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Notice of Approval of Amendments to Part VIII of the Toronto Stock Exchange Company Manual in Respect of Fees Payable by Listed Companies (October 1, 2005).


Notice of Approval of Amendments to Parts III and VI of the Toronto Stock Exchange ("TSX") Company Manual (February 15, 2006).


Request for Comments


Request for Comments for Amendments to Part III and VI of the Toronto Stock Exchange ("TSX") Company Manual.

Staff Notices


2005-0004: Special Year End Distributions by Income Trusts, Expedited and Year End Applications.


2006-0002: Approval of Unallocated Entitlements under Security Based Compensation Arrangements; Public Announcement of the Adoption of Security Holder Rights Plans; and Form 4 – Personal Information Forms Disclosure of Pardoned Offences.

2006-0003: Private Placements Priced at Net Asset Value: Previously Financed Issuers; Valuation Requirements; and Escrow Requirements. Normal Course Issuer Bids: Timely Cancellation of Securities Status of Proposed Sections 628 to 629.3.
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### Dividend Reporting

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### Trading Information

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PART I
INTRODUCTION

The requirements set by the Toronto Stock Exchange relating to listed companies are a part of a substantial body of law and custom that, over the years, has evolved to ensure a fair and orderly market for listed securities. The Company Manual has been designed to provide a detailed and well-indexed compendium of these requirements.

The Exchange plays an important role in assisting in the recruitment of capital and in the maintenance of an effective secondary market for relatively new enterprises, as well as for established companies. Exchange listings range from junior mining, oil, gas and industrial issues to mature international companies. To accommodate companies with such a diversity of activity and size, while at the same time ensuring that certain basic standards are met, the Exchange maintains listing requirements which apply specifically to junior companies, as well as requirements that are for more seasoned companies.

Organization of the Manual

In this Manual, for the purposes of clarity and convenience, the Exchange requirements that apply to special cases, such as junior companies, have been clearly separated from the general listing requirements. The Manual also segregates, in one part, all procedures and requirements applying at the time of listing, while requirements for the maintenance of a listing are brought together in other parts of the Manual.

Company executives contemplating the possibility of listing the securities of their company on a stock exchange must inevitably weigh the advantages of such a course of action for the company and its security holders. The Exchange is frequently asked about the benefits to be derived from a listing on the Toronto Stock Exchange. Part of the reply to this question relates to the variety of the scope of services provided by the Exchange and its Participating Organizations. Part II of the Manual provides a summary of the main benefits to be gained from an exchange listing, and this is followed by a brief description of the Toronto Stock Exchange and its Participating Organizations. This information should enable executives to better measure the overall significance of a Toronto Stock Exchange listing for a company, its security holders and the capital markets in general.

Part III of the Manual deals with the requirements and procedures relating to a new listing. The remainder of the Manual is concerned with matters with which listed companies need to be familiar in order to maintain their listing on the Exchange.

Special Circumstances

The listing requirements of the Exchange are comprehensive, and relevant to most situations. Yet, because of rapid structural changes in business and the breadth and complexity of the activities of listed companies, circumstances could arise where explicit guidance may not be found in the Manual. In those instances where a particular corporate situation is unique, and where no specific rules relating to such a situation can be found, companies are expected to adhere to the spirit of the Exchange’s listing requirements.

Interpretation

In this Manual,

“board lot” means 100 securities having a market value of $1.00 per security or greater; 500 securities having a market value of less than $1.00 and not less than 10¢ per security; or 1,000 securities having a market value of less than 10¢ per security;
“class” includes a series of a class of shares;

“company” includes a trust, partnership or other form of business organization;

“equity security” includes a participating share and, except for the purposes of Appendix F, a nonparticipating share;

“participating security” or “participating share” means a security that carries a residual right to participate in the earnings of a company and in its assets upon liquidation or winding up but, unless otherwise stated, does not include a security that only carries such residual right if converted into, or otherwise used to acquire, another security;

“public holder” of securities of a company means a security holder who is not a director or officer of the company and who does not own or control, directly or indirectly, securities carrying more than 10% of the votes attached to all of the outstanding voting securities of the company;

“publicly held” securities means securities held by public holders;

“share” includes an equity interest in a trust, partnership or other form of business organization.
PART II
WHY LIST ON THE TORONTO STOCK EXCHANGE?

A. ADVANTAGES OF A LISTING

A company that lists its securities on a national stock exchange acquires a number of advantages for its security holders and for the company itself. The more significant advantages emanating from a listing are set out below.

1. *Increased Marketability* – Listed securities generally have more liquidity than over-the-counter securities because of:
   a) public confidence in the high standards of the exchange’s listing requirements;
   b) the visibility of an exchange market; and
   c) the broad exposure that listed securities have to market forces.

   Sales of the listed securities are immediately reported and displayed on the ticker-tape. Frequent sales tend to narrow spreads between bid and ask prices and provide a greater opportunity for a seller to find an immediate buyer at the market price. The phenomenon of small price fluctuations, known as “price continuity”, is an important characteristic of a good market.

2. *Broad Security Holder Base*. – A listing encourages a wide security holder base. This, in turn, increases the price stability of the securities, and may facilitate further equity financing.

   Broad ownership of securities has another advantage. Independent surveys have revealed that investors tend to show a preference for the products and services offered by a company of which they own securities.

3. *Stock Options and Stock Purchase Plans have a Known Value*. – Stock options and stock purchase plans offer an inducement to employees to remain with their employer. Such plans are quite popular and, in fact, may be the most economical form of employee motivation available to the company. To give real value to these diverse plans a current public quote and a ready market are essential, which, of course, occur when securities are listed.

4. *Collateral Value*. – Other things being equal, lenders tend to regard listed securities as better collateral for a loan than unlisted securities. Should the borrower default on its loan obligation, the lending institution can more readily sell the securities, and thereby realize on the collateral.

   Listed securities may be bought on margin, and are acceptable by Participating Organizations for margin purposes.

5. *Better Trade Credit*. – Before a company has its securities listed, the simplest indication of the amount of equity protecting the creditors is the balance sheet, that is, the book value of the equity capital in the business.

   However, when the market places a premium on the equity in excess of the book value, a lender may feel that the firm is entitled to more credit than would otherwise be the case.

6. *Better Value in Mergers*. – In any consolidation of companies, the listed company has an advantage. If trading value is well above book value, the listed company can sell at a premium to book value. (Experience has shown that listed securities frequently sell at a higher price than unlisted securities having similar book values.) In the case of a listed company purchasing an unlisted company, the unlisted company is likely to be acquired for a price closer to the book value, since there is no other established yardstick by which the value of the enterprise may be satisfactorily judged.
7. Facilitates Debt Financing. – The listing of a company’s securities makes it more practicable for the company to add warrants or conversion features to a subsequent debt issue. By doing so, the company is able to lower its cost of borrowing.

The market’s valuation of a company’s net worth is a useful barometer of market conditions for a listed company considering the issue of debt securities or additional equity securities.

8. Institutions Favour Listed Securities. – Institutional investors such as insurance companies and mutual funds control large pools of investment funds and tend to deal in large blocks of securities. Dealing in listed securities is almost a necessity for large institutions; as fiduciaries they must maintain a high degree of liquidity in their investment portfolios and, therefore, must have available the continuous pricing provided by recognized stock exchanges.

An interest by institutions in listed issues provides added stability to these securities and prestige to the companies involved. At the same time, because of this interest, a listed company enjoys access to an important source of investment funds.

9. Security Analysts Take Greater Interest. – When securities become listed, security analysts generally take a closer and more frequent look at the company. They examine the company’s operations and analyze the prospects for future growth. In this way, the company gets additional public exposure. These carefully researched analytical reports often offer meaningful facts and commentary to investors as well as to company executives.

10. Added Prestige and Widespread Publicity. – Prestige is to be gained from approval for listing on an exchange. It signifies that a company has met recognized minimum tests and has agreed to fulfill obligations that are well regarded by investors and the public. Having attained listed status, a company joins the ranks of many strong and long-established domestic and international companies.

The news media give considerable attention to those companies which have their securities listed on an exchange. This attention inevitably leads to a widespread and continuing public interest in a company’s financial performance and in its securities.

Security holders find it useful to have firm quotations for their securities consistently available in the press. Investors in listed securities appreciate having the means to maintain a regular evaluation of their investments. Also, investors find it helpful to have frequent commentaries in the financial pages of the press about their companies and other listed companies.

For more information on the advantages of a listing on the Exchange, the services provided to companies with securities listed on the Exchange or to obtain a listing application package, contact Business Development at (416) 947-4728, (888) 873-8392, or e-mail: listings@tsx.com.

B. THE TORONTO STOCK EXCHANGE AND ITS PARTICIPATING ORGANIZATIONS

1. General. – The Toronto Stock Exchange, the largest stock exchange in Canada, operates under the authority of the Toronto Stock Exchange Act and the Securities Act of Ontario. It is governed by a Board of Directors consisting of 15 persons who are elected annually. The policies of the Board of Directors and its committees are carried out by the Exchange staff.

A majority of the Board of Directors are not affiliated with a Participating Organization. They speak for the wide spectrum of financial activity in which the Exchange is engaged. Four Board members are public Directors, drawn from outside the brokerage community in order to ensure that the public interest is protected in Exchange policy and operation. The Toronto Stock Exchange’s President is also the chief executive officer of the Exchange.

2. Participating Organizations. – The securities firms that comprise the shareholders of the Toronto Stock Exchange operate offices across Canada and abroad, offering their clients varied and extensive services. Participating Organization status confers the privilege of trading on the
Exchange, provided that such firms meet, on a continuing basis, the Exchange’s requirements with respect to fair trading practices, financial capability and professional competence.

The Participating Organizations of the Exchange trade in the major international securities markets on behalf of individual and institutional clients; they also provide other financial services: underwriting of new issues; operating in the money, bond and commodity markets; managing portfolios; providing professional advice to corporations on such matters as new financing, capital reorganizations, take-overs and mergers, and short-term and long-term investing and borrowing.

Individual Participating Organizations differ greatly in the mix of services they perform. Nonetheless, all Participating Organizations of the Exchange have the right to participate in major decisions regarding the Exchange’s operations and policies, while at the same time being required to meet the high standards set by the trading rules of the Exchange. These rules are rigorously enforced by the Exchange to ensure that an orderly and effective market is maintained.

3. Designated Market-makers. – One of the most effective means of fostering trading liquidity is the Exchange’s stem of designated market-maker trading which assures that, regardless of market conditions, there is always a buyer or seller for listed securities. Upon listing, each class of securities is assigned to a designated marker-maker who is responsible for maintaining a stable market by matching bids and offers not taken up by the public. A designated market-maker buys or sells securities for the account of a Participating Organization, and is subject to strict regulations in respect of priority of clients’ orders, price spreads and trading limits.

The performance of designated market-makers is constantly monitored and reviewed by the Exchange to ensure the maintenance of appropriate spreads between “bid” and “ask” quotations.

Designated market-makers acting as arbitrageurs can contribute greatly to the liquidity of securities listed on the Exchange through offsetting trades on other exchanges.
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PART III
ORIGINAL LISTING REQUIREMENTS

A. GENERAL

Sec. 301. To secure a listing of its securities on the Toronto Stock Exchange, a company that does not already have securities listed on the Exchange must complete a Listing Application form which, together with supporting data, must demonstrate that the company is able to meet the minimum listing requirements of the Exchange. The company must also sign a Listing Agreement to formally place on record the company's commitment to comply with Exchange requirements for the continuance of its listing.

Sec. 302. Companies applying for listing on the Exchange must be able to show evidence of a successful operation, or, where the company is relatively new and its business record is limited, there must be other evidence of management experience and expertise. In all cases, the quality of management of an applicant company shall be an important factor in the consideration of a listing application.

Sec. 303. Another important listing consideration is the distribution of a company’s securities. Evidence must be supplied to the Exchange indicating that there are enough public security holders to ensure an adequate market.

Sec. 304. The Exchange’s Listings Committee is responsible for considering and approving original listing applications.

Eligibility for Listing

Sec. 305. Prior to filing a listing application, the Exchange recommends that prospective applicants obtain a preliminary opinion as to the eligibility of the listing. The Exchange will provide a confidential opinion based on informal discussions and a review of the applicant’s recent financial and business information. Please contact the Toronto Stock Exchange at (416) 947-4533 or e-mail: listedissuers@tsx.com to set up an appointment.

For general information on the Exchange as well as specific information on services provided to listed companies, please call Business Development at (416) 947-4728, (888) 873-8392, or e-mail: listedissuers@tsx.com.

B. MINIMUM LISTING REQUIREMENTS

Sec. 306. The minimum listing requirements specifically contemplate the listing of equity securities of corporations. The Toronto Stock Exchange has historically been and continues to be a diversified marketplace, and consideration will be given to the listing of other types of securities and/or entities on request.

The criteria have been designed as guidelines, and the Exchange reserves the right to exercise its discretion in applying them. This discretion may well take into consideration facts or situations unique to a particular applicant, resulting in the granting or denial of a listing application notwithstanding the published criteria.

The Exchange will also take into consideration an applicant’s status regarding compliance with the requirements of other regulatory agencies. In addition, the Exchange must be satisfied that an applicant is in compliance with Exchange policies applicable to listed companies, including those policies described in subsequent sections of this Part III of the Company Manual.

Sec. 307. Companies applying for a listing on the Exchange are placed in one of three categories: Industrial/(General), Mining or Oil and Gas. All special purpose issuers such as exchange traded funds,
split share corporations, income trusts, investment funds and limited partnerships are listed under the Industrial/(General) category. If the primary nature of a business cannot be distinctly categorized, the Exchange will designate the company to a listing category after a review of the company’s financial statements and other documentation.

Sec. 308. There are specific minimum listing requirements for each of the three categories of companies. These requirements are set out in the following sections:

Industrial Sections 309 to 313
Mining Sections 314 to 318
Oil and Gas Sections 319 to 323

The minimum listing requirements should be read in conjunction with the Exchange policy on quality of management, as set out in Section 325.

Minimum Listing Requirements for Industrial Companies

Sec. 309. Requirements for Eligibility for listing Subject to Section 501:

(a) Profitable Companies;
   i) net tangible assets\(^2\) of $2,000,000\(^3\);
   ii) earnings from ongoing operations of at least $200,000 before taxes and extraordinary items in the fiscal year immediately preceding the filing of the listing application;
   iii) pre-tax cash flow of $500,000 in the fiscal year immediately preceding the filing of the listing application; and
   iv) adequate working capital to carry on the business and an appropriate capital structure.

OR

(b) Companies Forecasting Profitability;
   i) net tangible assets of $7,500,000\(^4\);
   ii) evidence, satisfactory to the Exchange, of earnings from ongoing operations for the current or next fiscal year of at least $200,000 before taxes and extraordinary items\(^5\);
   iii) evidence, satisfactory to the Exchange, of pre-tax cash flow for the current or next fiscal year of at least $500,000\(^6\); and

1 Section 501 requires listed companies to obtain prior Exchange acceptance for filing of all proposed material changes, including changes which do not entail an issuance of securities, as detailed in Part V of this Manual.
2 Consideration will be given to permitting the inclusion of deferred development charges or other intangible assets in the calculation of net tangible assets if in the opinion of the Exchange, the circumstances so warrant.
3 Companies with less than $2,000,000 in net tangible assets may qualify for listing if they meet the earnings and cash flow requirements detailed in paragraphs 309.1 b) and c).
4 See footnote 2.
5 As a general rule, applicants should file a complete set of forecast financial statements covering the current and/or the next fiscal year (on a quarterly basis), accompanied by an independent auditor’s opinion that complies with the CICA Auditing Standards for future oriented financial information. The applicant should have at least six months of operating history, including gross revenues at commercial levels for the last six months.
6 See footnote 5.
iv) adequate working capital to carry on the business and an appropriate capital structure.

OR

(c) Technology Companies\(^7\):

i) a minimum of $10,000,000 in the treasury, the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus;

ii) adequate funds to cover all planned development and capital expenditures, and general and administrative expenses for a period of at least one year. A projection of sources and uses of funds including related assumptions covering the period (by quarter) signed by the Chief Financial Officer must be submitted\(^8\);

iii) evidence, satisfactory to the Exchange, that the company’s products or services are at an advanced stage of development or commercialization and that the company has the required management expertise and resources to develop the business\(^9\);

iv) minimum market value of the issued securities that are to be listed of at least $50,000,000; and

v) minimum public distribution requirements as set out in Section 310, except that the minimum aggregate market value of the freely tradeable, publicly held securities to be listed should be $10,000,000.

OR

(d) Research and Development Companies.

i) a minimum of $12,000,000 in the treasury, the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus;

ii) adequate funds to cover all planned research and development expenditures, general and administrative expenses and capital expenditures, for a period of at least 2 years. A projection of sources and uses of funds covering the period (by quarter) signed by the Chief Financial Officer must be submitted\(^10\);

iii) a minimum two-year operating history that includes research and development activities; and

\(^7\) Generally would include innovative growth companies engaged in hardware, software, telecommunications, data communications information technology and new technologies.

\(^8\) As a general rule, the projection should exclude uncommitted payments from third parties or other contingent cash receipts.

\(^9\) As a general rule, evidence of “being at an advanced stage of development or commercialization” will be restricted to historical revenues from the company’s current main business or contracts for future sales of products or services in such business. The Exchange will also consider all relevant factors in assessing the company’s ability to develop its business including:

a) affiliations or strategic partnerships with major industry enterprises;

b) commercial or technical endorsements of the company’s products or services from recognized industry participants;

c) existing or potential markets for the products or services and the company’s marketing infrastructure and sales support dedicated to service these markets; and

d) the background and expertise of management including its record of raising funds.

\(^10\) As a general rule, the projection should exclude cash flows from future revenues, uncommitted payments from third parties or contingent cash receipts.
iv) evidence, satisfactory to the Exchange, that the company has the technical expertise and resources to advance the company’s research and development programme(s).\(^\text{11}\)

Notwithstanding the above-mentioned requirements for eligibility for listing, exceptional circumstances may justify the granting of a listing to an applicant, in which case the application will be considered on its own merits. “Exceptional circumstances” for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

**Sec. 309.1. Requirements for Eligibility for Exemption from Section 501\(^\text{12}\)**

(a) net tangible assets of $7,500,000\(^\text{13}\),

(b) earnings from ongoing operations of at least $300,000 before taxes and extraordinary items, in the fiscal year immediately preceding the filing of the listing application;

(c) pre-tax cash flow of $700,000 in the fiscal year immediately preceding the filing of the listing application and an average pre-tax cash flow of $500,000 for the two fiscal years immediately preceding the filing of the listing application; and

(d) adequate working capital to carry on the business and an appropriate capital structure.

Exceptional circumstances may justify the granting of a listing to an applicant and/or an exemption from Section 501, in which case the application will be considered on its own merits. “Exceptional Circumstances” for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

**Special Purpose Issuers.** —The Exchange will generally consider the listing of exchange traded funds, split share corporations, income trusts, investment funds, limited partnerships and other special purpose issuers on an exceptional circumstances basis. The Exchange will consider all relevant factors in assessing these applicants including objectives and strategy, nature and size of the assets, anticipated operating and financial results, track record and expertise of managers and/or advisors, and level of investor and market support.

The Exchange encourages special purpose issuers and their advisors to contact Listings to discuss their specific circumstances.

**Sec. 310. Public Distribution.** At least 1,000,000 freely tradeable shares having an aggregate market value of $4,000,000 ($10,000,000 for companies qualifying for listing under section 309(c)) must be held by at least 300 public holders, each holding one board lot or more. In circumstances where public distribution is achieved other than by way of a public offering, e.g. by way of a reverse take-over, share exchange offer, or other distribution, the Exchange may require evidence that a satisfactory market in the company’s securities will develop. Prior trading on another market or sponsorship by a Participating Organization, which will assist in maintaining an orderly market, may satisfy this condition.

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\(^{11}\) The Exchange will consider all relevant factors including:

- a) the stage of development of the company’s products or services and prospects for commercialization;
- b) commercial or technical endorsements of the company’s products or services from recognized academic institutions or industry participants;
- c) the existing or potential markets for the company’s products or services and the marketing infrastructure and sales support necessary to service these markets;
- d) the background and expertise of management including its record of raising funds to finance research and development projects and ongoing operations;
- e) the existence and composition of any scientific advisors board; and
- f) affiliations with major industry enterprises or strategic partners.

\(^{12}\) See footnote 1.

\(^{13}\) See footnote 2.
Sec. 311. Management. The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company's board of directors) should have adequate experience and technical expertise relevant to the company's business and industry and adequate public company experience which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two independent directors\(^\text{14}\), chief executive officer (CEO), a chief financial officer who is not also the CEO, and a corporate secretary.

Sec. 312. Sponsorship or Affiliation. — Sponsorship of an applicant company by a Participating Organization of the Exchange is required for companies applying to list under the paragraphs 309(a), 309(b), 309(c) and 309(d). Sponsorship, or affiliation with an established enterprise, can be a significant factor in the determination of the suitability of the company for listing, particularly where the company only narrowly meets the prescribed minimum listing requirements. Consideration will be given to the nature of the sponsorship or affiliation. In addition to the requirements detailed in Section 326 for Sponsorship of Companies Seeking Listing on The Exchange, sponsors for industrial applicants should also be responsible for reviewing and commenting on:

(a) all visits to and/or inspections of the applicant’s principal facilities and/or offices;
(b) any future-oriented financial information that has been provided with the application;
(c) management’s experience and technical expertise relevant to the company’s business; and
(d) all other relevant factors including those listed in footnotes 7 and 8 applicable for technology companies and 10 and 11 applicable for research and development companies.

Sec. 313. Other Factors.—The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may refuse to grant an application notwithstanding that the prescribed minimum listing requirements are met.

Minimum Listing Requirements for Mining Companies

Sec. 314. Requirements for Eligibility for Listing Subject to Section 501\(^\text{15}\)

(a) Producing Mining Companies

i) proven and probable reserves to provide a mine life of at least three years, as calculated by an independent qualified person\(^\text{16}\), together with evidence satisfactory to the

\(^{14}\) An independent director is defined as a person who:

- a) is not a member of management and is free from any interest and any business or other relationship which in the opinion of the Exchange could reasonably be perceived to materially interfere with the director's ability to act in the best interest of the company; and
- b) is a beneficial holder, directly or indirectly, or is a nominee or associate of a beneficial holder, collectively of 10% or less of the votes attaching to all issued and outstanding securities of the applicant.

The Exchange will consider all relevant factors in assessing the independence of the director. As a general rule, the following persons would not be considered an independent director:

- i) a person who is currently, or has been within the past three years, an officer, employee of or service provider to the company or any of its subsidiaries or affiliates; or
- ii) a person who is an officer, employee or controlling shareholder of a company that has a material business relationship with the applicant.

\(^{15}\) See footnote 1

\(^{16}\) Reports prepared by independent qualified persons, and the acceptability of the authors, shall conform to National Instrument 42-101 and be acceptable to the Exchange. Reports prepared in conformity with other reporting systems deemed to be the equivalent of NI 43-101 will normally be acceptable also.
Exchange indicating a reasonable likelihood of future profitability supported by a feasibility study or documented historical production and financial performance;

ii) either be in production or have made a production decision on the qualifying project or mine referred to in subparagraph 314(a)(i) above;

iii) sufficient funds to bring the mine into commercial production, adequate working capital to fund all budgeted capital expenditures and carry on the business and an appropriate capital structure. A management-prepared 18-month projection (by quarter) of sources and uses of funds detailing all planned and required expenditures signed by the Chief Financial Officer must be submitted; and

iv) net tangible assets\(^{17}\) of $4000000.

(b) Mineral Exploration and Development- Stage Companies

i) an Advanced Property, detailed in a report prepared by an independent qualified person\(^{18}\). The Exchange will generally consider a property to be sufficiently advanced if continuity of mineralization is demonstrated in three dimensions at economically interesting grades;

ii) a planned work programme of exploration and/or development, of at least $750,000\(^{19}\) that is satisfactory to the Exchange, will sufficiently advance the property and is recommended by an independent qualified person\(^{20}\);

iii) sufficient funds to complete the planned programme of exploration and/or development on the company’s properties, to meet estimated general and administrative costs, anticipated property payments and capital expenditures for at least 18 months. A management-prepared 18 month projection (by quarter) of sources and uses of funds detailing all planned and required expenditures signed by the Chief Financial Officer must be submitted;

iv) working capital of at least $2,000,000\(^{21}\) and an appropriate capital structure; and

v) net tangible assets\(^{22}\) of $3000000.

Property Ownership — A company must hold or have a right to earn and maintain at least a 50% interest in the qualifying property. Companies holding less than a 50% interest, but not less than a 30% interest, in the qualifying property may be considered on an exceptional basis, based on programme size, stage of advancement of the property and strategic alliances. Where a company has less than a 100% interest in a qualifying property,

\(^{17}\) Net Tangible Assets – Consideration will be given to including deferred exploration expenditures on a company’s currently active mineral properties in the Net Tangible Asset calculation if, in the opinion of the Exchange, the evidence provided so warrants.

\(^{18}\) See footnote 16

\(^{19}\) Work Programme – The Exchange will consider companies undertaking an exploration or development programme of at least $500,000 on a qualifying property if planned programme expenditures on all properties aggregate at least $750,000. The additional properties will be considered with the submission of appropriate technical documentation, conforming to National Instrument 43-101.

\(^{20}\) See footnote 16

\(^{21}\) Working Capital – Consideration may be given to companies with less than $2,000,000 in working capital if all or part of the company’s minimum work programme expenditure requirement will be funded by a substantial industry partner, such that an equivalent working capital amount would be recognized.

\(^{22}\) See footnote 17
the programme expenditure amounts attributable to the company will be determined based on its percentage ownership.23

**Industrial Minerals** — Industrial mineral companies (those with properties containing minerals which are not readily marketable) not currently generating revenues from production will normally be required to submit commercial contracts and meet the requirements under paragraph 314(a).

**Sec. 314.1. Requirements for Eligibility for Listing exempt from Section 501**24

(a) net tangible assets25 of $7,500,000;

(b) pre-tax profitability from ongoing operations in the fiscal year immediately preceding the filing of the listing application;

(c) pre-tax cash flow of $700,000 in the fiscal year immediately preceding the filing of the listing application and an average pre-tax cash flow of $500,000 for the two fiscal years immediately preceding the filing of the listing application;

(d) proven and probable reserves to provide a mine life of at least 3 years, calculated by an independent qualified person26 and

(e) adequate working capital to carry on the business and an appropriate capital structure.

Exceptional circumstances may justify the granting of an exemption from Section 501, in which case the application will be considered on its own merits. “Exceptional circumstances” for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

**Sec. 315. Public Distribution.** — At least 1,000,000 freely tradeable shares having an aggregate market value of $4,000,000 must be held by at least 300 public holders, each holding one board lot or more. In circumstances where public distribution is achieved other than by way of a public offering, e.g., by way of a reverse take-over, share exchange offer, or other distribution, the Exchange may require evidence that a satisfactory market in the company’s securities will develop. Prior trading on another market or sponsorship by a Participating Organization, which will assist in maintaining an orderly market, may satisfy this condition.

**Sec. 316. Management.** — The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company’s board of directors) should have adequate experience and technical expertise relevant to a company’s mining projects and adequate public company experience, which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two independent directors27, a chief executive officer (CEO), a chief financial officer who is not also the CEO, and a corporate secretary.

**Sec. 317. Sponsorship or Affiliation.** — Sponsorship of an applicant company by a Participating Organization of the Exchange is required for companies applying to list under the paragraphs 314(a) and 314(b). Sponsorship, or affiliation with an established enterprise, can be a significant factor in the

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23 See footnote 19
24 See footnote 1
25 See footnote 17
26 See footnote 16
27 See footnote 14
determination of the suitability of the company for listing, particularly where the company only narrowly meets the prescribed minimum listing requirements. Consideration will be given to the nature of the sponsorship or affiliation. In addition to the requirements detailed in Section 326 for Sponsorship Of Companies Seeking Listing On The Exchange, sponsors for mining applicants should also be responsible for reviewing and commenting on:

(a) the company’s management-prepared 18 month projection of sources and uses of funds to ensure that it reflects all of the company’s planned and anticipated exploration and development programmes, general and administrative costs, property payments and other capital expenditures;

(b) any site visits to the applicant’s properties by the Sponsor;

(c) issues and material agreements relating to land tenure for the company’s principal properties, including the political risk, legal system, ability to mine, terms for maintaining mineral rights, legal impediments and any impediments to maintaining or securing the property; and

(d) management’s experience and technical expertise relevant to the company’s mining projects.

Sec. 318. Other Factors. — The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may refuse to grant an application notwithstanding that the prescribed minimum listing requirements are met.

Minimum Listing Requirements for Oil and Gas Companies

Sec. 319. Requirements for Eligibility for Listing Subject to Section 501

(a) proved developed reserves of $3,000,000:

(b) a clearly defined programme, satisfactory to the Exchange, which can reasonably be expected to increase reserves;

(c) adequate funds to execute the programme and cover all other capital expenditures as well as general, administrative and debt service expenses, for a period of 18 months with an allowance for contingencies. A management-prepared 18-month projection (by quarter) of sources and uses of funds detailing all planned and required expenditures signed by the Chief Financial Officer must be submitted; and,

(d) an appropriate capital structure.

Sec. 319.1. Requirements for Eligibility for Listing Exempt from Section 501

(a) proved developed reserves of $7,500,000,

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28 See footnote 1
29 “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 a low expenditure, when compared to the cost of drilling a well, to put those reserves on production.
30 The Company must submit a technical report prepared by an independent technical consultant that conforms to national Instrument 51-101 and be acceptable to the Exchange. Reports prepared in conformity with other reporting systems deemed by the Exchange to be equivalent of National Instrument 51-101 will normally be acceptable also. The value of reserves should be calculated as the net present value of future cash flows before income taxes, prepared on a constant dollar basis, and discounted at a rate of 20%. The Exchange may, at its discretion, also require the provision of a price sensitivity analysis.
31 See footnote 1

Part III – Original Listing Requirements (as at May 29, 2006) © 2006, TSX Group Inc.
(b) pre-tax profitability from ongoing operations in the fiscal year preceding the filing of the listing application;

(c) pre-tax cash flow of $700,000 in the fiscal year preceding the filing of the listing application and an average annual pre-tax cash flow of $500,000 for the two fiscal years preceding the filing of the listing application; and,

(d) adequate working capital\(^34\) to carry on the business and an appropriate capital structure.

Exceptional circumstances may justify the granting of an exemption from Section 501, in which case the application will be considered on its own merits. “Exceptional circumstances” for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

Sec. 320. Public Distribution. — At least 1,000,000 freely tradeable shares having an aggregate market value of $4,000,000 must be held by at least 300 public holders, each holding one board lot or more. In circumstances where public distribution is achieved other than by way of a public offering, e.g., by way of a reverse take-over, share exchange offer, or other distribution, the Exchange may require evidence that a satisfactory market in the company’s securities will develop. Prior trading on another market or sponsorship by a Participating Organization, which will assist in maintaining an orderly market, may satisfy this condition.

Sec. 321. Management. — The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company’s board of directors) should have adequate experience and technical expertise relevant to a company’s oil and gas projects and adequate public company experience, which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two independent directors\(^35\), a chief executive officer (CEO), a chief financial officer who is not also the CEO, and a corporate secretary.

Sec. 322. Sponsorship or Affiliation. — Sponsorship of an applicant company by a Participating Organization of the Exchange is required unless the company meets the requirements for listing under Section 319.1. Sponsorship, or affiliation with an established enterprise, can be a significant factor in the determination of the suitability of the company for listing, particularly where the company only narrowly meets the prescribed minimum listing requirements. Consideration will be given to the nature of the sponsorship or affiliation. In addition to the requirements detailed in Section 326 for Sponsorship of Companies Seeking Listing on The Exchange, sponsors for oil and gas applicants should also be responsible for reviewing and commenting on:

(a) the common issues specific to oil and gas companies;

(b) the company’s management-prepared 18-month projection of sources and uses of funds to ensure that it reflects all of the company’s planned and anticipated general, administrative and capital expenditures, as well as debt service;

(c) the company’s price sensitivity analysis, if required;

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

33 See footnote 30

34 In assessing the adequacy of funds, credit facilities with recognized financial institutions will be considered.

35 See footnote 14
(d) any site visits to the applicant’s properties by the sponsor; and

(e) management’s experience and technical expertise relevant to the company’s oil and gas projects.

Sec. 323. Other Factors. — The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may refuse to grant an application notwithstanding that the prescribed minimum listing requirements are met.

Minimum Listing Requirements for International Issuers

Sec. 324. International issuers are entities where the issuer is already listed on another recognized exchange, which is acceptable to the Exchange, and is incorporated outside of Canada. There are no unique requirements for the management or the financial requirements for international issuers. However, these issuers are generally required to have some presence in Canada and must be able to demonstrate, as with all issuers, that they are able to satisfy all of their reporting and public company obligations in Canada. This may be satisfied by having a member of the board of directors or management, an employee or a consultant of the issuer situated in Canada.

C. MANAGEMENT OF LISTED COMPANIES

Sec. 325. Management. — The Exchange seeks to provide the general public and its listed companies with a well-regulated, orderly, continuous auction market.

The Exchange reserves the right to exercise discretion in considering all factors related to the management of a company in order to determine the acceptability of that company for original listing and thereafter for continued listing. The Exchange’s discretion will be exercised at all times in a manner, which is reasonable and consistent with regulatory and statutory requirements.

Without in any way limiting the generality of the foregoing, the Exchange, in pursuit of its goal of public protection and to promote integrity and honesty in the capital markets:

1. shall require that any document submitted to the Exchange constitutes full, true and plain disclosure; and

2. may review the conduct of an officer, director, promoter, major shareholder or any other person or company or a combination of any of the above who in the Exchange’s opinion holds sufficient of the company’s securities to materially affect control, in order to satisfy itself that:

   (a) the business of the company is and will be conducted with integrity and the best interests of its security holders and the investing public; and

   (b) the rules and regulations of the Exchange and all other regulatory bodies having jurisdiction are and will be complied with.

D. SPONSORSHIP OF COMPANIES SEEKING LISTING ON THE EXCHANGE

Sec. 326. Sponsorship. — A company seeking listing on the Exchange must meet certain financial requirements. Management of the company is also important in the evaluation of a listing application by the Exchange. Sponsorship by a Participating Organization of the Exchange, as well as being a significant factor in the consideration of an applicant, is mandatory for all companies that are applying to list under the criteria for non-exempt companies.

The weight attached to sponsorship in any particular case depends upon the financial and managerial strength of an applicant. It may be a determining factor in some instances. While the terms of any
sponsorship are to be a matter of negotiation between the sponsor and the applicant company, in the view of the Exchange, the sponsor is responsible for reviewing and providing comments in writing on the following, as applicable:

(a) the company’s qualifications for meeting all relevant listing criteria;

(b) the listing application together with all supporting documentation filed with the application for adequacy and completeness;

(c) all matters related to the applicant company and the adequacy of disclosure made to the Exchange;

(d) the company, its financial position and history, its business plan, its managerial expertise, any material transactions and all business affiliations or partnerships, and the likelihood of future profitability or viability of any exploration programme;

(e) any forecasts, projections, capital expenditure budgets, and independent technical reports, including the assumptions used in their development, submitted in support of the company’s listing application;

(f) the company’s press releases and financial disclosures during at least the past twelve months to assess whether the company has complied with appropriate disclosure standards;

(g) the past conduct of officers, directors, promoters and major shareholders of the company with a view to ensuring that the business of the company will be conducted with integrity, in the best interests of its security holders and the investing public, and in compliance with the rules and regulations of the Exchange and all other regulatory bodies having jurisdiction. The sponsor should satisfy itself in particular, that:

i) the company can be expected to prepare and publish all information required by the Exchange’s policy on timely disclosure;

ii) the company’s directors appreciate the nature of the responsibilities they will be undertaking as directors of a listed company; and

iii) the directors, officers, employees and insiders of the company appreciate the “insider trading” rules set out in the Ontario Securities Act;

(h) matters applicable specifically to industrial, mining and oil and gas companies as detailed in Sections 312, 317 and 322; and

(i) all other factors deemed relevant by the sponsor.

The Exchange also considers the sponsor’s responsibilities to include acting as a source of information for the company’s security holders, providing advisory assistance to the applicant company, and assisting in maintaining active and orderly trading in the market for the company’s securities.

The Exchange considers sponsorship to involve a relationship between the Participating Organization and its client applicant company for the first part and the Exchange for the second part. The terms of a sponsorship must, therefore, be confirmed by letter notice to the Exchange from the sponsoring Participating Organization, as part of a listing application. The weight attached to a particular sponsorship by the Exchange in reviewing a listing application will depend upon the nature of the sponsorship.
E ESCROW REQUIREMENTS

Sec. 327. Reference should be made to Appendix C for the Exchange’s requirements respecting securities issued by applicant companies prior to their first public distribution of securities.

F. RESTRICTED SHARES

Sec. 328. Where a company applies to list a class of participating shares, which are:

(a) non-voting;

(b) voting, but the company has another class of voting shares; or

(c) voting, but there is a restriction on the power of the holders of a majority of the shares to elect a majority of the company’s directors (except where the restriction is applicable only to persons who are not Canadians or residents of Canada),

reference should be made to the Exchange Policy Statement on Restricted Shares, which is set out in Appendix E, and Ontario Securities Commission Policy 1.3.

G. OUTSTANDING OPTIONS AND EMPLOYEE INCENTIVE PLANS

Sec. 329. Stock options, stock option plans and employee stock purchase plans, which are in effect at the time a company is first listed on the Exchange, must be in compliance with the Exchange’s requirements applicable to listed companies (but need not be approved by shareholders). See Section 613 regarding share compensation and incentive arrangements for employees and other persons who provide services for listed companies on an ongoing basis.

H. GRANTING OF CHARITABLE OPTIONS OR WARRANTS

Introduction

Sec. 330. An issuer seeking a listing on the Exchange that has filed a preliminary prospectus for an initial public offering of its securities and has received conditional approval from the Exchange for the listing of such securities may be authorized to grant a charitable option and to list securities issuable upon its exercise. Listing approval will be conditional upon any such charitable options being in compliance with the Exchange’s general requirements applicable to charitable options granted by listed companies as detailed in Section 612, as modified by the requirements set out below.

Sec. 331. Charitable options granted by an issuer seeking a listing, other than with a concurrent initial public offering of its securities, must be in compliance with the Exchange’s general requirements applicable to charitable options granted by listed companies as detailed in Sections 637.4 to 637.11 (but need not be approved by shareholders).

Definitions

Sec. 332. For the purposes of Sections 333 to 335:

“Eligible Issuer” means a company, corporation, trust or limited partnership which (a) is an Unlisted Issuer, (b) has filed a preliminary prospectus for its IPO, and (c) has received conditional approval from the Exchange for the listing of Eligible Securities.
"Eligible Securities" means securities issuable from the treasury of (a) an Eligible Issuer that are securities of the class or series being offered for sale to the public pursuant to the IPO Final Prospectus; or (h) a listed issuer that are securities of a listed class or series.

“IPO” means initial public offering of securities of the Eligible Issuer.

“IPO Closing” means the first date upon which any securities are issued or distributed pursuant to the IPO Final Prospectus.

“IPO Final Prospectus” means the Eligible Issuer’s IPO (final) prospectus for which a receipt has been issued by the relevant Canadian securities regulatory authority.

“IPO Price” means the price to the public per security sold or distributed pursuant to the IPO Final Prospectus.

“Unlisted Issuer” means a company, corporation, trust or limited partnership which has no securities listed or quoted on any stock exchange nor has outstanding securities for which trading is reported to or through a stock exchange or public market.

Requirements

Sec. 333. An Eligible Issuer may grant Charitable Options at any time before the IPO Closing and, prior to the IPO closing, must apply to the Exchange for approval to list all securities issuable upon exercise of such Charitable Options.

Sec. 334. The aggregate number of securities of the class or series that is issuable upon exercise of all Charitable Options granted by an Eligible Issuer must not at any time up to the issuer becoming a listed issuer exceed 2% of the total number of securities of that class or series (calculated on a non-diluted basis and adjusted for any stock splits and stock consolidations) outstanding immediately after the IPO Closing.

Sec. 335. No Charitable Option granted by an Eligible Issuer may:

(a) be exercised until after the IPO Closing and the concurrent listing of the Eligible Securities on the Exchange, subject to Section 334 above; or

(b) be exercised at a price per security that is less than the IPO Price.

[The next section is Section 338.]
Sec. 339. Where a company proposes to apply for the listing of securities to be offered to the public by way of prospectus, the company may, prior to filing the Listing Application form, request that the Exchange conditionally approve the listing prior to the public offering. 35 copies of the preliminary prospectus must be filed with the Exchange for this purpose, together with completed Personal Information Forms (Appendix A). In the case of a natural resource company, the preliminary prospectus must also be accompanied by the requisite engineer or geologist’s reports.

Sec. 340. An approval of an application based on a preliminary prospectus will be subject to the following conditions:

(a) There are no material changes in the final prospectus to the information disclosed in the preliminary prospectus.

(b) All other required documentation and evidence of satisfactory distribution of the securities will be filed with the Exchange within 90 days, or such other date as the Exchange may stipulate.

Sec. 341. An application fee (see Section 801) must accompany the Listing Application form or preliminary prospectus, as the case may be.

Sec. 342. The number of securities to be listed must be the number of securities actually issued and outstanding, together with any securities, which have been authorized for issuance for a specific purpose.

Sec. 343. (Repealed.)

Listing Application Procedure

Sec. 344. Following the receipt of an original listing application, the Exchange will notify the applicant within five business days, whether all required documentation to complete an assessment has been submitted in a form acceptable to the Exchange (the “Documentation”). Applicants will have 75 days to submit any outstanding Documentation. An applicants failure to submit any outstanding Documentation within the 75 day period will result in the deemed withdrawal of the application, further consideration of which will require resubmission and the payment of an additional application fee as set out in Section 801.

The Exchange will use its best efforts to assess the application and render a decision as soon as possible within 60 days from the date of receipt of all Documentation. The Exchange will also use its best efforts to accommodate an applicant’s schedule for the filing of a prospectus and the closing of an offering of securities. At any time during the assessment, the Exchange may require additional information or documentation, which may extend the assessment period.

Following completion of the assessment, the Exchange will determine either to:

i) grant conditional approval:

the application for listing is conditionally approved, subject to meeting specified conditions within a 90 day period; or

ii) defer:

the application for listing is deferred pending resolution of specified issues within a 90 day period. Failure to address these issues to the satisfaction of the Exchange within the 90 day period will result in the application being declined; or

iii) decline:
the application for listing is declined and at least six months must pass before the applicant becomes eligible for reconsideration.

Sec. 345. Listings is available for consultation regarding the preparation of the Listing Application and the listing process. Contact Company Listings at (416) 947-4533 or e-mail: listingsadvisory@tsx.com.

Notation on Face of Prospectus and in Advertising

Sec. 346. Subsection 38(3) of the Ontario Securities Act states that no person or company, with the intention of effecting a trade in a security, may make any representation, oral or written, that such security will be listed on any stock exchange or that application has been or will be made to list such security on any stock exchange except with the written permission of the Director of the Ontario Securities Commission, unless: (i) application has been made to list the securities and securities of the same issuer are already listed on any stock exchange; or (ii) the stock exchange has granted approval to the listing, conditional or otherwise, or has consented to or indicated that it does not object to the representation. If consent is sought from the Director (which is normally evidenced by a final receipt in the case of a prospectus containing the representation), the Commission will require a communication from that stock exchange stating that the listing application has been conditionally approved before providing such consent.

A notation referring to listing on Toronto Stock Exchange must not be printed on a preliminary prospectus or a draft of a prospectus or other offering document. The notation may only appear on a final prospectus or in other offering documents or in advertising when the listing application has been conditionally approved by the Exchange, unless otherwise consented to by the Exchange.

When securities have been conditionally approved for listing, the following notation on the face of the final prospectus or other offering document is permissible, but may only be used in its entirety:

Toronto Stock Exchange has conditionally approved the listing of these securities. Listing is subject to the Company fulfilling all of the requirements of the Exchange on or before (insert date36), including distribution of these securities to a minimum number of public shareholders.

An "offering document" for this purpose includes any prospectus, rights offering circular, offering memorandum, securities exchange takeover bid circular or information circular concerning a proposed corporate reorganization or amalgamation that would result in the issuance of new securities.

Transfer and Registration of Securities

Sec. 347. Every listed company must maintain transfer and registration facilities in the City of Toronto, where all the issued securities of the listed classes must be directly transferable. Where transfer facilities are maintained in other cities, certificates must be interchangeably transferable and identical in colour and form with the Toronto certificates, except as to the names of the transfer agent and registrar. The combined amount of securities registered in all cities must not exceed the amount authorized by the Exchange to be listed. Certificates must name the cities where they are transferable.

Sec. 348. The transfer function involves keeping a ledger listing the security holders’ names and addresses and the number of securities registered in the name of each security holder. The transfer agent issues new certificates and cancels old certificates. It may also provide such services to companies as the distribution of dividend cheques and proxy materials to shareholders and the administration of dividend reinvestment plans.

36 Date to be 90 days from the date of conditional approval of the listing application by the Exchange or such other date as the Exchange may stipulate.
The registrar function involves receiving old cancelled certificates as well as new certificates from the transfer agent. The registrar then validates the transfer by signing and recording the new certificate. The registrar ensures that the number of securities issued in certificate form is consistent with the number of securities actually issued by the company.

The original appointment and any subsequent change of the transfer agent or registrar must be approved by the Exchange. Generally, no agent other than a trust company will be acceptable.

Share Certificates

Sec. 349. The Exchange’s requirements respecting share certificates are set out in Appendix D.

Sec. 350. Certificates must bear a CUSIP number, which can be obtained from The Canadian Depository for Securities Limited (“CDS”) in Toronto. CUSIP is the standard securities numbering system for Canada and the United States.

In order to assign a CUSIP number, CDS will normally require a current prospectus of the applicant company or a similar document. Listing applicants must provide the Exchange with a copy of the written notice from CDS respecting the issuance of a CUSIP number before the company’s securities are listed.

Information regarding the application for a CUSIP number may be obtained by calling CDS at (416) 365-3552.

Listing Agreement

Sec. 351. Each listed company, by signing the Listing Agreement (Appendix A), makes itself subject to the rules and policies of the Exchange.

The procedures for complying with the requirements of the Listing Agreement are described more fully in the subsequent Parts of this Manual.

J. APPROVAL OF LISTING AND POSTING OF SECURITIES

Sec. 352. When the Toronto Stock Exchange is satisfied that the application documents are in order, the application is submitted to the Exchange’s Listings Committee, which is comprised of members of Listings.

The Listings Committee may ask for additional information in order to clarify certain areas of the application. In addition, the Listings Committee may consult the Toronto Stock Exchange’s Listings Advisory Committee, which is comprised of persons in the securities industry.

Listing on the Exchange is considered to be a privilege, not a right. In some instances, the Listings Committee may decide that an applicant company does not merit the listing privilege notwithstanding that the company appears to meet the prescribed minimum listing requirements.

Sec. 353. If the Listings Committee approves the company’s securities for listing, the Exchange will select a participating organization to act as the designated market maker for the securities. The designated market maker has responsibilities, which assist in maintaining an orderly market in the securities. The process of selecting the designated market maker usually takes two to three weeks.

Sec. 354. Once the listing application has been approved, the posting of the securities for trading may take place shortly thereafter, but, as a general rule, not more than 90 days after approval of the application for listing. During the period between listing approval and posting for trading, the securities are acceptable to Participating Organizations for margin purposes.
In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the applicant company’s request. Exchange staff will advise the company of the requirements in this regard. Any trading that takes place prior to closing will be on an “if, as, and when issued” basis.

Sec. 354.1. If the Listings Committee does not approve the applicant’s securities for listing, the applicant may request that the matter be heard by the Listings Committee with the additional participation of the Vice President, Advisory Affairs and/or the Senior Vice President of the Toronto Stock Exchange. If after being heard, the applicant remains dissatisfied with the decision, the applicant may appeal the decision to a three-person panel of the Toronto Stock Exchange’s Board of Directors.

An applicant may request that the Ontario Securities Commission review the Board’s decision provided that the provisions of Section 21 of the Ontario Securities Act (or any replacement legislation) apply.

Sec. 354.2. Where a Conflict of Interest (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.) or potential Conflict of Interest arises relating to initial listing of a Competitor (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.), reference should be made to the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.

Stock Symbol

Sec. 355. The new listed issuer is assigned a stock symbol by Exchange staff. The stock symbol is an abbreviation of the issuing company’s name, consisting of not more than three letters of the alphabet. A suffix is attached to the symbol to identify preferred shares, rights, warrants, or a specific class of shares.

A request for a specific trading symbol may be made to the Exchange by the company when applying for listing. Every effort will be made to reserve the symbol requested, but there is no guarantee that it will be available.

The stock symbol assigned by the Exchange will be unique to the company for all trading on Canadian exchanges. If the company is already listed on another Canadian exchange, its securities will trade on the Toronto Stock Exchange under the same symbol.

Listing Day Programme

Sec. 356. The company is invited to attend a ceremony at the Exchange to celebrate the listing of the company’s securities on the TSX. Company officials will have an opportunity to meet Exchange staff with whom they will deal as a listed company. The Exchange also provides a photographer to record the event for the company.

K. LISTING STATEMENT

Sec. 357. (Repealed.)

L PUBLIC AVAILABILITY OF DOCUMENTS

Sec. 358. Subject to Section 359, all documents filed in support of the listing of any securities on the Exchange shall be made available to the public on request after the listing application is given final approval, and such documents may be published, at the discretion of the Exchange.
Sec. 359. The Exchange may hold the documents in confidence so long as the Exchange is of the opinion that the documents so held disclose intimate financial, personal or other information and that the desirability of avoiding disclosure thereof in the interests of any person or company outweighs the desirability of adhering to the general principle that the documents be available to the public for inspection.

M. PROVINCIAL SECURITIES LAWS

Sec. 360. All listed companies are "reporting issuers" as defined in the Securities Act of Ontario, and must comply with the provisions of that Act, as well as all other applicable securities legislation.
PART IV
MAINTAINING A LISTING – GENERAL REQUIREMENTS

A. GENERAL

Sec. 401. Once approval has been given for its securities to be listed, in order to maintain the listing privilege a company must fulfill a number of requirements on a continuing basis. These requirements are described in this and subsequent Parts.

Sec. 402. While agreeing to meet a number of specific requirements in order to maintain a listing on the Exchange, each listed company, in signing the Listing Agreement (Appendix A), accepts the authority of the Board of Directors of the Exchange (or its delegated committee) which, in its discretion, may at any time suspend from trading or delist the company's securities. (See also Part VII of this Manual.)

Sec. 403. Section 21.7(1) of the Ontario Securities Act provides that any person or company directly affected by any direction, order or decision of the Exchange may apply to the Ontario Securities Commission for a hearing and review thereof.

Sec. 404. In general, to maintain its listing privilege a company must make public disclosures and keep the Exchange fully informed of both routine and unusual events and decisions affecting its security holders.

The purpose of these requirements is to ensure that the market has adequate time for consideration of and response to, corporate events. In addition, it is necessary that records be continuously maintained regarding the entitlement to various benefits as they accrue from time to time to the security holders of record.

In some matters, the prior consent of the Exchange to an intended course of action is required, in order to ensure that implementation of the corporate decision is consistent with Exchange requirements.

Sec. 405. All listed companies should be thoroughly familiar with the applicable federal and provincial statutory requirements respecting timely disclosure, financial statements, proxy materials and shareholders’ meetings. The Exchange’s requirements and the statutory requirements may vary, but they do not conflict. The Exchange enforces its own requirements. It retains the right to waive these requirements, but does not have the right to waive statutory requirements. The Exchange frequently draws the attention of a company to its multiple obligations, but the responsibility rests with the company to meet all sets of applicable requirements.

B. TIMELY DISCLOSURE

Introduction

Sec. 406. It is a cornerstone policy of the Exchange that all persons investing in securities listed on the Exchange have equal access to information that may affect their investment decisions. Public confidence in the integrity of the Exchange as a securities market requires timely disclosure of material information concerning the business and affairs of companies listed on the Exchange, thereby placing all participants in the market on an equal footing.

The timely disclosure policy of the Exchange is the primary timely disclosure standard for all TSX listed issuers. National Policy 51-201 Disclosure Standards of the Canadian securities commissions, “ Disclosure Standards”, assists issuers in meeting their legislative disclosure requirements. While the legislative and Exchange timely disclosure requirements differ somewhat, the Canadian securities commissions clearly state in National Policy 51-201 Disclosure Standards that they expect listed issuers to comply with the requirements of the Exchange.
To minimize the number of authorities that must be consulted in a particular matter, in the case of securities listed on the Exchange, the Exchange is the relevant contact. The issuer may, of course, consult with the government securities administrator of the particular jurisdiction. In the case of securities listed on more than one stock market, the issuer should deal with each market.

