



POLICY 2.1

MINIMUM LISTING REQUIREMENTS

Scope of Policy

This Policy sets out the minimum listing requirements for all Issuers making application for a New Listing on the Exchange, including a listing following an Initial Public Offering, an application for listing by an Issuer that was previously listed on another stock exchange or otherwise meets all Exchange MLR before listing, a Reverse Takeover and a Change of Business. This Policy also applies to a Capital Pool Company conducting its Qualifying Transaction in accordance with Policy 2.4 - *Capital Pool Companies*.

Securities to be Listed

This Policy applies only to a New Listing of common shares (or equivalent securities) of an Issuer. The Exchange will not generally accept an application for listing of securities of an Issuer other than common shares, except where the common shares of that Issuer are already listed, or where the common shares and the other class of securities will be contemporaneously listed. For the purpose of this Policy, a security is equivalent to common shares if it has a single voting right and a right to participate in the distribution of property upon dissolution or winding-up, and generally includes class A shares and limited partnership units. An Issuer seeking to list both common shares and another class of security, such as warrants, should refer to Policy 2.8 - *Supplemental Listings* for the distribution and other requirements applicable to the other class of securities.

An Issuer seeking to list only securities which are not common shares or equivalents should consult with Exchange staff and schedule a pre-filing conference. Applications to list securities other than common shares or equivalents will be considered on a case-by-case basis. See Policy 2.8 - *Supplemental Listings*, Policy 3.5 – *Restricted Shares* and Policy 2.7 - *Pre-Filing Conferences*.

The main headings in this Policy are:

1. Introduction - Tiers and Industry Segments
2. Exercise of Discretion
3. Summary of Minimum Listing Requirements
4. Minimum Quantitative Requirements
5. Public Distribution
6. Pricing
7. Pre-Listing Transactions and Capital Structure

1. Introduction – Tiers and Industry Segments

1.1 General

The Exchange currently classifies Issuers into different tiers based on standards, including historical financial performance, stage of development and financial resources of the Issuer at the time of listing. Specific Minimum Listing Requirements for each industry segment in each of Tier 1 and Tier 2 have been developed. This Policy outlines the Minimum Listings Requirements for each industry segment in Tier 1 and Tier 2.

1.2 Distinctions between Tiers and Industry Segments

- (a) Tier 1 is the Exchange’s premier tier and is reserved for the Exchange’s most advanced Issuers with the most significant financial resources. Tier 1 Issuers benefit from decreased filing requirements and improved service standards. Tier 2 is the tier where the majority of the Exchange’s listed Issuers will trade.
- (b) The Exchange classifies listed Issuers into different classes based on the industry segment of the Issuer’s business. The Exchange will classify Issuers based on information that is available in the Issuer’s application. An Issuer should specify in its initial Application for Listing or other New Listing application, the tier and industry segment it is applying to be listed on. The Exchange, at its discretion, can designate an Issuer into a different category or tier than the one applied for.
- (c) A Tier 1 or Tier 2 Issuer generally has a two or three letter stock symbol.

1.3 Interpretation

In this Policy:

“Minimum Listing Requirements” or **“MLR”** means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular tier of the Exchange.

“Net Tangible Assets” or **“NTA”** means total assets less total liabilities, goodwill and intangibles. At the discretion of the Exchange, NTA can include deferred exploration and development expenditures or deferred research and development costs (other than general and administrative expenses) incurred in the five fiscal years before the Application for Listing, if the expenditures relate to the development of the asset, property, product or technology which is the basis on which the Issuer will otherwise meet Minimum Listing Requirements and in respect of which either commercialization has occurred or is reasonably imminent or in respect of which a further work program or research and development program has been recommended by an independent expert. Audited financial statements or an audited statement of costs must provide evidence of these expenditures. The Exchange can permit the inclusion of non-deferred expenditures in the case of Issuers which have expensed those costs against revenues or Issuers who were required by standard accounting practices in their jurisdiction of residence to expense those costs, provided the Issuer provides satisfactory evidence of the costs.

“Working Capital” means current assets less current liabilities based on the Issuer’s most recent balance sheet.

