholder Rights Plans

This section applies to any shareholder rights plan, commonly referred to as a "poison pill", that is adopted by a Listed Issuer. Such plans are subject to review by the applicable Securities Regulatory Authorities pursuant to National Policy 62-202 *Take-Over Bids – Defensive Tactics*.

(1) A Listed Issuer must Post the following documentation as soon as practicable after issuing a news release announcing the plan:

(a) a Notice of Shareholder Rights Plan; and

(b) a copy of the shareholder rights plan, unless already filed on SEDAR.

(2) A shareholder rights plan may not exempt any securityholders from the operation of the plan, except that, where minority shareholder approval is obtained, a shareholder rights plan may provide exemptions to grandfather existing securityholders.

(3) A plan may not have a triggering threshold of less than 20% unless shareholder approval is obtained.

(4) Securityholders must ratify the plan no later than six months following the adoption of any material amendment to the plan. If securityholder ratification is not obtained within this time period, the plan must be cancelled.

(5) The Listed Issuer must issue a news release immediately upon the occurrence of any event causing the rights to separate from the Listed Security.

6.10 Takeover Bids and Issuer Bids

(1) Takeover Bids

(a) A Listed Issuer undertaking a Take-Over Bid must provide documentation in the manner described below:

(i) Post Notice of Take-Over Bid within one Trading Day following announcement of the bid;

(ii) Post a copy of the Take-Over Bid circular, unless already filed on SEDAR; and

(iii) as soon as practicable, provide an opinion of counsel that any securities to be issued (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable (or equivalent in the case of non-corporate issuers).

(b) If the Listed Issuer is offering a new class of securities as payment under the bid and wants to list those securities, the provisions of section 2A.1(3) (Restricted Securities) will apply.

(c) As an acquisition, a Take-Over Bid is subject to the approval requirements of section 4.6(3).

(d) Within five days of end of the month in which the Take-Over Bid closed, the Listed Issuer will file a final Notice of Take-Over Bid.

(2) Issuer Bids

A Listed Issuer undertaking a formal issuer bid for a class of listed securities must:

(a) Post a Notice of Formal Issuer Bid within one Trading Day following announcement of the bid; and

(b) Post a copy of the issuer bid circular required by applicable Canadian securities law as soon as practicable.

(c) For a Listed Issuer undertaking a formal issuer bid for a class of Listed Securities, include the Cancellation of Securities in the Monthly Progress Report.

(3) Normal Course Issuer Bids

(a) Sections 6.10(3)(c) through 6.10(5)(e) apply to:

(i) all Normal Course Issuer Bids by Listed Issuers; and

(ii) all purchases of Listed Securities by a trustee or other agent for a pension, stock purchase, Stock Option, dividend reinvestment or other plan in which employees or securities holders of a Listed Issuer may participate if:

(A) the trustee or agent is an employee, director, associate or affiliate of the Listed Issuer, or

The draft should not be made public

(B) the Listed Issuer directly or indirectly controls the time, price, amount or manner of purchases or directly or indirectly influences the choice of the Dealer through which purchases are made.

(b) A Listed Issuer must not announce a Normal Course Issuer Bid or file any documentation in connection with a Normal Course Issuer Bid, if it does not have a present intention to purchase securities.

(c) The maximum number of securities to be purchased under a Normal Course Issuer Bid cannot be a number that would make that class of securities ineligible for continued Listing on the Exchange, assuming all the securities are purchased.

(d) A Listed Issuer intending to make a Normal Course Issuer Bid for a class of Listed Securities must file a draft Notice of Normal Course Issuer Bid, which states the number of securities that the listed issuer's board of directors has determined may be acquired under the bid, seven Trading Days prior to issuing a news release announcing the details of the bid and of any bid in the previous 12 month period (including the maximum number of securities that the Listed Issuer sought and obtained approval to purchase and the number purchased and the manner in which they were purchased); the final Notice of Normal Course Issuer Bid must be filed when the news release is disseminated.