The requirements of the Exchange and National Policy 51-201 Disclosure Standards are in addition to any applicable statutory requirements. The Exchange enforces its own policy. Companies whose securities are listed on the Exchange are legally obligated to comply with the provisions on timely disclosure set out in section 75 of the Ontario Securities Act and the Regulation under the Act. Reference should also be made to National Instrument 71-102 continuous Disclosure and Other Exemptions Relating to Foreign Issuers, National Instrument 55-102 System for Electronic Disclosure by Insiders, and National Instrument 62-103 The Early Warning System and Related Take-Over bid and Insider Reporting Issues.

In addition to the foregoing requirements, companies whose securities are listed on the Exchange and who engage in mineral exploration, development and/or production, must follow the “Disclosure Standards for Companies Engaged in Mineral Exploration, Development and Production” as outlined in Appendix B of this Manual for both their timely and continuous disclosure.

The Market Surveillance Division (“Market Surveillance”) of Market Regulation Services Inc. now monitors the timely disclosure policy on behalf of the Exchange.

Material Information

Definition

Sec. 407. Material information is any information relating to the business and affairs of a company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company’s listed securities.

Material information consists of both material facts and material changes relating to the business and affairs of a listed company. In addition to material information, trading on the Exchange is sometimes affected by the existence of rumours and speculation. Where this is the case, Market Surveillance may require that an announcement be made by the company whether such rumours and speculation are factual or not. The policy of the Exchange with regard to rumours is set out more fully in Section 414.

The timely disclosure policy of the Exchange is designed to supplement the provisions of the Ontario Securities Act, which requires disclosure of any “material change” as defined therein. A report must be filed with the Ontario Securities Commission concerning any “material change” as soon as practicable and in any event within ten days of the date on which the change occurs. The Exchange considers that “material information” is a broader term than “material change” since it encompasses material facts that may not entail a “material change” as defined in the Act. It has long been the practice of most listed companies to disclose a broader range of information to the public pursuant to the Exchange’s timely disclosure policy than a strict interpretation of the Act might require. Companies subject to securities legislation outside of Ontario should be aware of their disclosure obligations in other jurisdictions.

It is the responsibility of each listed company to determine what information is material according to the above definition in the context of the company’s own affairs. The materiality of information varies from one company to another according to the size of its profits, assets and capitalization, the nature of its operations and many other factors. An event that is “significant” or “major” in the context of a smaller company’s business and affairs is often not material to a large company. The company itself is in the best position to apply the definition of material information to its own unique circumstances. The Exchange recognizes that decisions on disclosure require careful subjective judgments, and encourages listed companies to consult Market Surveillance when in doubt as to whether disclosure should be made.
Rule: Immediate Disclosure

Sec. 408. A listed company is required to disclose material information concerning its business and affairs forthwith upon the information becoming known to management, or in the case of information previously known, forthwith upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk of persons with access to the information acting upon undisclosed information. Unusual trading marked by significant changes in the price or trading volumes of any of a company’s securities prior to the announcement of material information is embarrassing to company management and damaging to the reputation of the securities market, since the investing public may assume that certain persons benefited from access to material information which was not generally disclosed.

In restricted circumstances disclosure of material information may be delayed for reasons of corporate confidentiality. In this regard, see Sections 423.1 to 423.3.

Developments to be Disclosed

Sec. 409. Companies are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development will have or has had a direct effect on their business and affairs that is both material in the sense outlined above and uncharacteristic of the effect generally experienced as a result of such development by other companies engaged in the same business or industry, companies are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most companies in a particular industry does not require an announcement, but if it affects only one or a few companies in a material way, an announcement should be made.

The market price of a company’s securities may be affected by factors directly relating to the securities themselves as well as by information concerning the company’s business and affairs. For example, changes in a company’s issued capital, stock splits, redemptions and dividend decisions may all impact upon the market price of a security.

Sec. 410. Other actual or proposed developments that are likely to give rise to material information and thus to require prompt disclosure include, but are not limited to, those listed below. Of course, any development must be material according to the definition of material information before disclosure is required.

Many developments must be disclosed at the proposal stage, or before an event actually occurs, if the proposal gives rise to material information at that stage. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been made to proceed with it by the board of directors of the company, or by senior management with the expectation of concurrence from the board of directors. Subsequently, updates should be announced at least every 30 days, unless the original announcement indicates that an update will be disclosed on another indicated date. In addition, prompt disclosure is required of any material change to the proposed transaction, or to the previously disclosed information.

Examples of developments likely to require prompt disclosure as referred to above include the following:

(a) Changes in share ownership that may affect control of the company.

(b) Changes in corporate structure, such as reorganizations, amalgamations, etc.

(c) Take-over bids or issuer bids.

(d) Major corporate acquisitions or dispositions.
(e) Changes in capital structure.

(f) Borrowing of a significant amount of funds.

(g) Public or private sale of additional securities.

(h) Development of new products and developments affecting the company’s resources, technology, products or market.

(i) Significant discoveries by resource companies.

(j) Entering into or loss of significant contracts.

(k) Firm evidence of significant increases or decreases in near-term earnings prospects.

(l) Changes in capital investment plans or corporate objectives.

(m) Significant changes in management.

(n) Significant litigation.

(o) Major labour disputes or disputes with major contractors or suppliers.

(p) Events of default under financing or other agreements.

(q) Any other developments relating to the business and affairs of the company that would reasonably be expected to significantly affect the market price or value of any of the company’s securities or that would reasonably be expected to have a significant influence on a reasonable investor’s investment decisions.

Sec. 411. Forecasts of earnings and other financial forecasts need not be disclosed, but where a significant increase or decrease in earnings is indicated in the near future, such as in the next fiscal quarter, this fact must be disclosed. Forecasts should not be provided on a selective basis to certain investors not involved in the management of the affairs of the company. If disclosed, they should be generally disclosed. Reference should be made to National Policy 48 Future-Oriented Financial Information of the Canadian Securities Administrators (Future-oriented Financial Information).

MARKET SURVEILLANCE

Monitoring Trading

Sec. 412. Market Surveillance maintains a continuous stock watch programme which is designed to highlight unusual market activity, such as unusual price and volume changes in a stock relative to its historical pattern of trading. Where unusual trading activity takes place in a listed security, Market Surveillance attempts to determine the specific cause of such activity. If the specific cause cannot be determined immediately, company management will be contacted. Should this contact result in Market Surveillance staff becoming aware of a situation which requires a news release, the company will be asked to make an immediate announcement. Should the company be unaware of any undisclosed developments, Market Surveillance staff will continue to monitor trading and, if concerns continue, may ask the company to issue a statement that it is not aware of any undisclosed developments that would account for the unusual trading pattern.
Timing of Announcements

Sec. 413. Market Surveillance has the responsibility of receiving all timely disclosure news releases from listed companies detailing material information concerning their affairs. The overriding rule is that significant announcements are required to be released immediately. Release of certain announcements may be delayed until the close of trading, subject to the approval of Market Surveillance. Company officials are encouraged to seek assistance and direction from Market Surveillance as to when an announcement should be released and whether trading in the company’s shares should be halted for dissemination of an announcement.

Rumours

Sec. 414. Unusual market activity is often caused by the presence of rumours. The Exchange recognizes that it is impractical to expect management to be aware of, and comment on, all rumours, but when market activity indicates that trading is being unduly influenced by rumours Market Surveillance will request that a clarifying statement be made by the company. Prompt clarification or denial of rumours through a news release is the most effective manner of rectifying such a situation. A trading halt may be instituted pending a “no corporate developments” statement from the company. If a rumour is correct in whole or in part, immediate disclosure of the relevant material information must be made by the company and a trading halt will be instituted pending release and dissemination of the information.

O.S.C. Cease Trading Order

Sec. 415. In certain circumstances trading in a listed security may be stopped by Market Surveillance as a result of a cease trading order being issued by the Ontario Securities Commission. Such an order may be issued by the Commission where it is of the opinion that a halt in trading is in the public interest. However, Market Surveillance generally handles halts for the dissemination of announcements of material information. Additional information with respect to trading halts is included in Sections 420 to 423.

ANNOUNCEMENTS OF MATERIAL INFORMATION

Pre-Notification to Exchange

Sec. 416. The Exchange’s policy requires immediate release of material information except in unusual circumstances. While Market Surveillance may permit certain news releases to be issued after the close of trading, the policy of immediate disclosure frequently requires that news releases be issued during trading hours, especially when an important corporate development has occurred. If this is the case, it is absolutely essential that company officials notify Market Surveillance prior to the issuance of a news release. Market Surveillance staff will then be in a position to determine whether trading in any of the company’s securities should be temporarily halted. Also, if the Exchange is not advised of news releases in advance, any subsequent unusual trading activity will generate enquiries and perhaps a halt in trading.

Regardless of when an announcement involving material information is released, Market Surveillance must be advised of its content and supplied with a copy in advance of its release. Market Surveillance must also be advised of the proposed method of dissemination. Market Surveillance must be advised by telephone in advance if an announcement is ready to be made during trading hours, and submission of a written copy of the release should follow. Where an announcement is to be released after the Exchange has closed, Market Surveillance staff should be advised before trading opens on the next trading day. Copies may be faxed or hand delivered to Market Surveillance.

Market Surveillance coordinates trading halts with other exchanges and markets where a company’s securities are listed or traded elsewhere. A convention exists that trading in a security traded in more than one market shall be halted and resumed at the same time in each market. Failing to pre-notify the Exchange of an imminent material announcement could disrupt this system.
Dissemination

Sec. 417. After notifying Market Surveillance, a news release must be transmitted to the media by the quickest possible method, and by one that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, a wire service or combination of services) must be used which provides national and simultaneous coverage.

The Exchange accepts the use of any news services that meet the following criteria:

- dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;
- dissemination to all Participating Organizations; and
- dissemination to all relevant regulatory bodies.

Companies are also expected to use services such as Dow Jones and Reuters that provide wide dissemination at no charge to the issuer. However, companies should be aware that these services do not carry all releases and may substantially edit releases they do carry. News services that guarantee that the full text of the release will be carried are required to be used.

Dissemination of news is essential to ensure that all investors trade on equal information. The onus is on the listed company to ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this policy and shall be grounds for suspension of trading or delisting of the company’s securities. In particular, the Exchange will not consider relieving a company from its obligation to disseminate news properly because of cost factors.

Content of Announcements

Sec. 418. Announcements of material information should be factual and balanced, neither overemphasizing favourable news nor under-emphasizing unfavourable news. Unfavourable news must be disclosed just as promptly and completely as favourable news. It is appreciated that news releases may not be able to contain all the details that would be included in a prospectus or similar document. However, news releases should contain sufficient detail to enable media personnel and investors to appreciate the true substance and importance of the information so that investors may make informed investment decisions. The guiding principle should be to communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community’s perception of the announcement one way or another. The company should be prepared to supply further information when appropriate, and the Exchange recommends that the name and telephone number of the company official to contact be provided in the release.

Misleading Announcements

Sec. 419. While the policy of the Exchange is that all material information must be released immediately, judgment must be exercised by company officials as to the timing and propriety of any news releases concerning corporate developments, since misleading disclosure activity designed to influence the price of a security is considered by the Exchange to be improper. Misleading news releases send signals to the investment community which are not justified by an objective examination of the facts, and may detract from the credibility of the company. Announcements of an intention to proceed with a transaction or activity should not be made unless the company has the ability to carry out the intent (although proceeding may be subject to contingencies) and a decision has been made to proceed with the transaction or activity by the board of directors of the company, or by senior management with the expectation of concurrence from the board of directors. Disclosure of corporate developments must be handled carefully and requires the exercise of judgment by company officials as to the timing of an...
announced by the exchange, since either premature or late disclosure may result in damage to the reputation of the securities markets.

TRADING HALTS

When Trading May Be Halted

Sec. 420. The Exchange’s objective is to provide a continuous auction market in listed securities. The guiding principle is therefore to reduce the frequency and length of trading halts as much as possible.

Trading may be halted in the securities of a listed company upon the occurrence of a material change during normal trading hours, which requires immediate public disclosure. The determination that trading should be halted is made by Market Surveillance. Market Surveillance determines the amount of time necessary for dissemination in any particular case, which determination is dependent upon the significance and complexity of the announcement.

It is neither the intention nor practice of Market Surveillance to halt trading for all news releases from listed companies. A news release is discussed by Market Surveillance and the listed company prior to its release and a determination is made as to whether a trading halt is justified based upon the impact which the particular announcement is expected to have on the market for the company’s securities.

A halt in trading does not reflect upon the reputation of management of a company nor upon the quality of its securities. Indeed, trading halts for material information announcements are usually made at the request of the listed company involved. Market Surveillance normally attempts to contact a company before imposing a halt in trading.

Requests for Trading Halts

Sec. 421. It is not appropriate for a listed company to request a trading halt in a security if a material announcement is not going to be made forthwith.

When a listed company (or its advisors) requests a trading halt for an announcement, the company must provide assurance to Market Surveillance that an announcement is imminent. The nature of this announcement and the current status of events shall be disclosed to Market Surveillance, in order the staff can assess the need for and appropriate duration of a trading halt.

Length of Trading Halts

Sec. 422. When a halt in trading is necessary, trading is normally interrupted for a period of less than two hours. In the normal course, the announcement should be made immediately after the halt is imposed and trading will resume within approximately one hour of the dissemination of the announcement through major news wires.

A trading halt in a security shall not normally extend for a period longer than 24 hours from the time the halt was imposed. This is a maximum time period intended to address unusual situations. The only exception to the 24-hour time limit is where Market Surveillance determines that resumption of trading would have a significant negative impact on the integrity of the market.

Failure to Make an Announcement Immediately

Sec. 423. If trading is halted but an announcement is not immediately forthcoming as expected, Market Surveillance will establish a reopening time, which shall not be later than 24 hours after the time that the halt was imposed (excluding nonbusiness days). If the company fails to make an announcement. Market Surveillance will issue a notice stating that trading was halted for dissemination of news or for
clarification of abnormal trading activity, that an announcement was not immediately forthcoming, and that trading will therefore resume at a specific time.

When Market Surveillance advises a company in applying this Section 423 that it will announce the reopening of trading the company should reconsider, in light of its responsibility to make timely disclosure of all material information, whether it should issue a statement prior to the reopening becoming effective to clarify why it requested a trading halt (if this is the case) and why it is not able to make an announcement prior to the reopening of trading.

CONFIDENTIALITY

When Information May Be Kept Confidential

Sec. 423.1. In restricted circumstances disclosure of material information concerning the business and affairs of a listed company may be delayed and kept confidential temporarily where immediate release of the information would be unduly detrimental to the interests of the company.

Examples of instances in which disclosure might be unduly detrimental to the company’s interests are as follows:

(a) Release of the information would prejudice the ability of the company to pursue specific and limited objectives or to complete a transaction or series of transactions that are under way. For example, premature disclosure of the fact that a company intends to purchase a significant asset may increase the cost of making the acquisition.

(b) Disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them. Such information may be kept confidential if the company is of the opinion that the detriment to it resulting from disclosure would outweigh the detriment to the market in not having access to the information. A decision to release a new product, or details on the features of a new product may be withheld for competitive reasons. Such information should not be withheld if it is available to competitors from other sources.

(c) Disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations. It is unnecessary to make a series of announcements concerning the status of negotiations with another party concerning a particular transaction. If it seems that the situation is going to stabilize within a short period, public disclosure may be delayed until a definitive announcement can be made. Disclosure should be made once “concrete information” is available, such as a final decision to proceed with the transaction or, at a later point in time, finalization of the terms of the transaction.

Sec. 423.2. It is the policy of the Exchange that the withholding of material information on the basis that disclosure would be unduly detrimental to the company’s interests must be infrequent and can only be justified where the potential harm to the company or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure, keeping in mind at all times the considerations that have given rise to the Exchange’s immediate disclosure policy. While recognizing that there must be a trade-off between the legitimate interests of a company in maintaining secrecy and the right of the investing public to disclosure of corporate information, the Exchange discourages delaying disclosure for a lengthy period of time, since it is unlikely that confidentiality can be maintained beyond the short term.

Maintaining Confidentiality

Sec. 423.3. If disclosure of material information is delayed, complete confidentiality must be maintained. In the event that such confidential information, or rumours respecting the same, is divulged in
any manner (other than in the necessary course of business), the company is required to make an immediate announcement on the matter. Market Surveillance must be notified of the announcement in advance in the usual manner. During the period before material information is disclosed, market activity in the company’s securities should be closely monitored. Any unusual market activity probably means that news of the matter is being disclosed and that certain persons are taking advantage of it. In such case, Market Surveillance should be advised immediately, and a halt in trading will be imposed until the company has made disclosure on the matter.

At any time when material information is being withheld from the public, the company is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any officers or employees of the company, or to the company’s advisors, except in the necessary course of business. The directors, officers and employees of a listed company should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed. It is contrary to law under the Ontario Securities Act for any person in a “special relationship” with a company to make use of undisclosed material information. This point is discussed in Section 423.4.

Listed companies must comply with the provisions of section 75 of the Ontario Securities Act requiring confidential disclosure to the Ontario Securities Commission of any “material change” that is not immediately being disclosed to the public.

**INSIDER TRADING**

**Law**

Sec. 423.4. Every listed company should have a firm rule prohibiting those who have access to confidential information from making use of such information in trading in the company’s securities before the information has been fully disclosed to the public and a reasonable period of time for dissemination of the information has passed.

Insider trading is strictly regulated by Part XXI and sections 76 and 134 of the Ontario Securities Act and the Regulation under the Act. The securities laws of other provinces also regulate insider trading in their respective jurisdictions. Insider trading in the securities of companies incorporated under the (Canada Business Corporations Act is also regulated by Part XI of that Act. The definition of an “insider” will vary from statute to statute, but in any case will include directors and senior officers of the company and large shareholders. In Ontario directors and senior officers of any company that is itself an insider of a second company are considered insiders of that second company. It is recommended that directors and officers of listed companies be fully conversant with all applicable legislation concerning insider trading.

The Ontario Securities Act requires insiders who own securities of a listed company to file an initial report with the Ontario Securities Commission upon becoming insiders and to report all trades made in the securities of the company of which they are insiders within ten days after a trade is made.

In addition, section 76 of the Ontario Securities Act prohibits any person or company in a “special relationship” with a listed company from trading on the basis of undisclosed material information on the affairs of that company. Those considered to be in a “special relationship” with a listed company include those who are insiders, affiliates or associates of the listed company, a person or company proposing to make a take-over bid of the listed company, and a person or company proposing to become a party to a reorganization, amalgamation, merger or similar business arrangement with the listed company. A person or company in a “special relationship” also includes those involved, or which were involved, in the provision of business or professional services for the listed company, including employees.

An indefinite chain of “tippees” is created by including in the “special relationship” category persons or companies who acquire information from a source known to them to have a “special relationship” with the listed company.
In any situation where material information is being kept confidential because disclosure would be unduly detrimental to the best interests of the company, management is under a duty to take every possible precaution to ensure that no trading whatsoever takes place by any insiders or persons in a “special relationship” with the company, such as lawyers, engineers and accountants, in which use is made of such information before it is generally disclosed to the public. Similarly, undisclosed material information cannot be passed on or “tipped” to others who may benefit by trading on the information.

In the event that Market Surveillance is of the opinion that insider or improper trading may have occurred before material information has been disclosed and disseminated, the Exchange requires an immediate announcement to be made disclosing the material information of which use is being made.

GUIDELINES — DISCLOSURE, CONFIDENTIALITY GUIDELINES AND EMPLOYEE TRADING

Sec. 423.5. Companies listed on the Exchange must comply with two sets of rules:

- securities law governing corporate disclosure, confidentiality and employee trading
- the Exchanges policy on timely disclosure (Sections 406 to 423.4), which expands on the requirements of securities law.

Collectively, these rules are referred to as the Disclosure Rules. Compliance with them is essential to maintaining investor confidence in the integrity of the Exchanges market and its listed companies.

Each listed company should establish a clear written policy to help it comply with the Disclosure Rules. The guidelines in Sections 423.6 to 423.8 are intended to help companies establish their policies. They should be viewed as a means to an end (compliance with the Disclosure Rules) and not as an end in themselves.

These guidelines are not hard and fast rules, and will not be appropriate for every listed company. The TSX recognizes that company policies will vary depending on the company’s size and corporate culture.

Every company’s policy, however, should:

- describe the procedures to be followed and spell out the consequences of violations
- be updated regularly
- be brought to the attention of employees regularly.

The policy should also give specific guidance in the following areas:

- disclosing material information
- maintaining the confidentiality of information
- restricting employee trading.

DISCLOSING MATERIAL INFORMATION

Sec. 423.6. The Disclosure Rules state that material information is information about a company that has a significant effect, or would reasonably be expected to have a significant effect, on the market price of the company’s securities. A company must disclose material information to the public immediately. For exceptions, please see Section 423.7, “Maintaining the Confidentiality of Information”. 
Guidelines

The Exchange suggests that the company's policy include provisions to assist management in determining:

- if the information is material and must therefore be disclosed
- when and how the material is to be disclosed
- the content of any press release disclosing the information.

Specific corporate officers should be made responsible for disclosing material information.

These officers would:

- be completely familiar with the company’s operations
- be kept up to date on any pending material developments
- have a sufficient understanding of the disclosure rules to be able to decide whether or not a piece of information is material
- be responsible for communications with the media, shareholders and securities analysts
- have back-ups assigned, in case they are unavailable.

To assist these officers, it might be helpful for them to have access to a file containing all relevant public information about the company, including news releases, brokerage research reports and debriefing notes following analyst contacts.

Different corporate officers may be designated for different circumstances. For example, a specific employee might be designated as a corporate spokesperson for a particular area of operations or a particular press release. At the same time investor relations personnel might be designated as the contact for shareholders, the media and analysts, but not have the authority to issue a particular press release.

The names of the designated officers, the names of their back-ups, and their areas of responsibility should be given to Market Surveillance. Market Surveillance may need to contact them in the event of unusual trading in the company’s securities.

Avoid situations where:

- delays occur because the person responsible for disclosure is unavailable or cannot be located
- employees other than designated spokespersons comment on material corporate developments.

MAINTAINING THE CONFIDENTIALITY OF INFORMATION

Sec. 423.7. The Disclosure Rules allow that if the early disclosure of material information would be unduly detrimental to the company, that information may be kept confidential for a limited period of time. To keep material information completely confidential, companies should:

- not disclose the information to anybody, except in the necessary course of business
• make sure that if the information has been disclosed in the necessary course of business, everyone understands that it is to be kept confidential

• make sure that there is no selective disclosure of confidential information to third parties, for example, in a meeting with an analyst. This is tipping, which is prohibited under securities law.

In the event that selective disclosure of confidential information inadvertently occurs, the company must immediately disclose the information publicly by issuing a press release.

Guidelines

The Exchange suggests that a company's policy might:

• limit the number of people with access to confidential information

• require confidential documents to be locked up and code names to be used if necessary

• make sure that confidential documents cannot be accessed through technology such as shared servers

• educate all staff about the need to keep certain information confidential, not to discuss confidential information when they may be overheard, and not to discuss investment in the company, for example, in an investment club, when they are aware of confidential information (so that they don’t influence the investments of other people, when they themselves are not allowed to trade).

RESTRICTIONS ON EMPLOYEE TRADING

Sec. 423.8. The Disclosure Rules require that employees with access to material information be prohibited from trading until the information has been fully disclosed and a reasonable period of time has passed for the information to be disseminated. This period may vary, depending on how closely the company is followed by analysts and institutional investors.

This prohibition applies not only to trading in company securities, but also to trading in other securities whose value might be affected by changes in the price of the company’s securities. For example, trading in listed options or securities of other companies that can be exchanged for the company’s securities is also prohibited.

In addition, if employees become aware of undisclosed material information about another public company such as a subsidiary, they may not trade in the securities of that other company.

In the case of pending transactions, the circumstances of each case should be considered in determining when to prohibit trading. In some cases, prohibition may be appropriate as soon as discussions about the transaction begin. The definition of materiality helps determine when trading should be prohibited in the case of pending transactions. Trading must be prohibited once the negotiations have progressed to a point where it reasonably could be expected that the market price of the company’s securities would materially change if the status of the transaction were publicly disclosed. As the transaction becomes more concrete, it is more likely that the market will react. This prohibition on trading will often come into effect before the point in time when it must be disclosed publicly. In all situations, it is a judgment call as to when employee trading should be restricted.
Guidelines

The Exchange suggests that a company’s policy address trading blackouts. Trading blackouts are periods of time during which designated employees cannot trade the company’s securities or other securities whose price may be affected by a pending corporate announcement. A trading blackout:

- prohibits trading before a scheduled material announcement is made (such as the release of financial statements)
- may prohibit trading before an unscheduled material announcement is made, even if the employee affected doesn’t know that the announcement will be made
- prohibits trading for a specific period of time after a material announcement has been made.

It is easiest to implement a policy on trading blackouts that applies to scheduled announcements, such as the release of financial statements. In this case the policy might:

- prohibit trading by employees for a certain number of days before and after the release of financial statements
- provide “open windows”, which are limited periods of time following the release of financial statements during which employees may trade.

It is more problematic to implement a policy on trading blackouts for unscheduled announcements. A company should make the following decisions about its policy on trading blackouts according to its particular circumstances:

- should the policy apply to employees other than those already prevented from trading by insider trading rules (for example, senior employees not directly involved in the material transaction)?
- would telling an employee not to trade tip them off as to the content of the pending announcement?

If a company decides to implement a preannouncement blackout policy, it might want to consider one of the following options:

- without giving a reason, instruct employees not to trade until further notice if there is a pending undisclosed material development
- require employees to obtain approval before trading, on the understanding that this approval will be denied if any material information has not been disclosed.

A company policy on post-announcement trading blackouts should:

- state whether the blackout rules apply to all staff or only to those involved in the material transaction
- allow the market time to absorb the information before employees can resume trading. The amount of time that the market needs to absorb the information and set a new price level will depend upon the size of the company and to what extent it is tracked by analysts and investors.

The Exchange also suggests that a company:

- circulate some basic do’s and don’ts about employee trading to all their staff
• designate a contact person who is familiar with the disclosure rules and who can help employees determine whether or not they may trade in a given circumstance

• set expiry dates for the exercise of stock options and other such compensation plans so that the expiry dates normally would fall after the release of financial statements

• educate employees about any additional specific trading restrictions that may apply to them (for example, section 130 of the Canada Business Corporations Act generally prohibits insiders of CBCA companies from selling that company’s shares short, or from buying or selling put or call options on the shares. Insiders of companies which have to report under the U.S. Securities Exchange Act of 1934 may be subject to other restrictions, such as liability to account (for short swing profits.)

• decide whether employees who are subject to more stringent trading restrictions, and who are not required by law to file insider trading reports, should have to report details of their trading to the company

• decide whether the company should review insider trading reports to make sure that employees have complied with company policy and disclosure rules.

Electronic Communications Disclosure Guidelines

Sec. 423.9. For financial markets, the Internet may be the greatest leap forward in providing information and analysis since the advent of electronic communications. It is putting relevant information at investors’ fingertips — instantaneously and simultaneously. But the Internet also poses regulatory challenges. In a world in which information is more readily available than ever, it is more important than ever that it be accurate, timely and up-to-date. With this in mind, TSX has developed these electronic communications guidelines to assist listed issuers to meet their investors’ informational needs.

Part II reminds issuers that applicable disclosure rules apply to all corporate disclosure through electronic communications and must be followed by each issuer. Disclosure of information by an issuer through its web site or e-mail will not satisfy the issuer’s disclosure obligations. The corporation must continue to use traditional means of dissemination. Part III sets out the guidelines that apply directly to the Internet and other electronic media. The overall objective of the guidelines is to encourage the use of electronic media to make investor information accessible, accurate and timely. The challenge of regulating electronic media is to ensure that regulatory concerns are addressed without impeding innovation.

Sec. 423.10. These guidelines should be read with TSX’s Timely Disclosure requirements and related guidelines (“TSX Timely Disclosure Policy”).

Web sites, electronic mail (“e-mail”) and other channels available on the Internet are media of communication available to listed issuers for corporate disclosure. Each of these media provides opportunities for an issuer to broadly disseminate investor relations information. There are, however, a number of issues that an issuer must consider when it goes online. Investor relations information that is disclosed electronically using these new media should be viewed by the issuer as an extension of its formal corporate disclosure record. As such, these electronic communications are subject to securities laws and TSX standards and should not be viewed merely as a promotional tool.

TSX strongly recommends that all listed issuers maintain a corporate web site to make investor relations information available electronically.
Current securities filings of listed issuers such as financial statements, AIFs, annual reports and prospectuses are maintained on the SEDAR web site operated by CDS. In addition, TSX maintains a profile page on each listed issuer on its web site ("tsx.com"). Further, many news wire services post listed issuer news releases on their web sites. Since these various sites are not all connected, it may be difficult and time consuming for an investor to search the Internet and obtain all relevant investor relations information about a particular issuer. If an issuer creates its own web site, it can ensure that all of its investor relations information is available through one site and can provide more information than is currently available online. For example, SEDAR contains only mandatory corporate filings, while an issuer’s site may carry a wealth of supplemental information, such as fact sheets, fact books, slides of investor presentations, transcripts of investor relations conferences and webcasts.

Disclosure by the Internet alone will not meet an issuer’s disclosure requirements and an issuer must continue to use traditional means of dissemination.

Electronic communications do not reach all investors. Investors who have access to the Internet will be unaware that new information is available unless the issuer notifies them of an update.

**APPLICABLE DISCLOSURE STANDARDS**

**Sec. 423.11.** Distribution of information via a web site, e-mail or otherwise via the Internet is subject to the same laws as traditional forms of dissemination such as news releases. In establishing electronic communications, an issuer should have special regard to disclosure requirements under all applicable securities laws. Issuers should refer to TSX Timely Disclosure Policy, National Policy No. 51-201, Disclosure Standards, National Policy 11-201, Delivery of Documents by Electronic Means, and National Policy 47-201, Trading Securities Using the Internet and Other Electronic Means. Issuers should be aware of disclosure requirements in all jurisdictions in which they are reporting issuers. Also, there are constant developments regarding electronic disclosure of material information by issuers and issuers must be aware of the impact of all such developments on their disclosure practices.

These standards apply to all corporate disclosure through electronic communications and must be followed by each issuer.

1. **Electronic communications cannot be misleading** — An issuer must ensure that material information posted on its web site is not misleading. Material information is misleading if it is incomplete, incorrect or omits a fact so as to make another statement misleading. Information may also be misleading if it is out of date.

   (a) **Duty to correct and update** — A web site should be a complete repository of current and accurate investor relations information. Viewers visiting a web site expect that they are viewing all the relevant information about an issuer and that the information provided to them by the issuer is accurate in all material respects. An issuer has the duty to include on its web site all material information and to correct any material information available on its web site that is misleading. It is not sufficient that the information has been corrected or updated elsewhere.

   It is possible for information to become inaccurate over time. An issuer must regularly review and update or correct the information on the site.

   (b) **Incomplete information or material omissions** — Providing incomplete information or omitting a material fact is also misleading. An issuer must include all material disclosed information. It must include all news releases, not just favourable ones. Similarly, documents should be posted in their entirety. If this is impractical for a particular document, such as a technical report with graphs, charts or maps, care must be taken to ensure that an excerpt is not misleading when read on its own. In such circumstances, it may be sufficient to post the executive summary.
(c) **Information must be presented in a consistent manner** — Investor relations information that is disclosed electronically should be presented in the same manner online as it is offline. Important information should be displayed with the same prominence and a single document should not be divided into shorter, linked documents that could obscure or “bury” unfavourable information. While issuers may divide a lengthy document into sections for ease of access and downloading, issuers must ensure that the full document appears on the site, that each segment is easily accessible and that the division of the document has not altered the import of the document or any information contained in it.

2. **Electronic communications cannot be used to “tip” or leak material information** — An issuer’s internal employee trading and confidentiality policies should cover the use of electronic forms of communication. Employees must not use the Internet to tip or discuss in any form undisclosed material information about the issuer.

   An issuer must not post a material news release on a web site or distribute it by e-mail or otherwise on the Internet before it has been disseminated on a news wire service in accordance with TSX Timely Disclosure Policy.

3. **Electronic communications must comply with securities laws** — An issuer should have special regard to securities laws and, in particular, registration and filing requirements, which may be triggered if it posts any document offering securities to the general public on its web site. If a listed issuer is considering a distribution of securities, it should carefully review its web site in consultation with the issuer’s legal counsel in advance of and during the offering. The Internet is increasingly becoming an important tool to communicate information about public offerings to shareholders and investors. Nevertheless, the release of information and promotional materials relating to a public offering before or during the offering is subject to restrictions under securities laws. Documents related to a distribution of securities should only be posted on a web site if they are filed with and receipted by the appropriate securities regulators in the applicable jurisdictions. All promotional materials related to a distribution of securities should be reviewed with the issuer’s legal advisors before they are posted on a web site to ensure that such materials are consistent with the disclosure made in the offering documents and that the posting of such materials to a web site is permitted under applicable securities laws.

   Anyone, anywhere in the world can access a web site. Special regard should be made to foreign securities laws, some of which may be stricter than Ontario laws. Foreign securities regulators may take the view that posting offering documents on a web site that can be accessed by someone in their jurisdiction constitutes an offering in that jurisdiction unless appropriate disclaimers are included on the document or other measures are taken to restrict access. Reference should be made to the guidelines issued by other jurisdictions such as those issued by the U.S. Securities and Exchange Commission for issuers who use Internet web sites to solicit offshore securities transactions and clients without registering the securities in the United States.

**ELECTRONIC COMMUNICATIONS GUIDELINES**

Sec. 423.12. TSX recommends that listed issuers follow these guidelines when designing a web site, establishing an internal e-mail policy or disseminating information over the Internet.

Unlike the disclosure rules which are applicable to all electronic communications, these guidelines are not hard and fast rules which must be followed. Aspects of these guidelines may not be appropriate for every issuer. An issuer should tailor these guidelines to create an internal policy that is suitable to its particular needs and resources.

Each listed issuer should establish a clear written policy on electronic communications as part of its existing policies governing corporate disclosure, confidentiality and employee trading. Please refer to TSX Timely Disclosure Policy.
TSX suggests that the policy describe how its electronic communications are to be structured, supervised and maintained. The policy should be reviewed regularly and updated as necessary. To ensure that the policy is followed, it should be communicated to all individuals of the issuer to whom it will apply.

1. **Who should monitor electronic communications** — TSX recommends that one or more of the officers appointed under the issuer’s disclosure policy be made responsible for maintaining, updating and implementing the issuer’s policies on electronic communications. Reference should be made to TSX Timely Disclosure Policy. These officers should ensure that all investor relations information made available by the issuer on the web site, broadcast via e-mail or otherwise on the Internet complies with applicable securities laws and internal policies. This responsibility includes ensuring the issuer web site is properly reviewed and updated.

2. **What should be on the Web site?**

   (a) **All corporate “timely disclosure” documents and other investor relations information** — TSX recommends that issuers take advantage of Internet technologies and make available through an issuer web site all corporate “timely disclosure” documents and other investor relations information that it deems appropriate. As stated, however, the posting of such documents and information on the web site does not fulfill the issuer’s obligation to disseminate such information through a timely news release.

   An issuer may either post its own investor relations information or establish links, frequently called “hyper-links”, to other web sites that also maintain publicly disclosed documents on behalf of the issuer such as news wire services, SEDAR and stock quote services. “Investor relations information” includes all material public documents such as: the annual report; annual and interim financial statements; the Annual Information Form; news releases; material change reports; declarations of dividends; redemption notices; management proxy circulars; and any other communications to shareholders.

   TSX recommends that an issuer post its investor relations information, particularly its news releases, as soon as possible following dissemination. Documents that an issuer files on SEDAR should be posted concurrently on its web site, as suggested in National Policy 51-201, Disclosure Standards or the issuer could create a hyper-link to the SEDAR web site. If an issuer chooses to link to SEDAR or to a news wire web site, a link can be provided directly to the issuer’s page on that site, provided that the terms and conditions of the site to which the link is provided do not place restrictions on “deep-linking” as this practice is sometimes referred to, or object to “framing”\(^1\). An issuer providing deep-linking from its web site to a third party web site should consult its legal advisors to assess the legal issues surrounding deep-linking and to ensure the proposed link is effected properly. The practice of deep-linking has given rise to a number of legal issues, including whether permission from the third party must be sought in order to access a web site other than through the homepage and whether the issuer may incur liability in sending a user to a third party site bypassing any disclaimers posted on the homepage of the third party site.

   Links to other web sites should be checked regularly to ensure they still work, are up-to-date and accurate. In addition, a disclaimer should be included on the issuer’s web site, preferably via a pop-up window, clearly stating that the viewer is leaving the issuer web site and that the issuer is not responsible for the content, accuracy or timeliness of the other site.

   (b) **All supplemental information provided to analysts and other market observers but not otherwise distributed publicly** — TSX recommends that an issuer that distributes non-

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\(^1\) Displaying the content or page(s) of a third party web site within the overall design of an issuer’s web site, which gives the impression that the third party content is part of the issuer’s site.
material investor relations information to analysts and institutional clients make such supplemental information available to all investors. Supplemental information includes such materials as fact sheets, fact books, slides of investor presentations and transcripts of management investor relations speeches and other materials distributed at investor presentations. Posting supplemental information on a web site is a very useful means of making it generally available.

Keeping in mind that an issuer should design its web site to meet its business needs, TSX recommends that an issuer post all supplemental information on its web site, unless the volume or format makes it impractical. If this is the case, the issuer should describe the information on the web site and provide a contact for the information so that an investor may contact the issuer directly either to obtain a copy of the information or to view the information at the issuer's offices.

In addition to any supplemental information provided by the issuer to analysts, TSX recommends that whenever an issuer is making a planned disclosure of material corporate information in compliance with TSX Timely Disclosure Policy and related guidelines, it should also consider providing dial-in and/or web replay or make transcripts of the related conference call available for a reasonable period of time after the call.

(c) **Investor relations contact information** — TSX suggests that an issuer provide an e-mail link on its web site for investors to communicate directly with an investor relations representative of the issuer. The issuer policy should specify who may respond to investor inquiries and should provide guidance as to the type of information that may be transmitted electronically. When distributing information electronically the issuer must adhere to TSX and legislative disclosure requirements in order to minimize the potential of selective disclosure of information.

To assure rapid distribution of material information to internet users who follow the issuer, an issuer may consider establishing an e-mail distribution list, permitting users who access its web site to subscribe to receive electronic delivery of news directly from the issuer. Alternatively, an issuer may consider using software that notifies subscribers automatically when the issuer's web site is updated. The issuer must note, however, that any electronic distribution of material information must be made after the information has been disseminated on a news wire service.

(d) **Online conferences** — TSX recommends that issuers hold analyst conference calls and industry conferences in a manner that enables any interested party to listen either by telephone and/or through a web cast, in accordance with s. 6.7(1) of National Policy No. 51-201, *Disclosure Standards*.

If an issuer chooses to participate in an online news or investor conference. TSX suggests that participation by the issuer in such online conferences should be governed by the same policy that the issuer has established in respect of its participation in other conferences such as analyst conference calls.

3. What should not be distributed via electronic communications

   (a) **Employee misuse of electronic communications**—Access to e-mail and the Internet can be valuable tools for employees to perform their jobs; however, TSX recommends that clear guidelines should be established as to how employees may use these new media. These guidelines should be incorporated into the issuer's disclosure, confidentiality and employee trading policy. Employees should be reminded that their corporate e-mail address is an issuer address and that all correspondence received and sent via e-mail is to be considered corporate correspondence.
Appropriate guidelines should be established about the type of information that may be circulated by e-mail. An issuer should prohibit its employees from participating in Internet chat rooms\(^2\) or newsgroups\(^3\) in discussions relating to the issuer or its securities. As stated in s. 6.13 of National Policy 51-201, *Disclosure Standards*, an issuer should also consider requiring employees to report to a designated issuer official any discussion pertaining to the issuer which they find on the Internet. Moreover, communications over the Internet via e-mail may not be secure unless the issuer has appropriate encryption technology. Employees should be warned of the danger of transmitting confidential information externally via unencrypted e-mail.

(b) **Analyst reports and third party information** — As a general practice, TSX recommends that an issuer not post any investor relations information on its web site that is authored by a third party, unless the information was prepared on behalf of the issuer, or is general in nature and not specific to the issuer. For example, if an issuer posts an analyst report or consensus report on its web site, it may be seen to be endorsing the views and conclusions of the report. By posting such information on its site, an issuer may become "entangled" with the report and be legally responsible for the content even though it did not author it. This could also give rise to an obligation to correct the report if the issuer becomes aware that the content is or has become misleading (for example, if the earnings projection is too optimistic).

While TSX recommends that issuers refrain from posting analyst and consensus reports on their web sites, it recognizes that some issuers take a different view. If an issuer chooses to post any third party reports on its web site, TSX recommends that extreme caution be exercised. An issuer's policy on posting analyst reports should address the following concerns:

- permission to reprint a report should be obtained in advance from the third party, since reports are subject to copyright protection;
- the information should clearly be identified as representing the views of the third party and not necessarily those of the issuer;
- the entire report should be reproduced so that it is not misleading;
- any updates, including changes in recommendations, should also be posted so the issuer's web site will not contain out-of-date and possibly misleading information;
- all third party reports should be posted.

Instead of posting third party reports on its web site, an alternative approach is for an issuer to provide a list of all analysts who follow the issuer or all consensus reports issued regarding the issuer together with contact information so that investors may contact the third party directly. If an issuer chooses to provide its investors with a list of analysts and other third party authors, the list should be complete and include all analysts and other third party authors that the issuer knows to follow it, regardless of the content of their reports. Since issuers are not obligated to keep track of every third party that follows them or develops a consensus report regarding the issuer, it may be onerous to compile an accurate and complete list that is not misleading to investors.

Concerns also exist regarding the posting of media articles, including radio, television and online news reports, about an issuer on the issuer’s web site. TSX recommends that

\(^2\) A chat room is a live electronic forum for discussion among Internet participants.

\(^3\) A newsgroup is an electronic bulletin board on which internet participants may post information.
issuers refrain from posting media articles on their websites as it is very difficult for an issuer to ensure that it is posting all relevant articles to its website. If an issuer chooses to do so, it must make every effort to ensure that all significant articles concerning the issuer are posted to the website and that negative and positive articles are given similar prominence. Also, given the frequency with which media articles may appear, the issuer will have to regularly update the articles posted on its website.

(c) Third party links — As stated above, an issuer may establish hyperlinks between its website and third party sites. If an issuer creates a hyperlink to a third party site, there is a risk that a viewer will not realize that he or she has left the issuer’s website. TSX recommends that the issuer include a disclaimer stating clearly that the viewer is leaving the issuer website and that the issuer is not responsible for the content, accuracy or timeliness of the other site.

(d) The blurred line between investor and promotional information — TSX recommends that an issuer clearly identify and separate its investor information from other information on its website. In particular, promotional, sales and marketing information should not be included on the same web pages as investor relations information. An issuer’s website should clearly distinguish sections containing investor relations information from sections containing other information.

4. When should information be removed from a website? — Care should be taken to make sure that information that is inaccurate or out-of-date no longer appears on the website. The currency of information on a website will vary depending on the nature of the information. An issuer may retain on its website its annual financial statements for a full year while removing other information such as frequent product releases more quickly. An issuer should review the types of information it posts on its website and develop a consistent policy for the posting and removal of such different types of information. Issuers may delete or remove inaccurate information from the website, as long as a correction has been posted. In addition, TSX recommends that issuers establish an archiving system to store and provide access to information that is no longer current. An electronic archive is a repository of information which has been removed from the website but which can still be accessed from the website through a link. To assist investors in determining the currency of the information on the website, TSX recommends that an issuer date the first page of each document as it is posted on the website.

TSX recommends that the issuer’s policy establish a minimum retention period for material corporate information that it posts on its website. Different types of information may be retained for a different period of time. For example, the issuer may decide to retain all news releases on the site for a period of one year from the date of issue. In contrast, the issuer may decide that investors would want to access its financials for a longer period (e.g., two years for quarterly statements and five years for annuals).

Issuers should also maintain a log of the date and content of all material information that it has posted and removed from the website. Issuers should also try to ensure that the information posted on their website is made available in a manner that makes it accessible by others so that it can be used for subsequent reference and is capable of being retained (e.g., printer friendly versions and save/download buttons).

5. Rumours on the Internet — Rumours about the issuer may appear on chat rooms and newsgroups. Rumours may spread more quickly and more widely on the Internet than by other media. RS Market Surveillance monitors chat rooms and news groups on the Internet to identify rumours about TSX listed issuers that may influence the trading activity of their stocks. TSX Timely Disclosure Policy addresses how an issuer should respond to rumours. An issuer is not expected to monitor chat rooms or news groups for rumours about itself. Nevertheless, TSX recommends that the issuer’s standard policy for addressing rumours apply to those on the Internet.
Whether an issuer should respond to a rumour depends on the circumstances. TSX suggests that the issuer should consider the market impact of the rumour and the degree of accuracy and significance to the issuer. In general, TSX recommends against an issuer participating on a chat room or newsgroup to dispel or clarify a rumour as such action may give rise to selective disclosure concerns and may create the expectation that the issuer will always respond. Instead, the issuer should issue a news release to ensure widespread dissemination of its statement.

If an issuer becomes aware of a rumour on a chat room, newsgroup or any other source that may have a material impact on the price of its stock, it should immediately contact Market Surveillance. If the information is false and is materially influencing the trading activity of the issuer’s securities, it may consider issuing a clarifying news release. The issuer should contact Market Surveillance so that they can monitor trading in the issuer’s securities. If Market Surveillance determines that trading is being affected by the rumour, it may require the issuer to issue a news release stating that there are no corporate developments to explain the market activity.

6. Legal disclaimers — Corporate disclosure by electronic communications gives rise to many legal issues. The use of legal disclaimers on corporate web sites is commonplace. It is in the best interests of an issuer to consult with its legal advisors to discuss the appropriateness and effectiveness of including legal disclaimers about the accuracy, timeliness and completeness of the information posted on its web site. Issuers should also review with their legal advisors the placement and wording of legal disclaimers on web sites. It is critical that disclaimers be easily visible to all users of the web site and that they be written in plain language such that the content of the disclaimer is easily and quickly read and understood.

MAINTAINING SITE INTEGRITY

Sec. 423.13. Electronic communications on the Internet are not always secure. TSX recommends that an issuer establish procedures to assure maximum security of its web site and email. As electronic technologies evolve, security measures also evolve. To ensure the security of its electronic communications, TSX suggests that an issuer:

- review and update its security systems regularly;
- be aware that it might be possible for unauthorized persons to alter the content of the site;
- monitor the integrity of its web site address to make sure that the site is accessible and has not been altered.

TSX MONITORING OF THE INTER NET

Sec. 423.14. TSX regularly monitors listed issuer web sites as well as chat rooms and news groups on the Internet. TSX has the capability to review alterations to listed issuer web sites and to perform random searches of the Internet to identify active discussions relating to listed issuers. However, such monitoring can never be exhaustive. Issuers are responsible for maintaining their web site and should continue to make Market Surveillance aware of significant rumours or problems relating to Internet discussions.

C. COMPANY REPORTING FORMS

Sec. 424. On June 1, 2001, the Exchange discontinued its requirements for listed companies to complete and file an Annual Questionnaire. The Annual Questionnaire has been replaced by the following forms (collectively the “Company Reporting Forms”):
• FORM 1—Change in Outstanding and Reserved Securities
• FORM 2 — Change in General Company Information
• FORM 3—Change in Officers/Directors/Trustees
• FORM 4— Personal Information Form
• FORM 5 — Dividend/Distribution Declaration
• FORM 8 — Change in Investor Relations Contact
• FORM 9 — Request for Extension or Exemption for Financial Reporting/Annual Meeting
• FORM 10— Change in Principal Business

See Appendix H: Company Reporting Forms for filing instructions and the forms.

Sec. 425. (Repealed.)

[The next section is Section 428]

D. DIVIDENDS AND OTHER DISTRIBUTIONS TO SECURITY HOLDERS

NOTICE TO THE EXCHANGE

Sec. 428. All companies declaring a dividend on listed shares must promptly notify the Exchange’s Listed Issuer Services of the particulars. Companies must complete and file a Form 5 — Dividend/Distribution Declaration (Appendix H: Company Reporting Forms) with the Exchange. For the purposes of Exchange requirements, “dividends” also includes distributions to holders of listed securities other than shares, such as units.

The Exchange must have sufficient time to inform its Participating Organizations and the financial community of the details of each dividend declared. There must be a clear understanding in the marketplace as to who is entitled to receive the dividend declared. Due to practical considerations, such as long holidays and weekends, the Exchange requires that at least seven trading days’ notice be given to the Exchange in advance of the dividend record date, the record date being the date of closing of the transfer hooks of the company. Companies with tentative dividend plans should schedule their board meetings well in advance of the proposed record date.

EX-DIVIDEND TRADING

Sec. 429. Determining whether the seller or the buyer is entitled to the dividend is accomplished through the procedure known as ex-dividend trading. On shares selling ex-dividend the seller retains the right to a pending dividend payment, and the opening bid quotation is usually reduced by the value of the dividend payable.

Since three trading days are allowed for the completion of the registration of a securities transaction, it is necessary that the shares commence trading on an ex-dividend basis at the opening of trading on the date which is two trading days prior to the record date for the dividend. For example, if the record date for a dividend is Friday, the shares will commence trading on an ex-dividend basis on the preceding Wednesday (in the absence of statutory holidays). If the record date is Monday, the shares will
commence trading on an ex-dividend basis on Thursday of the previous week (in the absence of statutory holidays).

**LATE NOTIFICATION**

**Sec. 430.** Failure of a company to give notice of a declared dividend at least seven trading days prior to the record date creates the possibility of unnecessary confusion at the last moment. Serious *bona fide* disputes may arise over who is entitled to the payment of the dividend, the market price of the stock may not reflect the amount of the dividend declared, and there may be delay and confusion in connection with the registration of new shareholders.

Obviously, such disputes and confusion interfere with the Exchange’s main goal of providing an orderly market for listed securities. The Exchange’s policy regarding a company which fails to follow the proper procedure is to hold such company liable for dividend claims made by both buyers and sellers of the shares involved.

**NOTIFICATION PROCEDURE**

**Sec. 431.** Listed Issuer Services of the Exchange should be notified of a dividend declaration by telephone immediately following, or even during, the directors’ meeting at which the decision to declare the dividend is made. Frequently, the Exchange staff will immediately contact the company following notification in order to verify the authenticity of the announcement. However, as the Exchange’s Listed Issuer Services has an intimate knowledge of the listed companies and their dividend policies, such additional safeguards are not always necessary. All telephone notifications must be confirmed immediately by the filing of a Form 5 — Dividend/Distribution Declaration by TSX SecureFile.

A press release in lieu of a letter will be satisfactory as confirmation of a dividend if received promptly after the original notification of the dividend is given to the Exchange. However, precautions must be taken to ensure that the copy of the release is addressed to the Listed Issuer Services.

**DIVIDEND OMISSIONS OR DEFERRALS**

**Sec. 432.** Listed companies should notify the Exchange’s Listed Issuer Services immediately after any decision is made to omit or defer a dividend, if the omission or deferral constitutes a departure from the company’s previously established dividend policy. This applies to all preferred shares as well as any other shares in respect of which the company has previously advised the Exchange of a dividend policy. Dividend omissions or deferrals may also give rise to timely disclosure obligations (see Sections 406 to 423.3).

**SEPARATE NOTICES TO THE EXCHANGE**

**Sec. 433.** Separate notices should be filed by use of the applicable Company Reporting Form, in accordance with the corresponding filing instructions, with the Exchange regarding such corporate matters as dividends, notices of shareholders’ meetings and quarterly or annual financial reports. Such diverse items often require immediate, or properly timed, action by the staff of the Exchange; therefore, such material, if filed together, should be properly itemized in the covering letter. The above procedure eliminates unforeseen and serious delays and ensures that the Exchange can provide accurate and quick routing of important information.

**DIVIDEND NOTICE TO SHAREHOLDERS**

**Sec. 434.** Every listed company is required to give its shareholders prompt notice of dividend declarations. A timely dividend notice gives shareholders adequate time in which to consider their

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4 The Exchange will accept the filing of a Form 5 by fax or email until January 31, 2006.

(as at May 29, 2006)
investment strategies. Press releases, advertisements carried in major newspapers or a shareholder form letter provide adequate notification to shareholders. The notification to shareholders of a dividend declaration should be made simultaneously with the notice to the Exchange. Special consideration should be given to non-resident shareholders who will not be reached by the press coverage.

STOCK DIVIDENDS

Sec. 435. In addition to the foregoing requirements relating to cash dividends, a listed company proposing a stock dividend is required to apply for the listing of the additional securities (See Sections 671 to 675).