2. Exercise of Discretion

- 2.1 When reviewing an Application for Listing, the Exchange will consider the public interest and any facts or circumstances unique to the Issuer.
- 2.2 The Exchange will also consider whether:
- (a) the past conduct of any Insider suggests that the business of the Issuer will not be conducted with integrity and in the best interests of the Public Shareholders;
 - (b) the rules and regulations of any exchange or regulatory authority have not been complied with by any Insider; and
 - (c) the distribution of the Issuer’s securities to Public Shareholders is not sufficient to ensure an orderly market or appears to be susceptible to manipulation or abuse.
- 2.3 Whether or not an applicant Issuer appears to satisfy the Minimum Listing Requirements, the Exchange may:
- (a) impose listing requirements of a more restrictive nature;
 - (b) impose additional listing requirements;
 - (c) waive, modify or impose any other terms or conditions that it considers advisable;
 - (d) refuse to accept the Application for Listing for public policy reasons which may include that the nature of the business is unacceptable to the Exchange; or
 - (e) classify an Issuer in a different tier or industry segment than the one the Issuer applied for.

3. Summary of Minimum Listing Requirements

- 3.1 Every Issuer making Application for Listing, at the time its securities are listed for trading, must:
- (a) meet the minimum quantitative requirements set out in section 4 of this Policy for a particular tier and industry segment;
 - (b) meet the minimum distribution requirements set out in section 5 of this Policy applicable to the particular tier on which the applicant Issuer is applying to be listed;
 - (c) be in compliance with the requirements set out in section 7 of this policy applicable to pre-listing transactions and capital structure;

- (d) be in compliance with Policy 3.1 – *Directors, Officers and Corporate Governance*, including the suitability and qualifications of directors and management;
- (e) have had a Sponsor submit a final Sponsor Report where required; and
- (f) have submitted all agreements, reports, other documentation and information as required by Policy 2.3 – *Listing Procedures*.

3.2 In addition to the requirements set out above, an Issuer:

- (a) that has been subject to a Cease Trade Order or similar ruling for 90 days or more immediately prior to a New Listing;
- (b) whose securities have not traded for 24 months;
- (c) that is a delisted Capital Pool Company, Venture Capital Pool or Junior Capital Pool; or
- (d) which delisted from the Exchange for reasons other than graduation to a more senior exchange;

must file with and receive a final receipt for a Prospectus from one of the Securities Commissions, before the Exchange will list the Issuer's securities.

3.3 Except in the case of a Mining Issuer, Oil & Gas Issuer or an Investment Issuer, an Issuer must have Significant Interest in the business that forms the basis of its listing on the Exchange. In addition, the Issuer must have a means to enable it to retain at least the Significant Interest in the business. See sections 4.4 and 4.5 of this Policy for specific requirements for Mining Issuers and sections 4.6 and 4.7 for specific requirements for Oil and Gas Issuers.

3.4 The following tables summarize the Tier 1 and Tier 2 Minimum Listing Requirements:

Tier 1 Minimum Listing Requirements					
Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
Net Tangible Assets	\$2,000,000	No requirement	Category 1: \$1,000,000 Category 2: \$5,000,000 Category 3: No requirement	\$5,000,000	\$5,000,000
Property or Reserves	Material Interest in a Tier 1 Property	\$2,000,000 proven reserves	No requirement	No requirement	No requirement
Prior Expenditures	No requirement	No requirement	No requirement	Minimum \$1,000,000	No requirement
Recommended Work Program	\$500,000 on the Tier 1 Property (as recommended by Geological Report)	No requirement	No requirement	Minimum: \$1,000,000	No requirement
Working Capital and Financial Resources	Adequate for: Work program + 18 mos. G&A ⁽¹⁾ + 18 mos. property payments to keep Tier 1 Property and Exploration "Principal Properties" in good standing + \$100,000 unallocated	Adequate (Min: \$500,000)	Categories 1 & 3: Adequate Financial Resources for 18 months Category 2: Adequate Working Capital for 18 mos. under business plan (incl. G&A) ⁽¹⁾ and \$100,000 unallocated	Adequate Working Capital to cover: Work program + 18 mos. G&A ⁽¹⁾ + \$100,000 unallocated	Adequate for 18 months

