

# LISTING REQUIREMENTS FOR INDUSTRIAL, TECHNOLOGY AND RESEARCH & DEVELOPMENT COMPANIES

## TSX

	TSX NON-EXEMPT TECHNOLOGY ISSUERS <sup>1,7</sup>	TSX NON-EXEMPT RESEARCH AND DEVELOPMENT (R&D) ISSUERS <sup>7</sup>	TSX NON-EXEMPT FORECASTING PROFITABILITY <sup>7</sup>	TSX NON-EXEMPT PROFITABLE ISSUERS <sup>7</sup>	TSX EXEMPT INDUSTRIAL COMPANIES <sup>8</sup>
<b>Earnings or Revenue</b>			Evidence of earnings from on-going operations for the current or next fiscal year of at least \$200,000 <sup>2</sup> before tax and extraordinary items.	Earnings from on-going operations of at least \$200,000 before tax and extraordinary items in the last fiscal year.	Earnings from on-going operations of at least \$300,000 before tax and extraordinary items in the last fiscal year.
<b>Cash Flow</b>			Evidence of pre-tax cash flow for the current or next fiscal year of at least \$500,000. <sup>2</sup>	Pre-tax cash flow of \$500,000 in the last fiscal year.	Pre-tax cash flow of \$700,000 in the last fiscal year, and an average pre-tax cash flow of \$500,000 for the past two fiscal years.
<b>Net Tangible Assets</b>			\$7,500,000 <sup>3</sup>	\$2,000,000 <sup>3,4</sup>	\$7,500,000 <sup>3</sup>
<b>Adequate Working Capital and Capital Structure</b>	Funds to cover all planned development expenditures, capital expenditures, and G&A <sup>5</sup> expenses for one year. <sup>4</sup>	Funds to cover all planned R&D expenditures, capital expenditures and G&A <sup>5</sup> expenses for two years. <sup>6</sup>	Working capital to carry on the business, and an appropriate capital structure.		
<b>Cash in Treasury</b>	Minimum \$10,000,000 in the treasury, the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus.	Minimum \$12,000,000 in the treasury, the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus.			
<b>Products and Services</b>	Evidence (satisfactory to TSX) that products or services at an advanced stage of development or commercialization and that management has the expertise and resources to develop the business. <sup>9</sup>	Minimum two year operating history that includes R&D activities. Evidence (satisfactory to TSX) of technical expertise and resources to advance its research and development programme(s). <sup>10</sup>			
<b>Management and Board of Directors</b>	Management, including the board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience. Companies are required to have at least two independent directors, a Chief Executive Officer (CEO), a Chief Financial Officer who is not also the CEO, and a Corporate Secretary.				
<b>Public Distribution and Market Capitalization</b>	Minimum 1,000,000 free trading public shares.  Minimum \$10,000,000 held by public shareholders.  300 public shareholders each holding a board lot.  Minimum \$50,000,000 market capitalization.	Minimum 1,000,000 free trading public shares.  Minimum \$4,000,000 held by public shareholders.  300 public shareholders each holding a board lot or more.			
<b>Sponsorship</b>	Sponsor Report may be required (generally not required for IPOs or TSXV Graduates).				Not required.

	TSXV TIER 1 INDUSTRIAL TECHNOLOGY LIFE SCIENCES	TSXV TIER 2 INDUSTRIAL TECHNOLOGY LIFE SCIENCES	TSXV TIER 1 REAL ESTATE OR INVESTMENT	TSXV TIER 2 REAL ESTATE OR INVESTMENT
<b>Net Tangible Assets, Revenue or Arm's Length Financing (as applicable)</b>	\$5,000,000 net tangible assets or \$5,000,000 revenue.  If no revenue, two-year management plan demonstrating reasonable likelihood of revenue within 24 months.	\$750,000 net tangible assets or \$500,000 in revenue or \$2,000,000 Arm's Length Financing.  If no revenue, two-year management plan demonstrating reasonable likelihood of revenue within 24 months.	Real Estate: \$5,000,000 net tangible assets.  Investment: \$10,000,000 net tangible assets.	\$2,000,000 net tangible assets or \$3,000,000 Arm's Length Financing.
<b>Adequate Working Capital and Capital Structure</b>	Adequate working capital and financial resources to carry out stated work program or execute business plan for 18 months following listing; \$200,000 unallocated funds.	Adequate working capital and financial resources to carry out stated work program or execute business plan for 12 months following listing; \$100,000 unallocated funds.	Adequate working capital and financial resources to carry out stated work program or execute business plan for 18 months following listing; \$200,000 unallocated funds.	Adequate working capital and financial resources to carry out stated work program or execute business plan for 12 months following listing; \$100,000 unallocated funds.
<b>Property</b>	Issuer has significant interest in business or primary asset used to carry on business.		Real Estate: Issuer has significant interest <sup>11</sup> in real property.  Investment: No requirement.	
<b>Prior Expenditures and Work Program</b>	History of operations or validation of business.		Real Estate: No requirement.  Investment: Disclosed investment policy.	Real Estate: No requirement.  Investment: (i) disclosed investment policy and (ii) 50% of available funds must be allocated to at least two specific investments.
<b>Management and Board of Directors</b>	Management, including board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience in Canada or a similar jurisdiction. Companies are required to have at least two independent directors, a Chief Executive Officer (CEO), a Chief Financial Officer who is not also the CEO, and a Corporate Secretary.			
<b>Distribution, Market Capitalization and Public Float</b>	Public float of 1,000,000 shares; 250 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders.	Public float of 500,000 shares; 200 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders.	Public float of 1,000,000 shares; 250 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders.	Public float of 500,000 shares; 200 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders.
<b>Sponsorship</b>	Sponsor report may be required.			

The listing requirements above must be met at the time of listing. Any funds raised or transactions closing concurrent with listing contribute to the company meeting the listing requirements.

- ① Generally includes companies engaged in hardware, software, telecommunications, data communications, information technology and new technologies that are not currently profitable or able to forecast profitability.
- ② Applicants should file a complete set of forecast financial statements covering the current and/or next fiscal year (on a quarterly basis). Forecasts must be accompanied by an independent auditor's opinion that the forecast complies with the CICA Auditing Standards for future-oriented financial information. Applicants should have at least six months of operating history, including gross revenues at commercial levels for the last six months.
- ③ Under certain circumstances, deferred development charges or other intangible assets can be included in net tangible asset calculations.
- ④ Companies with less than \$2 million in net tangible assets may qualify for listing if the earnings and cash flow requirements for exempt companies are met.
- ⑤ "G&A" means general and administration expenses.
- ⑥ A quarterly projection of sources and uses of funds, for the relevant period, including related assumptions signed by the CFO must be submitted. Projection should exclude uncommitted payments from third parties or other contingent cash receipts. R&D issuers should exclude cash flows from future revenues.

- ⑦ Exceptional circumstances may justify granting of a listing, notwithstanding minimum requirements – generally an affiliation with established business and/or exceptionally strong financial position is required.
- ⑧ ②, as well as for granting Exempt status. Special purpose issuers are generally considered on an exceptional basis.
- ⑨ "Advanced stage of development or commercialization," generally restricted to historical revenues from the issuer's current business or contracts for future sales. Other factors may also be considered.
- ⑩ Other relevant factors may also be considered.
- ⑪ "significant interest" means at least 50% interest.

