

	TSX Venture Tier 2 Category 1	TSX Venture Tier 2 Category 2	TSX Venture Tier 2 Category 3	TSX Venture Tier 1	TSX Non-Exempt Oil & Gas Exploration and Development Issuers	TSX Exempt Oil & Gas Issuers ⁴
Net Tangible Assets Earnings or Revenue						Pre-tax profitability from on-going operations in last fiscal year. Pre-tax cash flow from on-going operations of \$700,000 in last fiscal year and average pre-tax cash flow from on-going operations of \$500,000 for the past two fiscal years
Working Capital and Financial Resources	Adequate working capital and financial resources for 12 months	Adequate working capital for work program + 12 months G&A ¹ + \$100,000 unallocated		\$500,000 and adequate capital	Adequate funds to execute the program and cover all other capital expenditures + G&A ¹ + debt service expenses for 18 months with a contingency allowance; 18 month projection of sources & uses of funds signed by CFO; Appropriate capital structure	
Distribution, Market Capitalization & Public Float	500,000 free trading publicly held shares valued over \$500,000 ; 200 public holders with board lot and no resale restrictions; 10% public float; 20% of issued and outstanding shares publicly held			1,000,000 free trading publicly held shares valued over \$1,000,000; 200 public holders with board lots and no resale restrictions; 10% public float; 20% of shares held by public shareholders	At least 1,000,000 freely tradable shares with an aggregate market value of \$4,000,000; 300 public holders, each with one board lot or more	
Sponsorship	Required (may be waived)				Required (may be waived)	Not required
Property Requirements	\$500,000 proved developed producing reserves	\$750,000 proved and probable reserves		\$2,000,000 proved developed reserves	\$3,000,000 proved developed reserves ^{2, 5}	\$7,500,000 proved developed reserves ^{2, 5}
Recommended Work Program		\$300,000	Satisfactorily diversified exploration program; \$1,500,000 allocated towards a joint venture or work program		Clearly defined program to increase reserves	
Other Criteria	Geological report; sponsor report may be required; reserve values are pre-tax NPV of cash flows using a 15% discount rate and constant pricing assumptions				Up to date technical report prepared by an independent technical consultant (NI 51-101 ³) ⁵	

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

(2) "Proved developed reserves" are defined as those reserves that are expected to be recovered from existing wells and installed facilities, or, if facilities have not been installed, that would involve low expenditure, when compared to the cost of drilling a well, to put the reserves on production.

(3) "NI 51-101" National Instrument 51-101 - *Standards of Disclosure for Oil & Gas Activities* - available at:

http://www.osc.gov.on.ca/Regulation/Rulemaking/Current/Part5/rule_20030926_51-101_rule.pdf

(4) Exceptional circumstances may justify the granting of Exempt status notwithstanding the minimum requirements - generally an affiliation with an established business and/or exceptionally strong financial position is required.

(5) Reserve values of pre-tax NPV of cash flows using a 20% discount rate: constant pricing assumptions are used.