Tier 1 Minimum Listing Requirements					
Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
Earnings or Revenue	No requirement	No requirement	Category 1: \$100,000 pre-tax earnings in last year or in last two of three years Category 2: No requirement Category 3: \$200,000 pre-tax earnings in last year or in last two of three	No requirement	No requirement
Distribution, Market Capitalization and Float	\$1,000,000 held by Public Shareholders 1,000,000 free trading public shares 200 Public Shareholders with a Board Lot and no Resale Restrictions 10% Public Float 20% of issued and outstanding shares in the hands of Public Shareholders				
Other Criteria	Geological Report recommending completion of work program or positive feasibility study or production levels exhibiting a likelihood of positive cash flow Sponsor Report may be required	Geological Report Sponsor Report may be required	Sponsor Report if required Category 2: Management plan demonstrating reasonable expectations of earnings within 24 months.	Human or technological benefits Sponsor Report may be required	Investment Issuers must have a disclosed investment policy and strategy 50% of the Available Funds must be allocated to at least 2 specific investments Sponsor Report may be required

(1) "G&A" means general and administrative expenses.

Tier 2 Minimum Listing Requirements					
Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
Net Tangible Assets	No requirement	No requirement	Category 1: \$500,000 Category 2: \$750,000 Category 3: \$750,000	\$750,000	\$2,000,000
Property or Reserves	Significant Interest in a Qualifying Property or at the discretion of the Exchange, hold rights to earn a Significant Interest in the Qualifying Property	Category 1: \$500,000 proven producing reserves Category 2: \$750,000 proven and probable reserves Category 3: No requirement	No requirement	No requirement	No requirement
Prior Expenditures	\$100,000 on the Qualifying Property in last 3 years by applicant issuer or sufficient expenditures incurred such that the property is a Tier 1 Property	No requirement	Categories 1 & 2: not required Category 3: \$250,000 prior expenditures related to the development of the product or technology to be commercialized pursuant to the business plan in past 12 months	\$500,000	No requirement
Recommended Work Program	\$200,000 on the Qualifying Property as recommended by Geological Report	Category 1: No requirement Category 2: \$300,000 work program Category 3: satisfactorily diversified exploration program. Issuer has at least \$1,500,000 allocated towards a joint venture or work program	No requirement	Minimum: \$500,000	No requirement

Tier 2 Minimum Listing Requirements					
Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
Working Capital and Financial Resources	Adequate Working Capital and Financial Resources including: Work program + 12 mos. G&A ⁽¹⁾ + 12 mos. property payments to keep Qualifying Property and "Principal Properties" in good standing +\$100,000 unallocated	Category 1: Adequate Working Capital and Financial Resources for 12 months Category 2 and 3: Adequate means adequate Working Capital and Financial Resources: Work program + 12 mos. G&A ⁽¹⁾ +\$100,000 unallocated	Category 1: Adequate Working Capital and Financial Resources for 12 months Category 2: Adequate Working Capital and Financial Resources for 12 mos. under business plan (incl. 12 months G&A) ⁽¹⁾ and \$100,000 unallocated Category 3: Adequate Working Capital and Financial Resources for 12 mos. under business plan (incl. 12 months G&A) ⁽¹⁾ and \$100,000 unallocated	Adequate Working Capital and Financial Resources to cover: Work program + 12 mos. G&A ⁽¹⁾ + \$100,000 unallocated	Adequate Working Capital and Financial Resources for 12 months
Earnings or Revenue	No requirement	No requirement	Category 1: \$50,000 pre-tax earnings in last year or in last two of three Category 2: \$250,000 operating revenue Category 3: No requirement	No requirement	No requirement
Distribution, Market Capitalization and Float	<p>500,000 public free trading shares</p> <p>\$500,000 held by Public Shareholders</p> <p>200 Public Shareholders with a Board Lot and no Resale Restrictions</p> <p>10% Public Float</p> <p>20% of issued and outstanding shares in the hands of Public Shareholders</p>				

Tier 2 Minimum Listing Requirements					
Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
Other Criteria	Geological Report recommending completion of work program Sponsor Report may be required.	Geological Report Sponsor Report may be required	Category 1: Sponsor Report if required Category 2: Two year management plan demonstrating reasonable likelihood of revenue within 24 months + Sponsor Report if required.	Human or technological benefits Feasibility Study or other evidence of satisfactory due diligence by sponsor Sponsor Report may be required	Investment Issuers must have a publicly disclosed investment policy and strategy 50% of the Available Funds must be allocated to at least 2 specific investments Sponsor Report may be required
Other Criteria			Category 3: Two year management plan demonstrating reasonable likelihood of revenue within 24 months + Sponsor Report (if required) + working prototype of any industrial product or, in respect of any technology, testing satisfactory to demonstrate reasonable likelihood of commercial viability		

(1) "G&A" means general and administrative expenses.