In effecting a stock dividend, companies must make some provision for fractional share interests that may result from the dividend. Either cash or bearer form fractional certificates may be used to settle fractional share interests. The Exchange requires that all the relevant details concerning the settlement of fractional share interests be filed with the Exchange’s Listed Issuer Services.

TRANSFER RESTRICTIONS

Sec. 435.1. Any proposed restriction on the transfer of securities or other property to be distributed by a listed company to holders of its securities on a pro rata basis must receive the prior consent of the Exchange.

CONDITIONAL DIVIDEND OR DISTRIBUTION

Sec. 435.2. A listed company must not, without the prior consent of the Exchange, establish a firm record date for a dividend or other pro rata distribution to holders of listed securities if such dividend or distribution is subject to a condition which has not been met.

E. DEBENTURE INTEREST CHANGES

Sec. 435.3. Companies with debentures listed on the Exchange must notify the Exchange’s Listed Issuer Services immediately after any determination is made that the amount of interest to be paid on the debentures will be changed, including a determination to cease or resume payments. This notification to the Exchange is essential to ensure that the information is disseminated in a timely manner to Participating Organizations and others involved in the accrued interest reporting process.

F. FINANCIAL STATEMENTS

Sec. 436. Every listed company must forthwith file with Listed Issuer Services one copy of any annual or interim financial statements required to be published or filed for inspection by the law of incorporation, applicable securities legislation or the Exchange.

Statements filed publicly through SEDAR will satisfy this requirement.

Annual Report and Annual Financial Statements

Sec. 437. Within 90 days from the end of its last fiscal year, every listed company must forward annually to each shareholder who has requested them its annual financial statements and its management discussion and analysis (“MD&A”) prepared in accordance with National Instrument 51-102 Continuous Disclosure Obligations or National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers.

If a listed company produces an annual report, it must be filed publicly through SEDAR.
One copy of the annual financial statements and MD&A must be filed with TSX, concurrently with the sending of these materials to the shareholders. Public filings through SEDAR will satisfy this requirement.

See National Instrument 54-101 Communications with Beneficial Owners of Securities of a Reporting Issuer, which prescribes a procedure for determining which beneficial owners of securities registered in the names of financial intermediaries or clearing agencies wish to receive the annual financial statements.

**Sec. 438.** Annual Financial Statements that comply with applicable securities laws will satisfy the requirements of TSX.

**Sec. 439.** (Deleted.)

**Sec. 440.** (Deleted.)

**Sec. 441.** It is recommended that, where possible, a preliminary report on the results of the full year be released in advance of the annual financial statements, as is already done by some companies. Such a practice is particularly desirable where it appears that the annual financial statements will be released at approximately the same time that the first quarter results for the next fiscal year are released.

**Sec. 442.** An extension of the time limit for filing or mailing the annual financial statements will be granted only under exceptional circumstances. A company wishing an extension should apply for it in advance to the Exchange’s Listed Issuer Services by duly completing and filing a Form 9—Request for Extension or Exemption for Financial Reporting/Annual Meeting (Appendix H Company Reporting Forms).

**INTERIM FINANCIAL STATEMENTS**

**Sec. 443.** Every listed company must, within 45 days from the end of the period to which the statements relate, file with TSX one copy of its interim financial statements and its MD&A. Public filings through SEDAR will satisfy this requirement. Interim financial statements that comply with applicable securities laws will satisfy the requirements of TSX.

**Sec. 444.** (Deleted.)

**Sec. 445.** (Deleted.)

**Sec. 446.** (Deleted.)

**Sec. 447.** (Deleted.)

**Sec. 448.** (Deleted.)

**Sec. 449.** (Deleted.)

**Sec. 450.** Listed companies should be aware of the requirements of applicable securities legislation and policies respecting the dissemination of interim financial information among shareholders. In this connection, section 79 of the Ontario Securities Act and equivalent legislation of other jurisdictions should be read in conjunction with National Instrument 51-102 Continuous Disclosure Obligations and National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer. The Exchange allows companies to make their interim statements public instead of sending them to shareholders; but this alternative is only available where it does not conflict with applicable securities legislation and policies. Where no such conflict exists, delivery of the interim statements to the Exchange satisfied by filing the statements publicly on SEDAR and to the press will be regarded by the Exchange as adequate distribution.
Sec. 451. The Exchange, in its discretion, may exempt a company or class of companies from any or all of the Exchange’s requirements respecting interim financial statements.

Companies wishing to be exempted must apply for an exemption by duly completing and filing a Form 9—Request for Extension or Exemption for Financial Reporting/Annual Meeting (Appendix H: Company Reporting Forms).

Sec. 452. In deciding whether to grant an exemption, the Exchange may take into account, among other things:

(a) whether the company has received an exemption from quarterly reporting under the Ontario Securities Act;

(b) whether the main competitors of the applicant make similar disclosure;

(c) whether the relevant information is already available to the public in some other manner; or

(d) whether there are accounting problems in particular industries making quarterly reports difficult to prepare.

Sec. 453. The Exchange, in granting an exemption, may require the agreement of the company to:

(a) publish quarterly a part of the required financial data;

(b) publish the required data in a different form;

(c) adopt a particular cycle of reporting;

(d) introduce a quarterly reporting practice within a stipulated period of time; or

(e) publish interim statements reporting certain operating statistics which will serve to indicate the trend of the company’s business.

Sec. 454. Companies anticipating a delay, however short, in the publication of their interim financial statements should notify the Exchange’s Listed Issuer Services. The reason for the delay must be valid if an extension is to be allowed.

G. SHAREHOLDERS’ MEETINGS AND PROXY SOLICITATION

NOTICE TO EXCHANGE OF MEETING AND RECORD DATE

Sec. 455. National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer requires all listed companies to give notice to the Exchange (and certain others), within a specified time period, of each shareholders’ meeting and record date for the determination of those shareholders entitled to receive notice of the meeting. Notices filed publicly through SEDAR will satisfy this requirement.

DISTRIBUTION OF MEETING MATERIALS

Sec. 456. Every listed company must file with Listed Issuer Services one copy of all materials sent to its shareholders in connection with a meeting of shareholders (filed through SEDAR), concurrently with the sending of the materials to the shareholders.

Public filings through SEDAR will satisfy this requirement.

(as at May 29, 2006)
Sec. 457. The requirements for the distribution of materials to shareholders in connection with shareholders’ meetings are prescribed by applicable corporate and securities legislation and certain policy statements of the Canadian securities commissions. National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian securities commissions prescribes a procedure for the distribution of shareholders meeting-related materials to beneficial owners of securities registered in the names of financial intermediaries or clearing agencies.

Sec. 458. Companies with listed non-voting participating shares should refer to Sec. 1.08 in Appendix E.

Sec. 459. The Exchange is deeply concerned that the rights and privileges of investors be observed and protected, it is essential that shareholders be allowed ample time in which to study corporate reports, so that by the time of the shareholders meeting they may be able to reach considered and informed decisions. If there is reason to believe that timely and adequate notice has not been given, the Exchange may require postponement of the meeting. In some circumstances, the Exchange may consider suspending trading in a company’s securities if shareholders are not given proper notice of corporate activities in respect of which they have the right to participate in the decision-making process.

PROXY SOLICITATION

Sec. 460. Proxy solicitation procedures are prescribed by applicable corporate and securities legislation. National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian securities commissions requires financial intermediaries and clearing agencies to follow specified procedures to enable the securities registered in their names to be voted in accordance with the instructions of the beneficial owners.

CONTENTS OF MEETING MATERIALS

Sec. 461. The contents of the materials sent to shareholders in connection with shareholders’ meetings are subject to the requirements of applicable corporate and securities legislation, and such materials are not generally required to be filed with the Exchange before they are sent to the shareholders. However, the Exchange may, in circumstances it considers appropriate, require that a draft information circular be reviewed by the Exchange prior to the mailing of the circular to the shareholders.

Sec. 462. Where a listed company proposes to seek approval of its shareholders to engage in a capital reorganization or to issue securities in connection with a major transaction, it is advisable that a draft copy of the information circular be filed with Listed Issuer Services for perusal prior to the mailing of the circular to the shareholders. Among other things, this practice could avoid potential problems related to the trading of the securities involved.

Sec. 463. If a proposed transaction is to be submitted to shareholders for approval and also requires the prior acceptance of the Exchange pursuant to Exchange requirements, the acceptance of the Exchange should be obtained prior to the mailing of the meeting materials to the shareholders. If this is impracticable due to unavoidable time restrictions, the Exchange should be so advised in advance of the proposed mailing, and the information circular sent to shareholders must include a statement that the proposed transaction is subject to the acceptance of the Exchange (or regulatory approval).

ANNUAL MEETING

Sec. 464. Every company having securities listed on the Exchange must hold its annual meeting of shareholders within six months from the end of its fiscal year, or at such earlier time as is required by applicable legislation.

Sec. 465. Where a company wishes to delay its annual meeting beyond the stipulated six-month period, a duly completed Form 9 — Request for Extension or Exemption for Financial Reporting/Manual
Meeting (Appendix H: Company Reporting Forms) must be filed with Listed Issuer Services well in advance of the prescribed deadline for the meeting. A postponement may be permitted in justifiable circumstances.

H. NOTICES AND REPORTS TO SECURITY HOLDERS

Sec. 466. Every listed company that sends a notice, report or other written correspondence to its holders of listed securities must concurrently file one copy of the correspondence with Listed Issuer Services of the Exchange.

Public filings through SEDAR will satisfy this requirement.

I. CHARTER AMENDMENTS

Sec. 467. Every listed company must file with the Exchange's Listed Issuer Services one notarial or certified copy of any certificate giving effect to an amendment to the company's charter immediately upon issuance of such a certificate. Certain types of charter amendments must be pre-cleared with the Exchange pursuant to requirements set out in Part VI of this Manual.

J. CHANGE IN SHARE CERTIFICATE

Sec. 468. Immediately after any change is made to a certificate representing listed securities, a definitive specimen of the new certificates must be filed with the Exchanges Listed Issuer Services. The new certificates must comply with all of the Exchange’s requirements respecting share certificates, as set out in Appendix D.

K. PROPOSED ISSUANCE OF SECURITIES

Sec. 469. Listed companies proposing to issue securities (other than debt securities which are not convertible into equity securities), or to enter into transactions which could involve the issuance of such securities in future, should refer to Part VI of this Manual.

L. SECONDARY DISTRIBUTIONS

SALES FROM CONTROL BLOCKS THROUGH THE FACILITIES OF THE EXCHANGE

Sec. 470. The definition of “distribution” in the Ontario Securities Act includes:

“a trade in previously issued securities of an issuer from the holdings of any person, company or combination of persons or companies holding a sufficient number of any securities of that issuer to affect materially the control of that issuer, but any holding of any person, company or combination of persons or companies holding more than 20 per cent of the outstanding voting securities of an issuer shall, in the absence of evidence to the contrary, be deemed to affect materially the control of that issuer” (section (1)).

Distributions of this type through the facilities of the Exchange are subject to special requirements of securities legislation and of the Exchange. The Exchange’s requirements are set out in Appendix D.

OFF-THE-EXCHANGE SECONDARY DISTRIBUTIONS

Sec. 471. Secondary distributions of listed securities must take place on the Exchange if a Participating Organization of the Exchange participates in the distribution as principal or agent, unless certain requirements are met. The Exchange's Listed Issuer Services should be contacted in connection with any proposed off-the-Exchange secondary distribution.
M. CORPORATE GOVERNANCE

Sec. 472. Each listed issuer subject to National Instrument 58-101 Disclosure of Corporate Governance Practices, or any replacement of that instrument, is required to disclose its corporate governance practices in accordance with that instrument, or any replacement of that instrument.

The Exchange will monitor corporate governance disclosure of listed issuers. The Exchange will contact listed issuers who have not complied with this Section 472 to assist them in complying with the disclosure requirement. Non-complying listed issuers will be required to publish amended disclosure in the listed issuer’s next quarterly report.

The Exchange will publish the names of those listed issuers failing to comply with a request for amended disclosure. Continuing non-compliance could result in suspension and delisting.

Listed issuers who evidence a blatant and consistent disregard of the Exchange’s disclosure requirement will be referred to the Ontario Securities Commission and may be subject to other legal proceedings.

Disclosure Requirement

Sec. 473. (Repealed.)

Guidelines

Sec. 474. (Repealed.)

Complete Disclosure

Sec. 475. (Repealed.)
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PART V
SPECIAL REQUIREMENTS FOR NON-EXEMPT ISSUERS

Sec. 501.

(a) This Part is applicable only to “non-exempt issuers”. The decision as to whether an issuer is non-exempt is made by TSX at the time the issuer is originally approved for listing. Reference should be made to Section 309.1 (Industrial companies), 314.1 (Mining companies) or 319.1 (Oil and Gas companies) of this Manual, which outline the requirements for eligibility for exemption from this Section 501. If these requirements are not met at the time of original listing, the exemption may be granted at such later time as they are met either (i) on application in writing accompanied by the applicable fee by the non-exempt issuer (see Part VIII), or (ii) upon review by TSX. If an applicant is granted an exemption, the fee will be refunded. If an applicant is not granted an exemption, the fee is non-refundable. TSX may revoke a previously granted exemption in appropriate circumstances. Non-exempt issuers are designated in stock quotations in the financial press as “subject to special reporting rules”.

(b) In addition to complying with all other parts of this Manual, every non-exempt issuer shall give prompt notice to TSX of any proposed material change in the business or affairs of the issuer. See Section 410 for a list of developments likely to require such notice. Material changes other than those described in Subsection 501(c) do not require TSX acceptance under this Part V and TSX will not issue a letter of confirmation or acceptance for such transactions.

(c) Transactions involving insiders or other related parties of the non-exempt issuer (both as defined in Section 601) and which do not involve an issuance or potential issuance of listed securities, or that are initiated or undertaken by the non-exempt issuer and materially affect control (as defined in Section 601) require TSX acceptance under this Part V before the non-exempt issuer may proceed with the proposed transaction. Failure to comply with this provision may result in the suspension and delisting of the non-exempt issuer’s listed securities (see Part VII of this Manual).

If the value of the consideration to be received by the insider or other related party exceeds 2% of the market capitalization of the issuer, TSX will require that:

i) the proposed transaction be approved by the board on the recommendation of the unrelated directors; and

ii) the value of the consideration be established in an independent report, other than for executive or director compensation for services rendered unless the consideration appears to be commercially unreasonable, as determined by TSX.

In addition, if the value of the consideration to be received by the insider or other related party exceeds 10% of the market capitalization of the issuer, TSX will require that the transaction be approved by the issuer’s security holders, other than the insider.

(d) TSX will advise the non-exempt issuer in writing generally within seven (7) business days of receipt by TSX of the subsection 501(c) notice, of TSX’s decision to accept or not accept the notice indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.
(e) Where a non-exempt issuer proposes to enter into a Subsection 501(c) transaction, any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.

(f) Providing notice under Section 501(b) is in addition to the timely disclosure obligations of listed issuers set out in Sections 406 to 423.4 of this Manual, the provisions of Section 602 and all the other requirements set out in Part VI of this Manual.

(g) The notice required by this Section 501 should initially take the form of a letter addressed to TSX. For those transactions described in Subsection 501(c), the letter notice must also identify the application of Subsection 501(c) and must contain a request for acceptance. For those transactions described in Subsection 501(c), notices must also be accompanied by the applicable filing fee (see Part VIII). If applicable, the notice should include the appropriate Company Reporting Form (Appendix H: Company Reporting Forms). A press release or information circular filed with TSX does not constitute notice under this Section 501. The letter should contain the essential particulars of the transaction, and state whether: (i) any insider has a beneficial interest, directly or indirectly, in the transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the non-exempt issuer. Copies of all applicable executed agreements must be filed as part of the Section 501 notice as soon as they are available.

(h) If the proposed change entails an issuance, or potential issuance, of securities, the Section 501 and 602 notices should be combined in a single letter (see Part VI of this Manual).

(i) TSX must be provided with prompt notice of any changes to the material terms of the transaction described in the notice filed under Subsection 501(c). This applies even if the transaction previously accepted by TSX specifically contemplated future amendments, unless the amendment is solely due to standard anti-dilution provisions in the original agreement. Further information or documentation may be requested before TSX decides to accept or not accept notice of the proposed amendment.

The listed issuer may not proceed with the proposed amendment unless it is accepted by TSX.
PART VI
CHANGES IN CAPITAL STRUCTURE OF LISTED ISSUERS

A. GENERAL

Sec. 601. Definitions.

In Parts V and VI of this Manual, the following words and phrases have these definitions:

“affiliates” has the same meaning as “affiliated companies” as found in the OSA and also includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;

“associate” has the same meaning as found in the OSA;

“company” has the same meaning as found in the OSA;

“convertible security” means a security that, by its terms, is convertible into or exchangeable for listed securities, but does not include warrants or other securities that are exercisable for, or carry a right to purchase or cause the purchase of listed securities for additional consideration;

“CSA” means the Canadian Securities Administrators;

“insider” has the same meaning as found in the OSA and also includes associates and affiliates of the insider; and “issuances to insiders” includes direct and indirect issuances to insiders;

“issuer” means a corporation, company, partnership, limited partnership, trust, income trust or investment trust or any other organized entity issuing securities;

“listed issuer” means any issuer having securities listed on TSX;

“listed security” or “listed securities” means a security or securities listed on TSX;

“market price” means the VWAP on TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the relevant date. In certain exceptional circumstances, the five day VWAP may not accurately reflect the securities’ current market price, and TSX may adjust the VWAP based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period. Market price is as at the date: (a) provided for in the binding agreement obligating the issuer to issue the securities (either the date of the binding agreement or some future date); or (b) the date the Section 602 notice is received by TSX, requesting price protection. TSX will accept a signed term sheet, engagement letter, letter of intent, agency agreement, underwriting agreement or other similar agreement as the binding agreement. If the listed securities are suspended from trading or have not traded on TSX or another stock exchange for an extended period of time, the market price will be the fair market value of the listed securities as determined by the listed issuer’s board of directors;

“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;

“OSA” means the Securities Act of the Province of Ontario as amended from time to time, the regulations and policies thereunder and any replacement legislation;

“OSC” means the Ontario Securities Commission;

“participating organization” means any person granted access to TSX’s trading system in accordance with Part 2 of TSX’s trading rules provided such access has not been terminated or suspended;

“person” has the same meaning as found in the OSA;

“related party” has the same meaning as found in the OSA;

“security” or “securities” has the same meaning as found in the OSA;

“TSX” means the Toronto Stock Exchange;

“VWAP” means the volume weighted average trading price of the listed securities, calculated by dividing the total value by the total volume of securities traded for the relevant period. Where appropriate, TSX may exclude internal crosses and certain other special terms trades from the calculation.

Sec. 602. General.

(a) Every listed issuer shall immediately notify TSX in writing of any transaction involving the issuance or potential issuance of any of its securities other than unlisted, non-voting, non-participating securities.

(b) A listed issuer may not proceed with a Subsection 602(a) transaction unless accepted by TSX. Failure to comply with this provision may result in the suspension and delisting of the listed issuer’s listed securities (see Part VII of this Manual).

(c) Subject to subsection 607(c), TSX will advise the listed issuer in writing generally within seven (7) business days of receipt by TSX of the Subsection 602(a) notice, of TSX’s decision to accept or not to accept the notice, indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.

(d) Where a listed issuer proposes to enter into a Subsection 602(a) transaction, any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.

(e) The notice required by Subsection 602(a) should initially take the form of a letter addressed to TSX requesting acceptance of the notice for filing, unless the applicable section of Part VI requires otherwise. A press release or information circular filed with TSX does not constitute notice under Section 602. The letter should contain the essential particulars of the transaction, and should state whether: (i) any insider has an interest, directly or indirectly, in the transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the listed issuer. A copy of any written agreement in respect of the transaction must be provided with the notice. TSX must be provided with prompt notice of any
changes to the material terms of the transaction described in the notice, regardless of whether the amendment could entail a further issuance of securities. This applies even if the transaction as previously accepted by TSX specifically contemplated future amendments, unless the amendment is solely due to standard anti-dilution provisions in the original agreement. The listed issuer may not proceed with the proposed amendment unless it is accepted by TSX.

(f) The requirements of Section 602 are in addition to the timely disclosure obligations of listed issuers, as set out in Sections 406 to 423.4 of this Manual and to all applicable corporate and securities legislation.

(g) TSX will not apply its standards with respect to security holder approval (Section 604), private placements (Section 607), unlisted warrants (Section 608) and security based compensation arrangements (Section 613) to issuers listed on another exchange where at least 75% of the trading value and volume over the six months immediately preceding notification occurs on that other exchange. These issuers must still comply with Section 602, at which time TSX will notify the issuer of their eligibility under this Subsection 602(g) and the documents and fees required for TSX acceptance of the notified transaction.

Sec. 603. Discretion.

TSX has the discretion: (i) to accept notice of a transaction; (ii) to impose conditions on a transaction; and (iii) to allow exemptions from any of the requirements contained in Parts V or VI of this Manual.

In exercising this discretion, TSX will consider the effect that the transaction may have on the quality of the marketplace provided by TSX, based on factors including the following:

i) the involvement of insiders or other related parties of the listed issuer in the transaction;

ii) the material effect on control of the listed issuer;

iii) the listed issuer’s corporate governance practices;

iv) the listed issuer’s disclosure practices;

v) the size of the transaction relative to the liquidity of the issuer; and

vi) the existence of an order issued by a court or administrative regulatory body that has considered the security holders’ interests.

Sec. 604. Security Holder Approval.

(a) In addition to any specific requirement for security holder approval, TSX will generally require security holder approval as a condition of acceptance of a notice under Section 602 if in the opinion of TSX, the transaction:

i) materially affects control of the listed issuer; or

ii) provides consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer and has not been negotiated at arm’s length.

If any insider of the listed issuer has a beneficial interest, direct or indirect, in the proposed transaction which differs from other security holders of the same class TSX will regard such a transaction as not having been negotiated at arm’s length.
(b) For other transactions, TSX’s decision as to whether to require security holder approval will depend on the particular fact situation having specific regard to those items listed in Subsection 604(a). For the purposes of Subsection 604(a)(ii), the insiders participating in the transaction are not eligible to vote their securities in respect of such approval.

(c) If TSX requires security holder approval of a transaction, the resolution to be voted upon must relate specifically to the transaction in question, rather than an unspecified transaction that may take place in the future.

(d) Security holder approval is to be obtained from a majority of holders of voting securities at a duly called meeting of security holders. In certain circumstances in which TSX requires security holder approval of a transaction, the listed issuer may be in a position to provide TSX with written evidence that holders of more than 50% of the voting securities of the listed issuer (other than those securities excluded as required by TSX are familiar with the terms of the proposed transaction and are in favour of it. In such circumstances, TSX will give consideration to permitting the listed issuer to proceed with the transaction without holding a meeting of security holders to formally approve it. Listed issuers using this exemption will be required to issue a press release at least five (5) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be precleared with TSX.

This procedure will not be available for security based compensation arrangements described in Section 613, backdoor listings described in Section 626 and security holder rights plans described in Section 634.

The disclosure provided to security holders in seeking security holder approval must be pre-cleared with TSX.

(e) Upon written application, and other than in respect of Sections 612 and 613, a listed issuer meeting continued listing requirements as set out in Part VII of this Manual will be exempted from security holder approval requirements if the application is accompanied by a resolution of the listed issuer’s board of directors stating that:

i) the listed issuer is in serious financial difficulty;

ii) the application is made upon the recommendation of a committee of board member(s), free from any interest in the transaction and unrelated to the parties involved in the transaction;

iii) the transaction is designed to improve the listed issuer’s financial situation; and

iv) based on the determination of the committee referred to in ii) above, that the transaction is reasonable for the listed issuer in the circumstances.

Listed issuers using this exemption will be required to issue a press release at least five (5) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be precleared with TSX.

(f) Security holder approval will not be required where at least ninety percent (90%) of a listed issuer’s equity and outstanding voting securities are held by one person or company, together with its associates and affiliates. Listed issuers using this exemption will be required to issue a press release at least ten (10) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be precleared with TSX.
Sec. 605. Changes in Issued Securities.

TSX must be notified immediately of any increase or decrease in the number of issued securities of a listed issuer. The notice must be on Form 1 “Change in Outstanding and Reserved Securities”, which must be filed within ten (10) days after the end of any month in which any change to the number of outstanding or reserved listed securities has occurred (including a reduction in such number that results from a cancellation or redemption of securities). If no such change has occurred, a “nil” report must be filed on a quarterly (calendar) basis.

B. DISTRIBUTIONS OF SECURITIES OF A LISTED CLASS

Sec. 606. Prospectus Offerings.

(a) Listed issuers proposing to issue securities of a listed class pursuant to a prospectus must file one copy of the preliminary prospectus with TSX concurrently with the filing thereof with the applicable securities commissions. The notice requirement contained in Subsection 602(a) will be satisfied by the filing of the preliminary prospectus, together with a letter which must state: (i) whether any insider has an interest, directly or indirectly, in the transaction and the nature of such interest; (ii) whether and how the transaction could materially affect control of the listed issuer; (iii) the anticipated number of purchasers under the offering; and (iv) whether an “if, as and when issued” market may be requested.

(b) TSX will generally accept notice of distributions by way of prospectus. TSX may, however, apply the provisions of Section 607 to a prospectus distribution. In making such a decision TSX will consider factors such as:

i) the method of the distribution;

ii) the participation of insiders;

iii) the number of placees;

iv) the offering price; and

v) the economic dilution.

(c) Prior to the filing of the final prospectus, TSX will notify the listed issuer of any required additional documentation. If TSX accepts the offering, TSX will so advise the securities commissions.

(d) The additional securities will normally be listed as soon as the prospectus offering has closed. Upon request, the listing may take place prior to the closing of the offering. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an “if as and when issued” basis.

Sec. 607. Private Placements.

(a) TSX defines the term “private placement” as an issuance of treasury securities for cash consideration or in payment of an outstanding debt of the listed issuer without prospectus disclosure, in reliance on an exemption from the prospectus requirements under applicable securities laws.

Securities issued for no cash consideration to registered charities as defined under the Income Tax Act (Canada) as described in Section 612, securities issued pursuant to acquisitions described in Section 611, security based compensation arrangements described
in Section 613, rights offerings described in Section 614 and backdoor listings described in Section 626 are not considered by TSX as being Section 607 private placements.

(b) This Section 607 is not applicable to private placements of securities which are neither of a class listed on TSX nor convertible into, nor exchangeable for securities of a class listed on TSX.

(c) Private placements not subject to Sections 604 and 717 and that are:

i) offered at a price per security at or above market price, regardless of the number of listed securities issuable, or

ii) for an aggregate number of listed securities issuable equal to or less than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction where the price per security is less than the market price but within the applicable discounts set out in Subsection 607(e),

will be accepted by TSX generally within three (3) business days of TSX receiving notice thereof. Notice to TSX of this type of private placement is effected by submitting Form 11 “Private Placement — Expedited Filing” found in Appendix H.

For greater certainty, where the proceeds of a proposed private placement, in whole or in part, are used towards a transaction which results in a change in the nature of a listed issuer’s business as described in Section 717, such private placements will not be accepted under this Subsection 607(c). See Section 717 for additional details regarding the requirements for a change in the nature of a listed issuer’s business.

(d) Unless otherwise as provided in Subsection 607(c), TSX will advise the listed issuer in writing generally within seven (7) business days of receipt by TSX of the notice, of TSX’s decision to accept or not accept the notice, indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual. Notice to TSX of this type of private placement is effected by submitting Form 11 “Private Placement — Regular Filing” found in Appendix H.

(e) The price per listed security for any private placement must not be lower than the market price less the applicable discount as follows:

<table>
<thead>
<tr>
<th>Market Price</th>
<th>Maximum Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.50 or less</td>
<td>25%</td>
</tr>
<tr>
<td>$0.51 to $2.00</td>
<td>20%</td>
</tr>
<tr>
<td>Above $2.00</td>
<td>15%</td>
</tr>
</tbody>
</table>

TSX will allow the price per listed security for a particular transaction to be less than as provided for in this Subsection 607(e) provided that the listed issuer has received security holder approval (other than by security holders participating directly or indirectly in the transaction and such security holders’ associates and affiliates).

Anti-dilution provisions providing adjustments for events for which not all security holders are compensated and which may result in securities being issued at a price lower than market price less the applicable discount will be permitted, provided they have been approved by security holders (excluding the votes attached to the securities held by insiders benefiting from these anti-dilution provisions).
TSX will discount the price per security by the amount of any fees or other amounts payable by the listed issuer to the subscriber, or its associates and affiliates, if the listed issuer cannot demonstrate that such amounts are commercially reasonable in the circumstances.

(f) For all private placements:

i) subject to paragraph ii), the transaction must not close and the securities must not be issued prior to acceptance thereof by TSX and not later than 45 days (or, in circumstances where security holder approval is required pursuant to Subsection 607(g), 135 days) from the date upon which the market price of the securities being issued is established;

ii) an extension of the time period prescribed in paragraph i) may be granted in justifiable circumstances, provided that a written request for an extension is filed with TSX in advance of the expiry of the 45 day or 135 day period, as applicable;

iii) in the case of a private placement of convertible securities, the underlying listed securities will be considered as being issued at a price per security less than the market price, unless the conversion price of such convertible security is defined as at least market price at the time of conversion, and will be regarded as being part of the number of securities being issued pursuant to the transaction;

iv) listed securities issuable upon the exercise of warrants will be considered as being issued at a price per security less than the market price and will be regarded as being part of the number of securities being issued pursuant to the transaction;

v) successive private placements will be aggregated for the purposes of Subsections 607(c)(ii) and 607(g)(i) if they are proximate in time, have common placees and/or a common use of proceeds; and

vi) the listed issuer must give TSX immediate notice in writing of the closing of the transaction.

(g) TSX will require that security holder approval be obtained for private placements:

i) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price; or

ii) that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during the six month period.

For the purposes of Subsections 607(c) and 607(g)(i), any private placements providing flow-through tax credits to the subscribers will be considered as having a price per security less than the market price.

For the purposes of Subsection 607(g)(ii), the insiders participating in the private placement are not eligible to vote their securities in respect of such approval. Subsection 607(g)(ii) shall also apply to circumstances in which insiders participate in a private placement pursuant to the exercise of a preemptive right.
Sec. 607.1. Lettered Stock.

Subject to Section 607.1(c), where a listed issuer proposes to issue a certificate representing securities of a class listed on TSX, and the certificate requires a notation that the securities represented by the certificate are not freely transferable (commonly called “lettered stock”), the following rules will apply (assuming the restriction does not apply to all outstanding securities of the class):

(a) The certificate must clearly show the following notation on its face:

“The securities represented by this certificate are listed on the Toronto Stock Exchange ("TSX"); however, the said securities cannot be traded through the facilities of TSX since they are not freely transferable, and consequently any certificate representing such securities is not "good delivery" in settlement of transactions on TSX.”

(b) The notation required by TSX can be removed from the face of the certificate when all other notations that the securities are not freely transferable can be legally removed from the certificate.

(c) If the securities that have the transfer restriction are widely held to the extent of meeting TSX’s public distribution requirements for original listing, TSX may permit the listing of the securities on TSX in a “special terms market”, which is a market separate from that of the rest of the securities of the same class. In that case, the requirements set out in this Section may be modified accordingly. TSX should be contacted in connection with a proposed listing of this type.

Sec. 608. Unlisted Warrants.

(a) Unless otherwise approved by the listed issuer’s security holders (other than security holders receiving warrants directly or indirectly and such security holders’ associates and affiliates), warrants to purchase listed securities may only be issued to a placee if the warrant exercise price is not less than the market price of the underlying security at either the date of the binding agreement obligating the listed issuer to issue the warrants or some future date provided for in the binding agreement. This Subsection 608(a) does not apply to warrants issued pursuant to prospectus offerings described in Section 606 and rights offerings described in Section 614.

(b) A listed issuer may apply to TSX to amend the warrant exercise price or the term of the warrant provided that:

i) disclosure of such amendments is made by way of press release ten (10) business days prior to the effective date of the change; and

ii) the application is accompanied by a filing fee (see Part VIII).

Security holder approval will be required for:

i) amendments to warrants held, directly or indirectly, by insiders; or

ii) amendments to warrants resulting in an exercise price which is less than the market price of the securities determined on the date of the amending agreement.

Security holder approval must exclude the votes attached to the securities held by insiders whose warrants are proposed to be amended.

A copy of the press release, and evidence of security holder approval if applicable, must be provided to TSX prior to the press release being issued.
(c) A listed issuer may apply to TSX to amend the warrant to provide for the exercise of the warrant without cash consideration by issuing the number of listed securities equal to:

\[
\text{number of warrants exercised} \times \text{market price at time of exercise} - \frac{\text{number of warrants exercised} \times \text{exercise price}}{\text{market price at time of exercise}}
\]

Sec. 609. Listed Warrants.

(a) The listing of warrants on TSX is considered on a case-by-case basis.

(b) Warrants will not be listed unless the underlying securities are listed, or conditionally approved for listing, on TSX. In order for warrants to be eligible for listing on TSX, there must be at least 100 public holders of 100 warrants or more and at least 100,000 publicly held warrants. See Section 346 for the requirements respecting notations in prospectuses or other offering documents referring to a TSX listing.

(c) The warrant trust indenture, or other document prescribing the rights of warrant holders, must be pre-cleared by TSX and contain appropriate anti-dilution provisions to ensure that the rights of the holders are protected in the event of an amalgamation, merger, stock dividend, subdivision, consolidation or other form of capital reorganization, or in the case of a major asset distribution to security holders.

(d) Any proposed amendment to the terms of outstanding listed warrants must be accepted by TSX prior to the amendment becoming effective. Once warrants have been listed, TSX will not permit amendments to any of the essential terms of the warrants, such as the exercise price (except for anti-dilution purposes) or the expiry date. TSX will not list warrants in respect of which the warrant trust indenture (or equivalent document) entitles the directors of the listed issuer to change the exercise price (except for anti-dilution purposes) or which provides for the possibility of an amendment to the expiry date.

(e) Prior to the listing of warrants on TSX, the listed issuer will normally be required to take the necessary steps to ensure that the warrants are freely tradable by residents across Canada.

(f) To apply to have warrants listed on TSX, the listed issuer must file a letter application and draft warrant indenture with TSX.

(g) Notice of a listed issuer’s intention to pay a subscription fee to one or more participating organizations for assisting in obtaining exercises of warrants must be given to TSX as soon as such an arrangement is entered into by the listed issuer.

TSX will not permit any arrangement to solicit clients to purchase or exercise warrants if the arrangement could have the effect of artificially changing the exercise price of the warrants or could subsidize certain market participants to exercise warrants at an exercise price that is not available to others. TSX will also not permit any arrangement between a listed issuer and a securities dealer that would have a similar effect, such as an over-the-counter derivatives transaction, or a direct subsidy, advisory fee or other form of payment, the impact of which would be to create an incentive to buy warrants at a higher price than would otherwise be the case.

TSX will not permit soliciting dealer arrangements unless the following are provided for:
(1) a maximum solicitation fee to be paid in respect of any one beneficial holder of warrants, similar to the maximum amount normally payable to soliciting dealers in a rights offering; (2) a prohibition on a solicitation fee being passed through to a client by a dealer, either directly or through indirect subsidies; and (3) full public disclosure of the essential terms of the soliciting dealer arrangement.
Sec. 610. Convertible Securities.

(a) The conversion price of a convertible security privately placed is subject to Subsection 607(e) and may be:

i) based on either of, but not the lower of, market price less the applicable discount, at the time of issuance of the convertible security or at the time of conversion of such security; or

ii) based on the lower of market price, without any applicable discount, at the time of the issuance of convertible security or at the time of conversion of such security.

In all other instances providing a basis for determining the conversion price that could result in a conversion price lower than that determined in accordance with paragraphs i) and ii), security holder approval will be required.

(b) Where two or more classes of securities are interconvertible and one is listed, the other must also be listed.

(c) A decrease in the conversion price of a previously issued convertible security must be submitted to TSX for approval and will be reviewed as a new private placement.

Sec. 611. Acquisitions.

(a) Where a listed issuer proposes to issue securities as full or partial consideration for property (which may include securities or assets) purchased from an insider of the listed issuer, TSX may require that documentation such as an independent valuation or engineer’s report be provided.

(b) Security holder approval will be required in those instances where the number of securities issued or issuable to insiders as a group in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer which are outstanding on a non-diluted basis, prior to the date of closing of the transaction. Insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval.

(c) Subject to Subsection 611(d), security holder approval will be required in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis.

(d) Subject to Sections 603 and 604 and to Subsection 611(b), TSX will not require security holder approval where a reporting issuer (or equivalent status) having 50 or more beneficial security holders, excluding insiders and employees, is acquired by the listed issuer.

(e) Where an acquisition by a listed issuer includes the assumption of security based compensation arrangements of a target issuer, securities issuable under such arrangements will be included in the securities issued or issuable for the purposes of the security holder approval requirement in Subsection 611(c). For the purpose of this Section 611, the assumption of security based compensation arrangements includes a direct assumption of a security based compensation arrangement as well as the cancellation of security based compensation arrangements in the target issuer and their replacement with arrangements in the listed issuer.

(f) Where an acquisition by a listed issuer includes the assumption of security based compensation arrangements of a target issuer, securities issuable under such arrangements...
are not subject to Subsection 613(a) if the number of assumed securities (and their exercise or subscription price, if applicable) is adjusted in accordance with the price per acquired security payable by the listed issuer.

(g) In calculating the number of securities issued or issuable in payment of the purchase price for an acquisition, any securities issued or issuable upon a concurrent private placement upon which the acquisition is contingent or otherwise linked will be included.

Sec. 612. Securities Issued to Registered Charities.

(a) Subject to Subsection 612(b), listed issuers may issue securities for no cash consideration to registered charities as defined under the *Income Tax Act* (Canada).

(b) Security holder approval will be required in those instances where the number of listed securities issued or issuable:

   i) to one registered charity exceeds 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the issuance; or

   ii) in a 12 month period in the aggregate exceeds 5% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis at the beginning of that 12 month period.

(c) Options, rights, warrants or other convertible securities granted or issued to registered charities may not be exercisable at a price lower than the market price of the underlying security at the time of the grant or issue.

C. SECURITY BASED COMPENSATION ARRANGEMENTS

Sec. 613.

(a) When instituted, and when required for amendment, all security based compensation arrangements must be approved by:

   i) a majority of the listed issuer’s directors; and

   ii) subject to Subsections 613(b), (c), (g) and (i), by the listed issuer’s security holders.

Every three years after institution, all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed maximum number of securities issuable, must be approved by:

   i) a majority of the listed issuer’s directors; and

   ii) subject to Subsections 613(b), (c), (g) and (i), the listed issuer’s security holders.

Insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approvals required by this Subsection 613(a) unless the aggregate of the listed issuer’s securities:

   i) issued to insiders of the listed issuer, within any one year period, and

   ii) issuable to insiders of the listed issuer, at any time,
under the arrangement, or when combined with all of the listed issuer’s other security based compensation arrangements, could not exceed 10% of the listed issuer’s total issued and outstanding securities.

If any security holder approval is required for a security based compensation arrangement and insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approval required by this Subsection 613(a), holders of Restricted Securities, as defined in Section 624, must be 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.

Security holder approval required for a security based compensation arrangement must be by way of a duly called meeting. The exemption from security holder approval contained in Subsection 604(e) is not available in respect of security based compensation arrangements.

(b) For the purposes of this Section 613, security based compensation arrangements include;

i) stock option plans for the benefit of employees, insiders, service providers or any one of such groups;

ii) individual stock options granted to employees, service providers or insiders if not granted pursuant to a plan previously approved by the listed issuer’s security holders;

iii) stock purchase plans where the listed issuer provides financial assistance or where the listed issuer matches the whole or a portion of the securities being purchased;

iv) stock appreciation rights involving issuances of securities from treasury;

v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the listed issuer; and

vi) security purchases from treasury by an employee, insider or service provider which is financially assisted by the listed issuer by any means whatsoever.

For greater certainty, 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 for the purposes of this Section 613.

For the purposes of Section 613, a “service provider” is a person or company engaged by the listed issuer to provide services for an initial, renewable or extended period of twelve months or more.

(c) Security holder approval is not required for security based compensation arrangements used as an inducement to a person or company not previously employed by and not previously an insider of the listed issuer, to enter into a contract of full time employment as an officer of the listed issuer, provided that the securities issuable to such person or company do not exceed 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the arrangement.

(d) Materials provided to security holders in respect of a meeting at which the approval of security based compensation arrangements will be requested must be pre-cleared with TSX. Such materials must provide disclosure, as of the date of the materials, in respect of:

i) the eligible participants under the arrangement;
ii) each of the following, as applicable:

i. the total number of securities issued and issuable under each arrangement and the percentage of the listed issuer’s currently outstanding capital represented by such securities,

ii. the total number of securities issued and issuable under each arrangement, as a percentage of the listed issuer’s currently outstanding capital, and

iii. the total number of securities issuable under actual grants or awards made and the percentage of the listed issuer’s currently outstanding capital represented by such securities;

iii) the maximum percentage, if any, of securities under each arrangement available to insiders of the listed issuer;

iv) the maximum number of securities, if any, any one person or company is entitled to receive under each arrangement and the percentage of the listed issuer’s currently outstanding capital represented by these securities;

v) subject to Section 613(h)(i), the method of determining the exercise price for securities under each arrangement;

vi) the method of determining the purchase price for securities under security purchase arrangements, with specific disclosure as to whether the purchase price could be below the market price of the securities;

vii) the formula for calculating market appreciation of stock appreciation rights;

viii) the ability for the listed issuer to transform a stock option into a stock appreciation right involving an issuance of securities from treasury;

ix) the vesting of stock options;

x) the term of stock options;

xi) the causes of cessation of entitlement under each arrangement, including the effect of an employee’s termination for or without cause;

xii) the assignability of security based compensation arrangements benefits and the conditions for such assignability;

xiii) the procedure for amending each arrangement, including specific disclosure as to whether security holder approval is required for amendments;

xiv) any financial assistance provided by the listed issuer to participants under each arrangement to facilitate the purchase of securities under the arrangement, including the terms of such assistance;

xv) entitlements under each arrangement previously granted but subject to ratification by security holders; and

xvi) such other material information as may be reasonably required by a security holder to approve the arrangements.
Should a security based compensation arrangement not provide for the procedure for amending the arrangement, security holder approval will be required for such amendments, as provided for in Subsection 613(a). In addition, the votes attaching to any securities held by insiders who hold securities subject to the amendment will be excluded.

(e) A listed issuer may grant options or rights under a security based compensation arrangement that has not been approved by security holders provided that no exercise of such option or right may occur until security holder approval is obtained.

(f) All security based compensation plans, and any amendments thereto, must be filed with TSX, along with evidence of security holder approval where required. Listed securities issuable under the arrangements will not be listed on TSX until such documentation is received.

(g) Listed issuers must disclose on an annual basis, in their information circulars, or other annual disclosure document distributed to all security holders, the terms of their security based compensation arrangements and any amendments that were adopted in the last fiscal year (this includes amendments to individual security agreements and amendments to security based compensation arrangements, including, in both instances, those assumed by the listed issuer through an acquisition). The information circular must provide disclosure in respect of each of the items in Section 613(d), as of the date of the circular, as well as the nature of the amendments adopted in the last fiscal year, including whether or not (and if not, why not) security holder approval was obtained for the amendment.

(h) Notwithstanding that a security based compensation arrangement has been approved by the listed issuer's security holders:

i) the exercise price for any stock options granted under a security based compensation arrangement or otherwise must not be lower than the market price of the securities at the time the option is granted;

ii) the arrangement must have a maximum number of securities issuable, either as a fixed number or a fixed percentage of the listed issuer's outstanding capital represented by such securities; and

iii) security holder approval (excluding the votes of securities held directly or indirectly by insiders benefiting from the amendment) is required for (x) a reduction in the exercise price or purchase price or (y) an extension of the term, under a security based compensation arrangement benefiting an insider of the issuer.

(i) The granting of stock options under a plan and the issuance of securities under a stock option plan or other plan do not require the prior consent of TSX if the plan has been precleared with TSX and the securities that are subject to issuance have been listed. However, stock options granted, exercised or cancelled under a plan must be reported to TSX on a monthly basis in the form of a duly completed Form I - Change in Outstanding and Reserved Securities (Appendix H: Company Reporting Forms). If no listed securities are issued, no options have expired or been cancelled in any particular month, a nil report is required to be filed on a quarterly basis.

(j) TSX's policy on timely disclosure requires immediate disclosure by its listed issuers of all “material information” as defined in the policy. The policy also recognizes that there are restricted circumstances where confidentiality may be justified on a temporary basis. Listed issuers may not set option exercise prices, or prices at which securities may otherwise be issued, on the basis of market prices which do not reflect material information of which management is aware but which has not been disclosed to the public. Exceptions are:
i) where employees, at a previous time when such employees did not have knowledge of the undisclosed event, committed themselves to acquire the securities on specified terms through participation in a security purchase plan, or

ii) where, in relation to an undisclosed event (such as the acquisition by a listed issuer of another issuer), a person or company who is neither an employee nor an insider of the listed issuer, is granted, or given the right to be granted at a set price, a stock option in the listed issuer, while the event is still undisclosed.

D. RIGHTS OFFERINGS

Sec. 614.

(a) A preliminary discussion with TSX is recommended to a listed issuer proposing to offer rights to its security holders.

(b) A rights offering by a listed issuer must be accepted for filing by TSX before the offering proceeds. The offering must also be cleared with the securities commissions having jurisdiction (see section 2.1 of National Instrument 45-101).

The rights offering must receive final acceptance from TSX and the securities commissions at least seven trading days in advance of the record date for the rights offering, the record date being the date of the closing of the transfer hooks for the preparation of the final list of security holders who are entitled to receive rights. Exceptions to this requirement will be permitted by TSX only in cases where applicable legislation renders the requirement impracticable.

A listed issuer may not announce a firm record date for a rights offering before all necessary approvals have been received.

(c) A draft copy of the rights offering circular (“circular” includes a prospectus, if applicable) must be filed with TSX concurrently with the filing thereof with the securities commissions. TSX will subsequently advise the listed issuer of any deficiencies in the draft circular and of the further documentation that will be required.

(d) If the rights offering is acceptable to TSX (subject only to the correction of minor deficiencies, if any, and the filing of the required documents), TSX will so advise the securities commissions.

(e) At least seven trading days in advance of the record date:

i) all deficiencies raised by TSX must be resolved;

ii) clearances for the rights offering must be obtained from all securities commissions having jurisdiction, and the listed issuer must so advise TSX;

iii) all the terms of the rights offering must be finalized; and

iv) TSX must receive all requested documents and applicable fees (see Part VIII).

(f) There is no fee for the listing of rights on TSX, although there is a fee for listing securities issuable upon exercise of the rights. If such securities are of a class already listed, the listed issuer must list the maximum number of securities issuable under the rights offering. However, upon receipt of notification of the actual number of underlying listed securities
issued pursuant to the rights offering, TSX will refund the overpayment of fees in connection with the listing of the maximum number of securities issuable, if any.

(g) The information that must be contained in a rights offering circular is prescribed in the rules and policies of the securities commissions. See National Instrument 45-101 and Form 45-101. TSX may have additional requirements, depending on the circumstances.

(h) The standard notation on final prospectuses or other offering documents referring to conditional approval of a listing is not appropriate for a rights offering circular with respect to the rights themselves, nor is such notation appropriate with respect to the securities issuable upon exercise of the rights if such securities are of a class already listed. The rights will normally be listed on TSX, as will the underlying securities (if of a class already listed, before the rights offering circular is mailed to the security holders.

(i) Rights which receive all required approvals will be automatically listed on TSX if the rights entitle the holders to purchase securities of a listed class. Rights which do not fall into this category will also normally be listed on TSX at the request of the listed issuer. If rights issued to security holders of a listed issuer entitle the holders to purchase securities of another issuer which is not listed, the rights will not be listed on TSX unless such securities have been conditionally approved for listing on TSX.

(j) Rights are listed on TSX on the second trading day preceding the record date. At the same time, the underlying listed securities of the listed issuer commence trading on an exrights basis, which means that purchasers of the listed securities at that time are not entitled to receive the rights.

(k) When the rights offering circular and rights certificates are mailed to the security holders, the listed issuer must concurrently file with TSX two commercial copies of the rights offering circular and a definitive specimen of the rights certificate.

(l) Trading in rights on TSX ceases at 12:00 noon on the expiry date.

(m) TSX requires that rights be transferable. Any proposed restriction on the transfer of unlisted rights must receive the prior consent of TSX.

(n) The following requirements apply to rights which are listed on TSX, although TSX may, in appropriate circumstances, apply these requirements to rights not so listed:

   i) once the rights have been listed on TSX, TSX will not permit the essential terms of the rights offering, such as the exercise price or the expiry date, to be amended. However, under extremely exceptional circumstances, such as an unexpected postal disruption, TSX may grant an exemption from the requirement that the expiry date not be extended;

   ii) the rights offering must be open for a period of at least 21 calendar days following the date on which the rights offering circular is sent to security holders or such longer period as is necessary to ensure that security holders, including security holders residing in foreign countries, will have sufficient time to exercise or sell their rights on an informed basis;

   iii) security holders must receive exactly one right for each security held. An exemption from this requirement will be considered if the rights offering entitles security holders to purchase more than one security for each security held (prior to giving effect to any additional subscription privilege;
iv) if the listed issuer proposes to provide a rounding mechanism, whereby security holders not holding a number of securities equally divisible by a specified number would have their entitlements adjusted upward, adequate arrangements must be made to ensure that beneficial owners of securities registered in the names of CDS, banks, trust companies, investment dealers or similar institutions will be treated, for purposes of such additional entitlements, as though they were registered security holders; and

v) the rights offering must be unconditional.

(o) As soon as possible after the expiry of the rights offering, the listed issuer must advise TSX in writing of the number of securities issued as a result of the rights offering, including securities issued pursuant to any underwriting or similar arrangement.

E. ADDITIONAL LISTINGS

Sec. 615. General.

(a) In addition to the requirements of Section 601, every listed issuer proposing to issue additional securities of a listed class, or to authorize such additional securities to be issued for a specific purpose, must apply to have the additional securities listed on TSX. Application must be made to list the maximum number of securities issuable pursuant to the proposed transaction.

With regard to the additional listing of securities sold by prospectus, see Section 606.

(b) In determining the number of additional securities to be listed, securities listed in connection with earlier transactions must not be taken into account. Credits for fee purposes or refunds will not be given for securities which have previously been listed but are no longer issued or authorized for issuance for a specific purpose.

Sec. 616. Documentation.

(a) There is no prescribed form for an additional listing application. A letter notice pursuant to Section 601 will be regarded by TSX as including an application to list the applicable additional securities.

(b) The documentation required in connection with an additional listing application will depend on the nature of the application. In all cases, however, the following documentation will be required

i) copies of all relevant executed agreements;

ii) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities have been (or will be, when issued in accordance with the terms of the transaction) validly issued as fully paid and non-assessable; and

iii) the additional listing fee (see Part VIII).

Sec. 617. Stock Dividends.

Listed issuers which issue stock dividends on a regular basis, whether pursuant to a formal stock dividend plan or otherwise, can either apply to list securities each time a dividend is declared or, alternatively, apply to list as a block the number of securities the listed issuer estimates will be issued as
stock dividends over the next two years. The latter procedure could result in an ultimate saving in listing fees. See Part VIII.

F. SUBSTITUTIONAL LISTINGS

Sec. 618. General.

(a) Where a listed issuer proposes to change its name, split or consolidate its stock, or undergo a security reclassification, the listed issuer must make a substitutional listing application to TSX.

(b) Where a listed issuer proposes to undergo a change which would give rise to a substitutional listing, the listed issuer must pre-clear with TSX the materials for the requisite security holders’ meeting.

Sec. 619. Name or Symbol Changes.

(a) A listed issuer proposing to change its name must notify TSX as soon as possible after the decision to change the name has been made. The new name must be acceptable to TSX.

(b) If the proposed change is substantial, it may be appropriate for TSX to assign a new stock symbol to the listed issuer’s securities. The listed issuer’s choices, if any, in this regard should be communicated to TSX, in order of preference, in advance of the effective date of the name change. The symbol may consist of up to three letters (excluding the letters that differentiate between different classes of securities).

(c) The following documents must be filed with TSX in connection with a name change:

i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

ii) a definitive specimen of the new or overprinted security certificate;

iii) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number(s) assigned to the issuer’s listed securities after giving effect to the name change (see Section 350); and

iv) the substitutional listing fee (see Part VIII).

(d) The listed issuer’s securities will normally commence trading on TSX under the new name at the opening of business two or three trading days after all the documents set out in Subsection 619cc) are received by TSX.

(e) A listed issuer may request a change to the symbol assigned to its listed securities upon payment of the applicable fee (see Part VIII).

Sec. 620. Stock Split.

