

TSX VENTURE EXCHANGE CORPORATE FINANCE MANUAL TABLE OF CONTENTS

PART 1.	CENIEDAI	MATTERS
PARI I.	(JEINEK AI	LIVIALIERS

Policy 1.1 Interpretation

- 1. Definitions
- 2. Affiliation and Control
- 3. Rules of Construction
- 4. Exchange Discretion

Policy 1.2 Filing Locations and Procedures

- 1. Filing Office New Listing Applicants
- 2. Change in Filing Office
- 3. Electronic or Paper Filing
- 4. Confidential Information

Policy 1.3 Schedule of Fees

PART 2. LISTING MATTERS

Policy 2.1 Initial Listing Requirements

- 1. Introduction Tiers and Industry Segments
- 2. Initial Listing Requirements
- 3. Pricing
- 4. Pre-Listing Transactions and Capital Structure
- 5. Exercise of Discretion

Policy 2.2 Sponsorship and Sponsorship Requirements

- 1. Application
- 2. Definitions
- 3. Requirements for Sponsorship
- 4. Sponsors and Qualifications
- 5. Review Procedures
- 6. Sponsorship Acknowledgement Form
- 7. Sponsor Reports

Policy 2.3 Listing Procedures

- 1. Initial Filing Requirements
- 2. Exchange Review
- 3. Final Filing Requirements
- 4. TSX Issuers Listing on TSX Venture Exchange
- 5. Significant Connection to Ontario

Policy 2.4 Capital Pool Companies

- 1. Definitions
- 2. Overview of Process
- 3. Initial Listing Requirements for CPCs
- 4. Disclosure Required in a CPC Prospectus
- 5. Agents
- 6. Agent's Option
- 7. Other Options Issued by the CPC
- 8. Prohibited Payments and Use of Proceeds
- 9. Restrictions on Trading
- 10. Private Placements for Cash
- 11. Escrow
- 12. Qualifying Transaction
- 13. Information Circular and Filing Statement
- 14. Other Requirements
- 15. CPC Combinations

Policy 2.5 Continued Listing Requirements and Inter-Tier Movement

- 1. Application of Continued Listing Requirements
- 2. Continued Listing Requirements
- 3. Inability to Meet Continued Listing Requirements
- 4. Suspension
- 5. Graduation from Tier 2 to Tier 1

Policy 2.6 Reactivation of NEX Companies

- 1. Reactivation
- 2. Procedure for Effecting a Reactivation
- 3. Graduation from NEX to Tier 2

Policy 2.7 Pre-Filing Conferences

- 1. Required or Recommended Pre-Filing Conferences
- 2. Purpose of a Pre-Filing Conference
- 3. Scheduling a Pre-Filing Conference
- 4. Recommended Filings

Policy 2.8 Supplemental Listings

- 1. General
- 2. Application Process and Filing Requirements
- 3. Distribution Requirements
- 4. Convertible or Exchangeable Securities
- 5. Trading

Policy 2.9 Trading Halts, Suspensions and Delisting

- 1. Introduction
- 2. Trading Halts
- 3. Trading Suspensions
- 4. Delisting
- 5. Reviews and Appeals

Policy 2.10 Listing of Emerging Market Issuers

- 1. Introduction
- 2. Defined Terms
- 3. Rationale for Additional Listing Requirements
- 4. Requirements/Procedures for Listing of Emerging Market Issuers
- 5. Summary of Requirements and Procedures

PART 3. CONTINUOUS DISCLOSURE AND CORPORATE GOVERNANCE

Policy 3.1 Directors, Officers, Other Insiders & Personnel and Corporate Governance

- 1. Definitions
- 2. Exchange Review of Directors, Officers, Other Insiders & Personnel
- 3. Initial Listing Requirements
- 4. Continued Listing Requirements
- 5. Qualifications and Duties of Directors and Officers
- 6. Disclosure of Insider Interests
- 7. Transfer Agent, Registrar and Escrow Agent
- 8. Security Certificates
- 9. Dissemination of Information and Insider Trading
- 10. Unacceptable Trading
- 11. Corporate Power and Authority
- 12. Auditors
- 13. Financial Statements, MD & A and Certification
- 14. Shareholders' Meetings and Proxies
- 15. Shareholder Rights Plans
- 16. Proceeds from Distributions
- 17. Issuers with Head Office Outside Canada
- 18. Assessment of a Significant Connection to Ontario
- 19. Corporate Governance Guidelines
- 20. Disclosure of Corporate Governance Practices
- 21. Audit Committee

Policy 3.2 Filing Requirements and Continuous Disclosure

- Continuous Disclosure and Filing Requirements Under Securities Laws
- 2. Documents Required by Securities Laws
- 3. Corporate Information and Shareholder Communication
- 4. Shareholder Meetings
- 5. Security Issuances, Treasury Orders and Legending of Hold Periods
- 6. Change in Management or Control
- 7. Personal Information Forms and Declarations
- 8. Material Agreements Escrow/Pooling Arrangements

- 9. Changes in Constating Documents and Security Reclassifications (other than Name Changes, Stock Splits and Consolidations)
- 10. Dividends
- 11. Redemption, Cancellation or Retirement of Listed Shares
- 12. Trading in U.S. Dollars

Policy 3.3 Timely Disclosure

- 1. Introduction
- 2. Material Information
- 3. Timing of Disclosure
- 4. Filing Pre-Notification to the Regulation Services Provider
- 5. Disclosure of Earnings and Financial Forecasts
- 6. Rumours and Unusual Market Activity
- 7. Dissemination
- 8. Content of News Releases
- 9. Resource Issuers
- 10. Trading Halts
- 11. Confidential Information
- 12. Breach of Policy