4. Minimum Quantitative Requirements

4.1 Overview

The Exchange categorizes Tier 1 and Tier 2 Issuers by industry segment and applies specific requirements to each industry segment. Each Tier 1 or Tier 2 Issuer will be placed into one of the following categories:

- (a) Technology or Industrial
- (b) Mining
- (c) Oil and Gas
- (d) Real Estate or Investment
- (e) Research and Development

Each industry segment is further divided into categories. The quantitative minimum requirements for listing in each industry and tier are provided below.

4.2 Technology or Industrial – Tier 1

A technology or industrial Issuer seeking a listing in Tier 1 must satisfy all the criteria in one of the three categories below:

- (a) Category 1:
 - (i) Net Tangible Assets of at least \$1,000,000;
 - (ii) adequate Working Capital and Financial Resources to carry on the business of the Issuer for 18 months; and
 - (iii) net income of at least \$100,000 before extraordinary items and after all charges except income taxes in the fiscal year immediately preceding the filing of the listing application or a minimum average net income of \$100,000 before extraordinary items and after all charges except income taxes for at least two of the last three fiscal years;

or

- (b) Category 2:
- (i) Net Tangible Assets of at least \$5,000,000;
 - (ii) a management plan outlining the development of its business for 24 months, which management plan demonstrates that the Issuer's product, service or technology is sufficiently developed and that there is a reasonable expectation of earnings from its business within the next 24 months; and
 - (iii) adequate Working Capital and Financial Resources to carry out the program outlined in its management plan. For further clarification, adequate Working Capital includes the funds necessary to achieve any acquisition, growth or expansion plans and satisfy general and administrative expenses for at least 18 months and at least \$100,000 in unallocated funds;

or

- (c) Category 3:
- (i) adequate Working Capital and Financial Resources to carry on the business of the Issuer for 18 months; and
 - (ii) net income of at least \$200,000 before extraordinary items and after all charges except income taxes in the fiscal year immediately preceding the filing of the listing application or a minimum average net income of at least \$200,000 before extraordinary items and after all charges except income tax for at least two of the last three fiscal years.

4.3 Technology or Industrial – Tier 2

A technology or industrial Issuer seeking a listing in Tier 2 must satisfy all the criteria in one of the three categories below:

- (a) Category 1:
- (i) Net Tangible Assets of at least \$500,000;
 - (ii) adequate Financial Resources to carry on the business of the Issuer for 12 months; and
 - (iii) net income of at least \$50,000 before extraordinary items and after all charges except income taxes in the fiscal year immediately preceding the filing of the listing application or a minimum average net income of at least \$50,000 before extraordinary items and after all charges except income taxes for at least two of the last three fiscal years;

or

(b) Category 2:

- (i) Net Tangible Assets of at least \$750,000;
- (ii) revenues derived from commercial operations in the last 12 months of at least \$250,000;
- (iii) a management plan outlining the development of its business for 24 months, which management plan demonstrates that the Issuer's product, service or technology is sufficiently developed and that there is a reasonable expectation of revenue within the next 24 months; and
- (iv) adequate Working Capital and Financial Resources to carry out the program outlined in its management plan. For further clarification, adequate Working Capital and Financial Resources includes the funds necessary to achieve any acquisition, growth or expansion plans and satisfy general and administrative expenses for at least 12 months and at least \$100,000 in unallocated funds;

or

(c) Category 3:

- (i) Net Tangible Assets of at least \$750,000;
- (ii) at least \$250,000 must have been spent on the development of the product or technology by the applicant Issuer in the 12 months preceding the application;
- (iii) sufficient testing of any technology to demonstrate commercial viability;
- (iv) a working prototype of any industrial product;
- (v) a management plan outlining the development of its business for 24 months, which management plan demonstrates that the Issuer's product, service or technology is sufficiently developed and that there is a reasonable expectation revenue within the next 24 months; and
- (vi) adequate Working Capital and Financial Resources to carry out the program outlined in its management plan. For further clarification, adequate Working Capital includes the funds necessary to achieve any acquisition, growth or expansion plans and satisfy general and administrative expenses for at least 12 months and at least \$100,000 in unallocated funds.