(a) There are two methods of effecting a stock split: the “push-out” method and the “call-in” method. If the stock split is accompanied by a security reclassification, either the push-out method or the call-in method may be used; otherwise the push-out method is preferable.

(b) Under the push-out method, the security holders keep the security certificates they currently hold, and security holders of record as of the close of business on a specified date (the
“record date”) are provided with additional or replacement security certificates by the listed issuer.

(c) Where the push-out method is used, the Certificate of Amendment, or equivalent document, giving effect to the split must be issued at least seven, and preferably not less than ten, trading days prior to the record date. Accordingly, if the stock split must be approved by security holders, the meeting of security holders must take place at least seven trading days in advance of the record date. If the push-out method is used, the following documents must be received by TSX at least seven trading days in advance of the record date:

i) written confirmation of the record date including the time of day (“close of business” will be sufficient for this purpose);

ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

iv) a written statement as to the date on which it is intended that the additional security certificates will be mailed to the security holders;

v) the substitutional listing fee; and

vi) if the stock split is accompanied by a security reclassification,

   i. definitive specimens of the new security certificates; and

   ii. a letter from The Canadian Depository for Securities Limited disclosing the CUSIP numbers assigned to each new class of securities (see Section 350).

(d) Where the push-out method is used, the securities will commence trading on TSX on a split basis at the opening of business on the second trading day preceding the record date.

(e) Under the call-in method, the listed issuer implements the stock split by replacing the security certificates currently in the hands of the security holders with new certificates. Letters of Transmittal are sent to the security holders requesting them to exchange their security certificates at the offices of the listed issuer’s transfer agent.

(f) Where the call-in method is used, the following documents must be received by TSX on or before the day on which the Letters of Transmittal are mailed to the security holders:

i) two copies of the Letters of Transmittal;

ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

iv) definitive specimens of the new security certificates;
v) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP numbers assigned to each new class of securities (see Section 350);

vi) a written statement as to the intended mailing date of the Letters of Transmittal; and

vii) the substitutional listing fee.

(g) Where the call-in method is used, the securities will normally commence trading on TSX on a split basis at the opening of business two or three trading days after later of the date all required documents are received by TSX and the date the Letters of Transmittal are mailed to the security holders.

(h) Where a listed issuer proposing to split its stock has warrants posted for trading on TSX, the form of warrant certificate must not be changed by virtue of the split, but any new warrant certificate issued by the listed issuer after the stock split becomes effective must contain a notation disclosing the effect of the stock split on the rights of the warrant holders and a statement that the number of warrants represented by the warrant certificate for trading purposes is equal to the number imprinted in the top right-hand corner (or other location, if appropriate) of the certificate.

Sec. 621. Stock Consolidation.

(a) A stock consolidation by a listed issuer requires the prior consent of TSX.

(b) A listed issuer undergoing a stock consolidation must meet, post-consolidation, the continued listing requirements contained in Part VII of this Manual (see Section 712).

(c) A stock consolidation must be accompanied by a concurrent change in the colour of the security certificates, or if a generic security certificate is used, a copy of such generic certificate, and a new CLISIP number.

(d) The following documents must be filed with TSX on or prior to the day on which the Letters of Transmittal are sent to the security holders:

i) one copy of the Letters of Transmittal:

ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

iii) opinion of counsel that all the necessary steps have been taken to validly effect the consolidation in accordance with applicable law;

iv) a definitive specimen of the new security certificates:

v) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the new CUSIP number assigned to the securities (see Section 350);

vi) a written statement as to the intended mailing date of the Letters of Transmittal; and

vii) the substitutional listing fee (see Part VIII).

In addition, the listed issuer may be required to file with TSX a completed form (Appendix D) showing the distribution of the securities on a post-consolidation basis.
(e) The securities will normally commence trading on TSX on a consolidated basis at the opening of business two or three trading days after the later of the date upon which all required documents are received by TSX and the date the Letters of Transmittal are mailed to the security holders.

Sec. 622. Security Reclassification (with no stock split).

(a) The following documentation must be filed with TSX in connection with a security reclassification (with no stock split):

i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

ii) an opinion of counsel that all the necessary steps have been taken to validly effect the security reclassification in accordance with applicable law;

iii) a definitive specimen of the new or overprinted security certificate;

iv) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number(s) assigned to the securities (see Section 350);

v) the substitutional listing fee (see Part VIII);

vi) one copy of the Letters of Transmittal, if applicable; and

vii) a written statement as to the intended mailing date of the Letters of Transmittal, if applicable.

(b) The reclassification will normally become effective for trading purposes at the opening of business two or three trading days after the later of the date upon which all required documents are received by TSX and the date the Letters of Transmittal are mailed to the security holders.

G. SUPPLEMENTAL LISTINGS

Sec. 623.

(a) A listed issuer proposing to list securities of a class not already listed should apply for the listing by letter addressed to TSX. The letter must be accompanied by one copy of the preliminary prospectus or, if applicable, the draft circular describing the provisions attaching to the securities.

(b) If TSX conditionally approves the listing of the securities, this fact may be disclosed in the final prospectus, or in other documents, in accordance with Section 346, and TSX will so advise the securities commissions.

(c) The minimum public distribution requirements for a supplemental listing are the same as the minimum requirements for original listing as set out in Section 310. However, TSX will give consideration to listing nonparticipating preferred securities that do not meet these requirements if the market value of such securities outstanding is at least $2,000,000 and:

i) if the securities are convertible into participating securities, such participating securities are listed on TSX and meet the minimum public distribution requirements for original listing; or
ii) if the securities are not convertible into participating securities, the listed issuer is exempt from Section 501.

(d) The following documents must be filed with TSX within 90 days of TSX’s conditional acceptance of the supplemental listing (or within such later time as TSX may stipulate):

i) a notarial or certified copy of the resolution of the board of directors of the listed issuer authoring the application to list the securities;

ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document, giving effect to the creation of the securities;

iii) one commercial copy of the final prospectus, or other offering document, if applicable;

iv) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities are validly issued as fully paid and non-assessable;

v) a definitive specimen of the security certificate;

vi) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number assigned to the securities (see Section 341);

vii) one completed copy of the Statement Showing Number of Shareholders form (Appendix D) or, in the case of a prospectus underwriting, a certificate from the underwriter confirming that the securities have been distributed to at least 300 public board lot holders (unless TSX waives this requirement); and

viii) the supplemental listing fee (see Part VIII).

(e) In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer’s request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an “if as and when issued” basis.

H. RESTRICTED SECURITIES

Sec. 624.

(a) Except as otherwise provided in this Section 624, TSX’s requirements respecting the listing of Restricted Securities (as defined in Subsection 624(b)) are applicable to all listed issuers having Restricted Securities listed on TSX, regardless of when the securities were listed. This Section needs to be read as a whole and in conjunction with OSC Rule 56-501. One of the principal objectives of this Section 624 is to alert investors of the fact that there are differences in the voting powers attached to the different securities of an issuer. This Section applies to non-incorporated entities to the extent applicable to ensure that the objective of this Section is met.

(b) For the purposes of this Section 624:

i) “Common Securities” means Residual Equity Securities that are fully franchised, in that the holder of each such security has a right to vote each security in all circumstances calling for a vote under the applicable corporate or governing legislation, irrespective of the number of securities owned, that is not less, on a per security basis, than the right to
vote attaching to any other security of an outstanding class of securities of the listed issuer;

ii) “Non-Voting Securities” means Restricted Securities which do not carry the right to vote at security holders’ meetings except for a right to vote in certain limited circumstances (e.g. to elect a limited number of directors or to vote in circumstances where the applicable corporate legislation provides the right to vote for securities which are otherwise non-voting);

iii) “Preference Securities” means securities to which there is attached a genuine and non-specious preference or right over any class of Residual Equity Securities of the listed issuer:

iv) “Residual Equity Securities” means securities which have a residual right to share in the earnings of the listed issuer and in its assets upon liquidation or winding up;

v) “Restricted Securities” means Residual Equity Securities which are not Common Securities;

vi) “Restricted Voting Securities” means Restricted Securities which carry a right to vote which is subject to some limit or restriction on the number or percentage of securities which maybe voted by a person or company or group of persons or companies (except where the restriction or limit is applicable only to persons or companies who are not Canadians or residents of Canada); and

vii) Subordinate Voting Securities” means Restricted Securities, which carry a right to vote at security holders’ meetings but another class of securities of the same listed securities carries a greater right to vote, on a per security basis.

(c) The legal designation of a class of securities, which shall be set out in the constating documents of the listed issuer and which shall appear on all security certificates representing such securities, shall, except where the securities are Preference Securities and are legally designated as such, include the words:

i) “subordinate voting” if the securities are Subordinate Voting Securities:

ii) “non-voting” if the securities are Non-Voting Securities;

iii) “restricted voting” if the securities are Restricted Voting Securities;

or such other appropriate term as TSX may approve from time to time.

(d) TSX will abbreviate the above designations for Restricted Securities in certain publications of TSX and will identify Restricted Securities in the quotations prepared for the financial press with a code. Brief explanations of the abbreviation or code, as determined by TSX from time to time, will appear as a footnote in such publications and quotations.

(e) A class of securities may not include the word “common” in its legal designation unless such securities are Common Securities.

(f) A class of securities may not be designated as “preference” or “preferred” unless, in the opinion of TSX, there is attached thereto a genuine and non-specious right or preference. Whether a class of securities has attached thereto a genuine and non-specious right or preference is a question of fact to be determined by examining all of the relevant circumstances.
(g) TSX may, subject to such terms and conditions as it may impose:

i) exempt a listed issuer from the designation requirements of Subsections 624(c), (d), (e) and (f);

ii) permit or require the use by a listed issuer, in respect of any class of securities, of a designation other than set forth in Subsections 624(c), (d), (e) and (f); and

iii) deem a class of securities to be NonVoting, Subordinate Voting, or Restricted Voting Securities and require a listed issuer to designate such securities in a manner satisfactory to TSX notwithstanding that such securities do not fall within the applicable definition set out in Subsection 624(b).

In exercising its discretion, TSX will be guided by the public interest and the principles of disclosure underlying this Section 624.

(h) Every listed issuer shall give notice of security holders’ meetings to holders of Restricted Securities and permit the holders of such securities to attend, in person or by proxy, and to speak at all security holders’ meetings to the extent that a holder of Voting Securities of that listed issuer would be entitled to attend and to speak at security holders’ meetings. The notice shall be sent to holders of Restricted Securities at least 21 days in advance of the meeting. Issuers applying for listing, whether by way of an original listing application or notice of a capital reorganization, shall include such rights in their charter documents.

(i) Every listed issuer whose Restricted Securities are listed on TSX shall describe the voting rights, or lack thereof of all Residual Equity Securities of the listed issuer in all documents, other than financial statements, sent to security holders and filed with TSX. Such documents include, but are not limited to, information circulars, proxy statements and directors’ circulars.

(j) Unless exempted by TSX, every listed issuer shall send concurrently to all holders of Residual Equity Securities all informational documents required by applicable law or TSX requirements to be sent to holders of Voting Securities, or voluntarily sent to holders of Voting Securities in connection with a specific meeting of security holders. Such documents would include, but not be limited to, information circulars, notices of meeting, annual reports and financial statements.

(k) Where TSX requirements contemplate security holder approval, TSX may, in its discretion, require that such 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. See, for example, Sections 613 and 626.

(l) TSX will not accept for listing classes of Restricted Securities that do not have takeover protective provisions (“coattails”) meeting the criteria below. The actual wording of a coattail is the responsibility of the listed issuer and must be pre-cleared with TSX.

1. If there is a published market for the Common Securities, the coattails must provide that if there is an offer to purchase Common Securities that must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Common Securities are listed, be made to all or substantially all holders of Common Securities who are in a province of Canada to which the requirement applies, the holders of Restricted Securities will be given the opportunity to participate in the offer through a right of conversion, unless:

i) an identical offer (in terms of price per security and percentage of outstanding securities to be taken up exclusive of securities owned immediately prior to the offer by the offeror,
or associates or affiliates of the offeror, and in all other material respects) concurrently is
made to purchase Restricted Securities, which identical offer has no condition attached
other that the right not to take up and pay for securities tendered if no securities are
purchased pursuant to the offer for Common Securities; or

ii) less than 50% of the Common Securities outstanding immediately prior to the offer, other
than Common Securities owned by the offeror, or associates or affiliates of the offeror,
are deposited pursuant to the offer.

2. If there is no published market for the Common Securities, the holders of at least 80% of the
outstanding Common Securities will be required to enter into an agreement with a trustee for
the benefit of the holders of Restricted Securities from time to time, which agreement will
have the effect of preventing transactions that would deprive the holders of Restricted
Securities of rights under applicable take-over bid legislation to which they would have been
entitled in the event of a take-over bid if the Common Securities had been Restricted
Securities.

Where there is a material difference between the equity interests of the Common Securities
and Restricted Securities, or in other special circumstances, TSX may permit or require
appropriate modifications to the above criteria.

The criteria are designed to ensure that the fact that Common Securities are not of the same
class as Restricted Securities will not prevent the holders of Restricted Securities from
participating in a take-over bid on an equal footing with the holders of Common Securities. If, in
the face of these coattails, a take-over bid is structured in such a way as to defeat this objective,
TSX may take disciplinary measures against any person or company or listed issuer under the
jurisdiction of TSX who is involved, directly or indirectly, in the making of the bid. TSX may also
seek intervention from regulators in appropriate cases.

Where a listed issuer has an outstanding class of securities that carry more than one vote per
security but are not Common Securities, coattails will be considered on an individual basis.
Coattails may also be required by TSX in the case of a listed issuer that has more than one
outstanding class of voting securities but no securities that fall within the definition of Restricted
Securities.

This Subsection 624(l) does not apply to classes of Restricted Securities that were listed on
TSX prior to August 1, 1987, but if any listed issuer proposes to remove, add or change coattails
attaching to such listed Restricted Securities, the proposal must be pre-cleared by TSX and must
comply with this Section 624. Subsection 624(l) will apply to any new class of Restricted
Securities applied for listing by a listed issuer having securities listed on TSX prior to August 1,
1987.

(m) TSX will not consent to the issuance by a listed issuer of any securities that have voting rights
greater than those of the securities of any class of listed voting securities of the listed issuer,
unless the issuance is by way of a distribution to all holders of the listed issuer’s voting
Residual Equity Securities on a pro rata basis.

For this purpose, the voting rights of different classes of securities will be compared on
the basis of the relationship between the voting power and the equity for each class. For
example, Class B Shares will be considered to have greater voting rights than Class A
Shares if:

i) the shares of the two classes have similar rights to participate in the earnings and assets
of the company, but the Class B Shares have a greater number of votes per share; or
ii) the two classes have the same number of votes per share, but it is proposed that Class B Shares will be issued at a price per share significantly lower than the market price per share of the Class A Shares.

This prohibition relates only to differences in voting rights attaching to securities of separate classes. It does not apply to an issuance of securities that reduces the collective voting power of the other outstanding securities of the same class without affecting the voting power of any other outstanding class, although other TSX policies may be applicable in this case. It also does not apply to a stock split of all of a listed issuer’s outstanding Residual Equity Securities (or a stock dividend that has the same effect) if the stock split does not change the ratio of outstanding Restricted Securities to Common Securities.

TSX generally will exempt listed issuers from this Subsection 624(m) in the case of an issuance of multiple voting securities that would maintain (but not increase) the percentage voting position of a holder of multiple voting securities, subject to any conditions TSX may consider desirable in any particular case. One condition will be minority approval of security holders, as defined in Subsection 624(n) unless the legal right of the holder of multiple voting securities to maintain its voting percentage has been established and publicly disclosed prior to the later of November 6, 1989 and the time the listed issuer was first listed on TSX.

This Subsection 624(m) is intended to prevent transactions which would reduce the voting power of existing security holders through the use of securities carrying multiple voting rights. This result would normally be accomplished by way of an issuance of multiple voting securities. However, it is possible to arrive at the same result by means of mechanisms that are not technically “security issuances” such as amendments to security conditions, amalgamations and plans of arrangement. TSX may object to and/or impose such conditions, which it may consider desirable on any transaction that would result in voting dilution similar to that which would be brought about by the issuance of multiple voting security, even if no security issuance is involved.

A pro raw distribution to security holders that creates or affects Restricted Securities must be subject to minority approval of security holders as described in Subsection 624(n).

(n) TSX will not consent to a capital reorganization or pro rata distribution of securities to security holders of a listed issuer, which would have the effect of creating a class of Restricted Securities or changing the ratio of outstanding Restricted Securities to Common Securities, unless the proposal receives minority approval. For this purpose, minority approval means approval given by a majority of the votes cast at a security holders’ meeting called to consider the proposal, other than votes attaching to securities beneficially owned by:

i) any person or company that beneficially owns, directly or indirectly, securities carrying more than 20% of the votes attaching to all outstanding voting securities of the listed issuer;

ii) any associate, affiliate or insider (each as defined in the OSA) of any person or company excluded by virtue of i);

iii) any person or company excluded by virtue of OSC Rule 56-501; and

iv) if i) and ii) are both inapplicable, all directors and officers of the listed issuer and their associates (as defined in the OSA).

TSX may require that persons or companies not specified above be excluded from a particular minority security holder vote if this is considered necessary to ensure that the objectives behind this Subsection 624(n) are not defeated.
A transaction generally will only be regarded as a “capital reorganization” for the purposes of the minority approval requirement if it involves a subdivision or conversion of one or more classes of Residual Equity Securities or if it has an effect similar to a pro rata distribution to holders of one or more classes of Residual Equity Securities. If a proposed capital reorganization would reduce the voting power of the existing security holders through the use of securities carrying multiple voting rights, TSX may regard the proposed reorganization as equivalent, in substance, to the type of security issuance that is prohibited by Subsection 624(m). This could be the case, for example, where the reorganization would not treat all holders of Residual Equity Securities in an identical fashion. In this case, TSX may not consent to the reorganization even with minority approval.

An issuance of Restricted Securities in the form of a stock dividend paid in the ordinary course will be exempted from the minority approval requirement. For this purpose, stock dividends generally will be regarded as being paid in the ordinary course if the aggregate of such dividends over any one-year period does not increase the number of outstanding Residual Equity Securities of the listed issuer by more than 10%.

(o) TSX may, where it determines that it is in the public interest to do so, exempt a listed issuer from compliance with this Section 624 or any requirement thereof subject to such terms and conditions as TSX may impose. In special circumstances, TSX may also set requirements or restrictions in addition to those set out in this Section 624 having regard to the public interest and the principles underlying this Section 624.

I. REDEMPTIONS OF LISTED SECURITIES

Sec. 625.

(a) Where a listed issuer proposes to redeem, or partially redeem, listed securities, one copy of the notice of redemption must be filed with TSX concurrently with the sending of the notices to the security holders, but in any event no later than seven trading days prior to the redemption date. For a full redemption of a listed class of securities, such securities will normally be delisted from TSX at the close of business on the redemption date. For a partial redemption, listed securities must be redeemed on a pro rata basis, TSX will not accept notice of a partial redemption of listed securities by lot.

(b) Where a listed issuer redeems or partially redeems securities which were convertible into listed securities, the listed issuer must advise TSX, as soon as possible after the redemption date, of the number of securities which were authorized for issuance for potential conversion of the redeemed securities but were not in fact issued. TSX will adjust its listing records accordingly.

J. BACKDOOR LISTINGS

Sec. 626.

(a) A “backdoor listing” occurs when an issuance of securities of a listed issuer results, directly or indirectly, in the acquisition of the listed issuer by an unlisted issuer with an accompanying change in effective control of the listed issuer. A transaction giving rise to a backdoor listing may take one of a number of forms, including an issuance of securities for assets, an amalgamation or a merger. Transactions will normally be regarded as backdoor listings if they will, or could result in the security holders of the listed issuer owning less than 50% of the securities or voting power of the resulting issuer, with an accompanying change in effective control of the listed issuer.
Any securities issued or issuable upon a concurrent private placement upon which the backdoor listing is contingent or otherwise linked will be included in determining if the backdoor listing results in the security holders of the listed issuer owning less than 50% of the securities or voting power of the resulting company, with an accompanying change in effective control of the listed issuer.

(b) Subject to Subsection 626(c), where TSX determines that a transaction is a backdoor listing, the approval procedure is similar to that of an original listing application. Generally, the listed issuer resulting from the transaction must meet the original listing requirements of TSX. TSX will also approve the transaction where the unlisted entity meets the original listing requirements of TSX (except for the public distribution requirements) and the entity resulting from the transaction:

i) meets the public distribution requirements for original listing;

ii) (would appear to have a substantially improved financial condition as compared to the listed issuer; and

iii) has adequate working capital to carry on the business.

(c) The transaction must be approved by the security holders of the listed issuer's participating securities at a meeting prior to completion of the transaction. For this purpose, holders of Restricted Securities, as defined in Section 624, must be 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 issuer.

TSX's approval of a backdoor listing must be obtained before the transaction is submitted to security holders for approval. If this is impracticable, the information circular sent to security holders must include a statement that the proposed transaction is subject to the acceptance of TSX. TSX will require the listed issuer to file a draft of the information circular with TSX for review before the sending of the circular to the security holders.

K. TAKE-OVER BIDS AND ISSUER BIDS

Sec. 627.

(a) Where a take-over bid or issuer bid is made for securities of a listed issuer, it is the responsibility of the target issuer to ensure that one copy of the offering circular, directors' circular and all other materials sent to the security holders in connection with the bid are filed with TSX either concurrently with the sending of materials to the security holders or as quickly as possible thereafter.

TSX must be advised as soon as possible of any amendments to the terms of the bid, in order for TSX to have sufficient time to establish appropriate trading and settlement rules.

(b) The rules for take-over bids and issuer bids, and exemptions for same, are prescribed by securities legislation and, in some cases, corporate legislation. See, for example, Part XX of the OSA.

Any purchase through the facilities of TSX that is a take-over bid, as defined in applicable securities legislation of a Canadian jurisdiction, must be carried out in accordance with the terms of the exemption in Clause 93(1)(b) of the OSA, regardless of the location of the seller.
L. NORMAL COURSE ISSUER BIDS

[Note: Sections 628 to 629.1 have been removed in order to be republished for public comment]

M. SALES FROM CONTROL BLOCK THROUGH THE FACILITIES OF THE EXCHANGE

Sec. 630. Responsibility of Participating Organization and Seller.

It is the responsibility of both the selling security holder and participating organization acting on their behalf to ensure compliance with TSX requirements and applicable securities laws. In particular, participating organization and selling security holders should familiarize themselves with the procedures and requirements set out in Part 2 of Multilateral Instrument 45-102.

Sec. 631. Sales Pursuant to an Order or Exemption.

If securities are to be sold from a control block pursuant to an order made under section 74 of the OSA or an exemption contained in subsection 72(1) of the OSA or Part 2 of OSC Rule 45-501, the securities acquired by the purchaser may be subject to a hold period in accordance with the provisions of the OSA or Multilateral Instrument 45-102. Sales of securities subject to a hold period are special terms trades and will normally be permitted to take place on TSX without interference.

Sec. 632. General Rules for Control Block Sales on the Exchange.

1. **Filing** — The seller shall file Form 45-102F1 Notice of Intention to Distribute Securities under subsection 2.8 of MI 45-102, Resale of Securities with TSX at least seven calendar days prior to the first trade made to carry out the distribution.

2. **Notification of Appointment of Participating Organization** — The seller must notify TSX of the name of the participating organization which will act on behalf of the seller. The seller shall not change the participating organization without prior notice to TSX.

3. **Acknowledgement of Participating Organization** — The participating organization acting as agent for the seller shall give notice to TSX of its intention to act on the sale from control before any sales commence.

4. **Report of Sales** — The participating organization shall report in writing to the TSX on the last day of each month the total number of securities sold by the seller during the month, and, if and when all of the securities have been sold, the participating organization shall so report forthwith in writing to TSX.

5. **Issuance of TSX Bulletin** — TSX shall issue a bulletin respecting the proposed sale from control which bulletin will contain the name of the seller, the number of securities of the listed company held by the seller, the number proposed to be sold, and any other information that TSX considers appropriate. TSX may issue further bulletins from time to time regarding the sales made by the seller.

6. **Special Conditions** — TSX may, in circumstances it considers appropriate, require that special conditions be met with respect to any sales. Possible conditions include, but are not limited to, the requirement that the seller not make a sale below the price of the last sale of a board lot of the security on TSX which is made by another person or company acting independently.

7. **Term** — The filing of Form 45-102Fl is valid for a period of 30 days from the date the form was filed.
8. **First Sale** —The first sale cannot be made until at least seven calendar days after the filing of Form 45-102F1.

**Sec. 633. Restrictions on Control Block Sales on the Exchange.**

1. **Private Agreements** — A participating organization is not permitted to participate in sales from control by private agreement transactions.

2. **Normal Course Issuer Bids** — If the listed issuer of the securities which are the subject of the sale from control block is undertaking a normal course issuer bid in accordance with Section 629 of this Manual, the normal course issuer bid and the sale from control block will be permitted on the condition that:
   
   (a) the participating organization acting for the listed issuer confirms in writing to TSX that it will not bid for securities on behalf of the listed issuer at a time when securities are being offered on behalf of the control block seller;
   
   (b) the participating organization acting for the control block seller confirms in writing to TSX that it will not offer securities on behalf of the control block seller at a time when securities are being bid for under the normal course issuer bid; and
   
   (c) transactions in which the listed issuer is on one side and the control block seller on the other are not permitted.

3. **Price Guarantees** — The price at which the sales are to be made cannot be established or guaranteed prior to the seventh day after the filing of Form 45-102F1 with TSX.

4. **Crosses** — A participating organization may distribute the whole of a control block sale to its own clients by means of a cross. Established crossing rules require that, prior to execution, all orders that are entered on any Canadian exchange at better prices than the price of the proposed cross must be filled in full. If the market is to be moved before execution of a cross, the responsible registered trader should be notified in advance.

**N. SECURITY HOLDER RIGHTS PLANS**

**Sec. 634. General.**

(a) Security holder rights plans (commonly referred to as “poison pills”) fall under TSX jurisdiction by virtue of Section 601 which requires listed issuers to pre-clear with TSX any potential issuance of equity securities.

(b) TSX neither endorses nor prohibits the adoption of poison pills generally or in connection with any particular take-over bid. The securities commissions in Canada are responsible for reviewing the propriety or operation of take-over bid defensive tactics pursuant to National Policy 62-202, including the adoption of a poison pill after the announcement or commencement of a hostile take-over bid. In the latter example, TSX will defer its review of such a poison pill until after the appropriate securities commission has determined whether it will intervene pursuant to National Policy 62-202.

(c) TSX believes that security holders of the listed issuer should have the opportunity to decide whether the continued existence of a plan that has been adopted by the board of directors of the listed issuer in the normal course of affairs (i.e. absent a threatened or actual specific take-over bid) is in the security holders’ best interests.

Part VI – Changes in Capital Structure of Listed Issuers (as at May 29, 2006) © 2006, TSX Group Inc.
Sec. 635. Filing and Listing Procedure.

(a) A draft of the proposed security holder rights plan (the “plan”) or poison pill should be filed with TSX along with a covering letter requesting TSX accept the plan for filing. The letter must include the following:

i) a statement as to whether the listed issuer is aware of any specific take-over bid for the listed issuer that has been made or is contemplated, together with full details regarding any such bid;

ii) a description of any unusual features of the plan; and

iii) a statement as to whether the plan treats any existing security holder differently from other security holders. The usual example of this is where, at the time of the plan’s adoption a security holder (or group of related security holders) owns a percentage of securities that exceeds the triggering ownership threshold identified in the plan but such security holder is exempted from the operation of the plan.

(b) If a listed issuer adopts a plan without preclearance from TSX, the listed issuer must:

i) publicly announce the adoption of its plan as subject to TSX acceptance, and

ii) as soon as possible after the adoption of the plan, file with TSX a copy of the plan along with the covering letter described in Subsection 635(a).

(c) If TSX consents to the adoption of a plan, the rights issued to security holders will be automatically listed on TSX when those securities are issued. The rights will not appear as a separate entry on TSX trading list. There is a filing fee that is payable to TSX for its review of the plan.

Sec. 636. TSX Approach.

(a) If a plan is adopted at a time when the listed issuer is not aware of any specific take-over bid for the listed issuer that has been made or is contemplated, TSX will not generally refuse the plan for filing, provided that it is ratified by the security holders of the listed issuer at a meeting held within six months following the adoption of the poison pill. Pending such security holder ratification, the plan is allowed to be in effect so that its intent is not circumvented prior to the security holders meeting. If security holders do not ratify the plan by the required time, the plan must be immediately cancelled and any rights issued thereunder must be immediately redeemed or cancelled.

(b) In cases where a particular security holder may be exempted from the operation of a plan even though the security holder’s percentage holding exceeds the plan’s triggering ownership threshold, TSX will normally require that the plan be ratified by a vote of security holders that excludes the votes of the exempted security holder and its insiders as well as by a vote that does not exclude such security holder.

(c) If a plan can be reasonably perceived to have been proposed or adopted as a response to a specific take-over bid for a listed issuer that has been made or is contemplated, TSX will normally defer its decision on whether to consent to the plan until the OSC has had the opportunity to consider whether it will initiate proceedings by virtue of National Policy 62-202 regarding defensive tactics. If the OSC chooses not to intervene, TSX will generally not object to the adoption of a poison pill, subject to security holder ratification as described in Subsections 6 36(a) and (b) and subject to Sections 634, 635 and 637.
Sec. 637. Plan Amendment.

No amendment of a plan that has been adopted by a listed issuer may be made without the prior written consent of TSX. In order to seek such consent, the listed issuer must file with TSX (i) a black-lined draft of the amended plan, (ii) a letter that summarizes the proposed changes to the plan, and (iii) the requisite filing fee payable to TSX.

0. ODD LOT SELLING AND PURCHASE ARRANGEMENTS

Sec. 638. General.

(a) An odd lot of securities is less than a board lot. Listed issuers may reduce the number of holders of odd lots by using the procedure in Section 639.

(b) The procedure described in Section 639 is intended to facilitate odd lot sales at a reasonable cost to listed issuers. It is consistent with the objective of TSX to enhance the marketability of small holdings.

(c) The procedure described in Section 639 must be followed where a listed issuer seeks the assistance of a participating organization to solicit odd lots for resale on TSX, or to offer to defray the commissions payable by odd lot holders in acquiring additional securities on TSX to make up a board lot.

Sec. 639. Procedures Applicable to Odd Lot Selling and Purchase Arrangements.

(a) Under an odd lot selling arrangement (a “Selling Arrangement”) a listed issuer agrees to pay a fee per odd lot account to participating organizations to sell listed securities on behalf of odd lot holders. Under an odd lot purchase arrangement (a “Purchase Arrangement”, together with a Selling Arrangement referred to herein as an “Arrangement”) a listed issuer agrees to pay a fee per odd lot account to participating organizations to purchase a sufficient number of listed securities on behalf of odd lot holders to constitute a board lot.

(b) The listed issuer shall request odd lot holders wishing to take advantage of an Arrangement to either:

(1) place orders under the Arrangement with any participating organization; or

(2) transmit orders under the Arrangement directly to the listed issuer or an agent (such as a broker or transfer agent) designated by it.

If option (1) is selected, a participating organization shall be appointed as manager of the Arrangement (the “Manager”) and shall be responsible for maintaining records of transactions and remitting the fees payable to other participating organizations. Special procedures applicable to options (1) and (2) are set out in Subsections 639(d) and (e).

(c) Trading Odd Lots. A Selling Arrangement may be carried out in one of two ways:

(1) the listed securities tendered by odd lot holders must be aggregated into board lots and sold promptly by a participating organization on TSX; or

(2) the listed securities must be sold promptly in the form of odd lots through the minimum guarantee fill system (“MGF”). In the event that odd lots are sold through the MGF the responsible Registered Trader will aggregate odd lots for resale in the normal course of his activities.
Similarly, under a Purchase Arrangement a participating organization must promptly acquire a sufficient number of listed securities to increase an odd lot holder’s holding to a full board lot either (1) by purchases by the participating organization on TSX; or (2) through the MGF.

(d) **Rules Applicable to Arrangements through Participating Organizations.** The following applies to Arrangements where odd lot holders are to place orders with any participating organization (option (1) under Subsection 639(b))

i) It is anticipated that many odd lot holders will not currently have an account with a participating organization. In order to simplify the administration of an Arrangement being effected through participating organizations new account forms are not required to be completed for odd lot holders and transactions made pursuant to an Arrangement may be effected through an omnibus account. The participating organization must maintain proper records of orders as required by TSX Rule 2-404 “Records of Orders.

ii) If required by the listed issuer, participating organizations selling odd lots on behalf of clients under a Selling Arrangement, or purchasing listed securities under a Purchase Arrangement, shall prepare a signed statement that to the best of the knowledge of the representative of the participating organization the listed securities of each named beneficial owner sold under a Selling Arrangement constitute all of the listed securities owned by such beneficial owner and that the number of listed securities purchased under a Purchase Arrangement for each named beneficial owner is the number of listed securities required to increase each beneficial owner’s holding to the level of one board lot, as the case may be, and shall keep each such statement in its files for inspection by TSX. Participating organizations are not required to disclose the names of their clients to the Manager of an Arrangement or the listed issuer.

iii) In the event that odd lots are held in the name of a participating organization on behalf of a customer who wishes to sell his listed securities pursuant to a Selling Arrangement the participating organization shall either (A) sell such listed securities on behalf of the customer pursuant to the Arrangement, (B) provide the customer with deliverable listed securities in order to permit the customer to tender such securities to another participating organization along with a certificate stating that, to the best of the participating organization’s knowledge, the customer held a stated number of listed securities as of the record date of the Arrangement, or (C) tender such listed securities to another participating organization who is willing to sell the listed securities pursuant to the Arrangement on behalf of the customer.

iv) The Manager shall maintain records of the transactions effected by participating organizations pursuant to the Arrangement. Participating organizations shall report such transactions to the Manager on a weekly basis. The Manager shall remit the amount offered by the listed issuer per odd lot account promptly after the receipt of each weekly report. The amount receivable by each participating organization is required to be used, in its entirety, to replace or reduce the normal brokerage commissions otherwise payable by odd lot holders.

v) The price received or to be paid for an odd lot shall be the quoted price at which the trade is executed by the participating organization. If the listed securities of an odd lot holder are sold or purchased as part of more than one board lot and different prices are received or paid, the amount remitted to the customer, or paid by the customer, shall be the average price and the confirmation must disclose that an average price has been used and must list the prices at which the trades were made.
TSX anticipates that the Manager will advise the listed issuer concerning a reasonable fee payable per odd lot account.

(e) Rules Applicable to Arrangements through the Listed Issuer. The following applies to Arrangements where odd lot holders are to place orders through the listed issuer or an agent designated by it (option (2) under Subsection 639(b))

i) The listed issuer or its agent shall send orders received pursuant to the Arrangement to one or more participating organizations for execution forthwith after clearance of such orders for trading. Orders received and cleared for execution shall be placed with the participating organization no later than 12:00 p.m. on the next business day for execution on TSX. Orders may be aggregated, but not netted, by the listed issuer or its agent.

ii) The participating organization shall execute aggregated buy or sell orders as soon as possible, subject to its discretion in fulfilling its obligation to obtain the best available price for the customer and to avoid any undue impact on such price.

iii) The price received or to be paid for an odd lot shall be the average price received on all orders placed with the participating organization for execution on a given day, regardless of when any of such orders are executed.

iv) In addition to the information required by Subsection 639(i), the disclosure document shall contain a statement that the price received or to be paid for an odd lot will be the average price received on all orders placed with the participating organization for execution on a given day, regardless of when any of such orders are executed. An estimate of the period of time required for mailing and clearing an order must be disclosed, and that the quoted price of the stock may change during such period.

(f) Obligations to Odd Lot Holders. A participating organization must obtain the best price available for its customer (the odd lot holder) in executing trades pursuant to an Arrangement. Notwithstanding any financial arrangement with the listed issuer, participating organizations must satisfy their fiduciary duty to odd lot holders in accordance with this Policy and applicable law. The listed issuer shall not, directly or indirectly, influence the time, price, amount or manner of sales or purchases of odd lots.

Subject to any agreement to the contrary, participating organizations may acquire or sell odd lots in principal transactions in accordance with TSX Policy 4-502 "Exposure of Client Orders" and TSX Rule 4-502 "Client Principal Trading". Participating organizations may not be a prominent influence in the market for the listed securities at a time when a principal transaction is proposed to be executed.

(g) Security Holders Eligible to Participate. Only persons or companies who are holders of less than one board lot as defined in Part I of this Manual are eligible to participate in either type of Arrangement. The determination as to whether a person or company is the holder of an odd lot shall be made as of a record date established by the listed issuer. The record date must be prior to the public announcement of the Arrangement in accordance with Subsection 639(h) in order to ensure that board lots will not be broken up in order to participate in the Arrangement.

An Arrangement is required to be extended to both registered holders of odd lots and beneficial owners of odd lots registered in nominee form. TSX will approve an Arrangement directed to the holders of a specific number of listed securities or less that does not include all odd lot holders where it is satisfied that holders of more than the specified number of listed securities are not disadvantaged as a result of minimum commission rates.
TSX recognizes an exception from the requirement that either type of Arrangement be extended to all odd lot holders in the case of participants in stock ownership plans established by a listed issuer for its employees and in the case of participants in dividend reinvestment plans. Since plans of this kind are intended to promote security ownership as an incentive to employees and security holders and provide a special advantage to its participants listed issuers may wish to exclude plan participants from an Arrangement. Accordingly, a listed issuer will be permitted to exclude from an Arrangement any participant in a bonus, profit-sharing, pension, retirement, incentive, stock purchase, stock ownership, stock option or similar plan instituted for employees of the listed issuer or its subsidiaries or any participant in a dividend reinvestment plan instituted by the listed issuer.

(h) **Duration of an Arrangement.** An Arrangement is required to remain open for at least thirty calendar days from acceptance by TSX in order to ensure adequate dissemination of information. An Arrangement may continue for a maximum period of ninety calendar days and may thereafter be renewed with the prior written consent of TSX for two additional thirty day periods following the expiry of the initial period. In order for TSX to consider the renewal of an Arrangement, a written request must be provided to TSX of the proposed renewal at least seven business days prior to the expiry of the previous period. (see Subsection 639(i)(iv)).

(i) **Dissemination of Information.**

i) The listed issuer shall file with TSX a copy of a draft press release announcing an Arrangement and a draft disclosure document which includes the information required under clause iii) below at least seven business days before the record date. The press release shall not be issued and the disclosure document shall not be distributed to securityholders until written approval has been given by TSX.

ii) A press release shall be issued on the first business day following the record date after written approval has been given by TSX.

iii) Following issuance of the press release a disclosure document shall be sent by the listed issuer to each securityholder of record on the record date that holds an odd lot. Where a securityholder of record holds listed securities on behalf of other persons or companies, the listed issuer shall provide, upon the request of such holder, a sufficient number of copies for each beneficial owner of an odd lot. The disclosure document, the original of which must be signed by a duly authorized officer of the listed issuer and filed with TSX, shall include the following items of information:

i. Name of listed issuer and the nature of the Arrangement being made available to odd lot holders.

ii. A description of the class or classes of listed securities subject to the Arrangement and the holders eligible to participate.

iii. A statement that: (a) the listed issuer will pay one or more participating organizations a fee to sell or purchase odd lots, as the case may be, in the open market on behalf of odd lot holders; (b) for the purpose of the Arrangement, the odd lot holder is the customer of the participating organization agreeing to sell or purchase listed securities, as the case may be, pursuant to the Arrangement, and; (c) the participating organization is required to obtain the best available price for the odd lot holder.

iv. If applicable, state that the participating organization may purchase or sell odd lots under the Arrangement as principal in accordance with TSX requirements.
v. The duration of the Arrangement.

vi. The purpose of the Arrangement.

vii. A description of the procedure that must be followed by both registered odd lot holders and beneficial owners of odd lots held in nominee form to participate in an Arrangement.

viii. The name, address and telephone number of the department or person at the listed issuer from whom additional information may be obtained and that the odd lot holder should consider contacting his or her broker concerning the advisability of participating in the Arrangement.

iv) See Subsection 639(e)(iv) for additional information required in the disclosure document in connection with Arrangements through the listed issuer. A request for a renewal of an Arrangement shall be accompanied by a statement of the number of listed securities previously sold or purchased, as the case may be, under the Arrangement. Upon acceptance by TSX the listed issuer shall issue a press release announcing the renewal of the Arrangement.

(j) A filing fee is required in connection with each Arrangement filed with TSX, and with each renewal thereof (see Part VIII).

(k) A listed issuer may also purchase odd lots offered in the marketplace pursuant to a normal course issuer bid implemented in accordance with Section 629.

(l) A listed issuer may have both a Normal Course Issuer Bid, and either a Selling Arrangement, or a Purchase Arrangement, or both, in effect at the same time.

P. AMENDMENTS TO SECURITY PROVISIONS

Sec. 640. Any proposed amendment to the provisions attaching to any securities other than securities which are unlisted, non-voting, non-participating and non-convertible, must be pre-cleared with TSX.

Q. EFFECT OF AMENDMENTS ON EXISTING ARRANGEMENTS

Sec. 641. These amendments will be effective for all notices filed with TSX on and after January 1, 2005 (the “effective date”)

The following will be unaffected by these amendments:

1. Any transaction (including a security based compensation arrangement) of which TSX has been notified of in writing prior to the effective date. Any transaction which has been conditionally approved by TSX prior to the effective date, but which has not closed on or prior to the effective date may be reviewed under the Amendments upon application by the listed issuer.

2. Any transactions or resolutions for which, prior to the effective date, either the listed issuer has mailed final materials to security holders or for which security holder approval has been received.

3. With respect to the initial security holder approval required by Subsection 613(a), any security based compensation arrangement approved by TSX prior to the effective date. Such security based compensation arrangements will be subject to Section 613(a) with respect to the three
year approval requirements from the later of the effective date and the date of the initial security holder approval.

R. APPROVAL OF CHANGES IN CAPITAL STRUCTURE

Sec. 642. Decisions in respect of the application of this Part VI are made by the Toronto Stock Exchange’s Listings Committee. If the Committee does not accept a change submitted under Part VI, the issuer may request that the matter be heard by the Listings Committee, with the additional participation of the Senior Vice President of the Toronto Stock Exchange and/or his/her designate. If after being heard, the issuer remains dissatisfied with the decision, the issuer may appeal the decision to a three-person panel of the Board of Directors of TSX Inc.

An issuer may request that the Ontario Securities Commission review the Board’s decision provided that the provisions of Section 21 of the Ontario Securities Act (or any replacement legislation) apply.

Sec. 643. Where a conflict of interest (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.) or potential Conflict of Interest arises relating to the continued listing of a Competitor (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.), reference should be made to the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.
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PART VII
HALTING OF TRADING, SUSPENSION AND DELISTING OF SECURITIES

A. GENERAL

Sec. 701. The TSX may at any time:

(a) temporarily halt trading in any listed securities; or

(b) suspend from trading and delist a listed issuer’s securities if TSX is satisfied that:

i) the listed issuer has failed to comply with any of the provisions of its Listing Agreement with TSX or with any other TSX requirement; or

ii) such action is necessary in the public interest.

B. HALTING OF TRADING

Sec. 702. TSX may halt trading in the securities of a listed issuer for disclosure of material information which requires immediate public disclosure under TSX’s timely disclosure policy. A halt of trading is a temporary measure which will usually not last more than one hour following the dissemination of the announcement. TSX may also temporarily halt trading where such action is deemed to be in the public interest (for example, in order to maintain a fair and orderly market).

Refer to Sections 406 to 423.8 for a description of the timely disclosure policy, including more complete information regarding trading halts.

Sec. 703. During the period when trading is halted, no TSX participating organization may execute an order in the over-the-counter market.

Trading may also be halted when the market activity indicates that significant news appears to be available to some investors but not to the public at large, and the listed issuer either will not, or cannot, make a clarifying statement.

If trading is halted but an announcement is not immediately forthcoming, TSX may establish a reopening time, which shall not be later than 24 hours after the time that the halt was imposed (excluding non-business days). The listed issuer is urged to make an announcement, but if it will not, TSX will issue a notice stating the reason for the trading halt, that an announcement was not immediately forthcoming and that trading will therefore resume at a specific time.

Sec. 704. Trading may also be halted due to failure by the listed issuer to comply with requirements of TSX. In some cases, a halt may be changed to a suspension or delisting.

C. SUSPENSION AND DELISTING

Objective

Sec. 705. The objective of TSX’s policies regarding continued listing privileges is to facilitate the maintenance of an orderly and effective auction market for securities of a wide variety of listed issuers that are actively engaged in an ongoing business, in which there is a substantial public interest, and that comply with the requirements of TSX. The policies are designed and administered in a manner consistent with that objective.
Application of Policy

Sec. 706. TSX has adopted certain quantitative and qualitative criteria (the “delisting criteria”), that are outlined in the following sections, under which it will normally consider the suspension from trading and delisting of securities. However, no set of criteria can effectively anticipate the unique circumstances which may arise in any given situation. Accordingly, each situation is considered individually on the basis of relevant facts and circumstances. As such, whether or not any of the delisting criteria has become applicable to a listed issuer or security, TSX may, at any time, suspend from trading and delist securities if in the opinion of TSX, such action is consistent with the objective cited above or further dealings in the securities on TSX may be prejudicial to the public interest.

Process

Sec. 707. TSX examines the affairs and the performance of listed issuers to ensure that they are of a standard that merits the continued listing of such companies. If as a result of such examination, TSX determines that any of the delisting criteria outlined in Sections 708 to 717 has become applicable to a listed issuer or to its securities, TSX will notify the listed issuer (by telephone or telecopied letter) and the market (by trader note and bulletin) that the listed issuer is under a delisting review.

The delisting review process will be conducted through either the “Remedial Review Process” or the “Expedited Review Process”, as follows:

Remedial Review Process

(a) A listed issuer that has been notified that it is under delisting review because of the applicability of any of the delisting criteria set out in Section 709, paragraphs (b) or (c) of Section 710, Section 711 or Section 712 will normally be given up to 120 days from the date of such notification (the “delisting review period”) to correct the deficiencies that triggered the delisting review.

At any time prior to the end of the delisting review period, TSX will provide the listed issuer with an opportunity to be heard where the listed issuer may present submissions to satisfy TSX that all deficiencies identified in TSX’s notice have been rectified. If the listed issuer cannot satisfy TSX at the conclusion of the hearing that the deficiencies identified have been rectified and that no other delisting criteria are then applicable to the listed issuer, TSX will determine to delist the listed issuer’s securities.

Upon such determination, TSX will issue a written notice to the market to confirm the date that the delisting will be effective, which date will generally be the 30th calendar day after the issuance of such notice.

TSX may abridge the term of the delisting review period at any time upon written notice to the listed issuer, particularly after the occurrence of any of the events described in Section 708, paragraph (a) of Section 710 or Sections 713 to 717 inclusive. In any such case, the listed issuer that is under a delisting review will be provided with an opportunity to be heard on an expedited basis where the listed issuer may present submissions as to why its securities should not be delisted. If the listed issuer cannot satisfy TSX that a delisting is unwarranted, TSX will determine to suspend the listed issuer’s securities from trading as soon as practicable after such hearing and the listed issuer’s securities will be delisted on the 30th calendar day after the suspension date. During the period between the suspension date and delisting date, the listed issuer remains subject to all TSX requirements, including compliance with the provisions of Sections 501 and 602, regardless of whether the listed issuer had been exempted from the requirements of Section 501 prior to suspension; or
Expedited Review Process

(b) A listed issuer that has been notified that it is under delisting review:

i) because of the applicability of any of the delisting criteria in Section 708, paragraph (a) of Section 710 or Sections 713 to 716 inclusive; or

ii) because the listed issuer has failed to meet original listing requirements by the deadline set by TSX in connection with any of the events described in Section 717; or

iii) because TSX believes that the expedited suspension from trading and delisting of the listed issuer’s securities is warranted;

will be provided an opportunity to be heard, on an expedited basis, where the listed issuer may present submissions as to why its securities should not be suspended from trading immediately and delisted. If the listed issuer cannot satisfy TSX that an immediate suspension is unwarranted, TSX will determine to suspend the listed issuer’s securities from trading as soon as practicable after such hearing and the listed issuer’s securities will be delisted on the 30th calendar day after the suspension date. During the period between the suspension date and delisting date, the listed issuer remains subject to all TSX requirements, including compliance with the provisions of Sections 501 and 602, regardless of whether the listed issuer had been exempted from the requirements of Section 501 prior to suspension.

D. DELISTING CRITERIA

(1) Insolvency

Sec. 708. At such time as TSX is advised or becomes aware that a listed issuer (or any of its significant subsidiaries), has become insolvent or bankrupt or has made an assignment for the benefit of creditors; or a trustee, receiver, liquidator or monitor has been appointed for the listed issuer or for a substantial part of its assets; or bankruptcy, reorganization, creditor arrangement or protection, insolvency, liquidation, winding up or similar proceedings are instituted by or against the listed issuer under the laws of any jurisdiction, the securities of the listed issuer may, at the discretion of TSX, be immediately halted from trading on TSX. TSX will ordinarily halt trading, or prevent the lifting of a trading halt, of the listed issuer’s securities in order to allow material information to be publicly disseminated or when inadequate information in respect of the listed issuer is not available to the market.

During the trading halt, or as soon as practicable after the trading halt is lifted, TSX shall notify the listed issuer that it is under delisting review and is subject to the Expedited Review Process (see Section 707).

(2) Financial Condition and/or Operating

Sec. 709. TSX will normally consider the delisting of securities of a listed issuer if in the opinion of TSX, the financial condition and/or operating results of the listed issuer appear to be unsatisfactory or appear not to warrant continuation of the securities on the trading list.

Sec. 710. Specifically, securities of a listed issuer may be delisted if

All Issuers

(a) (i) the listed issuer’s financial condition is such that, in the opinion of TSX, it is questionable as to whether the listed issuer will be able to continue as a going
concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in financial statements regarding the listed issuer's ability to continue as a going concern; or

ii) the listed issuer has ceased, or has expressed an intention to cease, to be actively engaged in any ongoing business; or

iii) the listed issuer has discontinued or divested a substantial portion of its operations, thereby so reducing its business as to no longer merit continued listing; or

**Industrial Issuers**

(b) the listed issuer fails to have:

i) total assets of at least $3,000,000; and

ii) annual revenue from ongoing operations of at least $3,000,000 in the most recent year.

Criteria (b)(i) and (ii) above do not apply to a research and development listed issuer; however, such a company may be delisted if it has failed to spend at least $1,000,000 on research and development, acceptable to TSX, in the most recent year; or

**Resource Issuers**

(c) (i) in the most recent year, the listed issuer has failed to carry out at least $350,000 of exploration and/or development work that is acceptable to TSX and has failed to generate revenue of at least $3,000,000 from the sale of resource-based commodities; or

ii) (the listed issuer does not have adequate working capital and an appropriate capital structure to carry on its business.

(3) Market Value and Public Distribution

**Sec. 711.** TSX will normally consider the delisting of securities of a listed listed issuer if, in the opinion of TSX, it appears that the public distribution, price, or trading activity of the securities has been so reduced as to make further dealings in the securities on TSX unwarranted.

**Sec. 712.** Specifically, participating securities may be delisted if:

(a) the market value of the listed issuer's issued securities that are listed on TSX is less than $3,000,000 over any period of 30 consecutive trading days; or

(b) the market value of the listed issuer's freely-tradable, publicly held securities is less than $2,000,000 over any period of 30 consecutive trading days; or

(c) the number of freely-tradable, publicly held securities is less than 500,000; or

(d) the number of public security holders, each holding a board lot or more, is less than 150.

Non-participating securities will be subject to (b) above as well as Section 711.
(4) Failure To Comply With TSX Requirements & Policies

Listing Agreement

Sec. 713. TSX may delist the securities of a listed issuer that fails to comply with its Listing Agreement or other agreements with TSX, or fails to comply with TSX requirements and policies. Examples of failure to comply with the Listing Agreement include, but are not limited to, failure to obtain the prior consent of TSX to issue additional equity securities; failure to obtain the consent of TSX before undergoing a material change in the business if the listed issuer is subject to Section 501; and failure to comply with TSX’s requirements for stock options and security based compensation arrangements.

Disclosure Policies

Sec. 714. TSX may delist the securities of a listed issuer that has failed to comply with TSX’s Timely Disclosure policy (see Sections 406 to 423.8 and 472 to 475) or with disclosure requirements under any securities law to which the listed issuer is subject. In addition, TSX may delist the securities of a listed issuer that is engaged in the business of mineral exploration, development or production if such listed issuer has failed to comply with TSX’s “Disclosure Standards for Companies Engaged in Mineral Exploration, Development & Production” (see Appendix B).

Payment of Fees or Charges

Sec. 715. TSX may suspend from trading and delist the securities of a listed issuer that fails or refuses to pay, when due, any fee or charge payable by the company pursuant to Exchange requirements.