(e) A Normal Course Issuer Bid expires on the earlier of:

(i) one year from the date purchases are permitted pursuant to section 6.10(5)(a); and

(ii) any earlier date specified in the Notice of Normal Course Issuer Bid.

(f) The maximum number of securities that can be purchased under the bid must be adjusted for stock splits, stock dividends and stock consolidations. The Listed Issuer must file an amended Notice of Normal Course Issuer Bid reflecting the adjustment at the same time as it files the documentation required for the subdivision or consolidation.

(g) If:

(i) the original Notice of Normal Course Issuer Bid specified purchases of less than the maximum number permitted under the definition of Normal Course Issuer Bid, a Listed Issuer may Post an amended Notice of Normal Course Issuer Bid permitting the purchase of up to the greater of 10% of the Public Float or 5% of the outstanding securities as of the date of the Posting of the final Notice of Normal Course Issuer Bid; and

(ii) the number of securities outstanding of the class that is the subject of the Normal Course Issuer Bid has increased by more than 25% from the date of Posting of the final Notice of Normal Course Issuer Bid, a Listed Issuer may Post an amended Notice of Normal Course Issuer Bid permitting the purchase of up to the greater of 10% of the Public Float or 5% of the outstanding securities as of the date of the Posting of the amended Notice of Normal Course Issuer Bid.

(h) A Listed Issuer must Post an amended Notice of Normal Course Issuer Bid in the event of any material change in the information in the current Notice of Normal Course Issuer Bid, as soon as practicable, following the material change.

(i) A Listed Issuer must issue a news release prior to or concurrently with the Posting of an amended Notice of Normal Course Issuer Bid containing full details of the amendment.

(j) Within 10 days of the end of each calendar month, the Listed Issuer, trustee or agent must deliver to the Exchange a completed Report of Purchase Normal Course Issuer Bid indicating the number of securities purchased in the previous month (on the Exchange or otherwise), including the volume weighted average price paid.

(4) Normal Course Issuer Bids – Restrictions on Purchases

(a) A Listed Issuer, trustee or agent must appoint one (and only one) Dealer at any one time to make purchases under the bid. The Listed Issuer must notify the Market Regulator and the Exchange of the name of the Dealer and the registered representative responsible for the bid. To assist the Exchange in its surveillance function, the Listed Issuer is required to provide written notice to the Exchange before it intends to change its purchasing Dealer. The purchasing Dealer shall be provided with a copy of Notice of Normal Course Issuer Bid and be instructed to make purchases in accordance with the provisions herein and the terms of such notice.

(b) Normal Course Issuer Bid purchases may not be made by intentional crosses, prearranged trades or private agreements, except for purchases under the block purchase exemption in subsection 6.10(5)(f).

(c) If a Normal Course Issuer Bid is outstanding at the time a sale from a Control Person (as referred to in Part 2 of National Instrument 45-102 *Resale of Securities*) is underway, the Dealer making purchases under the bid must ensure that it is not bidding for securities at the same time securities are offered under the sale from control.

(d) A Listed Issuer must not purchase securities under a Normal Course Issuer Bid while a non-exempt issuer bid for the same securities is outstanding. This restriction does not apply to a trustee or agent making purchases for a plan in which employees, or security holders, participate.

(e) If a Listed Issuer has a securities exchange Take-Over Bid outstanding at the same time as a Normal Course Issuer Bid is outstanding for the offered securities, the Listed Issuer may only make purchases under the Normal Course Issuer Bid permitted by OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions*.

(f) A Listed Issuer, trustee or agent may not make any purchases under a Normal Course Issuer Bid while in possession of any Material Information that has not been generally disclosed.