4.4 Mining Issuer – Tier 1

A mining Issuer seeking a listing in Tier 1 must satisfy all of the criteria below:

- (a) Net Tangible Assets of at least \$2,000,000;
- (b) a material interest in a Tier 1 Property;
- (c) the property is subject to:
 - (i) a Geological Report recommending a minimum \$500,000 work program on the Tier 1 Property;
 - (ii) a positive feasibility study prepared by an independent qualified person; or
 - (iii) production levels indicate a reasonable likelihood of generating positive cash flow from ongoing operations; and
- (d) adequate Working Capital and Financial Resources which includes adequate funds:
 - (i) to conduct the recommended work program;
 - (ii) to satisfy general and administrative expenses for at least 18 months;
 - (iii) to maintain the Tier 1 Property and all Principal Properties in good standing for at least 18 months; and
 - (iv) at least \$100,000 in unallocated funds.

4.5 Mining Issuer – Tier 2

A mining Issuer seeking a listing in Tier 2 must satisfy all of the criteria below:

- (a) hold a Significant Interest in a Qualifying Property or, at the discretion of the Exchange, hold rights to earn a Significant Interest in the Qualifying Property. An Issuer holding less than a Significant Interest in a Qualifying Property, may, on an exception basis, be considered to satisfy this criterion, taking into account factors such as the program size, quality and stage of property advancement, market support and joint venture partners;
- (b) a minimum of \$100,000 in exploration and development costs have been spent on the Qualifying Property by the applicant Issuer in the last 3 years or sufficient expenditures incurred, such that the Qualifying Property is a Tier 1 Property;
- (c) a Geological Report recommending a minimum \$200,000 non-contingent work program on the Qualifying Property; and

- (d) adequate Working Capital which includes adequate funds:
 - (i) to conduct the recommended work program;
 - (ii) to satisfy general and administrative expenses for at least 12 months;
 - (iii) to maintain the Qualifying Property and all Principal Properties in good standing for at least 12 months; and
 - (iv) at least \$100,000 in unallocated funds.

4.6 Oil and Gas Issuer – Tier 1

An oil and gas Issuer seeking a listing in Tier 1 must satisfy all of the criteria below:

- (a) a Geological Report demonstrating proven reserves (producing or non producing) with a present value of \$2,000,000 based on constant dollar pricing assumptions, discounted at 15%; and
- (b) adequate Working Capital and Financial Resources to carry out the business, which for clarification includes at least \$500,000 in Working Capital.

4.7 Oil and Gas Issuer – Tier 2

An oil and gas Issuer seeking a listing in Tier 2 must satisfy all of the criteria in one of the three categories below:

- (a) Category 1:
 - (i) at least \$500,000 proven producing reserves based on constant dollar pricing assumptions, discounted at 15%;
 - (ii) a Geological Report recommending further development or production; and
 - (iii) adequate Working Capital and Financial Resources for 12 months;

or

- (b) Category 2:
 - (i) proven (producing or non producing) and probable reserves with a present value of \$750,000 based on constant dollar pricing, discounted at 15%, and for probable reserves, risk discounted a further 50%;
 - (ii) a Geological Report recommending a minimum development program of \$300,000; and

- (iii) adequate Working Capital and Financial Resources, which for clarification includes adequate funds:
 - (A) to complete any joint venture exploration program or other recommended work program;
 - (B) to satisfy general and administrative expenses for at least 12 months; and
 - (C) at least \$100,000 in unallocated funds;

or

(c) Category 3:

- (i) a satisfactorily diversified exploration program recommended by a Geological Report. A one well drilling program will generally not be acceptable as a basis for listing;
- (ii) at least \$1,500,000 of the Issuer's funds are allocated to a joint venture or other satisfactory recommended exploration program; and
- (iii) adequate Working Capital and Financial Resources, which for clarification includes adequate funds:
 - (A) to complete the Issuer's portion of the recommended work program;
 - (B) to satisfy general and administrative expenses for at least 12 months; and
 - (C) at least \$100,000 in unallocated funds.