Management

Sec. 716. TSX requires that each listed issuer must meet on an ongoing basis the management requirements relevant to its category of listing that are described in Section 311 (for Industrial Issuers), Section 316 (for Mining Issuers) and Section 321 (for Oil & Gas Issuers). TSX may delist the securities of a listed issuer that has failed to meet such management requirements.

Upon receipt of a Form 3 (see Section 424) from a listed issuer, or upon notice of a new insider of a listed issuer, TSX will conduct a review of the new director, officer, trustee or insider with a view to determining the suitability of such individual or entity as an insider of the listed issuer. Upon the request of TSX, listed issuers will submit a Personal Information Form (Form 4 – Appendix H) for any person so requested. TSX may delist the securities of a listed issuer in the event TSX determines that such individual or entity is not suitable as an insider of the listed issuer.

(5) Change In Business

Sec. 717. Where a listed issuer substantially discontinues its business (for example, through the sale of all or substantially all of its assets in one or more transactions) or materially changes the nature of its business (for example, through the acquisition of an interest in another business which represents the majority of the market value of the listed issuer’s assets or which becomes the principal operating enterprise of the listed issuer), TSX will normally require that the listed issuer meet original listing requirements. Failure of the listed issuer to meet these requirements may result in the delisting of its securities.

E. REINSTATEMENT OF LISTING

Sec. 718. A listed Issuer whose securities are delisted must remedy all of the conditions which resulted in the delisting, and must meet TSX’s requirements for original listing in order to qualify for reinstatement or be reconsidered for listing. The listed issuer must submit a complete listing application.
with the required supporting documentation and TSX will consider each application individually on the basis of all relevant facts and circumstances.

F. REVIEW OF DELISTING DECISIONS

Sec. 719. Decisions in respect of the application of this Part VII are made by members of the Listings Committee after providing the listed issuer an opportunity to be heard. If a listed issuer wishes to contest a decision made under Part VII, the listed issuer may request that the matter be heard by the committee having made the original decision, with the additional participation of the Senior Vice President, TSX, and/or his/her designate. If after being heard, the listed issuer remains dissatisfied with the decision, the listed issuer may appeal the decision to a three-person panel of TSX’s Board.

A listed issuer may request that the OSC review the Board’s decision provided that the provisions of section 21 of the OSA (or any replacement legislation) apply.

G. VOLUNTARY DELISTING

Sec. 720. A listed issuer wishing to have all its listed securities, or any class of its securities, delisted from TSX must apply formally to TSX to do so. The application should take the form of a letter addressed to TSX. The letter should outline the reasons for the request and be accompanied by a certified copy of a resolution of the listed issuer’s board of directors (or other similarly situated body) authorizing the request.

H. EFFECT OF AMENDMENTS ON EXISTING REVIEWS AND SUSPENSIONS

Sec. 721. These amendments will be effective on and after the effective date (as defined in Section 641).

The following will be unaffected by these amendments:

1. Any listed issuer under suspension or delisting review on the effective date; and

2. Any listed issuer under suspension from trading on the effective date.
PART VIII
FEES PAYABLE BY LISTED COMPANIES

Sec. 801. All references to fees throughout the TSX Company Manual shall refer to the fees in the Listing Fee Schedule, as published by TSX from time to time.

Sec. 802-816. (Repealed.)
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PART IX
DEALING WITH THE NEWS MEDIA

A. GENERAL

Sec. 901. Listed companies are frequently called upon to deal with the media in matters relating to
day-to-day company developments. Generally, if given all available information, news writers will
reciprocate with a straightforward reporting of the company’s business. Successful companies recognize
that the media provide an effective extension of their lines of communication.

Sec. 902. Many listed companies have well-organized public relations departments which effectively
carry out standard company disclosure policies. While the following comments may be of interest to such
companies, they will be more pertinent to companies which, because they have no such permanent staff
are relatively unfamiliar with such matters. This is particularly true of newly listed companies. They may
find that for the first time, as a result of the public attention which their listing now commands, they
receive many more enquiries from the media.

Sec. 903. The media have demonstrated a growing awareness of the business world and have taken
an increased interest in reporting on this area. It can be expected that this trend will continue. A number
of Canadian daily newspapers carry company news in separate business sections. Such business
sections are very significant factors in providing continuous, sound and prompt reporting of events
affecting the equity markets.

Sec. 904. The broadened national coverage of financial news by the media in Canada reflects an
increased public demand for financial and business information. A contributing factor to this increased
public interest is a growing public participation in the equity markets, a trend which is fostered by the
year-to-year growth in Canada’s population.

Sec. 905. Wider coverage of financial news is made possible in part as a result of disclosure
requirements now imposed on companies by stock exchanges and governments. Moreover, companies
are voluntarily making such information available, because it is recognized that, in the long run, this
practice is in the best interests of the company and its security holders.

B. NOTIFYING THE FINANCIAL MEDIA

Sec. 906. Regardless of when an announcement involving material information is released, Market
Surveillance must be advised of its content and supplied with a copy in advance of its release. Market
Surveillance must also be advised of the proposed method of dissemination. Market Surveillance must be
advised by telephone in advance if an announcement is ready to be made during trading hours, and
submission of a written copy of the release must follow. Where an announcement is to be released after
the Exchange has closed, Market Surveillance should be advised before trading opens on the next
trading day. Copies may be faxed or hand delivered to Market Surveillance, 145 King Street West, Suite
900, Toronto, Ontario, M5H 1J8.

Sec. 907. The Exchange’s timely disclosure policy (Sections 406 to 423.4) makes it desirable that an
officer of a company, in handling news arising from important decisions by the board of directors, leave
the board meeting and contact Market Surveillance by telephone in order that the Exchange may
determine whether a halt in trading is necessary prior to public release of the information. The news
should then be reported to the financial media by a TSX recognized full text news service. To release
information after the adjournment of the meeting may not prove to be the most satisfactory procedure.

If possible, it is preferable to schedule meetings of boards of directors after the Exchange has closed
for the day, so that disclosure can be made when the market is closed. This allows for more complete
dissemination of the news, provides a greater opportunity for the investment community and the public to...
assess the significance of the news and minimizes the risk of misinterpretation of media coverage of the news before trading of the company’s securities resumes in the market.

Sec. 908. An immediate statement containing the major points is the first objective. Additional details can follow in a news release. When several significant actions are resolved at one meeting, they should all be given immediate release, so that the total implications may be judged by the public.

Under the Exchange’s timely disclosure policy, further developments must be reported just as promptly as the original notice. Since many developments are disclosed at the proposal stage, further announcements are required when the decision is made to proceed with the development. Updates are required at least every 30 days or at a date designated for an update in the initial announcement.

Sec. 909. In addition to the requirements of the Exchange, companies should be familiar with applicable securities law relating to timely disclosure. See, for example, sections 75 and 76 of the Securities Act of Ontario.

News Services and Publications

Sec. 910. As a matter of routine procedure, all information of importance should be released as quickly as circumstances permit, and to as broad an audience as possible. After notification to Market Surveillance, a news release must be transmitted to the media by the quickest possible method, and by one that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, the Exchange’s timely disclosure policy requires that a wire service (or combination of services) be used which provides national and simultaneous coverage of the full text of the release to the national financial press and daily newspapers that provide regular coverage of financial news, to all Participating Organizations and to all relevant regulatory bodies. If the officials of a listed company have any questions about the acceptability of a particular means of dissemination, they should contact Market Surveillance. A list of key segments of the news media is set out below.

<table>
<thead>
<tr>
<th>News Services and Publications</th>
<th>PHONE</th>
<th>FAX</th>
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</thead>
<tbody>
<tr>
<td>A) Paid Distribution News Services (providing full text coverage)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada NewsWire</td>
<td>(416) 863-9350</td>
<td>(416) 863-9429</td>
</tr>
<tr>
<td></td>
<td>(514) 878-2520</td>
<td>(514) 878-9985</td>
</tr>
<tr>
<td>CCN Matthews</td>
<td>(416) 362-0885</td>
<td>(416) 362-9693</td>
</tr>
<tr>
<td></td>
<td>(514) 861-7801</td>
<td>(514) 861-7738</td>
</tr>
<tr>
<td>Infolink</td>
<td>(416) 504-8805</td>
<td>(416) 504-8313</td>
</tr>
<tr>
<td>Market Wire, Incorporated</td>
<td>(800) 774-9473</td>
<td>(310) 846-3700</td>
</tr>
<tr>
<td>Filing Services Canada Inc.</td>
<td>(403) 717-3898</td>
<td>(403) 717-3896</td>
</tr>
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</table>

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<tr>
<th>B) Financial News Services</th>
<th>PHONE</th>
<th>FAX</th>
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<tbody>
<tr>
<td>Dow Jones (Toronto)</td>
<td>(416) 943-7500</td>
<td>(416) 365-1459</td>
</tr>
<tr>
<td>Dow Jones (Montréal)</td>
<td>(514) 875-2570</td>
<td>(514) 875-0650</td>
</tr>
<tr>
<td>Reuters (Toronto)</td>
<td>(416) 941-8100</td>
<td>(416) 869-3436</td>
</tr>
<tr>
<td>Reuters (Montréal)</td>
<td>(514) 985-2434</td>
<td>(514) 287-0815</td>
</tr>
<tr>
<td>Bloomberg News</td>
<td>(416) 364-7300</td>
<td>(416) 364-8331</td>
</tr>
<tr>
<td>Canadian Press (Toronto)</td>
<td>(416) 364-0321</td>
<td>(416) 364-0207</td>
</tr>
<tr>
<td>Canadian Press (Montréal)</td>
<td>(514) 849-6154</td>
<td>(514) 282-6915</td>
</tr>
</tbody>
</table>

These news ticker services transmit information to the financial community in Canada, the United States and other countries.

Part IX – Dealing with the News Media (as at December 15, 2005)  © 2006, TSX Group Inc.
C) Some Prominent Canadian Publications Providing National News Coverage

1. The Globe and Mail
2. The National Post
3. The Toronto Star
4. The Vancouver Sun
5. The Montréal Gazette
6. La Presse
7. Les Affaires
8. Calgary Herald
9. Edmonton Journal
10. Northern Miner
11. The Halifax Chronicle Herald
12. The Winnipeg Free Press
13. The Leader-Post (Regina)
14. The London Free Press

Sec. 911. A telephone call to the major dailies regarding a news release will ensure that if there is sufficient time remaining before the next edition, these papers will have an opportunity to report on the items covered by the news release.

A telephone call to the weekly financial publications regarding news releases is a sound practice. It may be that the publication date of one or more of these publications is close to the release time of a press statement. A telephone call may make the difference as to whether coverage is immediately achieved in these publications. Coverage of a news item in the weekly financial press may be somewhat reduced if a full week elapses before a news item can be reported.

Sec. 912. Many companies notify additional news media — local newspapers, radio, television and foreign publications. The Exchange encourages this practice, provided that the main news services and key Canadian newspapers are given immediate attention.

Rules of Thumb for Release of Information

Sec. 913. All material company developments must be classified as subject to immediate release. This helps to eliminate any tardiness in bringing events out into the open where the public can assess them. Moreover, it avoids releases with fixed release times. It is the policy of some newspapers not to observe such restrictions.

Sec. 914. Bad news must be disclosed just as promptly and fully as good news. Unwillingness to release a negative story, a disguising of unfavourable news, or a partial release can endanger a company’s reputation. Such actions may encourage the public to view all company announcements with distrust. News releases should be explicit, and should accurately reflect corporate news.

C. DEALING WITH ENQUIRIES FROM PRESS AND PUBLIC

Sec. 915. Regarding specific requests for information, not only from the press but also from security analysts, security holders, and others who have a legitimate interest in a company’s business, the Exchange recommends that a listed company maintain a policy of full co-operation, even though it may seem burdensome at times.

Such a policy builds up goodwill, and thus contributes to a positive attitude towards a company.
Sec. 916. The Exchange recommends that:

(a) a company not give to one inquirer facts which it would not give to another; this can result in 
    had publicity and lasting resentment;

(b) a company not give out facts to market analysts or individuals which it would not willingly give 
    to the press, or make public; and

(c) one or more key executives be delegated to speak for the company in all matters relating to 
    the public interest; this practice helps to ensure that all disclosure is consistent and is 
    handled capably; should the person normally giving out company information go on vacation 
    or on a business trip, prior arrangements should be made for another qualified officer to 
    assume his or her responsibilities.
SPECIAL PROVISIONS RESPECTING CONFLICT OF INTEREST AND COMPETITORS OF TSX GROUP INC.

General

The Toronto Stock Exchange is operated by TSX Inc. TSX Inc. is recognized as a stock exchange by the Ontario Securities Commission ("OSC") under a recognition order which contains certain terms and conditions. In conjunction with the listing of TSX Group Inc. (TSX Group"), the parent company of TSX Inc. on the Toronto Stock Exchange, the OSC amended the terms and conditions applicable to TSX Inc. to detail certain special listing related conditions to ensure TSX Inc. follows appropriate standards and procedures with respect to the initial and continued listing of TSX Group and Competitors of TSX Group (as defined below). These procedures require TSX Inc. to provide the following disclosure in the Toronto Stock Exchange Company Manual.

Definition of Competitor

For the purposes of these special provisions, Competitor means any person, the consolidated business and operations or the disclosed business plans of which are in competition, to a significant extent, with the listing functions, trading functions, market data services or other material line of business of TSX Group or its affiliates.

Conflicts Committee

TSX Inc. has established a Conflicts Committee to review any matters brought before it regarding a Conflict of Interest. "Conflict of Interest" is defined as a conflict of interest or potential conflict of interest relating to the continued listing on TSX Inc. of TSX Group or the initial listing or continued listing of Competitors.

Referrals to Director of the OSC

Where a Competitor certifies to TSX Inc. that information required to be disclosed to the Conflicts Committee or TSX Inc. in connection with an initial listing or continued listing matter of the Competitor is competitively sensitive and the disclosure of that information would in its reasonable view put it at a competitive disadvantage with respect to TSX Group, TSX Inc. will refer the matter to the Director of the OSC requesting that the Director review issues relating to the competitively sensitive information. The Conflicts Committee will consider all other aspects of the matter in accordance with the listing-related procedures.

In addition, at any time that a Competitor believes it is not being treated fairly by TSX Inc. as a result of TSX Inc. being in a Conflict of Interest position, TSX Inc. will refer the matter to the Director of the OSC.

Finally, the OSC has the jurisdiction under the Securities Act (Ontario) to intervene at any time to ensure that Competitors are treated fairly in respect of listing and continued listing matters.

Waiver by Competitor

In any initial listing or continued listing matter of a Competitor, the Competitor may waive the application of the procedures set out in these special provisions by providing a written waiver to TSX Inc. and the Director of the OSC. Where a waiver is provided, TSX Inc. will deal with the initial listing or continued listing matter in the ordinary course as if no Conflict of Interest exists.
Listing Related Procedures

A complete copy of the listing related procedures is attached and can also be found in the September 13, 2002 edition of the Ontario Securities Commission Bulletin, (2002) 25 OSCB 6141.
APPENDIX I
LISTING-RELATED CONDITIONS

1. UNDERLYING PRINCIPLES

1.1. TSX carries on the business of the Toronto Stock Exchange.

1.2. TSX Group proposes to become a listed company on TSX, which will be wholly-owned by TSX Group.

1.3. TSX will report to the Director (the “Director”) of the Ontario Securities Commission (“OSC”) or other members of the staff of the OSC certain matters provided for in this Appendix I (the “Listing Related Procedures”) with respect to TSX Group or certain other TSX-listed issuers that raise issues of conflict of interest or potential conflict of interest for TSX.

1.4. The purpose of this reporting process is to ensure that TSX follows appropriate standards and procedures with respect to the initial and continued listing of TSX Group and Competitors, to ensure that TSX Group is dealt with appropriately in relation to, and Competitors are treated fairly and not disadvantaged by, TSX Group’s listing on TSX. For purposes of these Listing-Related Procedures, “Competitor” means any person, the consolidated business and operations or the disclosed business plans of which are in competition, to a significant extent, with the listing functions, trading functions, market data services or other material line of business of TSX Group or its affiliates.

2. INITIAL LISTING ARRANGEMENTS

2.1. TSX will review, in accordance with its procedures, the TSX Group initial listing application. A copy of the application will be provided by TSX to the OSC’s Director, Corporate Finance at the same time that the application is filed with TSX.

2.2. Upon completing its review of the application and after allowing TSX Group to address any deficiencies noted by TSX, TSX will provide a summary report to the OSC’s Director, Corporate Finance, with its recommendation for listing approval, if made. The summary report will provide details of any aspects of the application that were atypical as well as any issues raised in the process that required the exercise of discretion by TSX. Any related staff memoranda, analysis, recommendations and decisions not included in the summary report will be attached for review by the OSC’s Director, Corporate Finance. A copy of TSX’s current listing manual will also be provided to the OSC’s Director, Corporate Finance.

2.3. The OSC’s Director, Corporate Finance will have the right to approve or disapprove the listing of the TSX Group shares. In the event of disapproval, TSX Group will have the opportunity to address the concerns of the OSC’s Director, Corporate Finance and may resubmit an amended application for listing, or amended parts thereof to TSX, which will provide a revised summary report and any new materials to the OSC’s Director, Corporate Finance in accordance with section 2.2, along with a copy of the amended application.

3. CONFLICTS COMMITTEE

3.1. TSX will establish a committee (the “Conflicts Committee”) that will review any matters brought before it regarding a conflict of interest or potential conflict of interest relating to the continued listing on TSX of TSX Group or the initial listing or continued listing of Competitors (each, a “Conflict of Interest”). Without limiting the generality of the above sentence, continued listing matters include the following;
(a) matters relating to the continued listing of TSX Group or a Competitor or of a listing of a
different class or series of securities of TSX Group or a Competitor than a class or series
already listed;

(b) any exemptive relief applications of or approvals applied for by, TSX Group or a Competitor;

(c) any other requests made by TSX Group or a Competitor that require discretionary
involvement by TSX; and

(d) any listings matter related to a TSX-listed issuer or listing applicant that asserts that it is a
Competitor.

3.2. Notwithstanding section 3.1, where a Competitor certifies to TSX that information required to be
disclosed to the Conflicts Committee or TSX in connection with an initial listing or continued listing
matter of the Competitor is competitively sensitive and the disclosure of that information would in
its reasonable view put it at a competitive disadvantage with respect to TSX Group, TSX will refer
the matter to the Director, requesting that the Director review issues relating to the competitively
sensitive information. The Conflicts Committee shall consider all other aspects of the matter in
accordance with the procedures set out in section 3.8. In addition, at any time that a Competitor
believes that it is not being treated fairly by TSX as a result of TSX being in a conflict of interest
position, TSX will refer the matter to the Director.

3.3. In any initial listing or continued listing matter of a Competitor, the Competitor may waive the
application of these Listing-Related Procedures by providing a written waiver to TSX and the
Director. Where a waiver is provided, TSX will deal with the initial listing or continued listing
matter in the ordinary course as if no Conflict of Interest exists.

3.4. The Conflicts Committee will be composed of the Chief Executive Officer of TSX, the general
counsel of TSX (the “Committee Secretary”), the senior officer responsible for listings of each of
TSX and TSX Venture Exchange Inc., the senior officer responsible for trading operations of TSX,
a senior management representative of Market Regulation Services Inc. and two other persons
who shall be independent of TSX (as independent defined in paragraph I (a) of Schedule “A” of
the terms and conditions of the recognition order). At least one such independent member must
participate in meetings of the Conflicts Committee, in order for there to be a quorum.

3.5. TSX shall use its best efforts to instruct senior management and relevant staff at TSX, and
relevant senior management and staff at RS, in order that they are alerted to, and are able to
identify, Conflicts of Interest which may exist or arise in the course of the performance of their
functions. Without limiting the generality of the foregoing:

3.5.1 TSX shall provide instruction that any matter concerning TSX Group that is brought to the
attention of staff at TSX must be immediately brought to the attention of the Committee
Secretary.

3.5.2 TSX shall maintain a list in an electronic format, to be updated regularly and in any event
at least monthly and reviewed and approved by the Conflicts Committee at least monthly,
of all Competitors that are TSX-listed issuers, and shall promptly after the above-noted
approval by the Conflicts Committee provide the current list to managers at TSX and RS
who supervise departments that (i) review continuous disclosure; (ii) review
requests/applications for exemptive relief; (iii) perform timely disclosure and monitoring
functions relating to TSX-listed issuers; and (iv) otherwise perform tasks and/or make
decisions of a discretionary nature. In maintaining this list, TSX shall ensure that senior
executives in the issuer services division of TSX regularly prepare and review and update
the list and provide it promptly to the Conflicts Committee.
3.5.3 TSX shall provide instruction to staff at TSX that any initial listing or continued listing matter or a complaint of a Competitor or of any TSX-listed issuer or listing applicant that asserts that it is a Competitor must be immediately brought to the attention of the Committee Secretary.

3.5.4 TSX shall provide to staff who review initial listing applications and to senior executives in the issuer services division of TSX a summary of the types of businesses undertaken to a significant degree by TSX Group or its affiliates and shall update the list as these businesses change, in order that initial listings staff and senior executives in the issuer services division of TSX may recognize a Competitor.

3.6. The Committee Secretary shall convene a meeting of the Conflicts Committee to be held no later than one business day after a Conflict of Interest has been brought to his or her attention. The Committee Secretary or any member of the Conflicts Committee may also convene a meeting of the Conflicts Committee whenever he or she sees fit, in order to address any conflict issues that may not be related to any one specific matter or issuer.

3.7. TSX shall, at the time a Conflicts Committee meeting is called in response to a Conflict of Interest, immediately notify the OSC's Manager of Market Regulation that it has received notice of a Conflict of Interest and shall provide with such notice: (i) a written summary of the relevant facts; and (ii) an indication of the required timing for dealing with the matter.

3.8. The Conflicts Committee will consider the facts and form an initial determination with respect to the matter. The Conflicts Committee will then proceed as follows depending on the circumstances:

3.8.1 If the Conflicts Committee determines that a conflict of interest relating to the continued listing on TSX of TSX Group or the initial or continued listing of a Competitor on TSX does not exist and is unlikely to arise, it will notify the OSC's Manager of Market Regulation of this determination. If the OSC's Manager of Market Regulation approves such determination, TSX will deal with the matter in its usual course. When it has dealt with the matter, a brief written record of such determination with details of the analysis undertaken, and the manner in which the matter was disposed of will be made by TSX and provided to the OSC's Manager of Market Regulation. If the OSC's Manager of Market Regulation does not approve the determination and provides notice of such non-approval to TSX, TSX will follow the procedures set out in section 3.8.2.

3.8.2 If the Conflicts Committee determines that a conflict of interest relating to the continued listing on TSX of TSX Group or the initial or continued listing of a Competitor on TSX does exist or is likely to arise or if TSX is provided non-approval notice from the OSC's Manager of Market Regulation under section 3.8.1, TSX shall: (i) formulate a written recommendation of how to deal with the matter: and (ii) provide its recommendation to the OSC's Manager of Market Regulation for his or her approval, together with a summary of the issues raised and details of any analysis undertaken. If the OSC's Manager of Market Regulation approves the recommendation, TSX will take steps to implement the terms of its recommendation.

3.9. Where the OSC's Manager of Market Regulation has considered the circumstances of an issue based on the information provided to him or her by the Conflicts Committee under section 3.8.2, and has determined that be or she does not agree with TSX's recommendation (i) and has requested that TSX reformulate its recommendation, TSX shall do so; or (ii) the OSC's Manager of Market Regulation may direct TSX to take such other action as be or she considers appropriate in the circumstances.
3.10. Where the OSC’s Manager of Market Regulation or the Director is requested to review a matter pursuant to section 3.9 or 3.2, respectively, TSX shall provide to the OSC’s Manager of Market Regulation or the Director any relevant information in its possession and, if requested by the OSC’s Manager of Market Regulation or the Director, any other information in its possession, in order for the OSC’s Manager of Market Regulation or the Director to review or, if appropriate, make a determination regarding the matter, including any notes, reports or information of TSX regarding the issue, any materials filed by the issuer or issuers involved, any precedent materials of TSX, and any internal guidelines of TSX. TSX shall provide its services to assist the matter, if so requested by the OSC’s Manager of Market Regulation or by the Director.

3.11. TSX will provide to the OSC’s Manager of Continuous Disclosure a copy of TSX Group’s annual questionnaire and any other TSX Group disclosure documents that are filed with TSX but not with the OSC’s Continuous Disclosure department. TSX will conduct its usual review process in connection with TSX Group’s annual questionnaire and all prescribed periodic filings of TSX Group. Any deficiencies or irregularities in TSX Group’s annual questionnaire or other TSX-issuer prescribed filings will be communicated to the OSC’s Manager of Continuous Disclosure and brought to the attention of the Conflicts Committee which shall follow the procedures outlined in this section 3.

4. TIMELY DISCLOSURE AND MONITORING OF TRADING

4.1. TSX shall use its best efforts to ensure that RS at all times is provided with the current list of the TSX-listed issuers that are Competitors.

5. MISCELLANEOUS

5.1. Information provided by a Competitor in connection with an initial listing or continued listing matter to the Conflicts Committee will not be used by TSX for any purpose other than addressing Conflicts of Interest. TSX will not disclose any confidential information obtained under these Listing-Related Procedures to a third party other than the OSC unless:

(a) prior written consent of the other parties is obtained;

(b) it is required or authorized by law to disclose the information; or

(c) the information has come into the public domain otherwise than as a result of its breach of this clause.

5.2. TSX will provide disclosure on its website and in the TSX Company Manual to the effect that an issuer can assert that it is a Competitor and will outline the procedures for making such an assertion, including appeal procedures.
LISTING APPLICATION INSTRUCTIONS

Toronto Stock Exchange, a division of TSX Inc. ("TSX") has established separate requirements for three categories of issuers: industrial (general), mining, and oil and gas. Every issuer applying to list can use this application.

Please prepare the application using the format set out. Questions should not be omitted or left unanswered; nor should the sequence be altered. Questions may be answered by reference to a supporting document with the prior approval of TSX.

When the listing application is being submitted at the same time as securities are being qualified for distribution by a prospectus, the Applicant may use the preliminary prospectus as the disclosure document to obtain conditional approval. TSX will require 35 copies of the preliminary prospectus. As part of the final listing materials, the Applicant must, however, submit an executed listing application. This listing application may be completed by reference to the final prospectus, which must be attached to, and form part of this listing application.

As part of the listing materials, please complete the attached “Checklist of Documents to be Filed” (the "Checklist"). This checklist should be signed by an officer of the Applicant to certify that all required materials have been provided. Companies that are applying from TSX Venture Exchange, a division of TSX Venture Exchange Inc. may be exempt from filing certain documents, as detailed in the Checklist.

This application form is available on the Web at www.tsx.com For more information on the completion of the listing application, the listing criteria, or the listing process, please call (416) 947-4533, or email listedissuers@tsx.com.
LISTING APPLICATION COVER PAGE

Provide a cover page

Logo of Applicant

Name of Applicant
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1.0 GENERAL INFORMATION

1.1 Legal Name of Applicant

1.2 Head Office Address

   Include telephone number, toll free number, facsimile number, email address, and Web site address, if applicable. *(If the head office address differs from the principal office address, provide both addresses).*

1.3 Class(es) of Securities to be Listed

1.4 CUSIP Number(s)

1.5 North American Industrial Classification System (NAICS) Code

   Provide NAICS codes for the major sectors in which the Applicant operates. Statistics Canada provides a list of NAICS codes in catalogue 12-501-XCB (CD-Rom) or 12-501-XPE (paper), or free on their Web site. For more information, call Statistics Canada at 416.973.6586 or 800.263.1136 or visit http://www.statcan.ca/english/Subjects/Standard/manuals.htm.

1.6 Current Markets for all Securities of Applicant

   Include those markets where listing is applied for concurrently and those where securities have previously been listed and/or quoted.

<table>
<thead>
<tr>
<th>Class of Security</th>
<th>Name of Market</th>
<th>Trading Symbol</th>
<th>Date of Listing</th>
</tr>
</thead>
</table>

1.7 Jurisdictions in which the Applicant is a Reporting Issuer

   i.e. required to file financial statements and other continuous disclosure documents.

1.8 History

   Provide a brief chronological history of the Applicant from its incorporation or organization to the date of this application. Include details of the legal instruments and jurisdictions of incorporation or organization, name changes, and changes in authorized capitalization and dates of these events.

1.9 Legal Counsel to the Applicant

1.10 Auditors of the Applicant
2.0 INFORMATION ABOUT BUSINESS

2.1 Description of Business

The TSX expects the business description to contain disclosure similar to that required for a prospectus.

Briefly describe the business engaged in by the Applicant and its subsidiaries and the general development of the business during the last five years. Include information about:

- Products and services provided
- Competitors, suppliers and customers and reliance upon such
- Strategic plans
- Industry as a whole, its growth forecast and the Applicant’s position within the industry
- Material changes which have occurred in the past two years, including acquisitions, reorganizations or dispositions of assets, and the impact of these changes on the Operating results and financial position
- Risk factors and uncertainties which the Applicant faces.

Provide management’s discussion and analysis (MD&A) of the financial condition, changes in financial condition, results of operations for the last two complete fiscal years and the most recent interim period, and the liquidity and capital resources of the company.

MD&A should explain in narrative the current financial situation of the Applicant as well as known material trends, commitments, risks and uncertainties. Discussion of liquidity and capital resources should focus on the ability of the Applicant to meet its cash requirements both in the short term and long term.

2.2 Date of First Public Distribution

Date of first public distribution of Applicant’s securities that are to be listed.

2.3 Fiscal Year-end

2.4 Date of Most Recent Annual Meeting

2.5 Date and Type of Most Recent Financial Report to Securityholders

2.6 Dividends and other Distributions

For all classes of securities, provide the following information for any dividend or other distribution during the last five years.

Adjust for any changes in capitalization (i.e. stock splits or consolidations) during the period.

<table>
<thead>
<tr>
<th>Class of Security</th>
<th>Date of Distribution</th>
<th>Payment per Security</th>
<th>Total Cash Payment</th>
<th>Total Non-Cash Payment</th>
</tr>
</thead>
</table>

2.7 Current Policy on Paying Dividends or Distributions

2.8 Officers and Directors
List each officer and director. For each individual, provide the following information:

- Name
- Municipality of home address
- Position with Applicant
- Date of appointment
- Number of each class of Applicant’s securities beneficially owned, directly or indirectly, or controlled.
- Number of securities which would be held, by each class of the Applicant’s securities, on a fully-diluted basis. Provide a breakdown by each type of security currently held which is exercisable/convertible in the class.
- Professional qualifications, designations and memberships in business-related associations
- Experience and technical expertise pertinent to Applicant’s business
- Names of public companies that the individual is, or has been, an officer, director or beneficial owner of securities with more than a 10% voting position during the past five years. State the start date and end date, if applicable.
- Details about principal businesses where the individual has been employed or primarily involved during the last five years. Include name of business, position or title, and term of employment or association.
- Director Classification — independent, insider, nominee of insider (name insider).

2.9 Committees of the Board of Directors

List the committees of the Board of Directors. Describe the mandate of each committee and its composition.

2.10 Investor Relations

Provide the name(s), phone number(s) and email address(es) of the individual(s) serving as the principal contact(s) for investor relations purposes.
3.0 INFORMATION ABOUT SECURITIES

3.1 Securities Issued

Except where indicated otherwise, the following information is dated as at: (day, month, year)

3.1.1 Securities to be Listed

<table>
<thead>
<tr>
<th>Class of Security</th>
<th>Total Number Authorized</th>
<th>Total Number Issued</th>
<th>Total Authorized to be Listed for a Specific Purpose</th>
<th>Total to be Listed</th>
</tr>
</thead>
</table>

3.1.2 Securities not to be Listed

<table>
<thead>
<tr>
<th>Class of Security</th>
<th>Total Number Authorized</th>
<th>Total Number Issued</th>
<th>Total Authorized to be Listed for a Specific Purpose</th>
</tr>
</thead>
</table>

3.1.3 Securities Acquired

If the Applicant has acquired its own securities and the securities have neither been cancelled nor reissued, provide the following details:

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>Class of Security</th>
<th>Number Acquired</th>
<th>Total Purchase Price</th>
<th>Reason for Acquisition</th>
</tr>
</thead>
</table>

3.2 Securities Provisions

For all classes of securities, including those to be listed and others — except for common shares if Applicant has only one authorized class of common shares — describe any rights, preferences, and conversion or other privileges and priorities.

If there have ever been changes to the authorized capitalization, give details, including dates.

3.3 Securities Sold for Cash

For each class of security, provide the following information for each security issuance for cash. Show total number of securities and total net proceeds received at the end of the table: (Securities issued more than five years before the date of this application may be added together. Indicate with an asterisk (*) beside the date, those security issuances that cannot be freely traded.)

<table>
<thead>
<tr>
<th>Class of Security</th>
<th>Date</th>
<th>Method of Sale</th>
<th>Price per Security</th>
<th>Number of Securities</th>
<th>Net Amount Received by Applicant</th>
<th>How Proceeds Were Used</th>
<th>Name of the Dealer or Firm which Acted as Agent or</th>
</tr>
</thead>
</table>

1 The number of issued securities for each class of security to be listed should correspond to each of the following: the sum of the number of securities in items 3.3 and 3.4; the total issued capital in 3.7.1; and the total number of securities in 3.7.2.

2 The number of securities should correspond with the number of securities in 3.6.1.
3.4 Securities Issued for Consideration Other Than Cash

For each class of security, provide the following information for all securities issued for non-cash payment. Show total number of securities and the total value of the payment received at the end of the table. (Securities issued more than five years before the date of this application may be added together. Indicate with an asterisk (*) beside the date, the security issuances that cannot be freely traded.)

<table>
<thead>
<tr>
<th>Class of Security:</th>
<th>Date</th>
<th>Price per Security</th>
<th>Number of Securities</th>
<th>Value of Payment</th>
<th>Consideration Received</th>
<th>Recipient of Securities</th>
</tr>
</thead>
</table>

3.5 Payments to Promoters

Provide details of any payment in cash or securities made, or to be made, to a promoter or finder in connection with a financing or property acquisition. For each promoter provide name, municipality of residence and relationship to the Applicant.

3.6 Future Issuances of Securities

3.6.1 Securities authorized for issuance for a specific purpose

For all securities which the Applicant may be required to issue, provide the following information: (The securities must be identified in this section or the TSX will not consider them as authorized for issuance for a specific purpose as at the date of this application.)

<table>
<thead>
<tr>
<th>Class of Security:</th>
<th>Number Authorized</th>
<th>Purpose of Authorization</th>
<th>Description of Terms and Conditions</th>
</tr>
</thead>
</table>

Include dates of agreements or option grants, exercise or conversion prices, market price of security on date of grant and expiry dates. State if, as a result of exercise or conversion, a person or company would acquire a voting position in the Applicant of greater than 10%.

3.6.2 Description of Share Compensation Arrangements

Summarize all share compensation arrangements which the Applicant has in place, including stock option plans, employee stock purchase plans and stock appreciation rights, performance plans where securities are issued or securities are issued in lieu of cash. For each type of plan, describe the major provisions including:

- Eligible participants and relationship with the Applicant

---

3 For example, include total number of shares which can be issued pursuant to outstanding warrants, convertible debentures, stock option plans, share purchase plans, conversion of another share class.

4 List the total number of options outstanding by grant date and exercise price. Do not list each grant individually. Details about individual grants should be included in the documents to be filed (see “Checklist of Documents to Be Filed” – Item 6.)
3.6.3 Potential Issuances of Securities

If any security issuances are contemplated, provide details.

3.7 Distribution of Securities

3.7.1 Issued Capital

Complete for each class of security to be listed.

<table>
<thead>
<tr>
<th>Class of Securities:</th>
<th>Number of Securities</th>
<th>Percentage of Invested Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freely Tradable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held by public securityholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held by officers or directors of the Applicant, or by persons or companies who beneficially own or control, directly or indirectly, more than a 10% voting position in the Applicant.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Freely Tradable (A)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Freely Tradable (e.g. escrowed or pooled securities)(^5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held by public securityholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held by officers or directors of the Applicant, or by persons or companies who beneficially own or control, directly or indirectly, more than a 10% voting position in the Applicant.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Not Freely Tradable (B)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Issued Capital (A+B)(^6)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^5\) The number of securities not freely tradable equals the total number of securities subject to escrow, pooling arrangements or other hold periods as of the date of this application as listed in Item 3.10.

\(^6\) This number should agree with the figure reported in Section 3.1.1 and the Applicant’s registered shareholders list.
### 3.7.2 Registered Securityholders

This information should be based on the securityholders’ register.

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<thead>
<tr>
<th>Class of Security</th>
<th>Number of Holders</th>
<th>Total Number of Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of Holding</td>
<td></td>
<td></td>
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<tr>
<td>1 – 99 Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100 – 499 Securities</td>
<td></td>
<td></td>
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<tr>
<td>500 – 999 Securities</td>
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<td></td>
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<tr>
<td>1,000 – 1,999 Securities</td>
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<td></td>
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<tr>
<td>2,000 – 2,999 Securities</td>
<td></td>
<td></td>
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<tr>
<td>3,000 – 3,999 Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,000 – 4,999 Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,000 or more Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.7.3 Non-Registered Securityholders

Applicants with less than 300 public registered board lot holders must provide written confirmations from registered holders, or their nominees, verifying that they hold freely tradable securities on behalf of a sufficient number of clients to meet the 300 public board lot holder requirement.

**Size of Board Lot**:  
Name of Registered Holder | Number of separate, beneficial public board lot holders

---

7 A board lot for securities trading between $0.10 and $0.99 per securities is 500 securities. A board lot for securities trading at $1.00 or more is 100 securities.
3.8 Largest Registered Securityholders

For each class of security to be listed, provide the following information for each of the 10 largest registered securityholders:

<table>
<thead>
<tr>
<th>Class of Security:</th>
<th>Beneficial Owner(s) (if not known, state here)</th>
<th>Number of Securities Held in Escrow</th>
<th>Total Number of Securities Held</th>
<th>Percentage of Issued Securities in this Class</th>
</tr>
</thead>
</table>

3.9 Significant Beneficial Securityholders

For each person, company or other entity owning or controlling, directly or indirectly, securities carrying more than 10% of the votes attached to all outstanding voting securities of the Applicant or those which would acquire a voting position of greater than 10% as a result of exercising or converting securities listed in 3.6.1, provide the following information.

Where the securityholder is a company, limited partnership, bust or other entity, append a list of the officers and directors, and parties with director indirect voting control of that entity.

<table>
<thead>
<tr>
<th>Class of Security:</th>
<th>Beneficial Owner and Address</th>
<th>Nominee Account (If applicable)</th>
<th>Number of Securities</th>
<th>Percentage of Issued Securities of this Class</th>
</tr>
</thead>
</table>

3.10 Securities not Freely Tradable

Provide the following information for all securities to be listed that are pooled, held in escrow, non-transferable at the time of listing (e.g., subject to a hold period), or held under a voting trust agreement, syndicate agreement or similar agreement:

- Date of agreement
- Nature of agreement
- Number of securities originally covered by the agreement
- Name and address of institution holding the securities
- Terms and conditions of release
- Number of securities subject to the agreement or hold period as of the date of this application
3.11 Securityholders with a 10% Interest in Pooled or Escrowed Securities

Provide the following information for those securityholders who beneficially own or exercise control or direction over, directly or indirectly, more than a 10% interest in pooled or escrowed securities.

If the securities are registered in the names of nominees or in street names, list those people who have more than a 10% beneficial ownership in those securities.

<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Beneficial Ownership (if you do not know the beneficial ownership, state here)</th>
<th>Number of Securities Held in Escrow</th>
<th>Percentage of Securities Held in Escrow</th>
</tr>
</thead>
</table>

4.0 HOLDINGS AND ACTIVITIES

4.1 Subsidiaries

For each direct or indirect subsidiary of the Applicant, provide the following information:

<table>
<thead>
<tr>
<th>Name and Head Office Address</th>
<th>Jurisdiction of Incorporation or Organization</th>
<th>Percentage Owned</th>
<th>Nature of Business</th>
<th>If Publicly Traded, List the Market(s) Where Traded</th>
</tr>
</thead>
</table>

4.2 Investments in Securities of Other Companies

For any securities of other companies that the Applicant holds, excluding subsidiaries listed in 4.1, provide the following information:

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Type and Number of Securities</th>
<th>Book Value</th>
<th>Market Value</th>
<th>If Publicly Traded, List the Market(s) Where Traded</th>
</tr>
</thead>
</table>

4.3 Properties

List the principal locations where the Applicant conducts its business and explain how the properties are used (e.g., warehouse, sales office, field office, mine site office, plant site):

<table>
<thead>
<tr>
<th>Municipality of Region</th>
<th>Use of Property</th>
<th>Owned or Leased</th>
</tr>
</thead>
</table>

4.4 Research and development companies

Only complete if qualifying under the Industrial (General) category as an R&D company.

For each product which the Applicant is researching and/or developing, provide the following:

- Description of product and potential applications
- Stage of development
- Plan for development, expected timeframe and milestones
- Process to receive regulatory approval and current status of product in regulatory process
- Prospects for commercialization including potential market for the product, competing products
- Description of intellectual property rights including patents, trademarks and royalties on product
- Description of strategic alliances, joint ventures, licence agreements or marketing arrangements with industry participants
- Other commercial or technical endorsements of the product from recognized institutions or industry participants
Other Information:

- List of members of Applicant’s scientific advisory board and their qualifications
- Description of the Applicant’s facilities including laboratories and production facilities.

### 4.5 Mining and Oil and Gas companies: Properties

#### 4.5.1 All Mineral Properties

For all the mineral properties in which the Applicant holds an interest, provide the following information:

- Geographic location (e.g., 50km north of Val d’Or, Quebec), claim, concession or permit numbers, and state, If they are patented or unpatented and if they are contiguous
- Acreage
- Percentage ownership
- Description of existing and proposed option, joint venture, royalty and other agreements covering the Applicant’s properties, including status of each and potential impact on percentage ownership
- Status of land tenure, including expiry date of claims, licenses and other tenure rights and the terms for maintaining the mineral rights
- Provide any information about legal impediments, including existing or pending challenges to claims
- All environmental legislation to which the property is subject, to the extent known

#### 4.5.2 Significant Mineral Properties

For each significant mineral property in which the Applicant holds an interest, provide the following information in addition to that given under 4.5.1:

- Geological setting, including age and type of rocks, and association with a mining camp
- Main mineral occurrences and commodities
- Description of infrastructure, including all plants and equipment, access, electricity, water, etc.
- All previous and current work\(^8\) on the property by the Applicant including date of work, results and an interpretation of the exploration information
- Names of previous owners and a summary of all work\(^8\) done on the property by previous operators, including results

---

\(^8\) For all work reported, indicate:

a) Drilling method (e.g. diamond drilling, reverse circulation, percussion) and core diameter where applicable;

b) Description of sampling procedures (e.g. sawing, splitting, bulk sampling, sample preparation, type of representative samples and methods of retaining them) and the measures taken to ensure sample security;

c) Names of all assay laboratories used, their accreditations and affiliations; and
• Details on any production to date, by owner and by year

• For producing properties, a summary of operating information for the previous 24 months, including production summaries, sales, costs and current reserves

• Known reserves and resources, including quality, quantity and classification, categorized according to the Canadian securities commissions’ National Instrument 43-101, date of report and technical author. Discuss nature and extent of any metallurgical, environmental, permitting, infrastructure, mining, legal, title, marketing or political, or other issues that might affect the resource or reserve estimates or economic feasibility of the project

• Results of any metallurgical test work conducted

• Any planned exploration or development programs, including proposed schedule, a budget of estimated costs and, if an operating mine, the estimated annual revenues

• Description of any environmental plan, and cost to implement this plan

• List technical reports completed within the last 24 months (prepared by qualified independent mining engineers or geologists) including date, author, investigations undertaken to produce the report, date of any site visit and description of procedures performed. Indicate with an asterisk (*) those reports which were submitted with the application

4.5.3 Oil and Gas Properties and Assets

For oil and gas properties in which the Applicant holds an interest, provide the following information:

• Author, date and title of technical report(s) (prepared by independent registered professional engineer or geologist in accordance with National Instrument 51-101) accompanying the application, including general description of investigations and procedures undertaken to prepare the reports

• A detailed progress report and results of drilling activities since last reporting date

• Gross and net oil, natural gas liquids, natural gas, sulphur and other reserves defined by reserve category, (i.e., “proved developed producing,” “proved developed non-producing,” “proved undeveloped,” and “probable additional,”) and by property

• Value of each reserve category by property using net present value of future cash flows before income taxes, prepared on a constant dollar basis and discounted at 20% (Probable reserves to be risked 50% either by volume or dollar value)

• Describe type of reserve recovery mechanisms for oil (primary, secondary, tertiary, in situ or other) and proved and probable reserve calculation methodology for each reserve category for both oil and gas

• Current and historic gross and net production rates for each reserve category for each of the last five completed financial years and for the current year as at a date not more than four months prior to the date of listing application

d) Description of analytical methods used (e.g. fire assaying, ICP, atomic absorption spectrometry, acid leach) and check assaying procedures in place to verify results.

9 State for significant properties only.
• Number and status of gross and net wells currently owned, by property, and whether producing, non-producing or shut-in

• Number of wells drilled or participated in for each of the last five completed financial years and for the current year as at a date not more than four months prior to the date of the listing application

• Summary of gross and net landholdings by geographic areas

• Planned exploration and development, equipping, and acquisition programs, including estimated costs

• All legal and environmental legislation and actions to which the Applicant’s properties are subject, to the extent known

• Details of acquisitions of properties or assets acquired from or intended to be acquired from an insider or promoter of the Applicant or an affiliate or associate of any insider or promoter.\textsuperscript{10}

• Specifics of existing farm-in/farm-out, option, purchase, joint venture, royalty and other agreements covering the properties or assets, including status and description of each and earned ownership before and after payout.\textsuperscript{11}

\textsuperscript{10} State for significant properties only.

\textsuperscript{11} State for significant properties only.
5.0 TRADING INFORMATION

5.1 Transfer and Registration

5.1.1 Name of Transfer Agent(s) and Registrar(s)

Name of transfer agent(s) and registrar(s) and cities where (i) transfers may be effected and (ii) registration facilities are maintained. One of the cities in each of (i) and (ii) must be Toronto.

5.1.2 Disclose any Transfer Fees Other Than Taxes

5.2 Denial of or unsuccessful application to the TSX or other markets

If the Applicant has ever applied to have its securities traded on the TSX or another market and has been denied, provide name of the market or market(s), date(s) and reason(s) why the application was denied or was unsuccessful.

5.3 Trading history

Provide the following information for the market(s) where the Applicant's securities have traded for each of the past 12 months, starting with the most recent month:

Adjust for any stock splits or consolidations.

<table>
<thead>
<tr>
<th>Name of Market:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Month</td>
<td>High</td>
<td>Low</td>
<td>Close</td>
<td>Volume</td>
<td>Number of Trades</td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>
6.0 LEGAL CONSIDERATIONS

Is the Applicant, any of its properties or holdings subject to any legal or other actions, current or pending, which may materially affect the Applicant’s operating results, financial position or property ownership?

If yes, for each action provide a brief description and attach a legal opinion as to the probable outcome.

7.0 MATERIAL CONTRACTS

Describe all material contracts, including management contracts, entered into by the Applicant that are in effect and not already disclosed in this application. Include dates and parties to the contracts. Do not include information about contracts entered into in the normal course of business.

8.0 OTHER MATERIAL FACTS

Describe in detail any other material facts about the Applicant not already addressed in this application.

9.0 SPONSORSHIP

Provide the firm name and address of the sponsor. The sponsor must review the listing application including all supporting documentation.
10.0 CERTIFICATE OF APPLICANT

After having received approval from its Board of Directors,

Applicant’s Legal Name

applies to list the securities designated in this application on the Toronto Stock Exchange.

ACKNOWLEDGEMENT – PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes the information contained in Sections 2.0 and 3.0 of this Application. The Applicant hereby acknowledges and agrees that it has obtained the express written consent of each individual to (A) the disclosure of Personal Information by Applicant to TSX (as defined in Exhibit 1) pursuant to this Application; and (B) the collection, use and disclosure of Personal Information by TSX for the purposes described on Exhibit 1 to this Application or as otherwise identified by TSX, from time to time.

AUTHORIZATION AND CONSENT:

THE APPLICANT HEREBY AUTHORIZES AND CONSENTS TO THE COLLECTION BY ANY OF TORONTO STOCK EXCHANGE, A DIVISION OF TSX INC., TSX VENTURE EXCHANGE INC. AND THEIR SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS OF ANY INFORMATION WHATSOEVER (WHICH MAY INCLUDE PERSONAL, CREDIT, OR OTHER INFORMATION) FROM ANY SOURCE, INCLUDING WITHOUT LIMITATION FROM AN INVESTIGATIVE AGENCY OR A RETAIL CREDIT AGENCY, AS PERMITTED BY LAW IN ANY JURISDICTION IN CANADA OR ELSEWHERE. THE APPLICANT ACKNOWLEDGES AND AGREES THAT SUCH INFORMATION MAY BE SHARED WITH AND RETAINED BY TORONTO STOCK EXCHANGE, A DIVISION OF TSX INC., TSX VENTURE EXCHANGE INC. AND THEIR SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS INDEFINITELY.

Date

Signature of Authorized Signing Officer
Print Name

Position with Applicant

Signature of Authorized Signing Officer
Print Name

Position with Applicant
EXHIBIT 1: ACKNOWLEDGEMENT - PERSONAL INFORMATION

TSX Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the Toronto Stock Exchange (collectively referred to as “TSX”) collect Personal Information in the Listing Application and in other forms that are submitted by the individual and/or by Applicant and use it for the following purpose:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant.
- to consider the eligibility of the Applicant to list on the Toronto Stock Exchange,
- to detect and prevent fraud,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Toronto Stock Exchange securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, TSX also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information TSX collects may also be disclosed to these agencies and organizations or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above.

TSX may from time to time use third parties to process information and/or provide other administrative services. In this regard TSX may share the information with such third party service providers.
CHECKLIST OF DOCUMENTS TO BE FILED

Name of Applicant

Copies of the following documents must be provided to the TSX in notarial form if the originals are kept outside Canada.

Applicants that are listed on the TSX Venture Exchange will generally be exempted from filing certain documents as noted below. Please see the TSX Venture Endnotes section for complete details.

All Applicants

☐ 1. Two fully executed copies of the listing application. Each copy requires a cover page, and a table of contents. Place the Applicant's logo above the Applicant's name on each cover page.

☐ 2. Listing Agreement

☐ 3. Certified copies of all charter documents, including Articles of Incorporation, Letters Patent, Articles of Amendment, Articles of Continuance, Articles of Amalgamation, or equivalent documents.

☐ 4. One copy of each of the annual reports for the past three years (if they were issued). If the Applicant was formed as a result of an amalgamation, one copy of the annual reports of each of the amalgamating companies for the past three years.

☐ 5. Two copies of the Applicant's most recent audited financial statements, signed by two directors of the Applicant on behalf of the Board.

If the audited financial statements are not for a period that ended within 120 days of the date on which the application is submitted to the TSX in substantially acceptable form, provide unaudited financial statements dated within 90 days of the submission date.

Unaudited financial statements must be accompanied by a comfort letter signed by the auditors of the Applicant that complies with Section 7100 of the CICA (Canadian Institute of Chartered Accountants) Handbook. They must include a balance sheet, income statement, statement of retained earnings or deficit, statement of changes in financial position, and notes. Two directors of the Applicant must sign unaudited financial statements on behalf of the Board.

If the Applicant has recently completed or proposes to complete a transaction or business acquisition such that the transaction would materially affect the financial position or operating results of the company, the company must provide pro forma financial statements that give effect to the transaction. The statements must be accompanied by an auditor's compilation report that follows Section 7100 of the CICA Handbook.

☐ 6. One copy of every stock option or security purchase plan and any other agreement under which securities may be issued. Provide a sample option agreement used for option grants if a plan is in place or all individual option agreements if the Applicant has no plan.

Submit, by optionee, a list of all options outstanding with the name of the option holder, position with the Applicant, date of original grant, expiry date, exercise price and market price at date of grant.

If securityholder approval was required for the plan, include a copy of the approval.
7. A copy of every material contract referred to in the listing application and not included elsewhere in this list of documentation.

8. Copies of any agreements under which securities are held in escrow, pool, or under a similar arrangement.

9. If any securities are held in escrow, pool, or under a similar arrangement, a certificate from the trustee:
   • certifying that the trustee is holding the securities, and
   • providing a list of the registered holders of the securities.

10. A letter from the trust company which acts as transfer agent in the City of Toronto stating that it has been duly appointed as transfer agent for the Applicant and is in a position to make transfers and make prompt delivery of security certificates. The letter must state what fee, if any, is charged for transfers.