(g) Failure of a Dealer making purchases pursuant to a Normal Course Issuer Bid to comply with any requirement herein may result in the suspension of the bid.

not defined

(5) Normal Course Issuer Bids – Limits on Price and Volume

(a) Normal Course Issuer Bid purchases may not begin until two Trading Days after the later of:

(i) the Filing of a Notice of Normal Course Issuer Bid or amended Notice of Normal Course Issuer Bid in connection with the bid; and

(ii) the issuance of a news release containing details of the Notice of Normal Course Issuer Bid or amended Notice of Normal Course Issuer Bid.

(b) It is inappropriate for a Listed Issuer making a Normal Course Issuer Bid to abnormally influence the market price of its securities. Normal Course Issuer Bid purchases must be made at or below the price of the last independent trade of the security (on any marketplace) at the time of purchase.

The following are not "independent trades":

(i) trades directly or indirectly for the account of (or an account under the direction of) an insider;

(ii) trades for the account of (or an account under the direction of) the Dealer making purchases for the bid;

(iii) trades solicited by the Dealer making purchases for the bid; and

(iv) trades directly or indirectly by the Dealer making purchases for the bid which are made in order to facilitate a subsequent block purchase by the issuer at a certain price.

(c) Notwithstanding the foregoing, a violation to the preceding rule will not occur where:
(i) the independent trade occurred no more than one second before the Normal Course Issuer Bid purchase that created the uptick,
(ii) the independent trade is a down tick to the previous trade and the Normal Course Issuer Bid purchase would not have created an uptick to the trade prior to the last independent trade, and
(iii) the price difference between the independent trade and the Normal Course Issuer Bid purchase was not more than $0.02.

(d) Normal Course Issuer Bid purchases may not be made at the opening of trading or during the 30 minutes prior to the scheduled closing of the continuous trading session. Orders may be entered in a closing call or single price trading session notwithstanding the price restriction in subsection (b).

(e) Except as provided in subsection (f), a Listed Issuer that is not an investment fund must not make a purchase that:

(i) for an NV Issuer, when aggregated with all other purchases during the same Trading Day, exceeds the greater of 25% of the Average Daily Trading Volume of the security; and1,000 of such securities, or

(ii) for a Listed Issuer that is not an NV Issuer, when aggregated with all other purchases during the most recent 30 Trading Days, exceeds 2% of the total issued and outstanding shares of that class on the day purchases are made.

(f) Notwithstanding the restriction in subsection (e), an NV Issuer may make a purchase of a block of securities that:

(i) has a purchase price of at least $200,000;

(ii) is at least 5,000 securities with an aggregate purchase price of at least $50,000; or

(iii) is at least 20 Board Lots and is greater than 150% of the Average Daily Trading Volume of the security, provided that:

1) the block is naturally occurring, and does not consist of a combination of orders for the purpose of artificially creating a block to rely on this section;

2) the block is not beneficially owned by, or is not under the control or direction of, a Related Person of a Listed Issuer;

POLICY 7

INVESTOR RELATIONS, PROMOTIONAL ACTIVITY, AND OTHER SIGNIFICANT TRANSACTIONS

7.1 Significant Transactions and Developments

(1) Listed Issuers must disseminate a news release pursuant to Policy 5 regarding any Significant Transactions.

(2) Listed Issuers must include updated information relating to Significant Transactions and Developments in their Monthly Progress Report and Quarterly Listing Statement.

(3) Significant Transactions that result in a Change of Business may be subject to the requirements of Policy 8. Non-arm's length Significant Transactions may be subject to the requirements of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* in addition to the requirements of this Policy. In the case of an acquisition, management of the Listed Issuer is responsible for ensuring that the consideration paid for the asset is reasonable and must retain adequate evidence of value received for consideration paid such as confirmation of out-of-pocket costs or replacement costs, fairness opinions, geological reports, financial statements or valuations. The evidence of value must be made available to the Exchange upon request.

(4) Listed Issuers involved in a Significant Transaction or Development must immediately Post notice of the proposed Significant Transaction or Development (Notice of Proposed Transaction) concurrently or as soon as practicable following the issuance of a news release announcing the Significant Transaction or Development (if the Significant Transaction constitutes Material Information concerning the Listed Issuer) or upon the Listed Issuer agreeing to the Significant Transaction (in all other cases).