4.8 Real Estate or Investment Issuer – Tier 1

A real estate or investment Issuer seeking a listing in Tier 1 must satisfy all of the criteria below:

- (a) Net Tangible Assets of at least \$5,000,000;
- (b) adequate Working Capital and Financial Resources for 18 months;
- (c) a publicly disclosed satisfactory investment policy and strategy which includes the Issuer's:
 - (i) investment strategies and criteria;
 - (ii) diversification requirements;
 - (iii) conflict of interest provisions; and
 - (iv) contractual rights of access to the books and records of the investees;

- (d) in the case of an Investment Issuer, the board (or advisory board) must be comprised of individuals with adequate backgrounds and experience which demonstrates sufficient expertise in making investment decisions; and
- (e) in the case of an Investment Issuer, a minimum of 50% of Issuer's available funds have been allocated to a minimum of two specific investments.

4.9 Real Estate or Investment Issuer – Tier 2

A real estate or investment Issuer seeking a listing in Tier 2 must satisfy all of the criteria below:

- (a) Net Tangible Assets of at least \$2,000,000;
- (b) adequate Working Capital and Financial Resources for 12 months;
- (c) a publicly disclosed satisfactory investment policy and strategy which includes the Issuer's:
 - (i) investment strategies and criteria;
 - (ii) diversification requirements;
 - (iii) conflict of interest provisions; and
 - (iv) contractual rights of access to the books and records of the investees.
- (d) in the case of an Investment Issuer, the board (or advisory board) must be comprised of individuals with adequate backgrounds and experience which demonstrates sufficient expertise in making investment decisions; and
- (e) in the case of an Investment Issuer, a minimum of 50% of the Issuer's available funds have been allocated to a minimum of two specific investments.

4.10 Research and Development Issuer – Tier 1

A research and development Issuer seeking a listing in Tier 1 must satisfy all of the criteria below:

- (a) a satisfactory recommended research and development work program of at least \$1,000,000;
- (b) Net Tangible Assets of at least \$5,000,000;
- (c) a minimum of \$1,000,000 in prior research and development costs (excluding general and administrative costs) must have been spent by the applicant Issuer on the technology or product on which the research and development program is recommended;

- (d) adequate Working Capital and Financial Resources, which for clarification includes adequate funds:
 - (i) to conduct the recommended research and development program;
 - (ii) to satisfy general and administrative expenses for at least 18 months; and
 - (iii) at least \$100,000 in unallocated funds.

4.11 Research and Development Issuer – Tier 2

A research and development Issuer seeking a listing in Tier 2 must satisfy all of the criteria below:

- (a) a satisfactory recommended research and development work program of at least \$500,000;
- (b) Net Tangible Assets of at least \$750,000;
- (c) a minimum of \$500,000 in prior research and development costs (excluding general and administrative costs) must have been spent by the applicant Issuer on the technology or product on which the research and development program is recommended;
- (d) adequate Working Capital and Financial Resources, which for clarification includes adequate funds:
 - (i) to conduct the recommended research and development program;
 - (ii) to satisfy for general and administrative expenses for at least 12 months; and
 - (iii) at least \$100,000 in unallocated funds.

4.12 Working Capital

If an Issuer has historically generated positive cash flow, the Exchange will generally conclude that the Issuer has sufficient financial resources to meet its historical general and administrative expenses. If an Issuer has generated revenues that have not yet resulted in positive cash flow, the Exchange can consider those revenues when calculating the minimum Working Capital requirements of the Issuer. An Issuer with no revenues must have, at the time of listing, sufficient Working Capital to satisfy all its Working Capital needs for at least 12 months.

5. Public Distribution

5.1 Tier 1

An Issuer seeking a listing in Tier 1, regardless of industry segment, must satisfy all of the criteria below:

- (a) at least 1,000,000 securities of the class to be listed are held by Public Shareholders, free of any Resale Restrictions;
- (b) the aggregate Market Value of the securities held by Public Shareholders is at least \$1,000,000;
- (c) at least 200 Public Shareholders holding at least one Board Lot each, with no Resale Restrictions;
- (d) at least 20% of the issued and outstanding securities to be listed are held by Public Shareholders; and
- (e) at least 10% of the issued and outstanding securities to be listed are in the Public Float.