11. A letter from the registrar indicating that it is acting as registrar in the City of Toronto.

12. A current list of securityholders, certified by the transfer agent or registrar to be true and correct. Where the Applicant has less than 300 public registered holders holding a board lot of the Applicant’s shares, provide copies of certificates received from registered holders. The certificates must confirm that the registered holders are holding securities as nominees for a sufficient number of clients, each holding a board lot or more, to bring the number of public holders above the minimum required.

13. Evidence of any registration or qualification of the Applicant or its securities with the Ontario Securities Commission or a corresponding body in the jurisdiction where it was incorporated or primarily carries on business. One copy of each prospectus, if it was filed within the previous 24 months, will satisfy this requirement.

14. A communication from legal counsel setting out, in effect, that legal counsel has examined, or is familiar with, the records of the Applicant and is of the opinion that:
   • it is a valid and subsisting company;
   • the securities for which listing is applied have been legally created;
   • all of the securities, which have been allotted and issued as set out in the listing application;

are validly issued as fully paid and non-assessable.

15. A specimen certificate, printed by a bank note company approved by the TSX, imprinted with a CUSIP number, for each class of security to be listed.

16. An unqualified letter from the Canadian Depository for Securities Limited confirming the CUSIP number(s) assigned to the securities.

17. Cheque, payable to the Toronto Stock Exchange, for the amount of the application fee.

18. Personal Information Form (“PIF”), sworn before a Commissioner of Oaths, to be completed by every individual who will at the time of listing:
• be an officer or director of the Applicant; or

• beneficially own or control, directly or indirectly, securities carrying greater than 10 per cent of the voting rights attached to all outstanding voting securities of the Applicant.

Each PIF must be accompanied by an original executed Consent for Disclosure of Criminal Record Information. Other exchanges’ or securities commissions’ PIFs cannot be substituted for the TSX’s form. These forms will not be part of the public file.

☐ 19. Statutory Declarations completed by two officers.

☐ 20. Sponsorship letter signed by a director of a TSX participating organization. (Mandatory unless qualifying as a member senior issuer under Sections 309.1 314.1 or 319.1 of the Company Manual.)

Technology Applicants

☐ 21. Projected sources and uses of funds statement, including detailed assumptions, for a period of 12 months, presented on a quarterly basis, prepared by management and signed by the Chief Financial Officer.

Research and Development Applicants

☐ 22. Projected sources and uses of funds statement for a period of 24 months, presented on a quarterly basis, prepared by management and signed by the Chief Financial Officer.

Mining and Oil and Gas Applicants

☐ 23. Full and up-to-date reports on the significant properties of the Applicant, prepared by a qualified independent mining or petroleum engineer or geologist acceptable to the Exchange. Reports for mining properties must comply with the Canadian securities commissions’ National Instrument 43-101. Reports for oil & gas properties must comply with the Canadian securities commissions’ National Instrument 51-101. Reports prepared in conformity with other reporting systems deemed by the Exchange to be equivalent to National Instrument 43-101 and National Instrument 51-101 will normally be acceptable also. These reports must be accompanied by a certificate from the author which describes the author’s relationship with the Applicant, their experience and qualifications, the date of the most recent property visit (or an explanation of why a property visit was not made), and give the author’s written consent to the use of the reports in support of the listing application. Note that the results and conclusions of these reports should be included in sections 4.5.2 (mining properties) and sections 4.5.3 (oil & gas properties) of the listing application.

☐ 24. A certificate from the author of the reports confirming that he has reviewed the disclosures in the listing application regarding the properties covered by his reports and that he considers the disclosure to be accurate to the best of his knowledge

☐ 25. Projected sources and uses of funds statement for a period of 18 months, presented on a quarterly basis, prepared by management and signed by the Chief Financial Officer.

Mining Applicants Only

Appendix A – Original Listing Application
(as at May 29, 2006)
26. A letter from each assay laboratory used which confirms their accreditations, affiliations and work done for the Applicant.

27. Plans and sections to support reserve/resource estimates and which illustrate continuity of mineralization in three (3) dimensions (comply with National Instrument 43-101).

Additional documentation to be filed if listing the following type of security

Restricted Voting Shares

1. Copy of the take-over protection agreement (“coattail” trust agreement).

Limited Partnership

1. Partnership Agreement.

Trust Units

1. Trust Indenture or Declaration of Trust.

Share Purchase Warrants

(Only listed if, the security which warrant holders are entitled to purchase is listed and the warrants will be issued in fully registered form.)

1. Certified copy of the warrant trust indenture.

2. A letter from the Applicant’s transfer agent or underwriter certifying at a recent date that at least 200 public holders hold at least 100 warrants or more, with a total public float of 200,000 warrants.

3. A definitive specimen of the warrant certificate. ¹

4. An unqualified letter from the Canadian Depository for Securities Limited confirming the CUSIP number(s) assigned to the securities. ¹

5. An opinion of counsel that the securities issuable upon exercise of the warrants have been validly created in accordance with applicable law and that such securities will, when issued in accordance with the terms of the warrants, be validly issued as fully paid and non-assessable.

6. Cheque, payable to the Toronto Stock Exchange, for the warrant listing fee.

TSX Venture Endnotes

1. If the applicant company has previously submitted this document to the TSX Venture Exchange, in a form acceptable to the TSX then the applicant will generally not be required to resubmit it to the TSX.

2. If the applicant company has filed this document on SEDAR in a form acceptable to the TSX, then the applicant will generally not be required to submit this document.
3. If filing unaudited financial statements pursuant to “All Applicants- item 5” above, applicants must still submit applicable notes and a comfort letter, and applicants must still submit appropriate pro forma financial statements when applicable.

4. If the individual has submitted a Personal Information Form (PIF) to the TSX Venture Exchange in the last 36 months (from the date of the application), they will not be required to submit a new PIF to the TSX provided they complete the Declaration, Authorization and Consent attached. Each Declaration, Authorization and Consent must be accompanied by an original executed Consent for Disclosure of Criminal Record information.

5. Applicant companies that are currently listed on TSX Venture Exchange may wish to contact the TSX to discuss their specific requirements for providing a sponsorship letter. Generally, TSX Venture Exchange companies may not be required to submit a sponsorship letter if the company has:

   • required sponsorship as a result of a major transaction pursuant to TSX Venture Exchange policy within the last 18 months,

   • cleared a prospectus in the past 12 months,

   • traded on the TSX Venture Exchange for a minimum period of 24 months, meets the original listing requirements detailed in Sec. 309(a) & the TSX Company Manual and is in good standing with all TSX Venture Exchange regulatory requirements, or

   • completed an eligibility review as outlined in Sec. 305 of the TSX Company Manual and the TSX has determined that the company meets the listing requirements.
TSX reserves the right to require additional information or documents as it may deem appropriate in the circumstances.

The officer signing below has reviewed the “Checklist of documents to be filed” and certified that all required materials have been provided to the TSX.

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature of Authorized Signing Officer</th>
<th>Print Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

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<thead>
<tr>
<th>Position with Applicant</th>
</tr>
</thead>
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<tr>
<td></td>
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</tbody>
</table>
PERSONAL INFORMATION FORM

See Form 4 – Personal Information Form and Declaration
Statutory Declaration by Applicants Officers (1)

Dominion of Canada

Province of ____________________________________________
Country of ____________________________________________

In matter of an application for listing the securities of

on Toronto Stock Exchange, a division of TSX Inc.

I, ____________________________________________,
of the ____________________________________________ of ____________________________________________,
in the ____________________________________________ of ____________________________________________

Do solemnly declare that

1. I am the ____________________________________________ of ____________________________________________,
the applicant issuer and as such have knowledge of the facts herein deposed to.

2. All of the information contained in the listing application hereto attached and in the documents filed
in connection therewith is true and correct to the best of my knowledge, information and belief.

3. The list of securityholders filed in connection with this application is a true and correct list and the
security holders whose names appear thereon (except the registered holders of street certificates)
are all bona fide securityholders beneficially entitled to the number of securities set opposite their
respective names, to the best of my knowledge, information and belief.

And I make this solemn declaration conscientiously believing it to be true and knowing this it is of
the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

Signature of Declarant

Declared before
me at the ____________________________________________ of ____________________________________________,
in the ____________________________________________ of ____________________________________________,
this __________ day of __________ in the year of __________________

A Commissioner, etc. ____________________________________________
A Notary Public, etc. ____________________________________________

Notary’s Seal

Note: 1. This application must include statutory declaration of the President and Secretary of the Applicant, or, if either
be not available, than of another competent officer.

2. If the declarations are made outside the Province of Ontario they must be made before a Notary Public.

3. If the declarations are made outside of Canada, use corresponding forms.
Statutory Declaration by Applicants Officers (2)

Dominion of Canada

Province of ________________________________
Country of ________________________________

In matter of an application for listing the securities of ________________________________ on Toronto Stock Exchange, a division of TSX Inc.

I, ________________________________,

of the ________________________________ of ________________________________
in the ________________________________ of ________________________________

Do solemnly declare that

1. I am the ________________________________ of ________________________________
   State Office Name of Applicant
   the applicant issuer and as such have knowledge of the facts herein deposed to.

2. All of the information contained in the listing application hereto attached and in the documents filed in connection therewith is true and correct to the best of my knowledge, information and belief.

3. The list of securityholders filed in connection with this application is a true and correct list and the security holders whose names appear thereon (except the registered holders of street certificates) are all bona fide securityholders beneficially entitled to the number of securities set opposite their respective names, to the best of my knowledge, information and belief.

And I make this solemn declaration conscientiously believing it to be true and knowing this it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

Signature of Declarant

Declared before me at the ________________________________ of ________________________________
in the ________________________________ of ________________________________
this __________________ day of __________________ in the year of __________________
A Commissioner, etc. _______________________________________________________
A Notary Public, etc. _______________________________________________________

Note: 1. This application must include statutory declaration of the President and Secretary of the Applicant, or, if either be not available, than of another competent officer.

2. If the declarations are made outside the Province of Ontario they must be made before a Notary Public.

3. If the declarations are made outside of Canada, use corresponding forms.
Toronto Stock Exchange Listing Agreement

In consideration of the listing on Toronto Stock Exchange, a division of TSX Inc. (hereinafter called the “Exchange”) of securities of the undersigned (hereinafter called the “Applicant”), the Applicant agrees with the Exchange as follows:

1. The Applicant will comply with all Exchange requirements applicable to listed companies, including Exchange rules, policies, rulings and procedural requirements and any additions or amendments which may be made thereto from time to time which rules, policies, ruling and procedural requirements may be in addition to in lieu of the provisions of this agreement.

2. Without limiting the generality of paragraph 1 hereof, the Applicant shall:
   a. not issue any securities (other than debt securities which are not convertible into equity securities) without the prior consent of the Exchange;
   b. not undergo a material change in its business or affairs without the prior consent of the Exchange, unless the Applicant is exempted from this requirement by the Exchange;
   c. maintain transfer and registration facilities in the City of Toronto where all listed securities shall be directly transferable and registerable, and no fee shall be charged for the transfer and registration of such securities (other than government stock transfer taxed) after the Exchange has exempted the Applicant from the requirements referred to in clause b) hereof;
   d. notify the Exchange at least seven trading days in advance of each dividend record date;
   e. forthwith file with the Exchange four copies of all financial statements (of one copy if filed publicly through SEDAR) required to be published or filed for inspection by law, including the Applicants law of incorporation or applicable securities legislation, or by the Exchange;
   f. file with the Exchange four copies of all notices, reports or other written correspondence sent by the Applicant to its holders of listed securities concurrently with the sending of such correspondence to the securityholders;
   g. notify the Exchange on a monthly basis of any changes to the number of issued securities of any listed class(nil reports not being required);
   h. not change the provisions attaching to any warrants, rights or other securities out standing from time to time (other than debt securities which are not convertible into equity securities) without the prior consent of the Exchange;
   i. pay, when due, any applicable fees or charges established by the Exchange from time to time; and
   j. furnish to the Exchange, at any time upon demand, such information or documentation concerning the Applicant as the Exchange may reasonably require.

3. The Exchange shall have the right, at any time, to halt or suspend trading in any listed securities of the Applicant with or without notice and with or without giving any reason for such action, or to delist such securities, provided that the Exchange shall not delist securities of the Applicant without providing the Applicant with an opportunity to be heard.

[Name of Applicant]

[Signature]  [Print Name]

[Position with Applicant]

[Signature]  [Print Name]

[Position with Applicant]
APPENDIX B
DISCLOSURE STANDARDS FOR COMPANIES ENGAGED IN MINERAL EXPLORATION, DEVELOPMENT & PRODUCTION

1.0 INTRODUCTION

The disclosure of the results of exploration and development activity on mineral properties must comply with the requirements of the Toronto Stock Exchange Policy Statement on Timely Disclosure, the Ontario Securities Act and all applicable policies and rules of the Ontario Securities Commission and any other securities regulatory body having jurisdiction over an issuer listed on the Exchange. In particular, the requirements of National Instrument 43-101 must be followed.

The purpose of the standards is to set out the requirements of the Toronto Stock Exchange when a company provides information to investors, regulators and/or the media regarding its properties, whether such information is contained in a news release, a continuous disclosure document such as an annual report, or other form of communication, including, but not limited to, printed investor relations material and electronic publications such as Internet Web sites. These standards do not apply to prospectuses or listing applications, the standards for which are contained in the policies and rules of the securities commissions and the Exchange. These standards are also not intended to establish requirements for the content of technical reports.

Any information published by or on behalf of a company must comply with these standards. If a company becomes aware of information published by others regarding its mineral properties which is materially misleading to investors, it should take appropriate action to correct such information or otherwise make it known that it is not responsible for publishing such information and does not necessarily agree with such statements.

Disclosure concerning mineral properties should identify the “qualified person” as defined in NI 43-101 who is responsible for the work conducted on the property and such person shall have read and approved of the technical disclosure.

1.1 NEWS RELEASES

The standards herein provide guidelines for the content of news releases which when combined with the disclosure requirements of NI 43-101 require more comprehensive disclosure. While this may result in additional time and money being expended on news releases, it is intended that the public receive more and better information in order that it can make better informed investment decisions.

The prescribed information may be provided by reference to previous news releases or other documents, as long as they are readily obtainable from the company by fax, mail or in a Web site. For instance, when a company first announces exploration results from a property, it must describe the geological environment of the property; however, it may not be necessary to repeat that information in every news release subsequently issued regarding the same property. The subsequent news releases may instead refer to previous releases or other documents and indicate how they may be obtained.

1.2 CONTINUOUS DISCLOSURE DOCUMENTS

Disclosure in documents such as annual and quarterly reports must be as complete as possible in compliance with these standards and NI 43-101. Periodic reports must provide summary information on activities on all material properties. Where work has been discontinued on properties about which the company has made prior disclosure, there must be further information provided as to any undisclosed results and reasons for the cessation of work. Such disclosure should be provided even on properties
which are no longer material so that shareholders are reasonably well informed of the company’s activities.

1.3 WEB SITES

Companies which maintain corporate Web sites must provide the address of the Web site in all corporate disclosure materials. Any such disclosure should also be posted on the Web site immediately after it has been otherwise published. All news releases containing information on a material exploration property should be posted on the Web site until such time as the company has disclosed that it has discontinued work on a property, or no longer has an interest in the property, or the information has been superseded by disclosure of further work on the property.

2.0 EXPLORATION RESULTS

2.1 GENERAL REQUIREMENTS

When disclosing the results of exploration activity on its properties, a company shall state the source of the information when it was not obtained by the company itself. The company shall also provide the name(s) of the qualified person(s) responsible for the design and conduct of the exploration program. The relationship of such person(s) to the company shall also be disclosed.

Apart from disclosure of results of exploration activities as described in more detail below, a general description of the geological environment must be disclosed, including any known potential for problems, such as extremely erratic results or significant metallurgical difficulties.

If the company releases partial results, e.g., the first two holes of a six hole program, it must ensure that the balance of the results are disclosed in a timely manner whether the results are positive or negative.

Where possible, the company should provide information in table form for ease of understanding and publish maps, plans or sections as appropriate to the information and the stage of development of the property.

2.2 PRELIMINARY RESULTS

Early exploration activity designed to yield information as to the possible existence and location of minerals of value, e.g., geophysical surveys or soil sampling, when disclosed, must be clearly described as preliminary in nature and not conclusive evidence of the likelihood of the occurrence of a mineral deposit. A description of the type of survey or the sampling methods, e.g., grab, chip or channel samples, and spacing intervals must be included. The company must also disclose who undertook the program, and their relationship to the company.

Analytical results should be reported in a timely and responsible manner. In circumstances where extremely high grades are encountered, it is important that the qualified person provide disclosure as to the comparability of the results with past results or, if there are no past results, with expected results based on geology. The sample grades reported should conform to industry best practices, such as ounces per ton or grams per tonne for precious metals, so as not to confuse the reader.

Visual estimates of quantity or grade of mineralization should not be reported. Observations of mineralization from outcrop, trench or drill samples should be reported only when analytical results will not be readily available and the presence of the mineralization is deemed to be material by the qualified person responsible for the project. What is then reported should be carefully and completely described in terms that will not lead unsophisticated investors to conclude that the information can be interpreted with the same confidence as assay results.
Similarly, results of exploration for a polymetallic property must not be reported in “metal equivalents” prior to disclosing resources or reserves, and then only in limited circumstances as set out in NI 43-101 and the CIM Standards on Mineral Resources and Reserves.

If the property is one of the company’s material properties, the company must also disclose any independent sampling or audit programs that have been or will be undertaken, by whom, and what their qualifications are. Data verification programs undertaken should be disclosed, including sampling methods, location and number of samples, and comparisons with the company’s own results.

Recommended programs for further exploration should be described, including proposed methods, time frame and cost. The company should state whether it intends to carry out the program(s) and whether it has the funds available to do so.

2.3 ADVANCED RESULTS

When the company is releasing information as to advanced results, it must provide a description of the work undertaken and include all relevant details as to the methods used and who conducted the program in a similar manner as for preliminary results.

Results must not be disclosed selectively. If for example, six holes are drilled and three return mineralization of interest, details of all six holes must be released, including location, direction, geological formations encountered, etc., so as to provide the reader with as complete a picture as possible as to the nature of the prospect.

Grades reported should conform to industry best practices, such as ounces per ton or grams per tonne for precious metals, and a complete and accurate portrayal of the drill intersections, true widths, cut grades, etc., should be included.

For any material properties, the company must also disclose whether any independent sampling or audit programs have been or will be undertaken, by whom, and what their qualifications are. Data verification programs should be disclosed, including sampling methods, location and number of samples, and comparisons with the company’s own results.

Care should be taken to provide consistent reporting throughout the life of the exploration program. Estimations of tonnage and average grade of mineralization may not be reported until the company has performed a resource calculation as set out in paragraph 3.1.

2.4 ASSAY RESULTS

The name of the analytical laboratories which assayed the material sampled must be disclosed together with their relationship to the company, if any. The accreditation of each laboratory, or lack thereof must also be disclosed.

Assay results must include disclosure of the analytical method(s) used. If these are not standard procedures for the prospective minerals on the property, this should be disclosed in detail, including a discussion of the reasons for their use.

Complete disclosure of check assay results is not required. It is, however, a requirement that the company disclose the nature of the check assay program and whether the results are confirmatory.

3.0 RESOURCES AND RESERVES

3.1 DEFINITIONS
The use of the terms “resources” and “reserves” must conform to the definitions contained in NI 43-101, which adopts those published by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). These include the sub-categories of measured, indicated and inferred for resources, and proven and probable for reserves. Other terms, though they have been often used within the industry, such as “in situ” resources or “geological” reserves, must not be used in public disclosure. If the location of the property is in another jurisdiction which has a definition of resources and reserves recognized by the Toronto Stock Exchange, such definition may be used, provided an exemption to NI 43-101, if necessary, has been obtained from the relevant securities commission and the definition used is identified. Significant differences between the definition used and that of the CIM must be described. For the purpose of these standards, recognized definitions include those of the 1MM of the United Kingdom, the USGS of the United States and the JORC Code of Australia.

3.2 USE

All resource and reserve estimations disclosed must provide the name of the qualified person responsible for the calculation and his/her relationship to the company. The company must also state whether, and how, any independent verification of the data has been performed.

Particular care should be taken to distinguish between resources and reserves so that they are not assumed to be equivalent in the mind of the reader.

Resources and reserves should, whenever possible, be published in a manner so as not to confuse the reader as to the potential of the deposit. Inferred resources must not be aggregated with measured and indicated resources nor proven and probable reserves, as the case may be. Any categories of resources and reserves which are aggregated must also be disclosed separately.

When reserves are first reported, the key economic parameters of the analysis must be provided, such as operating and capital cost assumptions, and the assumed prices of the mineral commodities which could be produced. If the prices used differ from the current prices of the commodities, an explanation should be given, including the effect on the economics of the project if current prices were used. Sensitivity analyses may be used to provide a better understanding of the effects of changes in commodity prices on the economics of the project.

All reported quantities of resources and reserves must be expressed in terms of tonnage and grade. Contained ounces of gold, for example, should not be disclosed out of the context of the tonnage and grade of a deposit, with the possible exception of the resources and reserves of mining companies which have more than one mine in production. In that case, the company should not aggregate contained minerals from properties that are not in production with those that are in production.

Polymetallic resources and reserves must not be expressed in terms of “metal equivalents” except in the limited circumstances as set out in NI 43-101, F1, 19(k) and the CIM Standards on Mineral Resources and Reserves. It is also inappropriate to refer to the gross value or in situ value of resources and reserves. Ascribing gross values to resources and reserves remaining in the ground without disclosing potential capital and operating costs and Other economic factors is meaningless and potentially misleading.

4.0 DEVELOPMENT

Companies with properties which are at or near the development stage must avoid disclosure which leads investors to conclude prematurely that a mine is in production or is about to be placed in production. Care should be taken to distinguish between current and planned production rates. Operating capacities and production rates must be expressed in terms generally used in the mining industry and in a manner which is easily translated into gross revenues. Significant transportation costs, smelter losses, tolls or penalties for unwanted minerals should be disclosed for the same reason.
4.1 FEASIBILITY STUDIES

Feasibility studies (including pre-feasibility studies) are undertaken for the purpose of determining whether or not a mineral deposit can be developed into a viable operating mine. Such a study is necessary to establish the presence of reserves on a property. When a company discloses the results of a feasibility study, it must disclose the purpose and scope of the study as well as the conclusions. The identity and qualifications of the firm or individuals that prepared the report must be provided as well as their relationship to the company.

Key parameters of the feasibility study must be disclosed as in the case of the reporting of reserves.

4.2 VALUATIONS

Reporting of a valuation of a property must include the valuation method and all key assumptions. The purpose and scope of the valuation must also be disclosed. The author(s) of the valuation, their professional qualifications and their relationship with the company, if any, must be disclosed.

5.0 TENURE AND PERMITTING

Upon acquisition of a material property, companies must disclose the basic tenets of the regulatory system of granting the rights for exploration and exploitation of minerals in the jurisdiction where the property is located. This would include a brief description of the permitting process, including required environmental assessments and what progress has been made during the course of an exploration or development program.

Companies must also disclose their proportionate ownership at successive stages of property development and any significant constraints or obligations. This should encompass cash or share payments, work commitments and production royalties. Any adverse claims or disputes as to title or rights to the property must be described including what steps the company must take to resolve the dispute and how long it may take to reach a resolution. Properties located in foreign jurisdictions will require more complete disclosure of tenure and permitting issues. Disclosure must address any constraints on access to the property including whether or not the company owns the surface rights to the property and what impact this may have on the company’s ability to explore and mine on the property.

6.0 PRODUCTION

Companies which publish their cost or anticipated cost of production, on a cost per unit basis, must clearly set out what costs are and are not included in the calculation. This provides investors with the ability to compare results of different companies which use different calculations. The Gold Institute has published a reporting standard for gold mines which is recommended for use by listed companies.

Production figures, including costs, that are disclosed on the basis of equivalents of a particular mineral (e.g., ounces of silver converted to equivalent ounces of gold) must include the amount of production of the secondary mineral and the value used for the conversion. Such conversions should be restricted to similar commodities, such as platinum group metals, and not used to convert base metals to precious metals, for example.

A similar breakdown of by-product production should be provided when it is treated as a cost reduction rather than as additional revenue.

Companies which do not have a 100% interest in the production from operating mines must avoid disclosure which provides gross production figures without also providing net figures or plain disclosure of the company’s proportional interest in the operation.
Appendix C – Escrow Policy Statement
(as at January, 2003)
For issuers where escrow is required, a principal’s escrow securities are to be released as follows:

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<tr>
<th>Date</th>
<th>Percentage of Escrow Securities</th>
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<tr>
<td>On the date of issuer’s securities are listed on TSX (the listing date)</td>
<td>1/4 of the escrow securities</td>
</tr>
<tr>
<td>6 months after the listing date</td>
<td>1/3 of the remaining escrow securities</td>
</tr>
<tr>
<td>12 months after the listing date</td>
<td>1/2 of the remaining escrow securities</td>
</tr>
<tr>
<td>18 months after the listing date</td>
<td>the remaining escrow securities</td>
</tr>
</tbody>
</table>

IV. Administration of Existing Escrow Agreements

Issuers may apply to TSX to amend the terms of existing TSX escrow agreement and to request the transfer of securities within escrow or the early release of securities from escrow to reflect the release terms of the National Policy. For non-TSX escrow agreements, issuers must apply to the relevant exchange or relevant CSA jurisdiction under which the escrow agreement was originally entered into for any specific request to approve the transfer of securities within escrow or for the early release of securities from escrow.

The National Policy and the Escrow Form may be found on the web sites of CSA members including, but not limited to, the Ontario Securities Commission (www.osc.gov.on.ca).
APPENDIX D
TORONTO STOCK EXCHANGE POLICIES AND FORMS

REQUIREMENTS RESPECTING SHARE CERTIFICATES

Listed companies that qualify for the use of the book entry only system administered by the Canadian Depository for Securities Limited need only provide the Exchange with a copy of their global certificate. All other listed companies must satisfy Exchange requirements for generic certificates or customized share certificates as detailed below.

GENERIC CERTIFICATES

Listed companies may use generic certificates that comply with the Security Transfer Association of Canada requirements (“STAC Requirements”). When proposing to use generic certificates, the listed company must provide the Exchange with a definitive specimen of the certificate and a letter from the issuing transfer agent confirming that the generic certificate is in compliance with all STAC Requirements. Listed companies interested in using generic certificates and information on STAC Requirements should contact their transfer agent.

CUSTOMIZED SHARE CERTIFICATES

EXEMPT INDUSTRIAL COMPANIES

GENERAL

1. All certificates representing shares of Industrial companies listed on The Toronto Stock Exchange shall be printed in a manner acceptable to the Exchange by a recognized bank note company (or its affiliates) which has been approved by the Exchange for this purpose.

2. All share certificates shall be 12 X 8 (30.48 cm. x 20.32 cm.) in size.

3. All dies, rolls, plates and other engravings used in the manufacture of certificates shall, at all times, be and remain in the possession of the producing bank note company.

4. The design of share certificates shall include:
   a) a vignette;
   b) a “title” or corporate name of the issuer;
   c) a general or promissory text;
   d) a colour panel or panels, or a colour border in lathe pattern, of not less than 10 square inches in total area;
   e) a space to indicate ownership and denomination, generally referred to as the “open throat” area;
   f) a printed underlay in black or in colour in the area of the “open throat”;
   g) a printed underlay in colour other than black in the area of the general or promissory text;
   h) a CUSIP number (obtainable from The Canadian Depository for Securities);
i) a prominent indication of the class of shares to which the certificate refers;

j) a denomination “counter” separate and distinct from the “open throat” area;

k) a transferability clause, indicating where certificates are transferable;

l) the names of the transfer agent(s) and registrar(s), if other than the issuing company;

m) original or facsimile signatures of one or more officers of the issuer;

n) a document control or serial number; and

o) the name of the bank note company producing the certificate.

5. Certificates shall provide for transfer and registration in Toronto. When shares are transferable in other cities, the certificates shall be identical in colour and design with the Toronto certificates, except as to the names of the transfer agent and registrar, and shall hear a legend naming all cities where transferable.

6. Where a single denomination certificate is issued it shall be completed in accordance with the above requirements using a penetrating ink ribbon.

7. The denomination of a share certificate shall be indicated:

   a) in the upper right-hand quadrant of the certificate in an area bearing an underlay of fine intaglio lines,

      i) in the case of a board lot certificate by printing in numerical form.

      ii) in the case of a certificate for less than 100 shares by computer printing or typewriting using a penetrating ink ribbon or by a process of paper maceration in numerical form.

   b) in the “open throat” area,

      i) by computer printing or typewriting using a penetrating ink ribbon in alphabetized form, or

      ii) by a process of paper maceration in numerical form.

Where a single denomination share certificate is issued, the denomination shall be indicated by using a penetrating ink ribbon to express the denomination numerically in the “open throat” area using the matrix concept in which the number is inscribed in successively staggered positions on five consecutive lines or, alternatively, using a process of paper maceration in which the number is inscribed in a single line.

8. Share certificates shall be printed on paper produced exclusively for use by a bank note company, containing a multi-toned and multi-directional watermark design acceptable to the Exchange.

INTAGLIO CONTENT

9. Share certificates shall be so printed that

   a) an intaglio printing in colour other than black is made of the border or panel portions of the design, and of an underlying tint in the denomination “counter”;
b) an intaglio printing in black is made of the vignette, the general or promissory text and the corporate name;

c) an intaglio printing is made of wording or an abridgement of words in micro lettering of a size below normal readable limits, and in repetition.

For the purpose of these regulations, intaglio printing is defined as that process commonly used in bank note production in which ink is transferred to the paper from line engravings.

10. Where a company has two or more classes of stock listed, the certificates representing the different classes shall be substantially different in colour, as produced by the intaglio printing.

11. The general or promissory text shall be produced from line engravings in “script” style lettering.

VIGNETTES

12. Vignettes shall be at least 3.1 square inches (20 square centimeters) in area, and shall display a wide range of tonal quality from very light to very heavy lines, with ample content of middle tones and graduating shades. They shall consist of lines of differing vertical dimensions, some of which shall measure 25 microns perpendicular to the normal plane of paper.

13. Vignette designs shall not consist of a monogram, trade mark or other company symbol only, but shall include some plainly discernible features of at least a part of the human form.

MISCELLANEOUS

14. A form of assignment shall be printed legibly on the back of each certificate in a colour other than black.

15. No impression shall be made on the face of a share certificate by means of a hand stamp, except to inscribe a date or the name of the registered holder.

16. Temporary or interim share certificates may be used for an emergency only and for a period not exceeding four months, subject to prior approval of the Exchange. In such circumstances, the promissory text and corporate name may be printed by other than the intaglio process and a vignette maybe omitted, so long as the certificates comply with all other technical requirements for share certificates. All temporary or interim share certificates shall be imprinted with the words “interim” or “temporary” in prominent colour and size at the top of the face.

17. Any listed company changing its name or revising or changing its share capital by redesignating its shares may overprint the share certificates to give effect to such change, preferably by the silvering-over process, subject to prior approval of the Exchange.

18. Share certificates containing any additional security features not mentioned above, such as a latent image, are acceptable to the Exchange provided the minimum requirements as set out herein are met.

MINING, OIL AND GAS, AND NON-EXEMPT COMPANIES

1. All certificates representing shares of Mining or Oil and Gas companies listed on the Exchange shall be printed in a manner acceptable to the Exchange by a recognized bank note company (or its affiliates) which has been approved by the Exchange for this purpose.
Share certificates shall comply with requirements 2 to 18 inclusive respecting share certificates for Industrial companies, with the exception that requirements 4(a), 4(g), 9(b), 9(c) and 11 to 13 shall not apply.

REQUIREMENTS RESPECTING CERTIFICATES FOR RIGHTS AND SHARE PURCHASE WARRANTS

1. Certificates for rights and share purchase warrants shall be printed in a manner acceptable to the Exchange by a recognized bank note company (or its affiliates) which has been approved by the Exchange for this purpose.

2. Certificates for rights and share purchase warrants must be of the same size as share certificates and shall meet the same requirements for intaglio printing in colour of the border or panels, including CUSIP numbers. However, under certain circumstances, such as when timing is critical, listed companies will be permitted to use a true continuous form of lithographed certificate for rights or share purchase warrants only, subject to prior approval of the Exchange.
STATEMENT SHOWING NUMBER OF SHAREHOLDERS
(Separate forms to be made out for each class of stock for which application is made)

(Name of Company)

DISTRIBUTION OF __________________________ STOCK AS OF __________________________, 20
(Class of Stock) __________________________ (Date) __________________________

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<th>Number</th>
<th>Holders of</th>
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<td>1 – 24 share lots</td>
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<td>25 – 99 share lots</td>
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<td>200 – 299 share lots</td>
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<td>1,000 – up share lots</td>
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Shareholders | Total Shares
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The ten highest holders on the above date held as follows:
1. __________________________ Shares
2. __________________________ Shares
3. __________________________ Shares
4. __________________________ Shares
5. __________________________ Shares
6. __________________________ Shares
7. __________________________ Shares
8. __________________________ Shares
9. __________________________ Shares
10. __________________________ Shares

Total Shares

Is any of the above-mentioned stock pooled, deposited in escrow, non-transferable, or held under any syndicate agreement of control, according to your records?

If so, state the number of shares:

If so, attach detailed explanation, including certified copies of all agreements.

On attached sheet is a list showing the names and holdings of all shareholders holding 500 shares or more.

Certified Correct.

By: __________________________
(Transfer Agent or Registrar)

Date: ________________________

Per ________________________

This statement is to be certified by the transfer agent or registrar.
DISTRIBUTION OF STOCK
(Separate forms to be made out for each class of stock for which application is made)

(Name of Company)

Distribution of ___________________ Stock on ___________________ , 20
(Class of Stock) (Date)

I, ___________________, ___________________,
(Name) (Title)

hereby certify that of the ___________________ outstanding shares of ___________________ stock of the
(Class) company there are ___________________ shares distributed to and in the hands of the public (exclusive
of officers, directors, promoters, participants directly or indirectly in the controlling group, underwriters or sub-
underwriters of shares of the Company, or their nominees, agents, or trustees) and such shares are
distributed among ___________________ shareholders and are not pooled, escrowed, non-transferable,
bound by any agreement, or restricted as to sale or transfer in any manner whatsoever to the knowledge of the
Company.

The ___________________ share difference (i.e. difference between any outstanding amount and amount
Distributed to and in the hands of the public) is held by ___________________ shareholders as follows:
(Number)

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<tr>
<th>Name</th>
<th>Relationship to Company</th>
<th>Number of Shares Held</th>
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The names, addresses, and shareholders of the ten largest registered shareholders are set out hereunder, and if, to
the knowledge of the Company, such shares are registered in the names of nominees, the names and address of the
beneficial owner is given:

<table>
<thead>
<tr>
<th>#</th>
<th>Name</th>
<th>Address</th>
<th>Number of Shares</th>
<th>Name and Address of Beneficial Owner</th>
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Certified Correct,

By: 
(Transfer Agent or Registrar)

Date:  , 20

By: 
(Office Held)

This statement to be certified by a responsible officer of the Company.
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APPENDIX F
TAKE-OVER BIDS AND ISSUER BIDS THROUGH THE FACILITIES OF TORONTO STOCK EXCHANGE

Effective January 1 2005, all rules in Appendix F were repealed and replaced with Section 627, with the exception of those rules which apply to normal course issuer bids and normal course purchases. Only the rules in Appendix F relating to normal course issuer bids and normal course purchases remain in effect.

PART 6—EXCHANGE TAKE-OVER BIDS AND EXCHANGE ISSUER BIDS

Division I — Definitions and Interpretation

Sec. 6-10 1. Definitions. — In this Part:

“average bid value” means the amount obtained by dividing:

i) the aggregate of the bid price times the number of shares of the class of securities sought plus the market price times the number of shares of such class of securities not sought, by

ii) the aggregate of the number of shares of the class of securities sought plus the number of shares of such class of securities not sought.

“bid” means either a stock exchange take-over bid or a substantial issuer bid, as the case may be.

“circular bid” means a take-over bid or an issuer bid made in compliance with the requirements of Part XX of the Securities Act or, if applicable, Part XVII of the Canada Business Corporations Act.

“closing price” means:

1. the price per share at which the last trade in that class of securities was effected on the Exchange on that day as shown on the record of sales published by the Exchange; or

2. if there were no trades in that class of securities on the Exchange, the price per share at which the last trade in that class of securities was effected on another exchange recognized for this purpose; or

3. if there were no trades in that class of securities on the Exchange or any recognized exchange, but closing bid and ask prices were published therefor, the average of such bid and ask prices as shown on the list of closing quotations published by the Exchange.

“competing stock exchange take-over bid” means a stock exchange take-over bid announced while another stock exchange take-over bid for the same class of securities of an offeree issuer is outstanding.

“insider bid” means a stock exchange take-over bid made by an insider of a listed offeree issuer, by any associate or affiliate of an insider of a listed offeree issuer, by any associate or affiliate of a listed offeree issuer or by an offeror acting jointly or in concert with any of the foregoing.

“issuer bid” means an offer to acquire listed securities made by or on behalf of a listed company for securities issued by that listed company, unless:
a) the securities are purchased or otherwise acquired in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are purchased to meet sinking fund or purchase fund requirements;

b) the purchase or other acquisition is required by instrument creating or governing the class of securities or by the stature under which the issuer was incorporated, organized or continued; or

c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right.

“last bid” means the stock exchange take-over bid, notice of which was accepted by the Exchange at the latest point in time.

“market price” means the simple average of the closing price of the shares for each of the twenty Trading Days preceding the Exchange’s acceptance of the notice in respect of the initial stock exchange take-over bid.

“normal course issuer bid” means an issuer bid where the purchases (other than purchases by way of a substantial issuer bid):

a) do not, when aggregated with the total of all other purchases in the preceding 30 days, whether through the facilities of a stock exchange or otherwise, aggregate more than 2% of the securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by the Exchange; and

b) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of

i) 10% of the public float, or

ii) 5% of such class of securities issued and outstanding, excluding any held by or on behalf of the issuer on the date of acceptance of the notice of normal course issuer bid by the Exchange, whether such purchases are made through the facilities of a stock exchange or otherwise.

“normal course purchase” means a take-over bid made by way of a purchase on the Exchange of such number of a class of securities of a listed offeree issuer that, together with all purchases of such securities made by the offeror and any person or company acting jointly or in concert with the offeror in the preceding 12 months through the facilities of a stock exchange or otherwise, do not aggregate more than 5% of the securities of that class outstanding at the time such purchase is made.

“notice” means a notice of a stock exchange takeover bid filed in accordance with Rule 6-203 or a notice of stock exchange substantial issuer bid filed in accordance with Rule 6-203 or, if applicable, Rule 6-402.

“principal shareholder” of a company means a person or company who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding shares of any class of voting securities or equity securities of the company.

“public float” means the number of shares of the class which are issued and outstanding, less the number of shares of the class beneficially owned, or over which control or direction is exercised by:
a) every senior officer or director of the listed company;

b) every principal shareholder of the listed company; and

c) the number of shares that are pooled, escrowed or non-transferable.

“ranking bid” means the stock exchange take-over bid that yields the highest average bid value.

“shares sought” means the number of shares of the class of securities for which a bid is made.

“shares not sought” means the number of shares outstanding of the class of securities for which the bid is made minus the aggregate of the number of such shares sought and the number of such shares owned directly or indirectly by the offeror, its insiders, associates, affiliates, and any person or company acting jointly or in concert with the offeror.

“stock exchange take-over bid” means a take-over bid, other than a normal course purchase, made through the facilities of the Exchange.

“substantial issuer bid” means an issuer bid, other than a normal course issuer bid, made through the facilities of the Exchange.

“take-over bid” means an offer to acquire such number of the listed voting or listed equity securities of an offeree issuer that will in the aggregate constitute:

a) 20% or more of the outstanding securities of that class, together with the offeror’s securities; or

b) in the case of an offeree issuer that is subject to the Canada Business Corporations Act, 10% or more of the outstanding shares of a class of listed voting shares, together with:

i) shares already beneficially owned or controlled, directly or indirectly by the offeror or an affiliate or associate of the offeror, and

ii) securities held by such persons or companies that are currently convertible into such shares, and

iii) currently exercisable rights and options to acquire such shares or to acquire securities that are convertible into such shares, on the date of the offer to acquire.

Sec. 6-102. Interpretation.— (1) For the purposes of this Part, a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted.

(2) For the purposes of this Part,

a) the beneficial ownership of securities of an offeror or of any person or company acting jointly or in concert with the offeror shall be determined in accordance with section 90 of the Securities Act; and

b) where any person or company is deemed by Rule 6-102(2)(a) to be the beneficial owner of unissued securities, the number of outstanding securities of a class in respect of an offer to acquire shall be determined in accordance with subsection 90(3) of the Securities Act.

(3) For the purposes of this Part, whether a person or company is acting jointly or in concert with an offeror shall be determined in accordance with section 91 of the Securities Act.
DIVISION 2 — GENERAL RULES APPLICABLE TO BIDS

Sec. 6-201. Compliance with Exchange Requirements. — An offeror shall not make a takeover bid or issuer bid through the facilities of the Exchange except in accordance with Exchange Requirements.

Sec. 6-202. Obligations of Offeror. — (1) An offeror shall not attach any conditions to a stock exchange take-over bid other than:

   a) establishing a maximum number of shares sought, which shall be the number of shares the offeror is obliged to take up; and

   b) in the case of a transaction in respect of which notice must be given to the Director of Investigation and Research under the provisions of the Competition Act (Canada), making the bid conditional on no action being taken by the Director under the provisions of such Act within the time period specified in such Act for a transaction effected through the facilities of a stock exchange in Canada.

(2) An offeror shall not attach any conditions to a substantial issuer bid other than establishing a maximum number of shares sought, which shall be the number of shares the offeror is obliged to take up.

(3) An offeror shall not take up more than the number of shares sought without the approval of the Exchange.

(4) A stock exchange take-over bid shall not be withdrawn except:

   a) pursuant to Rule 6-302(b); or

4. if the Exchange is satisfied that any undisclosed action prior to the date of the offer or any actions subsequent to that date by the board of directors or senior officers of the offeree issuer or by a person or company other than the offeror, effects an adverse material change in the affairs of the offeree issuer.

(5) A substantial issuer bid shall not be withdrawn.

(6) An offeror making a bid shall file with the Exchange, and shall not proceed with the bid until the notice has been accepted by the Exchange.

(7) Except where otherwise provided, an offeror making a bid shall take the following steps to inform shareholders of the offeree issuer of the terms of the bid forthwith after the Exchange has accepted notice of the bid:

   a) disseminate details of the bid to the news media in the form of a press release;

   b) communicate the terms of the bid:

      i) by sending a copy of the notice filed pursuant to Rule 6-203 by first class mail to each registered holder of the class of securities that is the subject of the bid in Canada and in each other jurisdiction where the bid is made and such communication is not prohibited by law, and to each such registered holder of securities convertible or exchangeable for such class of securities or that otherwise has a right to participate in the offer, and

      ii) by advertising in the manner prescribed by the Exchange, or by such other means as may be approved by the Exchange.
(8) If an offeror makes or intends to make a bid, neither the offeror nor any person or company acting jointly or in concert with the offeror shall enter into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

(9) An offeror filing a notice shall pay a filing fee in such amount as may be prescribed by the Exchange.

Sec. 6-203. Notice by Offeror. — (1) A notice of a stock exchange take-over bid filed by an offeror with the Exchange shall provide the following information, in a form acceptable to the Exchange:

a) the identity of the offeree issuer;

b) the class of securities that are the subject of the bid and a description of the rights of the holders of any other class of securities that have a right to participate in the offer by conversion or otherwise;

c) the cash price to be paid per share and the number of shares sought;

d) the terms of the bid, including the date of the book, method of tendering to the bid and settlement of tenders, any commissions to be paid to Participating Organizations, the names of any person or company retained to make solicitations in respect of the bid, and any other relevant information with respect to such terms;

e) the number and percentage of each class of outstanding equity or voting securities of the offeree issuer owned directly or indirectly by:

   i) the offeror,

   ii) each of the offeror’s directors and senior officers and their associates,

   iii) any other person or company acting jointly or in concert with the offeror,

   iv) where known after reasonable enquiry, any person or company holding 10 percent or more of any class of equity or voting securities of the offeror, and

   v) where known after reasonable enquiry, any person or company holding 10 percent or more of any class of equity or voting securities of the offeree issuer;

5. where known after reasonable enquiry, the number of each class of equity or voting securities of the offeree issuer traded by each of the persons or companies referred to in Rule 6-203(1)(e) during the six-month period preceding the date of filing of the notice, including the purchase or sale price and the date of each such transaction;

6. details of any commitments made by any of the persons or companies referred to in Rule 6-203(1)(e) hereof to acquire any equity or voting securities of the offeree issuer (other than pursuant to the bid) and the terms and conditions of such commitments;

7. a summary showing in reasonable detail the volume of trading and price range of the securities for which the bid is made in the twelve-month period preceding the date of filing of the notice, on the Exchange and on any other principal market, and the market price of such securities immediately before the announcement of the bid;
8. the particulars of any arrangement or agreement made or proposed to be made between the offeror and any of the directors or senior officers of the offeree issuer, including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office or for remaining in or retiring from office if the bid is successful;

9. the particulars of any information known to the offeror of any material change in the affairs of the offeree issuer, or any material fact concerning the securities of the offeree issuer that has not been generally disclosed;

10. information regarding any plans or proposals of the offeror to liquidate the offeree issuer, to sell, lease or exchange all or substantially all of the assets of the offeree issuer or to amalgamate such issuer with any other company, or to make any other major change in the business, operations, corporate structure, management or personnel of the offeree issuer;

11. a statement of any right of appraisal that shareholders of the offeree issuer may have under applicable laws and whether the offeror intends to exercise any right of acquisition it may have under applicable legislation;

12. a statement of the rights provided by subsection 131(1) of the Securities Act;

13. a statement to the effect that the bid may only be withdrawn pursuant to Rule 6-302(b), or in the circumstances referred to in Rule 6-202(4),

14. information satisfactory to the Exchange regarding the identity and financial resources of the offeror, including:
   i) if it is a corporation, the names of its directors, officers and principal shareholders,
   ii) if it is a partnership, the names of its partners, and suitable disclosure regarding any corporate partners, and
   iii) the source of funds to be used to pay for securities tendered to the bid and the terms of any financing obtained;

15. where a valuation is provided pursuant to a legal requirement or otherwise,
   i) a summary of the valuation disclosing the basis of computation, scope of review, relevant factors and their values, and the key assumptions on which the valuation is based, and
   ii) where copies of the valuation are available for inspection and a statement that a copy of the valuation will be mailed upon payment of a charge covering copying and postage;

16. details of any important business relationship between the offeror and the offeree issuer;

17. any other information not disclosed in the foregoing that would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the bid.

(2) The notice shall conclude with a signed statement certifying that:

a) the information provided is complete and accurate, and in compliance with Part 6 of the Rules;

b) the contents of the notice and the mailing of the offer have been authorized by the offeror, and in the case of an offeror that has directors, by its board of directors; and
c) the notice contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

(3) A notice of a substantial issuer bid filed by an offeror with the Exchange shall provide the information contained in Rules 6-203(1) and (2) with appropriate modifications for a transaction that is not a take-over bid and such notice shall contain such additional information as may be required by the Exchange.

(4) A copy of the notice shall be filed with the Commission and, in the case of a stock exchange take-over bid, with the offeree issuer forthwith after acceptance by the Exchange.

Sec. 6-204. Book for Receipt of Tenders. — A book for receipt of tenders to the bid shall be opened on the Exchange not sooner than the twenty-first calendar day after the date on which notice of the bid is accepted by the Exchange and at such time, and for such length of time, as may be determined by the Exchange.

Editorial Note: In accordance with the power granted to the Exchange under Rule 6-601 (c)(iii), the Exchange will require that the book for tenders be opened not sooner than the 35th calendar day after acceptance of notice of the bid in order to parallel the time periods for take-over bids and issuer bids subject to section 95 of the Securities Act (Ontario).

Sec. 6-205. Conduct of Participating Organizations. — In respect of a bid:

d) no Participating Organization shall knowingly assist or participate in the tendering of more shares than are owned by the tendering party; and

e) tendering, trading and settlement by Participating Organizations shall be in accordance with such rules as the Exchange shall specify to govern each bid.

Sec. 6-206. Allotment Procedure. — (1) Where in a bid more shares are tendered than the number of shares sought, the offeror shall take up a proportion of all shares tendered equal to the number of shares sought divided by the number of shares tendered, and Participating Organizations shall make allocations in respect of shares tendered in accordance with the instructions of the Exchange.

(2) As soon after the closing of the book for receipt of tenders as may be possible, the Exchange shall announce the total number of shares acquired by the offeror pursuant to the terms of the bid and the allocation thereof

Sec. 6-207. Amendments to Bids and Notices. — (1) The terms of a bid may only be amended to increase the price per share offered or the number of shares sought or to agree to pay an amount in respect of the seller’s commission or a combination thereof and such amendment shall be made by filing with the Exchange a notice of amendment in a form acceptable to the Exchange.

(2) Forthwith upon acceptance of the notice of amendment by the Exchange, the offeror shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book and the offeror shall disseminate such notice of amendment in such manner as the Exchange may deem to be appropriate in the circumstances.

(3) Where the offeror becomes aware of a material change in any of the information contained in the notice in respect of a bid, the offeror shall file with the Exchange forthwith a notice of change in a form acceptable to the Exchange.
(4) Forthwith upon acceptance of the notice of change by the Exchange, the offeror shall issue a press release containing a summary of the information set forth in such notice of change, including reference to any change in the date of the book and the offeror shall disseminate such notice of change in such manner as the Exchange may deem to be appropriate in the circumstances.

DIVISION 3—SPECIAL RULES APPLICABLE TO STOCK EXCHANGE TAKE-OVER BIDS

Sec. 6-301. Offeree Directors’ Press Release. — (1) The board of directors of the offeree issuer shall, within seven Trading Days of the date of acceptance by the Exchange of the notice of a stock exchange take-over bid, issue a press release recommending acceptance or rejection of the offer and the reasons therefor, or indicating that they are not making a recommendation and the reasons therefor and such press release shall also contain the following information:

a) a summary of any agreement entered into or proposed between the offeree issuer and its senior executives in regard to any payment or other benefit granted as indemnity for the loss of their positions or in regard to their retaining or losing their positions if the bid is accepted; and

b) a summary of any transaction, board resolution, agreement in principle or signed contracts in response to the bid, indicating whether or not the offeree issuer has undertaken any negotiations that relate to or would result in one of the following:

   i) an extraordinary transaction such as a merger or reorganization involving the offeree issuer or one of its subsidiaries,

   ii) the purchase, sale or transfer of a material amount of assets of the offeree issuer or of one of its subsidiaries,

   iii) the acquisition of its own securities by way of an issuer bid or of the securities of another company, or

   iv) any material change in the present capitalization or dividend policy of the offeree issuer.

(2) The press release required by Rule 6-301(1) should disclose negotiations underway, without giving details if there has been no agreement in principle.

(3) A copy of the press release required by Rule 6-301(1) shall be delivered to the Exchange prior to its release.

(4) A stock exchange take-over bid may proceed notwithstanding failure by the board of directors of the offeree issuer to comply with the requirements of Rule 6-301(1).

Sec. 6-302. Competing Stock Exchange Takeover Bids. — If a competing stock exchange takeover bid is announced, the stock exchange takeover bids shall be governed by the following additional provisions:

a) neither the ranking bid nor the last bid may be withdrawn, and the offerors making such bids must take up and pay for all shares tendered to them, up to the maximum numbers of shares sought by each respectively;

b) a bid that is neither the ranking bid nor the last bid may be withdrawn within one clear Trading Day of the announcement of the last bid; and
c) the terms of the ranking bid may not be altered except to increase the average bid value thereof.

Sec. 6-303. Purchases During a Take-over Bid. — If granted an exemption under Rule 6-601, an offeror making a stock exchange take-over bid and any person or company acting jointly or in concert with the offeror may purchase shares that are the subject of the bid through the facilities of the Exchange provided that:

a) a press release is issued announcing the offeror’s intention to make such purchases;

b) such purchases do not begin until the second clear Trading Day following the date of the issuance of the press release;

c) such purchases, together with all purchases of such securities made by the offeror and any person or company acting jointly or in concert with the offeror during the preceding 90 days through the facilities of a stock exchange or otherwise, do not aggregate more than 5 percent of the securities of that class outstanding at the time such purchases are made;

d) the offeror issues and files with the Exchange a press release forthwith after the close of each Trading Day on which shares are purchased under this Rule disclosing:
   i) the identity of the purchaser,
   ii) the number of shares of the offeree issuer purchased that day,
   iii) the highest price paid per share,
   iv) the aggregate number of shares of the offeree issuer purchased up to and including that day under this Rule during the currency of the take-over bid,
   v) the average price paid for such shares,
   vi) the total number of shares owned by the purchaser at the time; and

e) if the offeror or any person or company acting jointly or in concert with the offeror pays a price for any such shares that is higher than the price offered pursuant to the stock exchange take-over bid, then the price offered pursuant to the stock exchange take-over bid shall be increased to equal such higher price.