(5) At least one full Business Day prior to the closing of a proposed Significant Transaction the Listed Issuer must Post an initial or amended Notice of Proposed Transaction, if applicable.

(6) Forthwith upon closing of a Significant Transaction, the Listed Issuer must Post

(a) a letter from the Listed Issuer confirming receipt of proceeds or payment of consideration provided for in the agreement(s) relating to the Significant Transaction (or describing the receipt or payment schedule); and

(b) an executed Certificate of Compliance from the Listed Issuer that it has complied and is in compliance with applicable securities law.

7.2 + 7.3 should not apply to NV

7.2 Restrictions on Contracts for Investor Relations or Promotional Activities

(1) Compensation to any Person providing Promotional Activities, including Investor Relations Activities, for a Listed Issuer must be reasonable and in proportion to the financial resources and level of operations of the Listed Issuer and should be based on the value of the services provided and not on the Listed Issuer's market performance. In particular, compensation to Persons

3) the Listed Issuer makes no more than one purchase under this subsection in a calendar week; and
4) after making a block purchase, the Listed Issuer makes no further purchases during that Trading Day.

(g) A Listed Issuer that is an investment fund must not make a purchase that, when aggregated with all other purchases during the preceding 30 days, exceeds 2% of the securities of that class outstanding as of the date of filing of Notice of Normal Course Issuer Bid in connection with the bid.

6.11 Exchange Traded Fund Unit Creation and Redemption

An ETF must file Notice of ETF Creation or Redemption, including a nil report as applicable, within 10 days of the end of each month or more frequently in a format acceptable to the Exchange.

providing Investor Relations Activities may not be determined in whole or in part by the Listed Issuer's securities attaining certain price or trading volume thresholds. Except as provided in section 7.2(2) below, compensation in the form of shares or options is not acceptable and payment for services should be on a cash basis.

(2) If permitted by securities laws, options may be granted for persons undertaking Investor Relations activities provided that the total number of listed securities issuable on exercise of options provided as compensation to all Persons providing Investor Relations Activities cannot exceed 2% of the outstanding number of listed securities in any 12-month period.

7.3 Disclosure

(1) In addition to the Notice of Proposed Transaction, a Listed Issuer that arranges for a Person to conduct Promotional Activity, including Investor Relations activity, in respect of the Listed Issuer or a security of the Listed Issuer must promptly disseminate a news release disclosing the following:

(a) that the Listed Issuer has arranged for the Person to conduct the Promotional Activity;

(b) the name, business address, email and telephone number of each person or company that will be involved in conducting the Promotional Activity, and a description of the Person's relationship with the issuer, if any;

(c) the date on which the Promotional Activity will start and the date on which the promotional activity will end or is expected to end;

(d) the nature of the Promotional Activity;

(e) any platform or other medium on or through which the Promotional Activity will occur; and

(f) a description of the compensation that the Person has received or may receive for the Promotional Activity including, the total amount of the compensation and whether the compensation includes options to purchase securities of the Listed Issuer.

(2) **Application**

The disclosure requirements in subsection (1) apply whether or not the Person conducting the Promotional Activity has received or may receive compensation for the Promotional Activity.

(3) **Exception**

The disclosure requirements of subsection (1) do not apply if the Person conducting the Promotional Activity is an officer, director or employee of the Listed Issuer acting in that capacity and is identified as such at the time the Promotional Activity is conducted.

7.4 Suitability Considerations

Further to s. 2.18 of Policy 2, the Exchange may deem any Person to be unacceptable to be associated in any manner with a Listed Issuer if that Person has:

a) made or accepted excessive payments for Promotional Activity or Investor Relations activities, or

b) been associated with or failed to prevent the production, approval or distribution of overly

promotional materials

on behalf of, or with respect to the securities of, any reporting issuer.