Policy 3.4 Investor Relations, Promotional and Market-Making Activities

- 1. The Promotional Role
- 2. The Market-Place Role
- 3. Disclosure
- 4. Role of Members
- 5. Compensation Arrangements
- 6. Filing Requirements
- 7. Prohibitions

Policy 3.5 Restricted Shares

- 1. Introduction
- 2. Definitions
- 3. Legal Designation
- 4. Notice and Disclosure
- 5. Shareholder Approval
- 6. Take-Over Bid Protection Provisions
- 7. Issuance of Shares
- 8. Capital Reorganization or Distribution to Shareholders
- 9. Pre-Filing Conferences

PART 4. DISTRIBUTIONS OF SHARES

Policy 4.1 Private Placements

- 1. General Requirements and Procedures
- 2. Private Placement of Convertible Securities
- 3. Amending Warrant Terms
- 4. Amending Convertible Securities

Policy 4.2 Prospectus Offerings

1. Public Offering by Prospectus - All Jurisdictions

Policy 4.3 Shares for Debt

- 1. Interpretation
- 2. General
- 3. Requirements and Restrictions
- 4. Filing Requirements Shares for Debt
- 5. Shares for Services
- 6. Filing Requirements Shares for Services

Policy 4.4 Incentive Stock Options

- 1. Introduction
- 2. General Requirements
- 3. Stock Option Plans
- 4. Required Documentation for Stock Option Plans
- 5. Amending Stock Option Agreements/Plans

Policy 4.5 Rights Offerings

- 1. General
- 2. Procedure
- 3. Filing Requirements
- 4. Effecting the Offering
- 5. Transferability and "ex-rights' Trading
- 6. Standby Guarantees
- 7. Pro Rata Over-Subscription

Policy 4.6 Public Offering by Short Form Offering Document

- 1. Definitions
- 2. Use of the Short Form
- 3. Use of Proceeds
- 4. Process
- 5. Short Form Filing Requirements
- 6. Pricing and Offering Period
- 7. Delivery Requirements and Subsequent Material Changes
- 8. Contractual Rights of Action and Rights of Withdrawal
- 9. Agent or Underwriter Requirements
- 10. Agent or Underwriter Compensation
- 11. Final Filing Requirements
- 12. Audit

Policy 4.7 Charitable Options in Connection with an IPO

- 1. Definitions
- 2. Requirements
- 3. Other

PART 5. TRANSACTIONS AND CORPORATE CHANGES

Policy 5.1 Loans, Loan Bonuses, Finder's Fees and Commissions

- 1. Loans to Issuers
- 2. Loan Bonuses
- 3. Finder's Fees and Commissions
- 4. Application to Registrants
- 5. Filing Requirements

Policy 5.2 Changes of Business and Reverse Takeovers

- 1. Interpretation
- 2. Public Disclosure
- 3. Sponsorship and Trading Halt
- 4. Shareholder Approval
- 5. Procedural Steps
- 6. Application of Initial Listing Requirements
- 7. Vendor Consideration and Escrow
- 8. Treasury Orders and Resale Restrictions
- 9. Financial Statements
- 10. Other Requirements

Policy 5.3 Acquisitions and Dispositions of Non-Cash Assets

- 1. General
- 2. Exchange Requirements
- 3. Exempt Transactions
- 4. Expedited Acquisitions
- 5. Reviewable Transactions
- 6. Treasury Orders and Resale Restrictions
- 7. Restrictions on Investments by Issuers
- 8. Mergers, Amalgamations, Reorganizations and Take-Overs

Policy 5.4 Escrow, Vendor Consideration and Resale Restrictions

- 1. General
- 2. Initial Applications for Listing
- 3. Reverse Takeovers and Qualifying Transactions
- 4. Value Securities
- 5. Surplus Securities
- 6. Escrow Provisions
- 7. Amendments and Transfers Within Escrow
- 8. Graduations and Delistings
- 9. Other
- 10. Seed Share Resale Restrictions

Policy 5.5 Issuer Bids, Take-over Bids and Insider Bids

Policy 5.6 Normal Course Issuer Bids

- 1. Exemption from Securities Laws
- Substantial Issuer Bid
- 3. Definitions
- 4. Restricted Shares
- 5. Procedure for Making a Normal Course Issuer Bid
- 6. Application Requirements for a Normal Course Issuer Bid
- 7. Trustee or Agent
- 8. Reporting Purchases
- 9. Prohibited Transactions
- 10. Designation of Broker
- 11. Powers of the Exchange

Policy 5.7 Small Shareholder Selling and Purchase Arrangements

- 1. General Requirements
- 2. Trading Odd Lots
- 3. Rules Applicable to Arrangements Through Members
- 4. Rules Applicable to Arrangements Through the Issuer
- 5. Obligations to Odd Lot Holders
- 6. Shareholders Eligible to Participate
- 7. Duration of an Arrangement
- 8. Dissemination of Information
- 9. Normal Course Issuer Bids
- 10. Powers of the Exchange

Policy 5.8 Issuer Names, Issuer Name Changes, Share Consolidations and Splits

- 1. Name
- 2. Name Changes
- 3. Stock Symbol
- 4. Stock Symbol Changes
- 5. CUSIP and ISIN Application Procedures
- 6. Security Consolidations, Splits and Reclassifications General
- 7. Security Consolidations
- 8. Security Splits
- 9. Security Reclassifications

Policy 5.9 Protection of Minority Security Holders in Special Transactions

- 1. Definitions
- 2. Application of MI 61-101
- 3. Exemptions

PART 6. TRANSITIONAL PROVISIONS

Policy 6.1 There is currently no Policy 6.1

Policy 6.2 Transitional Provisions

- 1. General
- 2. Filings

FORMS

APPENDICES

NEX POLICY / NEX FORMS / NEX APPENDIX