Sec. 6-304. Notice of Insider Bid. — A notice in respect of an insider bid shall, in addition to the information required by Rule 6-203, provide the information required by the Exchange.

Sec. 6-305. Normal Course Purchases. — An offeror making a normal course purchase is not subject to any notice requirement under this part.

DIVISION 4 — SPECIAL RULES APPLICABLE TO SUBSTANTIAL ISSUER BIDS

Sec. 6-401. Purchases During A Substantial Issuer Bid. — Notwithstanding any other provision of this Part, an offeror and any person or company acting jointly or in concert with an offeror shall not make any other purchases or agreements or commitments to purchase securities that are the subject of the issuer bid during the course of such bid unless such purchases are permitted by the Exchange.
Sec. 6-402. Special Procedures for Issuer Bids for Securities that are Neither Equity nor Voting Securities.— (1) The provisions of this Rule shall apply to a substantial issuer bid for securities that are neither voting nor equity securities provided that:

a) there is no legal or regulatory requirement to provide a valuation of the securities that are the subject of the bid to shareholders; or

b) exemptions from all applicable requirements have been obtained.

(2) The provisions of Rules 6-202(7), 6-203 and 6-204 shall not apply to a bid made pursuant to this Rule.

(3) A notice filed with the Exchange pursuant to this Rule shall provide the following information in a form acceptable to the Exchange:

a) the name of the offeror;

b) the class of securities that are the subject of the bid and a description of the rights of the holders of any other class of securities that have a right to participate in the offer by conversion or otherwise;

c) the cash price to be paid per share and the number of shares sought;

d) the terms of the bid, including the date of the book, method of tendering to the bid and settlement of tenders, any commissions to be paid to Participating Organizations, the names of any person or company retained to make solicitations in respect of the bid, and any other relevant information with respect of such terms;

e) the purpose or business reasons for the bid;

f) information satisfactory to the Exchange regarding the financial resources of the offeror, including the source of funds to be used to pay for securities tendered to the bid and the terms of any financing obtained;

g) the particulars of any material change in the affairs of the offeror or any material fact concerning the offeror that has not been generally disclosed;

h) a statement of any right of appraisal that security holders may have under applicable laws and whether the offeror intends to exercise any right of acquisition it may have under applicable legislation; and

i) any other information not disclosed in the foregoing that would reasonably be expected to affect the decision of the security holders to accept or reject the bid.

(4) The notice shall conclude with a signed statement certifying that:

a) the information provided is complete and accurate, and in compliance with Part 6 of the Rules;

b) the contents of the notice and the making of the offer have been authorized by the board of directors of the offeror; and
c) the notice contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

(5) Forthwith after the Exchange has accepted notice of the bid, the offeror shall:

a) disseminate details of the bid to the media in the form of a press release; and

b) communicate the terms of the bid by advertising in the manner prescribed by the Exchange, or by such other means as may be approved by the Exchange.

(6) A book for receipt of tenders to the bid shall be opened on the Exchange not sooner than the twenty-first calendar day after the date on which notice of the bid is accepted by the Exchange and at such time, and for such length of time, as maybe determined by the Exchange.

(7) In all other respects, the provisions of this Part shall apply to a bid made pursuant to this Rule.

DIVISION 5 — NORMAL COURSE ISSUER BIDS

Sec. 6-501. Normal Course Issuer Bids. —A normal course issuer bid shall be made in accordance with the prescribed terms and procedures.

DIVISION 6 — POWERS OF THE EXCHANGE

Sec. 6-601. Powers of the Exchange. —The Exchange may, subject to such terms and conditions as it may impose:

a) require additional disclosure or impose additional obligations on a person or company proposing to make or making a stock exchange take-over bid, substantial issuer bid, normal course purchase or normal course issuer bid where, in the opinion of the Exchange, it would be beneficial to the public interest to do so;

b) determine that any person or company shall not be permitted to purchase shares through the facilities of the Exchange;

c) delay the date upon which the book in respect of a stock exchange take-over bid or substantial issuer bid is to be opened to such date as it may, in its discretion, determine on the occurrence of any of the following:

i) the announcement or making of a competing stock exchange bid or circular bid for securities of the same offeree issuer,

ii) the acceptance of a notice of change or a notice of amendment of the terms of the stock exchange take-over bid or of a competing bid, or the announcement of a change in the terms of a circular Bid for securities of the same offeree issuer, or

iii) any other event that, in the opinion of the Exchange, justifies such a delay;

d) permit an offeror to extend a stock exchange take-over bid or substantial issuer bid after the announcement referred to in Rule 6-207;

e) determine whether a stock exchange takeover bid is the ranking bid;
f) deem any transaction made through the facilities of the Exchange to be a stock exchange take-over bid; and

g) exempt any person from any Exchange Requirements where in the opinion of the Exchange it would not be prejudicial to the public interest to do so.
6-201. — COMPLIANCE WITH EXCHANGE REQUIREMENTS

(1) Background and Policy Premises

This Policy explains and expands on Part 6 of the Rules. It sets out the stock exchange take-over bid and substantial issuer bid process. Also, special rules applicable to insider bids, take-over bids where a “going private” transaction is contemplated and certain issuer bids for non-voting and non-equity securities are set out. Normal course issuer bids are addressed in Policy 6-501.

Statutory Rules — The statutory rules regulating take-over and issuer bids, form a comprehensive code. That is, all purchases made by an offeror (which, for the purposes of these rules, includes a listed company repurchasing its own shares) must proceed by way of the procedures stipulated by the relevant securities statute unless the transaction(s) may be brought within the ambit of an exemption from the rules. One of the exemptions in the Securities Act is for bids made through the facilities of a recognized stock exchange, provided that the bid is made in accordance with the rules of that Exchange. This exemption is found at clause 93(1)(a) of the Securities Act for take-over bids and clause 93(3)(e) for issuer bids. Equivalent exemptions exist in other provinces’ rules. Although the exemptions apply to many of the statutory rules, certain provisions of the Securities Act, the Regulation under the Securities Act and policies of the Commission apply to bids made through the facilities of the Exchange. These are detailed below.

Rule 6-102 states that an offeror shall not make a take-over bid or issuer bid through the facilities of the Exchange except in accordance with Exchange Requirements. Failure to comply with Exchange Requirements will result in the Exchange advising the Commission that subsection 93(4) has been violated and shall result in a determination that the exemptions found in section 93 are not applicable because the applicable Exchange Requirements have not been observed.

Exchange Requirements — The Exchange Requirements also form a comprehensive code covering any take-over bid or issuer bid made through the facilities of the Exchange. The, rules that will govern a particular transaction will depend on the nature of that transaction. Separate requirements exist for the following bids:

Take-Over Bids
- “Formal” Take-Over Bids
- Insider Bids
- Normal Course Purchases

Issuer Bids
- Substantial Issuer Bids
- Certain Substantial Issuer Bids for Non Equity and Non Voting Securities
- Normal Course Issuer Bids
The Exchange Requirements governing take-over bids and issuer bids made through its facilities have been amended from time to time in the light of experience and in response to changing practices. The Exchange Requirements are intended to be simple and efficient, and to protect investors, while balancing the goals of maintaining confidence and neutrality as between the offerors, the management of the offeree management and competing offerors. The Exchange Requirements are not intended to (nor do they) reduce the effective protection available to shareholders in any transaction. Except that offers made through the facilities of the Exchange are restricted to cash consideration, cannot be withdrawn (except in limited circumstances) and may not specify a minimum number of shares that must be tendered before the offeror is bound to take them up, they are very similar to bids made by way of circular.

For example, as with the rules applicable to circular bids, the Exchange Requirements specify periods for disclosure, solicitation, and take-up of shares tendered pursuant to an offer. The Exchange Requirements are designed to give the offeree shareholders sufficient time to digest the notice of the bid and their directors’ response to it, seek advice, and respond to the offer, thereby mitigating the pressure created by the offer of a premium price and limited time frame in which to consider the offer. They also counterbalance the offeror’s informational advantage by requiring it to disclose all relevant facts known to it, as well as its intentions for the target company if the offer should succeed. In the case of offers for less than all the shares, shares tendered must be taken up pro rata, thereby allowing all shareholders to participate in the offer. In effect, the rules require that all shareholders have an equal opportunity to participate when a take-over bid or issuer bid is made.

Additional provisions govern insider bids and substantial issuer bids. In these cases, the offeror must normally prepare a valuation of the target company, so that shareholders will have the same information that is available to the offeror to judge whether the bid price is fair.

Small purchases by offerors are governed by the Exchange Requirements on normal course purchases and normal course issuer bids.

(2) Take-over Bids

Definitions — Rule 6-101 defines stock exchange take-over bid” as “a take-over bid, other than a normal course purchase, made through the facilities of the Exchange.” “Take-over bid” means an offer to acquire a sufficient number of listed voting or listed equity securities to bring the offeror’s holdings to 20% or more of the outstanding securities of the class.

Purchase thresholds are determined in accordance with section 89 of the Securities Act. In accordance with Rule 1-101, certain definitions in the Securities Act apply. For the purposes of determining whether the threshold for a take-over bid has been met and whether the normal course purchase limits have been observed, each class of shares is viewed separately. Therefore, if a purchaser offers to acquire 20% or more of a particular class of voting or equity securities it is a take-over bid within the meaning of the definition. A security is an equity security if it carries a residual right to participate both in the earnings of the issuer and the assets of the issuer upon liquidation or winding-up, and includes restricted shares that are listed on the Exchange if they fall within this definition.

A purchaser must count the number of target shares owned or controlled on the date of the offer to acquire by the purchaser and by any person acting jointly or in concert with the purchaser, together with the number of target shares proposed to be acquired through the offer.

The purchaser must also count the number of target shares that it has the right to acquire within 60 days of the date of the offer to acquire by conversion, subscription, option, warrant or otherwise. If the total number of target shares owned and proposed to be acquired is 20% or more of the total number of target shares outstanding, the purchaser is making a take-over bid.
If the offeree company is incorporated under the Canada Business Corporations Act, the threshold is 10% of the issued and outstanding securities in the case of voting securities, including securities already beneficially owned or controlled, directly or indirectly, by the offeror of an affiliate or associate of the offeror, and securities held by such persons or companies that are currently convertible or exerciseable into such securities or into convertible securities.

Restrictions on Acquisitions Before, and After a Bid—The definition of “formal bid” in subsection 89(1) of the Securities Act includes a bid made pursuant to the stock exchange exemption. Section 94 of the Securities Act applies to stock exchange bids since for the purposes of that section an “offeror” is defined as an offeror making a formal bid. Section 94 restricts acquisitions of target securities by an offeror during a take-over bid to purchases made on a stock exchange. Purchases are limited to 5% of the shares outstanding on the date of the bid. (Exchange Requirements further limit purchases by an offeror, as explained below.)

Section 94 contains rules governing private transactions in the 90 days preceding a bid and restricts acquisitions for 20 business days after expiry of a bid. However, normal course purchases on a stock exchange are exempt from these restrictions. Exchange Requirements on normal course purchases must be observed. Offerors are also restricted by the provisions contained in OSC Policy 9.3.

Going Private Transactions — Where an offeror making a stock exchange take-over bid anticipates that a “going private transaction” (as defined in Ontario Securities Commission Rule 61-501) will follow the take-over bid, the valuation requirements set out in section 182 of the Regulations to the Securities Act and OSC Policy 9.1 must be complied with.

Procedure Applicable to Stock Exchange Takeover Bids

1. **Intention to Make a Stock Exchange Takeover Bid** — A person proposing to make a stock exchange take-over bid should first consult with staff of the Regulatory and Market Policy Section of the Exchange. This facilitates effective market surveillance and timely disclosure, in addition to providing an early opportunity to discuss applicable procedures.

2. **Timely Disclosure** — Pursuant to Exchange Requirements on timely disclosure, an offeror must publicly announce its intention to make a bid as soon as the final decision to proceed with a bid is made.

3. **Submission of Draft Notice** — The offeror must prepare and submit to the Regulatory and Market Policy Section a draft of the notice required under Part 6 of the Rules. The disclosure requirements are set out in Rule 6-203. All drafts are filed on a confidential basis.

Rule 6-203(1)(m) requires that the notice include a statement of the rights provided by subsection 131(1) of the Securities Act. Subsection 131 (10) of the Securities Act deems a disclosure document filed with the Exchange pursuant to a stock exchange take-over or issuer bid to be a circular for the purposes of section 131. The following language is recommended:

“Securities legislation in certain of the provinces and territories of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.”

For the purpose of calculating the closing price pursuant to Rule 6-101, the Exchange recognizes the New York Stock Exchange and the American Stock Exchange.
4. **Evidence of Satisfactory Financial Arrangements** — Rule 6-203(1)(o) requires the offeror to provide information satisfactory to the Exchange regarding its identity and financial resources. Normally, the Exchange will require a bank letter or some other satisfactory evidence that the offeror has access to sufficient funds to pay for any shares that it must take up pursuant to the offer.

5. **Acceptance of Notice** — When the draft notice is in satisfactory form, the offeror submits a copy of the final version, duly executed, for acceptance by the Exchange. A bid commences once it is formally accepted.

6. **Press Release** — The offeror must issue a press release announcing that the notice has been accepted by the Exchange and specifying the terms of the offer. The press release must be filed with the Exchange in advance of its release.

7. **Communication to Shareholders** — Rule 6-202(7) requires that the terms of the offer be communicated by first class mail to all holders of the target securities to whom the bid is made in Canada and in each other jurisdiction where the bid is made and such communication is not prohibited by law. The offer must also be mailed to each registered holder of securities convertible or exchangeable into the class of securities that the bid is for, and to each holder that has a right to participate in the offer on some other basis.

   In the event of a disruption in postal service, or in cases where there are only a few shareholders in a particular province, direct communication with such shareholders by telephone, telegraph, telex, teletypewriter or e-mail would, subject to the approval of the Exchange, be acceptable. Participating Organizations shall make reasonable efforts to communicate the terms of the bid to all clients who are shown on their books as holding target shares.

   The offer must also be advertised in the manner prescribed by the Exchange unless some other means of communication is approved. The Exchange normally requires that an advertisement containing a summary of the offer be placed in national newspapers of sufficiently wide circulation to assure dissemination of the offer to all shareholders resident in Canada.

   The Exchange will disseminate the notice to its Participating Organizations. The offeror must provide the Exchange with such number of copies of the notice as may be required by the Exchange.

8. **Time Period of Bid** — Rule 6-204 provides that the book for receipt of tenders may not be opened until the morning of the twenty-first calendar day after acceptance of the notice. It is important to note that the time begins to run from acceptance of the notice and not from the time of mailing. Nevertheless, if the notice is not mailed to shareholders within a reasonably short period following acceptance, the Exchange will require that the time for the offer be extended in order to ensure adequate dissemination. If the offer is to remain open for the minimum period, i.e., until the morning of the twenty-first calendar day after acceptance of the notice, then mailing of the notice should occur within 24 hours of acceptance of the notice by the Exchange.

9. **Purchases During a Take-over Bid** — Pursuant to Rule 6-304, an offeror making a stock exchange take-over bid may only purchase shares through the facilities of the Exchange if granted an exemption by the Exchange under Rule 6-601 (Powers of the Exchange). An exemption will only be granted by the Exchange where there is a competing circular bid. If an exemption is granted, such purchases are limited 5 per cent of the issued and outstanding, including purchases by the offeror and persons or companies acting jointly or in concert with the offeror during the preceding 90 days. As noted above, reference should also be made to section 94 of the **Securities Act**.

10. **Competing Bids** — Rule 6-302 provides that where a competing stock exchange take-over bid is made neither the ranking bid nor the last bid may be withdrawn. The ranking bid is the bid that yields the highest average bid value. The calculation of each competing bid’s average bid value should be made at
the time of the announcement of the last bid. If an offeror making a stock exchange bid also makes a circular bid, the date of the book may be the original date set or such later date as the Exchange determines to be necessary for proper dissemination.

11. Amendments to Bids—Rule 6-207 provides that the terms of a stock exchange take-over bid may be amended, but only to increase the price offered per share or the number of shares sought or to agree to pay an amount in respect of the seller’s commission, or both. Notice must be given pursuant to Rule 6-207. In the case of ranking bids, Rule 6-302(c) provides that the terms of such bids may not be altered except to increase the average bid value.

12. Withdrawal of Bids—Subject to Rule 6-302(b), Rule 6-202(4) provides that a stock exchange take-over bid may not be withdrawn unless the Exchange is satisfied that any undisclosed action prior to the date of the offer or any actions subsequent to that date by the board of directors or senior officers of the target company or by any person other than the offeror, effects an adverse material change in the affairs of the target company. Rule 6-110(b) pertains to the situation where there are competing stock exchange takeover bids, and permits a bid that is neither the ranking bid nor the last bid to be withdrawn.

13. Book for Receipt of Tenders—Normally, a book for receipt of shares tendered to a stock exchange take-over bid is opened on the Exchange between 8:30 am. and 9:00 am. on a particular day. However, the Exchange recognizes that in certain circumstances — for example, to facilitate simultaneous acceptance and settlement — it may be desirable to open the book at other times, such as between 4:00 p.m. and 5:00 p.m. The regular settlement rules shall normally apply to bids made before the opening; however, the Exchange may determine that other settlement rules shall apply to a particular bid. For bids made after the close, it may not be possible to enter the trades until the following morning. In such a case settlement shall be as determined by the Exchange.

14. Extension of Bids—Pursuant to Rule 6-601, the Exchange may, in its discretion and at the request of the offeror, grant an extension of the bid after the book has closed. An extension will normally be granted where the offeror has failed to acquire the number of shares that it originally intended to acquire in a bid for all outstanding shares.

15. Rounding Up—in order to simplify the proration and to reduce the number of odd-lots, the Exchange may request the offeror to take up a number of shares slightly in excess of the number for which it originally bid.

16. Conduct of Participating Organizations—Rule 6-205(a) prohibits Participating Organizations of the Exchange from knowingly assisting or participating in the tendering of more listed voting shares than are owned by the tendering party. The Exchange’s trading and tendering rules will be designed in each case to effectively protect the integrity of the prorate.

Participating Organizations should take note of Rule 4-203 which prohibits a Participating Organization from recording a price on the Exchange that, in the case of a sale by a client, is lower than the actual net price to the client. In other words, negative commissions are prohibited in the interests of the integrity of the tape. A client may not be paid more for their shares than the actual price of the trades pursuant to a take-over bid.

17. Filing Fee—a filing fee of $1000 shall be paid to the Exchange on filing a duly executed notice. In addition, the regular Exchange trading fees shall apply to purchases under the bid.

(3) Normal Course Purchases

A “normal course purchase” is defined in Rule 6-101 as a purchase of such number of a class of securities that, together with all other purchases in the preceding 12 months, constitutes no more than 5% of the securities outstanding. A normal course purchase is a take-over bid, and therefore the rules only
apply to purchasers that hold, or would hold after the purchase, at least 20% of the outstanding shares of a class of voting or equity securities (10% of a class of voting securities in the case of a company incorporated under the Canada Business Corporations Act). Shares purchased by persons or companies acting jointly or in concert with the offeror are included in determining the total number of shares purchased.

An offeror may acquire up to 5% of the outstanding shares in a given 12 month period through the facilities of the Exchange without filing with the Exchange. An offeror may not acquire more than 5% of the outstanding shares in a 12 month period unless a formal take-over bid is made.

Note that for the purpose of determining whether an offeror is making a normal course purchase (i.e. calculating whether the 20% threshold has been or will be reached), the beneficial ownership of securities by the offeror and any person acting jointly or in concert with the offeror is determined in accordance with section 90 of the Securities Act. Refer to Rule 6-101(3). Similarly, the number of outstanding securities is determined in accordance with subsection 90(3) of the Securities Act if the offeror or any person acting jointly or in concert with the offeror is deemed to be the beneficial owner of any such securities by section 90.

(4) Insider Bids

Where a stock exchange take-over bid is made by any insider of a listed offeree company, by any associate or affiliate of an insider, by any associate or affiliate of a listed offeree issuer or by any person acting jointly or in concert with any of the foregoing (all as defined in the Securities Act and OSC Policy 9.1), or where the offeror anticipates that a going-private transaction will follow the bid, the procedure is basically the same as that outlined above. Unless a waiver is obtained from the Director of the Commission, a valuation of the target company must be prepared in accordance with section 182 of the Regulation. Further, unless exempted by OSC Policy 9.1, or a waiver is obtained from the Director of the Commission pursuant to OSC Policy 9.1, a valuation of the target company must be prepared in accordance with the requirements set out in the Policy. Form 33-type disclosure and disclosure on legal matters must be included in the notice. In addition, corporate law may impose valuation requirements on offerors.

(5) Issuer Bids

Definition of an “Issuer Bid” — “Issuer Bid” is defined in Rule 6-101 as an offer to acquire listed securities made by or on behalf of a listed company for securities issued by that listed company, unless:

a) the securities are purchased or acquired in accordance with terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are acquired to meet sinking fund or purchase fund requirements;

b) the purchase or acquisition is required by the instrument creating or governing the class of securities or by the statute under which the issuer was incorporated, organized or continued; or

c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right.

Types of Issuer Bids — Issuer bids made through the Exchange facilities fall into two categories:

a) Normal Course Issuer Bids — Normal course issuer bids are limited to small market purchases made at the market price over an extended period of time. The term is defined in
Rule 6-101. Generally, purchases may not exceed the greater of 5% of issued and outstanding shares or 10% of the public float over a 12-month period and 2% in any 30 day period. The Exchange Requirements with respect to normal course issuer bids are set out in the Policy 6-501.

b) Substantial Issuer Bids — Substantial issuer bids are issuer bids that are not normal course issuer bids. There are two types of substantial issuer bids: issuer bids for voting or equity securities, and issuer bids for non-voting and non-equity securities. Each type of bid is subject to separate requirements.

Pursuant to the Exchange’s Requirements on timely disclosure, an issuer shall publicly disclose its intention to make an issuer bid as soon as the final decision to proceed with the bid is made.

Substantial Issuer Bids — The requirements applicable to substantial issuer bids for voting or equity securities are basically the same as those outlined above for a take-over bid. An issuer making a substantial issuer bid for voting or equity securities through the facilities of the Exchange shall file a notice with the Exchange in accordance with Rule 6-203, and with the procedures described in this Policy under the heading “Procedure Applicable to Stock Exchange Take-over Bids”. In addition, unless a waiver is obtained from the Director or the Commission, a valuation of the target company must be prepared in accordance with s. 182 of the Regulation under the Securities Act. Further, unless exempted by OSC Policy 9.1, or a waiver is obtained from the Director of the Commission pursuant to OSC Policy 9.1, a valuation of the target company must be prepared in accordance with the requirements set out in OSC Policy 9.1. OSC Policy 9.1 requires that Form 33-type disclosure and disclosure on legal matters be included in the notice. In addition, the notice must state the purpose or business reasons for the bid.

The Exchange will disseminate copies of the notice to its Participating Organizations, and the offeror shall provide the Exchange with such number of copies of the notice as may be required by the Exchange.

Substantial Issuer Bids for Non-Voting and Non-Equity Securities — A simpler procedure is available for issuer bids for securities that are neither voting nor equity securities if there is no requirement to provide a valuation or if exemptions from all applicable valuation requirements have been obtained. In this case, the issuer may file a less detailed form of notice with the Exchange, and is not required to mail a copy of the notice to each shareholder. The book for receipt of tenders may be held on the twenty-first day following acceptance of the notice of issuer bid by the Exchange.

The issuer shall issue a press release indicating its intention to make a substantial issuer bid immediately after the Exchange has accepted notice of the bid. The press release shall summarize the material aspects of the contents of the notice, including the class of securities sought, the maximum number of securities sought, the date of the book and procedures for tendering. Once a press release has been issued, the issuer is committed to making the bid. The Exchange will disseminate copies of the notice to its Participating Organizations, and the offeror shall provide the Exchange with such number of copies of the notice as may be required by the Exchange.

(6) Filing Fee

A filing fee of $1000 shall be paid to the Exchange on filing a duly executed notice. In addition, the regular Exchange trading fees shall apply to purchases under the bid.

(7) Exchange Discretion

Rule 6-601 allows the Exchange to relieve any person from the provisions of Part 6 of the Rules where it would not be prejudicial to the public interest to do so. The Exchange may impose additional obligations on a person as circumstances may warrant. The Exchange has discretion to deny any person
or company the use of Exchange facilities. Exemptions will only be granted after prior discussions with and the concurrence of the Commission.

6-501. — NORMAL COURSE ISSUER BIDS

(1) Introduction

Rule 6-501 requires a normal course issuer bid to be made in accordance with this Policy. "Normal course issuer bid" is defined in Rule 6-101.

This Policy sets out the procedures and policies of the Exchange for normal course issuer bids made through its facilities. Subject to certain restrictions, a listed company is generally permitted to purchase through normal market purchases up to 2% of a class of its voting securities in a given 30-day period up to a maximum in a 12-month period of the greater of 5% of outstanding shares or 10% of the public float.

The objectives of the Policy are to:

a) provide listed companies with a reasonable and flexible framework within which they may purchase their own shares;
b) provide shareholders with satisfactory disclosure;
c) encourage listed companies to treat shareholders equally;
d) ensure that purchases listed companies do not have a significant effect on the market price of the company’s securities; and
e) set forth a clear set of rules for normal course issuer bids to facilitate compliance.

(2) Securities Act Exemption

The Securities Act exempts from its requirements an issuer bid (as defined in the Securities Act) where it is made through the facilities of a stock exchange recognized by the Commission. The Exchange has been recognized by the Commission. The Canada Business Corporations Act and the Securities Acts of certain other provinces have similar provisions.

Subsection 93(4) of the Securities Act requires a bid made through a stock exchange pursuant to any exemption in the Securities Act, including the stock exchange exemption, to be made in accordance with by-laws, regulations and policies of the Exchange. Rule 6-201 states that an issuer shall not make an issuer bid through the facilities of the Exchange except in accordance with Exchange Requirements. Where a notice filed with the Exchange contains a misrepresentation or where the issuer otherwise fails to comply with any of the provisions of this Policy, the Exchange will advise the Commission that subsection 93(4) has been violated. This may result in a determination that the Securities Act exemption does not apply and the issuer will therefore be in contravention of the Securities Act as well as Exchange Requirements.

The requirements set out in this Policy must also be followed by an issuer purchasing shares of a class of the issuer through the facilities of the Exchange pursuant to any applicable exemption of the Securities Act other than the stock exchange exemption. This is required by subsection 93(4) of the Securities Act.
(3) **Substantial Issuer Bids**

A listed company may make repurchases of its shares in excess of those permitted under the normal course issuer bid rules by making a formal bid pursuant to the provisions of Part 6 of the Rules and the Policy on Stock Exchange Take-over Bids and Issuer Bids. Questions regarding formal bids through the facilities of the Exchange should be directed to the Regulatory and Market Policy Section of the Exchange.

(4) **Definitions**

Please refer to Part 6 of the Rules for the definitions applicable to this Policy, including definitions of “issuer bid”, “normal course issuer bid” and “public float”. The terms “issuer” and “listed company” are used interchangeably herein. The definitions in Part I of the Rules also apply to this Policy.

(5) **Restricted Shares**

Where the issuer has a class of Restricted Shares, the notice shall include a description of the voting rights of all equity securities (as defined in the *Securities Act*) of the issuer. Reference is made to OSC Policy 1.3 and the Exchange Requirements on Restricted Shares. Where the issuer does not propose to make the same normal course issuer bid for all classes of voting and equity securities, Item 6 of the notice shall state the business reasons for so limiting the normal course issuer bid.

(6) **Procedure for Making a Normal Course Issuer Bid**

a) **Intention to Acquire Shares** — The filing of a notice is a declaration by the issuer that it has a present intention to acquire shares. The notice should set out the number of shares that the issuer’s board of directors has determined may be acquired rather than simply reciting the maximum number of shares that may be purchased pursuant to this Policy. A notice is not to be filed if the issuer does not have a present intention to purchase shares.

   The Exchange will not accept a notice if the company would not meet the criteria for continued listing on the Exchange, assuming all of the purchases contemplated by the notice were made.

b) **Contents and Filing of the Notice** — The Exchange requires that the issuer prepare and submit to the Exchange a draft of a notice containing the information prescribed by the Appendix to this Policy. When the notice is in a form acceptable to the Exchange, the issuer shall file the notice in final form, duly executed by a senior officer or director of the issuer, for acceptance by the Exchange.

c) **Duration** — A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

d) **Press Release** — The issuer will generally issue a press release indicating its intention to make a normal course issuer bid, subject to regulatory approval, prior to acceptance of the executed notice by the Exchange. The press release should summarize the material aspects of the contents of the notice, including the number of shares sought, the reason for the bid and previous purchases. If a press release has not already been issued, a draft press release should be provided to the Exchange and the issuer shall issue a press release as soon as the notice is accepted by the Exchange. A copy of the final press release shall be filed with the Exchange.

e) **Disclosure to Shareholders** — The issuer shall include a summary of the material information contained in the notice in the next annual report, annual information circular, quarterly report...
or other document mailed to shareholders. The document should indicate that shareholders may obtain a copy of the notice, without charge, by contacting the issuer.

f) **Commencement of Purchases** — A normal course issuer bid may commence on the date that is two trading days after the latest of

i) the date of acceptance by the Exchange of the issuer’s notice in final Executed form; or

ii) the date of issuance of the press release required by Policy 6-501 (6)(d).

g) **Publication by the Exchange** — Upon acceptance of the notice the Exchange will publish summary notification of the normal course issuer bid in its Daily Record.

h) **Amendment** — During the course of a normal course issuer bid an issuer may determine that it wishes to amend its notice by increasing the number of shares sought while not exceeding the maximum percentages referred to in the definition of normal course issuer bid. The issuer may do so by issuing a press release and advising the Exchange in writing.

(7) **Purchases by a Trustee or Agent**

A trustee or other purchasing agent (hereinafter referred to as a “trustee”) for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or shareholders of a listed company may participate is deemed to be making an offer to acquire securities on behalf of the listed company where the trustee is deemed to be non-independent. Trustees that are deemed to be non-independent are subject only to Policy 6-501(8) and (9) and to the limits on purchases of the issuer’s securities prescribed by the definition of “normal course issuer bid”. Trustees that are non-independent must notify the Exchange before commencing purchases.

A trustee is deemed to be non-independent where:

a) the trustee (or one of the trustees) is an employee, director associate or affiliate of the issuer; or

b) the issuer, directly or indirectly, has control over the time, price, amount and manner of purchases or the choice of the broker through which the purchases are to be made. The issuer is not considered to have control where the purchase is made on the specific instructions of the employee or shareholder who will be the beneficial owner of the shares.

The Exchange should be contacted where there is uncertainty as to the independence of the trustee.

(8) **Reporting Purchases**

Within 10 days of the end of each month in which any purchases are made, whether the securities were purchased through the facilities of the Exchange or otherwise, the issuer shall report its purchases to the Exchange stating the number of securities purchased during its purchases that month, giving the average price paid and stating whether the securities have been cancelled, reserved for issuance or otherwise dealt with. Nil reports are not required. The monthly reports are to be addressed to the attention of the Exchange’s Advisory Affairs Division. The issuer may delegate the reporting requirement to the Participating Organization appointed to make its purchases; however, the issuer bears the responsibility of ensuring timely reports are made. The Exchange periodically publishes a list of securities purchased pursuant to normal course issuer bids.

This paragraph also applies to purchases by non-independent trustees pursuant to Policy 6-501(7) and to purchases by any party acting jointly or in concert with the issuer.
Prohibited Purchases

The Exchange has set the following rules for issuers and Participating Organizations acting on their own behalf:

2. Price Limitations — It is inappropriate for an issuer making a normal course issuer bid to abnormally influence the market price of its shares. Therefore, purchases made by issuers pursuant to a normal course issuer bid shall be made at a price which is not higher than the last independent trade of a board lot of the class of shares which is the subject of the normal course issuer bid. In particular, the following are not “independent trades”:

   a) trades directly or indirectly for the account of (or an account under the direction of) an insider of the issuer, or any associate or affiliate of either the issuer or an insider of the issuer;

   a) trades for the account of (or an account under the direction of) the Approved Trader making purchases for the bid; and

   b) trades solicited by the Approved Trader making purchases for the bid.

3. Prearranged Trades — It is important to investor confidence that all holders of identical shares be treated in a fair and evenhanded manner by the issuer. Therefore, across or pre-arranged trade is not permitted where the seller is an insider of the issuer, an associate of an insider, or an associate or affiliate of the issuer.

4. Private Agreements — It is the view of the Exchange that it is in the interest of shareholders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the Securities Act, which provides very limited exemptions for private agreement purchases. The Exchange, therefore, will not normally accept a notice which indicates that purchases will be made other than by means of open market transactions.

5. Sales from Control — Purchases pursuant to a normal course issuer bid shall not be made from a person effecting a sale from control block pursuant to subsection 72(7) of the Securities Act and Policy 4-305 on Sales from Control Blocks Through the Facilities of the Exchange. It is the responsibility of the Participating Organization acting as agent for the issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a Participating Organization is offering the same class of securities of the issuer under a sale from control.

6. Purchases During a Take-Over Bid — An issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a take-over bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof. This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

   In addition, if the issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid pursuant to OSC Policy 9.3.

Participating Organization

The issuer shall appoint only one Participating Organization at any one time as its broker to make purchases. The issuer shall inform the Exchange in writing of the name of the responsible broker. The Participating Organization shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions of this Policy and the terms of such notice. The Exchange will look to its Participating Organizations to make purchases in accordance with such instructions.
assist the Exchange in its surveillance function, the issuer is required to receive the written consent of the Exchange where it intends to change its broker.

(11) Powers of the Exchange

The powers of the Exchange with respect to normal course issuer bids are set out in Rule 6-601. They include the power to exempt any person from Exchange Requirements where in the opinion of the Exchange, it would not be prejudicial to the public interest to do so. Blanket exemptions will only be granted after prior discussions with and the concurrence of the Commission.

(12) Suspension for Non-Compliance

Failure to comply with any requirement herein may result in the suspension of the bid.

(13) Fees

A fee of $1000 shall be paid on filing a duly executed notice.

(14) Enquiries

Notices of normal course issuer bids and monthly reports regarding purchases should be addressed to the Regulatory and Market Policy Section of the Exchange. Questions and comments regarding the procedures and policies of the Exchange relating to normal course issuer bids should be directed to the Market Policy Section at 947-4566.
APPENDIX—NOTICE OF INTENTION TO MAKE A NORMAL COURSE ISSUER BID

CONTENTS OF NOTICE — A notice shall provide the information set out below in the following form:

Item 1 Name of Issuer

Item 2 Shares Sought — State the class and maximum number (or percentage) of shares that may be acquired. Also state the percentage of shares outstanding or the public float, as the case may be, that the bid is for. Where the issuer has established a specific number of shares to be acquired, state the number of shares sought. A notice may relate to the acquisition of more than one class of shares of an issuer provided the bid for each class of shares qualifies as a normal course issuer bid. For example, an issuer with common shares and convertible preferred shares outstanding may wish to purchase up to 5% of each class over a 12 month period.

Item 3 Duration — State the dates on which the normal course issuer bid will commence and terminate. The normal course issuer bid may not extend for a period of more than one year from the date on which purchases may commence.

Item 4 Method of Acquisition.— Indicate clearly that purchases will be effected through the facilities of the Exchange and identify any other exchanges on which purchases will be made. State that purchase and payment for the shares will be made by the issuer in accordance with the requirements of the Exchange and that the price that the issuer will pay for any shares acquired by it will be the market price of the shares at the time of acquisition.

In addition, indicate whether purchases (other than by way of exempt offer) will be made other than by means of open market transactions during the period the normal course issuer bid is outstanding.

Item 5 Consideration Offered — Indicate any restrictions on the price the offeror is prepared to pay and any other restrictions relating to the issuer bid, such as specific funds available, method of purchasing, etc.

Item 6 Reasons for the Normal Course Issuer Bid — State the purpose or the business reasons for normal course issuer bid.

Item 7 Valuation — Include a summary of any appraisal or valuation of the issuer known to the directors or officers of the issuer after reasonable enquiry regarding the issuer, its material assets or securities prepared within the two years preceding the date of the notice, together with a statement of a reasonable time and place at which such appraisal or valuation, or a copy thereof may be inspected. For the purpose of this Item 7, the phrase “appraisal or valuation” means both an independent appraisal or valuation and a material non-independent appraisal or valuation.

Item 8 Previous Purchases — Where the issuer has purchased shares which are the subject of the normal course issuer bid within the past 12 months, state the method of acquisition, the number of shares purchased and the average price paid.

Item 9 Persons Acting Jointly or In Concert with the Issuer — Disclose the identity of any party acting jointly or in concert with the issuer.

Item 10 Acceptance by Insiders, Affiliates and Associates — State the name of every director or senior officer of the company who intends to sell shares of the issuer during the course
of the normal course issuer bid and where their intention is known after reasonable
enquiry, the name of every:

18. associate of a director or senior officer of the company;

19. person acting jointly or in concert with the company; or

20. person holding 10% or more of any class of equity securities of the company,
    who intends to sell shares.

Item 11  **Benefits from the Normal Course Issuer Bid** — State direct or indirect benefits to any
of the persons or companies named in item 10 of selling or not selling shares of the
issuer during the course of the normal course issuer bid. An answer to this item is not
required where the benefits to such company of selling or not selling shares are the same
as the benefits to any other shareholder who sells or does not sell.

Item 12  **Material Changes in the Affairs of the Issuer Company** — Disclose any previously
undisclosed material changes or plans or proposals for material changes in the affairs of
the issuer.

Item 13  **Certificate** — The notice shall be certified complete and accurate and in compliance with
Part 6 of the Rules and Policies of the Exchange by a director or senior officer of the
issuer duly authorized by the issuer's board of directors. The certificate shall include a
statement to the effect that the notice contains no untrue statement of a material fact and
does not omit to state a material fact that is required to be stated or that is necessary to
make a statement not misleading in the light of the circumstances in which it is made.
APPENDIX H
COMPANY REPORTING FORMS

TSX COMPANY REPORTING FORMS – USER GUIDE

Refer to the “Filing Instructions” section of each Company Reporting Form or to the TSX SecureFile User’s Guide, available on the SecureFile website, to determine when the filing of such Form is required.

- All of the Company Reporting Forms are available on the TSX website at www.tsx.com by clicking on “A Listed company” and selecting “TSX Company Manual”, then scroll down the page for the respective forms.

- Company Reporting Forms 1, 2, 3, 5, 8, 9 and 10\(^1\) are available on TSX SecureFile and may only be filed via TSX SecureFile.

- Company Reporting Forms 4, 11, 12 and 13 can be filed via fax, email, mail/courier or TSX SecureFile.

- TSX requirement that each Company file an Annual Questionnaire has been repealed and replaced with the requirement that each Company must file the relevant Company Reporting Form in the appropriate circumstances.

- In this User Guide and in TSX Company Reporting Forms,

  (i) the term “Company” includes a trust, partnership or other form of TSX-listed business organization; and

  (ii) the term “share” includes any equity interest in a trust, partnership or other form of business organization or an equity interest in the net assets of any of them, as the case may be.

\(^{1}\) On TSX SecureFile, the content of former Company Reporting Form 10 is now located in Company Reporting Form 2.
WHEN TO FILE: Within 10 days after the end of each month in which any change to the number of outstanding or reserved listed securities has occurred (including a reduction in such number that results from a cancellation or redemption of securities). If no such change has occurred, a nil report should be filed on a quarterly basis.

HOW: Via TSX SecureFile.
Filing via fax to 416-947-4547 (514-788-2421 for Montreal office) or via email to listedissuers@tsx.com will only be available until January 31, 2006.

QUESTIONS: For Companies Reporting to the Toronto TSX Office:
Email listedissuers@tsx.com or contact the TSX Reporting Agent who is responsible for the Company (based on the first letter of the Company’s name), as follows:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>A – H</td>
<td>416-947-4538</td>
</tr>
<tr>
<td>I – Z</td>
<td>416-947-4616</td>
</tr>
</tbody>
</table>

For Companies Reporting to The Montreal TSX Office:
Call 514-788-2451

NOTE: The Company may customize the form to ensure that the charts below contain all applicable information relating to the issuer. Each share compensation arrangement which involves the issuance of treasury securities must have its own chart.

This Form replaces the “Changes in Capital Structure” form.

Although the Closing Issued and Outstanding Share Balance figure to be entered on the last line of Section A of this Form will be posted on the TSX website, no other information provided by the Company in this Form will be made available for public view.
## FORM: 1  Company Name: Stock Symbol:

### CHANGE IN OUTSTANDING AND RESERVED SECURITIES

<table>
<thead>
<tr>
<th>ISSUED AND OUTSTANDING SHARE SUMMARY*</th>
<th># of Shares</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued and Outstanding – Opening Balance*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ADD:**
- Stock Options Exercised
- Share Purchase Plan
- Dividend Reinvestment Plan
- Exercise Warrants
- Private Placement
- Conversion
- Other Issuance (provide description)

**SUBTRACT:**
- Issuer Bid Purchase
- Redemption
- Other Cancellation (provide description)

| Closing Issued and Outstanding Share Balance* |            |         |

**NOTE:** If any of the Company’s securities of a listed class are held by the Company itself or by any subsidiary of the Company (which securities are herein referred to as “internally-held securities”), such internally-held securities must not be counted as “issued and outstanding.”

Internally-held securities may result from the Company not cancelling shares acquired pursuant to an issuer bid or as a consequence of a subsidiary of the Company retaining or obtaining shares of the Company through a merger, amalgamation, arrangement or reorganization involving the Company.

### RESERVED FOR SHARE COMPENSATION ARRANGEMENTS

<table>
<thead>
<tr>
<th>RESERVES FOR SHARE COMPENSATION ARRANGEMENTS</th>
<th># of Shares</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Share Purchase Plans and / or Agreement(s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NAME OF PROGRAM:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Reserve for Share Purchase Plan / Agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Shares Listed Pursuant to the Plan (ADD)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares Issued from Treasury (SUBTRACT)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing Reserve for Share Purchase Plan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### B. Dividend Reinvestment Plan (DRIP) — for shareholders

<table>
<thead>
<tr>
<th>NAME OF PROGRAM:</th>
<th># of Shares</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Reserve for Dividend Reinvestment Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Shares Listed Pursuant to the Plan (ADD)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares Issued (SUBTRACT)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing Reserve for Dividend Reinvestment Plan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### FORM: 1

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Stock Symbol:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESERVED FOR SHARE COMPENSATION ARRANGEMENTS</strong></td>
<td></td>
</tr>
</tbody>
</table>

### C. Stock Option Plan (and/or) Agreement

<table>
<thead>
<tr>
<th>NAME OF PROGRAM:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stock Options Outstanding — Opening Balance</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Options Granted:** (ADD)

<table>
<thead>
<tr>
<th>Date of Grant</th>
<th>Name of Optionee</th>
<th>Expiry Date</th>
<th>Exercise Price</th>
<th># of Options Granted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUBTOTAL**

**Options Exercised:** (SUBTRACT) Shares issued on exercise must also be subtracted in the table entitled “Shares Reserved” below

<table>
<thead>
<tr>
<th>Date of Exercise</th>
<th>Name of Optionee</th>
<th>Date of Grant</th>
<th>Exercise Price</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUBTOTAL**

Share Appreciation Rights or Market Growth Feature ("SAR") in tandem with Stock Options.

<table>
<thead>
<tr>
<th>Date of Exercise / Canc.</th>
<th>Name of Optionee</th>
<th>Date of Grant</th>
<th># Options Canc.</th>
<th># Shares Issued* (based on SAR Value)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUBTOTAL**

*Shares may, or may not be issued however "Shares Reserved" (for Stock Option Plan) may require a deduction in accordance with TSX acceptance of the Plan. Please ensure all applicable changes are noted.
Options Cancelled/Terminated: (SUBTRACT) If an option is cancelled prior to its natural expiry date, for reasons other than termination of employment or natural expiry, the entry should be noted with a * and an explanation provided below.

<table>
<thead>
<tr>
<th>Date of Canc. / Term</th>
<th>Name of Optionee</th>
<th>Date of Grant</th>
<th>Expiry Date</th>
<th>Exercise Price</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SUBTOTAL

Stock Option Outstanding — Closing Balance

---

**FORM: 1**

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Stock Symbol:</th>
</tr>
</thead>
</table>

**RESERVED FOR SHARE COMPENSATION ARRANGEMENTS**

D. Shares Reserved (for Stock Option Plan)

<table>
<thead>
<tr>
<th>NAME OF PROGRAM:</th>
<th># of Shares</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Share Reserve Balance at beginning of period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional shares Listed Pursuant to the Plan (ADD)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Options Exercised (SUBTRACT)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Appreciation Rights (SUBTRACT)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Closing Share Reserve Balance at end of period

All information reported in this Form is for the month of ______________, 200__.

---

Filed on behalf of the Company by:
(please enter name and direct phone or email)

**NAME**

**PHONE / EMAIL**

**DATE**
FORM: 2  |  CHANGE IN GENERAL COMPANY INFORMATION

WHEN TO FILE:  Within 10 days after the relevant change.

HOW:  Via TSX SecureFile.
       Filing via fax to 416-947-4547 (514-788-2421 for Montreal office) or via email to listedissuers@tsx.com will only be available until January 31, 2006.

QUESTIONS:  For Companies Reporting to the Toronto TSX Office:
           Email listedissuers@tsx.com or contact the TSX Reporting Agent who is responsible for the Company (based on the first letter of the Company’s name), as follows:

           A – H        416-947-4538
           I – Z        416-947-4616

           For Companies Reporting to the Montreal TSX Office:
           Call 514-788-2451 or via email listedissuers@tsx.com
### CHANGE IN GENERAL COMPANY INFORMATION

Change in Head office Address / Phone / Fax / Website / Email

<table>
<thead>
<tr>
<th>ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREET ADDRESS</td>
</tr>
<tr>
<td>CITY</td>
</tr>
<tr>
<td>POSTAL / ZIP CODE</td>
</tr>
<tr>
<td>GENERAL EMAIL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>( )</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>( )</td>
</tr>
</tbody>
</table>

**EFFECTIVE DATE OF CHANGE**

---

**Form 2 – Change in General Company Information**

(as at May 29, 2006)
FORM: 2

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Stock Symbol:</th>
</tr>
</thead>
</table>

CHANG IN GENERAL COMPANY INFORMATION

Change in Jurisdiction of Incorporation (Country only)

<table>
<thead>
<tr>
<th>New Jurisdiction of Incorporation</th>
<th>Effective Date of Change</th>
</tr>
</thead>
</table>

Change in Fiscal Year-End

<table>
<thead>
<tr>
<th>New Fiscal Year-End</th>
<th>Effective Date of Change</th>
</tr>
</thead>
</table>

Change in Interlisting Status

**NOTE:** If the Company has become interlisted on another market, or has recently ceased to be listed on another market, provide the following information with respect to such other market(s). If securities of the Company are now traded (or have recently ceased to be traded) on NASDAQ, specify the market segment (e.g., National Market, SmallCap, OTC Bulletin Board or AMEX).

<table>
<thead>
<tr>
<th>Market</th>
<th>Trading Symbol</th>
<th>Class of Security</th>
<th>Date Listed / Date Delisted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Change in Transfer Agent & Registrar

**NOTE:** Every Company must maintain acceptable transfer agent services in the City of Toronto.

<table>
<thead>
<tr>
<th>Transfer Agent (new)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-Transfer Agent (if applicable)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Registrar (if different from Transfer Agent)</th>
<th>Effective Date of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### CHANGE IN GENERAL COMPANY INFORMATION

**Change in NAICS (North American Industrial Classification System) Code**

**NOTE:** Provide the appropriate NAICS code(s) for the major sectors in which the Company operates. Statistics Canada makes available a list of NAICS codes in catalogue 12-501-XCB (CD-ROM) or 12-501-XPE (paper) and also provides a list of such codes free of charge on its web site. For more information, call Statistics Canada at 416.973.6586 or 800.263.1136 or visit http://www.statcan.com/english/Subjects/Standard/manuals.htm.

<table>
<thead>
<tr>
<th>PRIMARY CODE</th>
<th>(NEW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECONDARY CODE (NEW)</td>
<td></td>
</tr>
<tr>
<td>EFFECTIVE DATE OF CHANGE (NEW)</td>
<td></td>
</tr>
</tbody>
</table>

**Filed on behalf of the Company by:**

(please enter name and direct phone or email)

<table>
<thead>
<tr>
<th>NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHONE / EMAIL</td>
</tr>
<tr>
<td>DATE</td>
</tr>
</tbody>
</table>
FORM: 3 CHANGE IN OFFICERS / DIRECTORS / TRUSTEES

WHEN TO FILE:
A. All Listed Issuers
   Within 10 days after any relevant change.

B. Trusts and Limited Partnerships
   In addition to the above-described requirements for a listed issuers, file a Form 3 within 10 days of any relevant change to the senior officers or directors of the Manager or General Partner, as the case may be, of the listed Trust or Limited Partnership.

HOW:
Via TSX SecureFile.
Filing via fax to 416-947-4547 (514-788-2421 for Montreal office) or via email to listedissuers@tsx.com will only be available until January 31, 2006.

QUESTIONS:
For Companies Reporting to the Toronto TSX Office:
Email listedissuers@tsx.com or contact the TSX Reporting Agent who is responsible for the Company (based on the first letter of the Company's name), as follows:

A – H  416-947-4538
I – Z  416-947-4616

For Companies Reporting to the Montreal TSX Office:
Call 514-788-2451 or email listedissuers@tsx.com regarding any questions about this Form or about the exempt / non-exempt status of the Company.

NOTE:
A Form 3 is not required to be filed in respect of any change to the officers or directors of any subsidiary of the Company.
# CHANGE IN OFFICERS / DIRECTORS / TRUSTEES

A separate Form per individual should be completed. If there are multiple changes, copy and paste electronically or photocopy the form.

## Identity of the Individual

<table>
<thead>
<tr>
<th>CIVIL TITLE (e.g. MR., MS, MRS.)</th>
<th>SURNAME</th>
<th>FIRST NAME</th>
<th>MIDDLE NAME(S)</th>
</tr>
</thead>
</table>

## Addition (new appointment)

Position — identify position(s) now held, or to be held, by the individual

<table>
<thead>
<tr>
<th>Position</th>
<th>Effective Date of Change</th>
</tr>
</thead>
</table>

## Deletion (termination or resignation)

Position — identify position(s) from which the individual resigned or was terminated

<table>
<thead>
<tr>
<th>Position</th>
<th>Effective Date of Change</th>
</tr>
</thead>
</table>

## Change in Position / Title

Position — identify the title or position(s) formerly held by the individual and the one now held by that individual

<table>
<thead>
<tr>
<th>OLD POSITION(S)</th>
<th>NEW POSITION(S)</th>
</tr>
</thead>
</table>

© 2006, TSX Group Inc.
For Non-Exempt Issuer:
Has a Personal Information Form been filed with TSX?

☐ YES  ☐ NO

DATE FILED

The issuer hereby confirms that it has obtained all consents necessary for TSX Inc. to do a preliminary search of publicly available information for the purposes of determining whether TSX will require the filing of a Personal Information Form for the newly appointed or designated individuals on this form.

Filed on behalf of the Issuer by:
(please print name and direct phone or email)

NAME

________________________________________

SIGNATURE

________________________________________

PHONE / EMAIL

________________________________________

DATE

________________________________________
FORM: 4 PERSONAL INFORMATION FORM

PERSONAL INFORMATION FORM

Where an individual has submitted a Personal Information Form ("PIF") to Toronto Stock Exchange, a division of TSX Inc. or to TSX Venture Exchange, a division of TSX Venture Exchange Inc. (collectively referred to as the "Exchange") within the last 36 months and the information has not changed, a Declaration Form may be completed in lieu of this PIF. Otherwise, this PIF is to be completed by every individual who:

(a) is or becomes an officer, director or insider (as defined pursuant to securities legislation) of an issuer listed on the Exchange (referred to as an "Issuer");

(b) beneficially owns or controls, directly or indirectly, securities representing more than 10 percent of the voting rights attached to all outstanding voting securities of the Issuer;

(c) where a securityholder referred to in paragraph (b) is not an individual, any director, officer or insider of that securityholder;

(d) is an individual requested by the Exchange to complete a PIF; or

(e) is an individual requested by a securities regulatory authority (referred to as an "SRA"), as defined below, to complete a PIF.

General Instructions On How To Complete This PIF:

The Form
The Exchange requires an originally completed PIF and two photocopies of the original. No facsimiles will be accepted. Each PIF must be signed and initialed where necessary manually, not mechanically or electronically. The SRA will accept a copy of the PIF if an original was submitted to the Exchange. Otherwise, the SRA will require an originally completed PIF.