5.2 Tier 2

An Issuer seeking a listing in Tier 2, regardless of industry segment, must satisfy all of the criteria below:

- (a) at least 500,000 securities of the class to be listed are held by Public Shareholders, free of any Resale Restrictions;
- (b) the aggregate Market Value of the securities held by Public Shareholders is at least \$500,000;
- (c) at least 200 Public Shareholders holding at least one Board Lot each with no Resale Restrictions;
- (d) at least 20% of the issued and outstanding securities to be listed are held by Public Shareholders; and
- (e) at least 10% of the issued and outstanding securities to be listed are in the Public Float.

5.3 General Requirements

- (a) In determining whether an Issuer has adequate public distribution, the Exchange will exclude from the calculation, any Distribution which:
 - (i) is contrary to Securities Laws or Exchange Requirements, or
 - (ii) has been achieved solely or principally by gift, dividend in specie, securities exchange take-over bid of a non-reporting issuer, or other similar means.
- (b) An Issuer does not have adequate public distribution, if at the time of listing, the aggregate number of Listed Shares beneficially owned or controlled directly or indirectly by the Pro Group (before inclusion of any Agent's Option) exceeds 20% of the total issued and outstanding Listed Shares of the Issuer.
- (c) If an Issuer appears to meet the distribution requirements in sections 5.1(c) or 5.2(c) but most of the 200 Public Shareholders hold only a single Board Lot or less and the balance of the securities are held by only a few shareholders, then trading in the Issuer's securities could reasonably become subject to manipulation and the Exchange will generally conclude that the Issuer does not have adequate public distribution.

6. Pricing

- 6.1 The Issuer must not sell securities pursuant to the Initial Public Offering for less than \$0.15 per share or unit.

7. Pre-Listing Transactions and Capital Structure

- 7.1 The capital structure of an Issuer making application for an Initial Listing or a New Listing must be acceptable to the Exchange. Before a New Listing or Initial Listing, all securities issued to Principals of the Issuer or the Resulting Issuer, as well as securities issued below certain price levels, are generally required to be escrowed or held subject to hold periods. See Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions*.
- 7.2 Subject to subsection 7.3, where convertible securities (such as stock options, common share purchase warrants, special warrants, convertible debentures or notes) are issued before listing in the private issuer and exercisable or convertible into Listed Shares at a price that is less than the issuance price per security under a Prospectus offering or other financing or acquisition undertaken contemporaneously with the Application for Listing the underlying security will be subject to escrow if issued to a Principal, or the Seed Share Resale Restrictions in other cases.

- 7.3 Where there is no concurrent financing, the minimum permitted price at which the securities can be exercisable or convertible, and not be subject to escrow or an Exchange hold period pursuant to the Exchange Seed Share Resale Restrictions, is the greater of the Market Price and \$0.10. The Exchange will not permit the exercise, conversion or exchange price of any exercisable, convertible or exchangeable security to be fixed until the security has been granted to a particular Person.
- 7.4 If an Issuer has completed a Private Placement of special warrants (or other convertible securities anticipated to be qualified pursuant to Prospectus or otherwise) in the three months before the application for New Listing, and the issuance price per special warrant (or other convertible security) is less than the Prospectus or Market Price at the time of the New Listing, the Exchange may impose an Exchange hold period on the underlying securities pursuant to the Seed Share Resale Restrictions, even though the underlying securities have been qualified for distribution by a Prospectus. Alternatively, the Exchange can require that some or all of those securities be escrowed. See Policy 3.2 – *Filing Requirements and Continuous Disclosure* for the terms of any hold period and Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* for the terms of applicable escrow.
- 7.5 The Exchange will generally not accept an Application for Listing if the aggregate number of Listed Shares owned directly or indirectly by the Pro Group exceeds 20% of the total issued and outstanding Listed Shares of the Issuer at the time of listing. Additional restrictions on Pro Group participation apply in the case of Capital Pool Companies. See Policy 2.4 – *Capital Pool Companies*.
- 7.6 The Exchange will generally not accept an Application for Listing if securities offered by Prospectus or Private Placement have been purchased by the Pro Group, unless, after a bona fide offering of the total amount of the offering to the public, the offering has not been fully subscribed.
-