In all cases, the Consent for Disclosure of Criminal Record Information, which is attached as Exhibit 1, must be completed.

Foreign Residents
Persons submitting a PIF who reside outside of Canada may be required to complete and submit additional forms and information. Please contact the Exchange and the SRA for further information.

Disclosure
Failure to fully disclose any information required by this PIF or false or misleading disclosures may result in the disqualification of an individual from involvement with the Issuer and/or other issuers.

Processing Delays
Failure to respond to all questions accurately and completely may result in the return of the PIF, may delay the processing of the related application of the Issuer and may result in the denial of the Issuer's application.

All Questions
All questions must have a response. The Exchange and the SRA will not accept the response of "N/A" or "Not Applicable" for any questions, except Questions 1(B), 2B(iii) and 5. If you have any questions regarding this form please contact the Exchange.

Questions 6 to 9
Please check (√) in the appropriate space provided. If your answer to any of questions 6 to 9 is "YES", you must, in an attachment, provide complete details, including the circumstances, relevant dates, names of the parties involved and final disposition, if known. Any attachment must be initialed by the Notary Public and the person completing this PIF. Responses must consider all time periods.
CAUTION

An individual who makes a false statement by statutory declaration commits an offence under securities legislation and an indictable offence under the *Criminal Code* (Canada). The indictable offence is punishable by *imprisonment* for a term not exceeding fourteen years. Steps may be taken to verify the answers you have given in this PIF, including verification of information relating to any previous criminal record.

DEFINITIONS

Capitalized terms not defined herein are as defined in the Toronto Stock Exchange Company Manual.

“Offence” An offence includes:

- a summary conviction or indictable offence under the *Criminal Code* (Canada);
- a quasi-criminal offence (for example under the *Income Tax Act* (Canada), the *Immigration Act* (Canada) or the tax, immigration, drugs, firearms, money laundering or securities legislation of any jurisdiction; or
- a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein or an offence under the criminal legislation of any other jurisdiction.

NOTE: If you have received a pardon under the *Criminal Records Act* (Canada) and it has not been revoked, you must disclose the pardoned offence in this PIF. In such circumstances:

(a) the appropriate written response would be “Yes, pardon granted on (date),” and

(b) you must provide complete details in an attachment to this PIF.

“Proceedings” means:

(a) a civil or criminal proceeding or inquiry before a court,
(b) a proceeding before an arbitrator or umpire or a person or group of persons authorized by law to make an inquiry and take evidence under oath in the matter,
(c) a proceeding before a tribunal in the exercise of a statutory power of decision making where the tribunal is required by law to hold or afford the parties to the proceeding an opportunity for a hearing before making a decision, or
(d) a proceeding before a self-regulatory organization authorized by law to regulate the operations and the standards of practice and business conduct of its members and their representatives, in which the self-regulatory organization is required under its by-laws or rules to hold or afford the parties the opportunity for a hearing before making a decision, but does not apply to a proceeding in which one or more persons are required to make an investigation and to make a report, with or without recommendations, if the report is for the information or advice of the person to whom it is made and does not in any way bind or limit that person in any decision the person may have the power to make;

“securities regulatory authority” (or “SRA”) means a body created by statute in any jurisdiction to administer securities law, regulation and policy (e.g. securities commission), but does not include an exchange or other self regulatory organization;

“self regulatory organization” means (a) a stock, commodities, futures or options exchange; (b) an association of investment, securities, mutual fund, commodities, or future dealers; (c) an association of investment counsel or portfolio managers; (d) an association of other professionals (e.g. legal, accounting, engineering); and (e) any other group, institution or self-regulatory entity, recognized by a securities regulatory authority, that is responsible for the enforcement of rules, disciplines or codes under any applicable legislation, or considered a self regulatory organization in another country.
### 1. A. Identification of Individual Completing Form

<table>
<thead>
<tr>
<th>LAST NAME(S)</th>
<th>FIRST NAME(S)</th>
<th>MIDDLE NAME(S) (If none, please state)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Name(s) Most Commonly Known By:**

**Name of Issuer** (State the name of the Issuer that is listed or that has applied to list on the Exchange)

**Present or Proposed Position(s)** with the Issuer – check (√) all positions below that are applicable.

<table>
<thead>
<tr>
<th>Present or Proposed Position(s)</th>
<th>IF DIRECTOR / OFFICER DISCLOSE THE DATE ELECTED / APPOINTED</th>
<th>IF OFFICER – PROVIDE TITLE IF OTHER – PROVIDE DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Month Day Year</td>
<td></td>
</tr>
<tr>
<td>Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insider</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 1. B. Other than the name given in Question 1A above, provide any legal names, assumed names or nicknames under which you have carried on business or have otherwise been known, including information regarding any name change(s) resulting from marriage, divorce, court order or any other process. Use an attachment if necessary.

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>MM</td>
<td>YY</td>
</tr>
<tr>
<td>MM</td>
<td>YY</td>
</tr>
</tbody>
</table>

### 1. C. Gender

<table>
<thead>
<tr>
<th>GENDER</th>
<th>DATE OF BIRTH</th>
<th>PLACE OF BIRTH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Month Day Year</td>
<td>City Province/State Country</td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 1. D. Marital Status

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Full Name of Spouse - Include Common-law</th>
<th>Occupation of Spouse</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
E. TELEPHONE AND FACSIMILE NUMBERS AND E-MAIL ADDRESS

<table>
<thead>
<tr>
<th></th>
<th>RESIDENTIAL</th>
<th>FACSIMILE</th>
<th>BUSINESS</th>
<th>E-MAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>TELEPHONE</td>
<td>(           )</td>
<td></td>
<td>(        )</td>
<td></td>
</tr>
<tr>
<td>FACSIMILE</td>
<td>(           )</td>
<td></td>
<td>(        )</td>
<td></td>
</tr>
<tr>
<td>E-MAIL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F. RESIDENTIAL HISTORY - Provide all residential addresses for the past 10 YEARS starting with your current principal residential address. If you are unable to correctly identify the complete residential address for a period, which is beyond five years from the date of completion of this PIF, the municipality and province or state and country must be identified. The Exchange reserves the right to require the full address.

<table>
<thead>
<tr>
<th>STREET ADDRESS, CITY, PROVINCE/STATE, COUNTRY &amp; POSTAL/ZIP CODE</th>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MM</td>
<td>YY</td>
</tr>
<tr>
<td></td>
<td>MM</td>
<td>YY</td>
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<tr>
<td></td>
<td>MM</td>
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<td>MM</td>
<td>YY</td>
</tr>
<tr>
<td></td>
<td>MM</td>
<td>YY</td>
</tr>
</tbody>
</table>

2. CITIZENSHIP

A. CANADIAN CITIZENSHIP

(i) Are you a Canadian Citizen? 

(ii) Are you a person lawfully in Canada as an immigrant but are not yet a Canadian citizen? 

(iii) If “Yes” to Question 2A(ii), the number of years of continuous residence in Canada: 

B. OTHER CITIZENSHIP

(i) Do you hold citizenship in any country other than Canada? 

(ii) If “Yes” to Question 2B(i), the name of the country(s): 

(iii) Please provide U.S. Social Security number, where you have such a number 

3. EMPLOYMENT HISTORY

Provide your employment history for the 10 YEARS immediately prior to the date of this PIF starting with your current employment. Use an attachment if necessary.

<table>
<thead>
<tr>
<th>EMPLOYER NAME</th>
<th>EMPLOYER ADDRESS</th>
<th>POSITION HELD</th>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>MM</td>
<td>YY</td>
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<td></td>
<td>MM</td>
<td>YY</td>
</tr>
</tbody>
</table>
4. POSITIONS WITH OTHER ISSUERS

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. While you were a director, officer or insider of an issuer, did any exchange or self-regulatory organization ever refuse approval for listing or quotation of that issuer (including a listing resulting from a Qualifying Transaction, Reverse Take Over, Backdoor Listing or change of business)? If yes, attach full particulars.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Has your employment in a sales, investment or advisory capacity with any firm or company engaged in the sale of real estate, insurance or mutual funds ever been terminated for cause?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Has a firm or company registered under the securities laws of any jurisdiction as a securities dealer, broker, investment advisor or underwriter, suspended or terminated your employment for cause?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Has your employment as an officer of an issuer ever been suspended or terminated for cause? If yes, attach full particulars.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Are you or have you during the last 10 years ever been a director, officer, promoter, insider or control person for any reporting issuer?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. If “YES” to 4E above, provide the names of each reporting issuer. State the position(s) held and the period(s) during which you held the position(s). Use an attachment if necessary.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME OF REPORTING ISSUER</th>
<th>POSITION(S) HELD</th>
<th>MARKET TRADED ON</th>
<th>FROM MM YY</th>
<th>TO MM YY</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

5. EDUCATIONAL HISTORY

<table>
<thead>
<tr>
<th>PROFESSIONAL DESIGNATION(S) - Provide any professional designation held and professional associations to which you belong. For example, Barrister &amp; Solicitor, C.A., C.M.A., C.G.A., P.Eng., P.Geol., and CFA, etc. and indicate which organization and the date the designations were granted.</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PROFESSIONAL DESIGNATION And MEMBERSHIP NUMBER</td>
<td>GRANTOR OF DESIGNATION And JURISDICTION</td>
<td>DATE GRANTED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MM DD YY</td>
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<tr>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>
B. Provide your post-secondary educational history starting with the most recent.

<table>
<thead>
<tr>
<th>SCHOOL</th>
<th>LOCATION</th>
<th>DEGREE OR DIPLOMA</th>
<th>DATE OBTAINED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

6. OFFENCES - If you answer “YES” to any item in Question 6, you must provide complete details in an attachment.

A. Have you ever pled guilty to or been found guilty of an offence? [ ] YES [ ] NO

B. Are you the subject of any current charge, indictment or proceeding for an offence? 

C. To the best of your knowledge, are you or have you ever been a director, officer, promoter, insider, or control person of an issuer, in any jurisdiction, at the time of events, where the issuer:

   (i) has ever pled guilty to or been found guilty of an offence? [ ] YES [ ] NO

   (ii) is the subject of any current charge, indictment or proceeding for an offence? 

7. BANKRUPTCY - If you answer “YES” to any item in Question 7, you must provide complete details in an attachment and attach a copy of any discharge, release or other applicable document.

A. Have you, in any jurisdiction, within the past 10 years had a petition in bankruptcy issued against you, made a voluntary assignment in bankruptcy, made a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to manage your assets? [ ] YES [ ] NO

B. Are you now an undischarged bankrupt? 

C. To the best of your knowledge, are you or have you ever been a director, officer, promoter, insider, or control person of an issuer, in any jurisdiction, at the time of events, or for a period of 12 months preceding the time of events, where the issuer:

   (i) has made a petition in bankruptcy, a voluntary assignment in bankruptcy, a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to manage the issuer’s assets? [ ] YES [ ] NO

   (ii) is now an undischarged bankrupt?
8. **PROCEEDINGS** - If you answer “YES” to any item in Question 8, you must provide complete details in an attachment.

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. CURRENT PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ORGANIZATION. Are you now, in any jurisdiction, the subject of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) a notice of hearing or similar notice issued by an SRA or any self regulatory organization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) a proceeding or to your knowledge, under investigation, by an SRA or any other self regulatory organization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) settlement discussions or negotiations for settlement of any nature or kind whatsoever with an SRA or any self regulatory organization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. PRIOR PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ORGANIZATION. Have you ever:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) been reprimanded, suspended, fined, been the subject of an administrative penalty, or otherwise been the subject of any disciplinary proceedings of any kind whatsoever, in any jurisdiction, by an SRA or self regulatory organization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) had a registration or licence for the trading of securities, exchange or commodity futures contracts, real estate, insurance or mutual fund products cancelled, refused, restricted or suspended?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) been prohibited or disqualified under securities, corporate or any other legislation from acting as a director or officer of a reporting issuer or been prohibited or restricted by a self regulatory organization or SRA from acting as a director, officer, employee, agent or consultant of a reporting issuer?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iv) had a cease trading or similar order issued against your or an order issued against you that denied you the right to use any statutory prospectus or registration exemption?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(v) had any other proceeding, review or investigation of any nature or kind taken against you?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. SETTLEMENT AGREEMENT(S)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have you ever entered into a settlement agreement with a SRA, self regulatory organization, attorney general or comparable official or body, in any jurisdiction, in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct, or any other settlement agreement with respect to any other violation of securities legislation or the rules of any self regulatory organization?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. To the best of your knowledge, are you now or have you ever been a director, officer, promoter, insider, or control person of an issuer at the time of such event, in any jurisdiction, for which a securities regulatory authority or self regulatory organization has:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) refused, restricted, suspended or cancelled the registration or licensing of an issuer to trade securities, exchange or commodity futures contracts, or to sell or trade real estate, insurance or mutual fund products?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) issued a cease trade or similar order or imposed an administrative penalty of any nature or kind whatsoever against the issuer, other than an order for failure to file financial statements that was revoked within 30 days of its issuance?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### D.

To the best of your knowledge, are you now or have you ever been a director, officer, promoter, insider, or control person of an issuer at the time of such event, in any jurisdiction, for which a securities regulatory authority or self regulatory organization has:

<table>
<thead>
<tr>
<th>(iii) refused a receipt for a prospectus or other offering document, denied any application for listing or quotation or any other similar application, or issued an order that denied the issuer the right to use any statutory prospectus or registration exemptions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(iv) issued a notice of hearing, notice as to a proceeding or similar notice against the issuer?</td>
</tr>
<tr>
<td>(v) taken any other proceeding of any nature or kind against the issuer, including a trading halt, suspension or delisting of the issuer (other than in the normal course for proper dissemination of information, pursuant to a Reverse Take-Over, Backdoor Listing or similar transaction)?</td>
</tr>
<tr>
<td>(vi) entered into a settlement agreement with the issuer in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct by the issuer, or involved in any other violation of securities legislation or a self regulatory organization’s rules?</td>
</tr>
</tbody>
</table>

### 9. CIVIL PROCEEDINGS

If you answer “YES” to any item in Question 9, you **must** provide complete details in an attachment.

#### A.

**JUDGMENT, GARNISHMENT AND INJUNCTIONS**

Has a court in any jurisdiction:

<table>
<thead>
<tr>
<th>(i) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against you in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ii) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against an issuer, for which you are currently or have ever been a director, officer, promoter, insider or control person, in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?</td>
</tr>
</tbody>
</table>

#### B.

**CURRENT CLAIMS**

<table>
<thead>
<tr>
<th>(i) Are you now subject, in any jurisdiction, of a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of an issuer now subject, in any jurisdiction, of a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?</td>
</tr>
</tbody>
</table>
C. SETTLEMENT AGREEMENT

<table>
<thead>
<tr>
<th>(i) Have you ever entered into a settlement agreement, in any jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of an issuer that has entered into a settlement agreement, in any jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes or allegations of similar conduct?</td>
</tr>
</tbody>
</table>
STATUTORY DECLARATION

I, _____________________________________________ hereby solemnly declare that:

(Please Print - Name of Individual)

(a) I have read and understood the questions, cautions, acknowledgement and consent in this PIF, and the answers I have given to the questions in this PIF and in any attachments to it are true and correct, except where stated to be to the best of my knowledge, in which case I believe the answers to be true;

(b) I have read and understand the Personal Information Collection Policy of the Exchange attached hereto as Exhibit 2 as well as the Notice of Collection, Use and Disclosure of Personal Information by Securities Regulatory Authorities attached hereto as Exhibit 3 (Exhibit 3 relates to the use of this PIF and collection of information for the sole purposes of SRAs) (collectively, the “PIF Collection Policy”).

(c) I consent to the collection, use and disclosure of the information in this PIF and any further personal information collected, used and disclosed as set out in the PIF Collection Policy;

(d) I hereby agree to (i) submit to the jurisdiction of the Exchange and to Market Regulation Services Inc. and any successor or assignee of either of them, and wherever applicable, the directors and committees thereof, and (ii) be bound by and comply with all applicable rules, policies, rulings and regulations of the Exchange (collectively, the “Exchange Requirements”);

(e) I agree that any acceptance, approval or other right granted by the Exchange may be revoked, terminated or suspended at any time in accordance with the then applicable Exchange Requirements. In the event of any revocation, termination or suspension, I agree to immediately terminate my association or involvement with any issuer to the extent required by the Exchange. I agree not to resume my association or involvement, except with the prior written approval of the Exchange;

(f) This declaration and the rights and powers of the Exchange pursuant to the Exchange Requirements shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflict of law principles;

(g) I acknowledge and agree that this declaration may be assigned or transferred by the Exchange to any person without providing me with notice or obtaining my consent and that this declaration shall thereafter continue to be binding on me and may be enforced against me by any such assignee or transferee. I understand that I am prohibited from transferring or assigning this declaration or any acceptance, approval or other right granted by the Exchange;

(h) I understand that where I am providing this form to a SRA, I am under the jurisdiction of the SRA to which I submit this form, and it is a breach of securities legislation to provide false or misleading information to the SRA;

(i) I make this solemn declaration conscientiously believing it to be true and knowing it is of the same legal force and effect as if made under oath and under the Canada Evidence Act.

Signature of Person Completing this Form

DECLARED before me at the City of ________________________________ in the Province (or State) of ________________________________ on the this day of ___________ (Day) the ________ day of ___________ (Month) in the year ___________ (Year).

Signature of Notary Public

My Appointment Expires: __________________________________________

*Note: THIS PIF MUST BE DECLARED BEFORE A PERSON WHO IS A NOTARY PUBLIC IN AND FOR THE JURISDICTION IN WHICH IT IS DECLARED UNLESS THAT JURISDICTION DOES NOT HAVE NOTARY PUBLICS, IN WHICH CASE THIS PIF MUST BE DECLARED BEFORE A LAWYER IN THAT JURISDICTION, OR OTHER PERSON THAT SATISFIES THE REQUIREMENTS SET OUT IN THE CANADA EVIDENCE ACT.
# EXHIBIT 1: CONSENT FOR DISCLOSURE OF CRIMINAL RECORD INFORMATION

**PURPOSE:** Criminal records are scrutinized by market regulators when conducting background checks, verifying the information the Subject has provided, conducting investigations and enforcement proceedings, and performing other investigations as required to ensure compliance with the various regulations, statutes, rules, by-laws and policies governing the conduct and integrity of the capital markets and trading activity taking place therein.

<table>
<thead>
<tr>
<th>Surname</th>
<th>Given Name</th>
<th>Middle Name(s)</th>
<th>Date of Birth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>yyyy Mm Dd</td>
</tr>
</tbody>
</table>

*Maiden Name or Other Names used (if applicable) (all legal names in lifetime) Gender*

<table>
<thead>
<tr>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
</tbody>
</table>

*Current Mailing Address (number, street, apt, lot, concession, township, rural route #, city, postal code)*

*Driver’s License Number*

*Occupation*

**CONSENT** This consent is given pursuant to all applicable information and privacy statutes. As evidenced by my signature below, I, the undersigned, hereby acknowledge and provide my express consent to the disclosure by the Ontario Provincial Police (OPP) of records of criminal code convictions for which a pardon has not been granted, records of discharges which have not been removed from the CPIC system in accordance with the Criminal Records Act, and records of outstanding charges which the OPP is aware, to the entities listed below (referred to as “the market regulators”) and to the collection, use, disclosure and retention of the OPP-provided information by any one of those market regulators to the other market regulators listed, for the purposes and in the manner set out in this form. This consent relates to Market Regulation Services Inc.; the entities which have retained Market Regulation Services Inc. as their regulation services provider and their authorized personnel; self-regulatory organizations; securities commissions; governmental agencies undertaking criminal or investigative functions; organizations in which any of these are members, affiliates, participants or have a similar capacity; entities which have entered into an agreement with Market Regulation Services Inc. related to the co-ordination or monitoring and enforcement of rules governing the trading of securities on a marketplace in Canada or a market in any other jurisdiction and each of the subsidiaries, affiliates, regulators and authorized agents of any person or entity described herein.

The information will be retained by the market regulators in their databases in a secure environment and is updated from time to time. The market regulators collect, use, disclose and retain the OPP-provided information and allow its use by other market regulators only for purposes set out above or as required by law. Employees of the market regulators who have access to your information are made aware of how to keep it confidential.

**FINGERPRINT VERIFICATION**
If I deny a criminal record, I may present myself to the appropriate police agency in my jurisdiction for fingerprint verification, as the person with a record will have had fingerprints taken. No other defence is accorded me.

**RELEASE**
I hereby release and forever discharge Her Majesty the Queen in right of Ontario, the Commissioner of the Ontario Provincial Police and Market Regulation Services Inc. and any or all of their respective members, directors, officers, employees, servants, and agents, including their successors and assigns, from any and all actions, claims and demands for damages, loss or injury howsoever arising which may hereafter be sustained by myself as a result of the disclosure of information by the OPP to Market Regulation Services Inc. or the disclosure by Market Regulation Services Inc. to a market regulator as defined.

Subject Signature: ____________________________ Date: ________________

**INFORMATION CONTACT FOR QUESTIONS PERTAINING TO THE COMPLETION OF EXHIBIT 1:**
Name: James Manderville
Organization: Market Regulation Services Inc.
PHONE#: 416-646-7233
FAX#: 416-646-7259

Form 4 – Personal Information Form © 2006, TSX Group Inc.
(as at May 29, 2006) 11 of 13
EXHIBIT 2: PIF PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Inc. and its affiliates, their authorized agents, subsidiaries and divisions, including Toronto Stock Exchange and TSX Venture Exchange (collectively referred to as "TSX") collect the information (which may include personal, confidential, non-public, criminal or other information) in the PIF and in other forms that are submitted by you and/or by the Issuer or an entity applying to be an Issuer and use it for the following purposes:

- to conduct background checks,
- to verify the information that has been provided about you,
- to consider your suitability to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of an entity applying to be an Issuer or an Issuer,
- to consider the eligibility of an applicant to be an Issuer,
- to detect and prevent fraud,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with the Exchange Requirements, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, TSX also collects additional information about you from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The information TSX collects about you may also be disclosed to these agencies and organizations or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above.

TSX may from time to time use third parties to process information and/or provide other administrative services. In this regard, we may share the information with our carefully selected service providers.

If you fail to accurately complete the PIF or to consent to this PIF Collection Policy, we may (i) refuse to allow you to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant of an Issuer, (ii) refuse to allow an applicant to be listed as an Issuer, and/or (iii) refuse to accept a transaction proposed by an Issuer.

Security

The personal information that is retained by TSX is kept in a secure environment and is updated from time to time. Only those employees of TSX who require access to your information in order to accomplish the purposes identified above, will be given access to your file. Employees of TSX who have access to your information are made aware of how to keep it confidential.

Accuracy

Information about you maintained by TSX that is identified by you as inaccurate or obsolete will be replaced or removed, as applicable.

Questions

If you have any questions or enquiries with respect to the privacy principles outlined above or about our practices, please send a written request to: Chief Privacy Officer, TSX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, Canada, M5X 1J2.
EXHIBIT 3: Notice of Collection, Use and Disclosure of Personal Information by Securities Regulatory Authorities

The Alberta and British Columbia Securities Commissions (the “Commissions”) collect the personal information in the Personal Information Form and use it in the administration and enforcement of the securities legislation in Alberta and British Columbia governing the conduct and protection of the public markets in Canada (the “provincial securities legislation”). The Commissions do not make any of the information provided in the PIF public under provincial securities legislation.

By submitting this information you consent to the collection by the Commissions of the personal information provided in the PIF, and any other records and information about you from any other source, including, but not limited to, police records, information from other government or non-governmental regulatory authorities, self-regulatory organizations, exchanges, quotation and trade reporting systems, law enforcement agencies, private bodies, agencies, individuals, corporations, and other organizations in any jurisdictions, credit records and employment records as may be necessary for the Commissions to carry out their duties and exercise their powers under provincial securities legislation.

You understand that in carrying out those duties and exercising those powers, the Commissions will use the information in the PIF, and any other information about you from any other source, including those listed above, to conduct background checks, verify the information you have provided, perform investigations and conduct enforcement proceedings as required by and to ensure compliance with provincial securities legislation.

You also understand that the information the Commissions collect about you may also be disclosed to the sources listed above, as permitted by law, and those entities may use it in their own investigations for the purposes described above. The Commissions may also use a third party to process information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

Warning: It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Questions
If you have any questions about the collection, use, and disclosure of the information you provide to the Commissions, you may contact the Commissions in the jurisdiction in which the required information is filed, at the address or telephone number listed below.

Information Officer
British Columbia Securities Commission
Telephone: (604) 899-6854
E-mail: inquiries@bcsc.bc.ca

Information Officer
Alberta Securities Commission
Telephone: (403) 297-6454
E-mail: inquiries@seccom.ab.ca
[this page left intentionally blank for printing purposes]
DECLARATION

This Declaration Form (the “Declaration”) is to be completed only if (i) the individual has submitted a Personal Information Form to Toronto Stock Exchange, a division of TSX Inc. or to TSX Venture Exchange, a division of TSX Venture Exchange Inc. (collectively referred to as the “Exchange”) within 36 months preceding the signing of this Declaration and (ii) the information disclosed in that Personal Information Form has not changed. In all cases, Exhibit 1 - Consent for Disclosure of Criminal Record Information, must be completed.

Individual’s Name (Please Print)

STATUTORY DECLARATION

I, ________________________________, hereby solemnly declare that:

(a) The information contained in the Personal Information Form that was submitted to the Exchange or TSX Venture Exchange with respect to __________________ [legal name of Issuer] (the “Issuer”) on ____________________, 20____[date of PIF] (the “PIF”) and any attachments to it, continues to be true and correct, except where stated in the PIF to be to the best of my knowledge, in which case I continue to believe the answers to be true;

(b) I have read and understand the PIF Personal Information Collection Policy of the Exchange attached hereto as Exhibit 2 as well as the Notice of Collection, Use and Disclosure of Personal Information by Securities Regulatory Authorities attached hereto as Exhibit 3 (Exhibit 3 relates to the use of the PIF and collection of information for the sole purposes of SRAs collectively, the “PIF Collection Policy”).

(c) I consent to the collection, use and disclosure of the information in the PIF, and any further information collected, used and disclosed, as set out in the PIF Collection Policy;

(d) I hereby agree to (i) submit to the jurisdiction of the Exchange and to Market Regulation Services Inc. and any successor or assignee of either of them, and wherever applicable, the directors and committees thereof, and (ii) be bound by and comply with all applicable rules, policies, rulings and regulations of the Exchange (collectively, the “Exchange Requirements”);

(e) I agree that any acceptance, approval or other right granted by the Exchange may be revoked, terminated or suspended at any time in accordance with the then applicable Exchange Requirements. In the event of any revocation, termination or suspension, I agree to immediately terminate my association or involvement with any issuer to the extent required by the Exchange. I agree not to resume my association or involvement, except with the prior written approval of the Exchange;

(f) This declaration and the rights and powers of the Exchange pursuant to the Exchange Requirements shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflict of law principles;

(g) I acknowledge and agree that this declaration may be assigned or transferred by the Exchange to any person without providing me with notice or obtaining my consent and that this declaration shall thereafter continue to be binding on me and may be enforced against me by any such assignee or transferee. I understand that I am prohibited from transferring or assigning this declaration or any acceptance, approval or other right granted by the Exchange;

(h) I understand that where I am providing this form to a SRA, I am under the jurisdiction of the SRA to which I submit this form, and it is a breach of securities legislation to provide false or misleading information to the SRA;
(i) I make this solemn declaration conscientiously believing it to be true and knowing it is of the same legal force and effect as if made under oath and under the Canada Evidence Act.

Signature of Person Completing this Form

DECLARED before me at the [City/Town] in the Province (or State) of
this day of ,
(Province or State) (Day) (Month) (Year)

Signature of Notary Public

Seal or Stamp of Notary Public

My Appointment Expires:

*Note: THIS DECLARATION MUST BE DECLARED BEFORE A PERSON WHO IS A NOTARY PUBLIC IN AND FOR THE JURISDICTION IN WHICH IT IS DECLARED UNLESS THAT JURISDICTION DOES NOT HAVE NOTARY PUBLICS, IN WHICH CASE THIS DECLARATION MUST BE DECLARED BEFORE A LAWYER IN THAT JURISDICTION, OR OTHER PERSON THAT SATISFIES THE REQUIREMENTS SET OUT IN THE CANADA EVIDENCE ACT.
EXHIBIT 1: CONSENT FOR DISCLOSURE OF CRIMINAL RECORD INFORMATION

PURPOSE: Criminal records are scrutinized by market regulators when conducting background checks, verifying the information the Subject has provided, conducting investigations and enforcement proceedings, and performing other investigations as required to ensure compliance with the various regulations, statutes, rules, by-laws and policies governing the conduct and integrity of the capital markets and trading activity taking place therein.

<table>
<thead>
<tr>
<th>Surname</th>
<th>Given Name</th>
<th>Middle Name(s)</th>
<th>Date of Birth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>yyyy Mm Dd</td>
</tr>
</tbody>
</table>

Maiden Name or Other Names used (if applicable)(all legal names in lifetime) Gender

- Male
- Female

Current Mailing Address (number, street, apt, lot, concession, township, rural route #, city, postal code)

Driver’s License Number

Occupation

CONSENT This consent is given pursuant to all applicable information and privacy statutes.

As evidenced by my signature below, I, the undersigned, hereby acknowledge and provide my express consent to the disclosure by the Ontario Provincial Police (OPP) of records of criminal code convictions for which a pardon has not been granted, records of discharges which have not been removed from the CPIC system in accordance with the Criminal Records Act, and records of outstanding charges which the OPP is aware, to the entities listed below (referred to as “the market regulators”) and to the collection, use and retention of the OPP-provided information by any one of those market regulators to the other market regulators listed, for the purposes and in the manner set out in this form. This consent relates to Market Regulation Services Inc.; the entities which have retained Market Regulation Services Inc. as their regulation services provider and their authorized personnel; self-regulatory organizations; securities commissions; governmental agencies undertaking criminal or investigative functions; organizations in which any of these are members, affiliates, participants or have a similar capacity; entities which have entered into an agreement with Market Regulation Services Inc. related to the co-ordination or monitoring and enforcement of rules governing the trading of securities on a marketplace in Canada or a market in any other jurisdiction and each of the subsidiaries, affiliates, regulators and authorized agents of any person or entity described herein.

The information will be retained by the market regulators in their databases in a secure environment and is updated from time to time. The market regulators collect, use, disclose and retain the OPP-provided information and allow its use by other market regulators only for purposes set out above or as required by law. Employees of the market regulators who have access to your information are made aware of how to keep it confidential.

FINGERPRINT VERIFICATION

If I deny a criminal record, I may present myself to the appropriate police agency in my jurisdiction for fingerprint verification, as the person with a record will have had fingerprints taken. No other defence is accorded me.

RELEASE

I hereby release and forever discharge Her Majesty the Queen in right of Ontario, the Commissioner of the Ontario Provincial Police and Market Regulation Services Inc. and any or all of their respective members, directors, officers, employees, servants, and agents, including their successors and assigns, from any and all actions, claims and demands for damages, loss or injury howsoever arising which may hereafter be sustained by myself as a result of the disclosure of information by the OPP to Market Regulation Services Inc. or the disclosure by Market Regulation Services Inc. to a market regulator as defined.

Subject Signature: __________________________ Date: ______________

INFORMATION CONTACT FOR QUESTIONS PERTAINING TO THE COMPLETION OF EXHIBIT 1:

Name: James Manderville Telephone: 416-646-7233
Organization: Market Regulation Services Inc. FAX#: 416-646-7259
EXHIBIT 2: PIF PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Inc. and its affiliates, their authorized agents, subsidiaries and divisions, including Toronto Stock Exchange and TSX Venture Exchange (collectively referred to as “TSX”) collect the information (which may include personal, confidential, non-public, criminal or other information) in the PIF and in other forms that are submitted by you and/or by the Issuer or an entity applying to be an Issuer and use it for the following purposes:

• to conduct background checks,
• to verify the information that has been provided about you,
• to consider your suitability to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of an entity applying to be an Issuer or an Issuer,
• to consider the eligibility of an applicant to be an Issuer,
• to detect and prevent fraud,
• to conduct enforcement proceedings, and
• to perform other investigations as required by and to ensure compliance with the Exchange Requirements, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, TSX also collects additional information about you from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The information TSX collects about you may also be disclosed to these agencies and organizations or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above.

TSX may from time to time use third parties to process information and/or provide other administrative services. In this regard, we may share the information with our carefully selected service providers.

If you fail to accurately complete the PIF or to consent to this PIF Collection Policy, we may (i) refuse to allow you to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant of an Issuer, (ii) refuse to allow an applicant to be listed as an Issuer, and/or (iii) refuse to accept a transaction proposed by an Issuer.

Security

The personal information that is retained by TSX is kept in a secure environment and is updated from time to time. Only those employees of TSX who require access to your information in order to accomplish the purposes identified above, will be given access to your file. Employees of TSX who have access to your information are made aware of how to keep it confidential.

Accuracy

Information about you maintained by TSX that is identified by you as inaccurate or obsolete will be replaced or removed, as applicable.

Questions

If you have any questions or enquiries with respect to the privacy principles outlined above or about our practices, please send a written request to: Chief Privacy Officer, TSX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, Canada, M5X 1J2.
EXHIBIT 3: Notice of Collection, Use and Disclosure of Personal Information by Securities Regulatory Authorities

The Alberta and British Columbia Securities Commissions (the "Commissions") collect the personal information in the Personal Information Form and use it in the administration and enforcement of the securities legislation in Alberta and British Columbia governing the conduct and protection of the public markets in Canada (the "provincial securities legislation"). The Commissions do not make any of the information provided in the PIF public under provincial securities legislation.

By submitting this information you consent to the collection by the Commissions of the personal information provided in the PIF, and any other records and information about you from any other source, including, but not limited to, police records, information from other government or non-governmental regulatory authorities, self-regulatory organizations, exchanges, quotation and trade reporting systems, law enforcement agencies, private bodies, agencies, individuals, corporations, and other organizations in any jurisdictions, credit records and employment records as may be necessary for the Commissions to carry out their duties and exercise their powers under provincial securities legislation.

You understand that in carrying out those duties and exercising those powers, the Commissions will use the information in the PIF, and any other information about you from any other source, including those listed above, to conduct background checks, verify the information you have provided, perform investigations and conduct enforcement proceedings as required by and to ensure compliance with provincial securities legislation.

You also understand that the information the Commissions collect about you may also be disclosed to the sources listed above, as permitted by law, and those entities may use it in their own investigations for the purposes described above. The Commissions may also use a third party to process information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

Warning: It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Questions
If you have any questions about the collection, use, and disclosure of the information you provide to the Commissions, you may contact the Commissions in the jurisdiction in which the required information is filed, at the address or telephone number listed below.

Information Officer
British Columbia Securities Commission
Telephone: (604) 899-6854
E-mail: inquiries@bcscc.bc.ca

Information Officer
Alberta Securities Commission
Telephone: (403) 297-6454
E-mail: inquiries@seccom.ab.ca
[this page left intentionally blank for printing purposes]
FORM: 5 | DIVIDEND / DISTRIBUTION DECLARATION

WHEN TO FILE: As soon as possible after the declaration of the dividend and at least 7 trading days prior to the dividend record date.

HOW: Via TSX SecureFile.
Filing via fax to 416-947-4547 (514-788-2421 for Montreal office) or via email to listedissuers@tsx.com will only be available until January 31, 2006.

QUESTIONS: Call 416-947-4663

NOTE: If the dividend being declared is a stock dividend of treasury shares of the Company (or of other securities that are convertible into treasury shares of the Company), the Company must also comply with the requirements in the TSX Company Manual under the headings “Stock Dividends” and “Additional Listings”.
DIVIDEND / DISTRIBUTION DECLARATION

DATE OF DECLARATION

DD  MM  YYYY

Type of Security and Stock Symbol on which Dividend / Distribution declared

Amount of Dividend / Distribution per share (if special dividend, stock dividend, or dividend in foreign currency, please give details)

PAYABLE DATE

DD  MM  YYYY

RECORD DATE

DD  MM  YYYY

NOTE: Upon receipt of this Form, the TSX will determine the ex-dividend date.

Filed on behalf of the Company by:
(please print name and direct phone or email)

NAME

PHONE / EMAIL

DATE
FORM: 8 | CHANGE IN INVESTOR RELATIONS CONTACT

WHEN TO FILE:  Within 10 days after the relevant change.

HOW:  Via TSX SecureFile.

Filing via fax to 416-947-4547 (514-788-2421 for Montreal office) or via email to listedissuers@tsx.com will only be available until January 31, 2006.

QUESTIONS:  For Companies Reporting to the Toronto TSX Office:

Email listedissuers@tsx.com or contact the TSX Reporting Agent who is responsible for the Company (based on the first letter of the Company’s name), as follows:

| A – H | 416-947-4538 |
| I – Z | 416-947-4616 |

For Companies Reporting to the Montreal TSX Office:

Call 514-788-2451 or email listedissuers@tsx.com regarding any questions about this Form or about the exempt / non-exempt status of the Company.
### Form 8 - Change in Investor Relations Contact

#### PERSONAL INFO

<table>
<thead>
<tr>
<th>CIVIL TITLE</th>
<th>SURNAME</th>
<th>FIRST NAME</th>
<th>MIDDLE NAME(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(e.g. MR., MS, MRS.)</td>
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</table>

#### ADDRESS

<table>
<thead>
<tr>
<th>STREET ADDRESS</th>
<th>CITY</th>
<th>PROVINCE / STATE</th>
<th>POSTAL / ZIP CODE</th>
<th>COUNTRY</th>
</tr>
</thead>
</table>

#### PHONE

(    )

#### FAX

(    )

#### EMAIL


#### EFFECTIVE DATE OF APPOINTMENT

DD MM YYYY

#### NOTE:
This information will be displayed on your company profile on www.tsx.com

Filed on behalf of the Company by:

(please print name and direct phone or email)

<table>
<thead>
<tr>
<th>NAME</th>
<th>PHONE / EMAIL</th>
<th>DATE</th>
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Form 8 – Change in Investor Relations Contact
(as at December 15, 2005)
FORM:  9  REQUEST FOR EXTENSION OR EXEMPTION FOR
FINANCIAL REPORTING / ANNUAL MEETING

WHEN TO FILE:  As soon as possible before the relevant deadline prescribed in applicable securities legislation or in the TSX Company Manual for filing financial statements or holding the Annual Meeting in regard to which this Form is being filed.

HOW:  
Via TSX SecureFile.
Filing via fax to 416-947-4547 (514-788-2421 for Montreal office) or via email to listedissuers@tsx.com will only be available until January 31, 2006.

QUESTIONS:  
For Companies Reporting to the Toronto TSX Office:
Call 416-947-4523 or email listedissuers@tsx.com

For Companies Reporting to the Montreal TSX Office:
Call 514-788-2451 or email listedissuers@tsx.com

NOTE:  The TSX will consider a request for the extension of a deadline for filing any financial statements or an exemption from filing such documents only if the Company is actively pursuing a similar order for relief from the securities commission which is the principal regulator of the Company. Please attach to this Form a copy of all relevant Company correspondence with the appropriate securities commission(s).

If the Company has Exchangeable Shares listed, the Company must provide, in the “Reason for Exemption/Extension Request” portion of the Form, the name of its parent company. Such parent company must file with the TSX the financial statements prescribed in Part IV of the TSX Company Manual.
REQUEST FOR EXTENSION OR EXEMPTION FOR FINANCIAL REPORTING / ANNUAL MEETING

Check the appropriate box(es) and fill in all other applicable information in the form for TSX consideration.

<table>
<thead>
<tr>
<th>1. FINANCIAL STATEMENTS</th>
<th>2nd quarter</th>
<th>Exemption</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Quarter</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>2. ANNUAL FINANCIALS</th>
<th>Exemption</th>
<th>Extension</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>3. ANNUAL REPORT</th>
<th>Exemption</th>
<th>Extension</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>4. ANNUAL MEETING</th>
<th>Exemption</th>
<th>Extension</th>
</tr>
</thead>
</table>

New filing / meeting date requested:

________________________________________________________________________

Reason for extension / exemption request:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Filed on behalf of the Company by:

(please print name and direct phone or email)

NAME

PHONE / EMAIL

DATE

Form 9 – Request for Extension or Exemption for Financial Reporting / Annual Meeting (as at December 15, 2005)
FORM: 10  CHANGE IN PRINCIPAL BUSINESS

Please see Form: 2 CHANGE IN GENERAL COMPANY INFORMATION
FORM: 11  NOTICE OF PRIVATE PLACEMENT
(EFFECTIVE JANUARY 1, 2005.)

WHEN TO FILE: Every issuer shall immediately file a Notice of Private Placement with TSX once the issuer has determined the terms of any private placement for securities which are listed on TSX or are convertible into, or exchangeable for, securities listed on TSX.

HOW: Via TSX SecureFile or via email to listedissuers@tsx.com or via fax for issuers reporting to:
Toronto TSX Office: 416-947-4547
Montreal TSX Office: 514-788-2421
Calgary Office: 403-237-0450
Vancouver Office: 604-844-7502

QUESTIONS: Email to listedissuers@tsx.com or contact the Manager who is responsible for the Issuer or call, for issuers reporting to:
Toronto TSX Office: 416-947-4523
Montreal TSX Office: 514-788-2451
Calgary Office: 403-237-2800
Vancouver Office: 604-643-6599

NOTE: Expedited Filing:
For issuers submitting an Expedited Filing in accordance with section 607(c) of the TSX Company Manual, the notice will be accepted by TSX generally within three (3) business days.

Regular Filing:
For issuers submitting a Regular Filing in accordance with section 607(d) of the TSX Company Manual, TSX will advise the issuer in writing generally within seven (7) business days of receipt of the notice, of TSX’s decision to accept or not accept the notice, indicating any conditions to acceptance or reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of the TSX Company Manual.
EXPEDITED FILING (as provided for in Section 607(c)):  

REGULAR FILING:  

FORM:  11  Company Name:  

Stock Symbol:  

1. Date of notice:  

2. Number of currently issued and outstanding securities of each class of securities of the issuer, excluding non-voting preferred securities:  

3. Description of securities to be placed:  
   a) class:  
   b) number:  
   c) subscription price:  
   d) market price and if applicable, date from binding agreement used to calculate market price (as defined in Section 601) [Please attach one copy of binding agreement]:  
   e) discount percentage to market price, if any:  
   f) voting rights:  
   g) if the securities are not of a listed class, summarize the provisions:  
   h) if convertible into another class of securities, the maximum number of securities issuable upon conversion:  
   i) description of any attached warrants (or options), including:  
      (i) number:  
      (ii) exercise price:  
      (ii) term to expiry:  
      (iv) other significant terms:  
   j) if the issuer is providing any financial assistance to any placee to facilitate the purchase, by way of loan, guaranty or otherwise, give particulars:  
   k) tax credits attached to the securities, if any:  

Form 11 – Notice of Private Placement  
(as at May 29, 2006)  
© 2006, TSX Group Inc.  
2 of 5
4. Are there any issuances to insiders under the private placement?

(For this purpose, “insider” has the same meaning as found in the Securities Act (Ontario) and also includes associates and affiliates of the insider; and “issuances to insiders” includes direct and indirect issuances to insiders, their associates and affiliated companies.)

5. If the answer to question 4 is yes:

a) total percentage of placement being issued to insiders: ____________________________

b) for each insider placee, state:

   (i) the placee’s name: ____________________________

   (ii) current holdings of voting securities of the issuer (direct or indirect) in terms of number and percentage:

   (iii) the number of securities to be purchased by the insider under the private placement in terms of number and percentage:

   (iv) holdings of voting securities of the issuer (direct or indirect) after the placement in terms of number and percentage:

6. Has the issuer completed any other private placements within the past six months where securities were issued or made issuable to insiders (include private placements that have been conditionally approved and/or currently contemplated)?

   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
7. If the answer to 6 is yes, state:
   a) (i) dates on which each private placement closed: ______________________________
       ______________________________
       ______________________________
   (ii) number and class of listed securities issued or issuable under each placement:
       ______________________________
       ______________________________
       ______________________________
   (iii) number and class of securities issued or issuable to insiders under each private placement:
       ______________________________
       ______________________________
       ______________________________
   b) whether securityholders approved any of the private placements (including a blanket advanced approval) and, if so, identify which private placements were so approved:
       ______________________________
       ______________________________
       ______________________________

8. Will the issuer obtain securityholder approval for this private placement? If the issuer is relying on an exemption from securityholder approval, please provide details.

       ______________________________
       ______________________________
       ______________________________

9. What will be the use of proceeds?

       ______________________________
       ______________________________
       ______________________________

10. Could the placement potentially result in a material affect in control?

       ______________________________
       ______________________________
       ______________________________

11. Any significant information regarding the proposed private placement not disclosed above:

       ______________________________
       ______________________________
       ______________________________
12. Is this private placement related to any other private placement completed in the last six months?


13. Was the subscription price (or formula within a binding agreement) determined at a time when material undisclosed information existed?


INTRODUCTION

In accordance with the “Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals” (the Protocol) between the Ontario Securities Commission (the “OSC”) and Toronto Stock Exchange (“TSX”), TSX has adopted and the OSC has approved the repeal of Sections 801 to 816 of Part VIII (the “Amendment”) of the TSX Company Manual (the “Manual”) and its replacement with a revised Section 801. The Amendment will become effective on October 1, 2005.

SUBSTANCE AND PURPOSE

Listing fees do not relate to the rules or standards which listed issuers must follow. As a result, TSX proposes to remove them from the Manual and in turn, remove them from the rule review approval process set out under the Protocol. The purpose of the Amendment is to clarify that listing fees are not subject to the rule review approval process, and, to avoid any potential application of the rule review process to listing fee changes. The listing fees contained in Part VIII will remain in effect upon the repeal and will be posted on TSX’s website.

Application of the rule review process to listing fee changes would hinder TSX’s ability to react quickly and transparently to competitive developments or changing market conditions, and effectively, it would require the OSC to approve a market’s fee changes, which it does not do for other markets. TSX must have the ability to adjust its fees on an ongoing basis in order to reduce the risk of losing issuers to competing markets, particularly for novel issuers and products which are continuing to evolve and where TSX is increasingly competing globally for stock exchange listings.

Listing fees are a business related function of TSX and as such, TSX management should, subject to TSX’s recognition order, be able to exercise control over the timing and process of amending fees. Similar to trading and data fees charged by TSX, listing fees need not be subject to the rule review process.

SUMMARY OF THE AMENDMENTS

The Manual is amended by removing all listing fees from Part VIII to a listing fee schedule, which will be located on TSX’s website. All references to fees and/or applicable fees throughout the Manual will now refer to the respective fees in the Listing Fee Schedule, as published by TSX from time to time. Attached as Appendix A is the Amendment. Attached as Appendix B is the Listing Fee Schedule, as it will appear on TSX’s website at www.tsx.com.

BY ORDER OF THE BOARD OF DIRECTORS
SHARON C. PEL
SENIOR VICE PRESIDENT, LEGAL & BUSINESS AFFAIRS
Appendix A

Amendments to Part VIII of the TSX Company Manual

The Policies of the TSX Company Manual are amended by amending Part VIII as follows:

1. Section 801 are repealed and replaced with the following:
   “Sec. 801 All references to fees in the TSX Company Manual shall refer to the fees in the Listing Fees Schedule, as published by TSX from time to time.”; and

2. Sections 802 – 816 are repealed.
Appendix B

TSX LISTING FEE SCHEDULE

TSX Listing Fee Schedule
(As of: October 1, 2005)

Fees Payable by Listed Companies

A. DEFINITIONS

1. For the purposes of this Listing Fee Schedule:

"Issue Price Per Share" means the price at which the company's shares are issued.

"Listing Capitalization" means the value of shares to be listed by the company and is calculated as: (i) the price per share to be listed, as specified in the following sections, multiplied by (ii) the number of shares to be listed, such number being the number of shares issued and outstanding, together with any shares which have been authorized for issuance for a specific purpose.

"Market Price Per Share" means the volume weighted average trading price for the five previous trading days on which the company's shares traded. For original listings, the Market Price Per Share shall be calculated for the period ending five days prior to listing on TSX and for additional listings shall be calculated for the period ending one day prior to the earlier of the issuance of the relevant press release and letter notice to TSX.

Please refer to our web site at www.tsx.com to access our listing fee calculator.

B. ORIGINAL LISTING

Application Fee

2. Original listing applications submitted to TSX must be accompanied by a non-refundable application fee of $5,000.

Listing Fee

3. The listing fee, calculated separately for each class of shares to be listed, shall be comprised of a base charge of $15,000 plus an assessment of the Listing Capitalization
of the shares to be listed by the company. The assessment of Listing Capitalization is at the rate of $1,200 for each $1,000,000 of Listing Capitalization or part thereof, over $15,000,000 (subject to a maximum fee of $150,000). (Fee Schedule 1.)

<table>
<thead>
<tr>
<th>LISTING CAPITALIZATION RANGE</th>
<th>FIXED FEE</th>
<th>VARIABLE FEE/$MM LISTING CAPITALIZATION OVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $15 million</td>
<td>$15,000</td>
<td></td>
</tr>
<tr>
<td>Over $15 million</td>
<td>$15,000 + $1,200</td>
<td></td>
</tr>
<tr>
<td>Maximum Fee</td>
<td>$150,000</td>
<td></td>
</tr>
</tbody>
</table>

For Initial Public Offerings, the fee shall be based on Fee Schedule 1, where the Issue Price of the Offering shall be used to calculate Listing Capitalization. For transfers from other exchanges, the fee shall be based on Fee Schedule 1, where Market Price shall used to calculate Listing Capitalization. The fee to list the shares underlying warrants shall be based on Fee Schedule 1, where the exercise price per share to acquire the underlying shares shall be used to calculate Listing Capitalization. In the event the warrant specifies varying exercise prices, the exercise price of the first exercise period is to be used. The fee to list the shares underlying convertible securities shall be based on Fee Schedule 1, where the conversion price per share to acquire the underlying shares shall be used to calculate Listing Capitalization.

**Structured Product Issuers**

For structured product companies, the fee shall be comprised of a base charge of $15,000, plus an assessment of the Listing Capitalization of the shares to be listed by the company. The assessment of Listing Capitalization is at the rate of 0.025% of Listing Capitalization in excess of $15,000,000 (subject to a maximum fee of $150,000). Listing Capitalization is rounded up to the nearest $million. At the time of original listing approval, TSX, in its discretion, shall determine if a company will be deemed a structured product company. For international exchange traded funds which are already listed on another recognized exchange, the fee shall be $20,000. For fund families with at least five of such international exchange traded funds listed on TSX, the fee for each additional new listing shall be $10,000. An international exchange traded fund will generally be limited to funds organized outside of Canada, and which are not based on TSX indexes or TSX issuers.

4. Where Market Price or Issue Price are unavailable, as in the case of a new entity created by a listed company (e.g. corporate "spin off"), the company will be required to deposit with TSX the maximum fee, subject to subsequent adjustment. The fee shall be based on Fee Schedule 1, where the volume weighted average trading price for the first five days trading of the new entity's shares on TSX shall be used to calculate Listing
Capitalization.
If less than 5% of the shares to be listed are held in Canada, refer to Section 2.

C. ADDITIONAL LISTINGS

5. Where, after an initial listing, additional shares of a listed class are to be listed, the fee for listing the additional shares, calculated separately for each class of listed shares, shall be comprised of a base charge of $1,000 plus an assessment of the Listing Capitalization of the shares to be listed by the company. The assessment of Listing Capitalization is at the rate of $1,200 for each $1,000,000 of Listing Capitalization or part thereof, over $1,000,000 (subject to a maximum fee of $125,000). (Fee Schedule 2.) Issue Price or Market Price, as appropriate, shall be used to calculate Listing Capitalization.

<table>
<thead>
<tr>
<th>LISTING CAPITALIZATION RANGE</th>
<th>FIXED FEE</th>
<th>VARIABLE FEE/$MM LISTING CAPITALIZATION OVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $1 million</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>Over $1 million</td>
<td>$1,000 +</td>
<td>$1,200</td>
</tr>
<tr>
<td>Maximum Fee</td>
<td>$125,000</td>
<td></td>
</tr>
</tbody>
</table>

The fee to list the shares underlying warrants shall be based on Fee Schedule 2, where the exercise price per share to acquire the underlying shares shall be used to calculate Listing Capitalization. In the event the warrant specifies varying exercise prices, the exercise price of the first exercise period is to be used.
The fee to list the shares underlying convertible securities shall be based on Fee Schedule 2, where the conversion price per share to acquire the underlying shares shall be used to calculate Listing Capitalization.
The fee to list non-convertible debentures shall be based on Fee Schedule 2, where Issue Price per debenture shall be used to calculate Listing Capitalization.

6. Where Market Price or Issue Price are deemed inappropriate by TSX, due to significant changes occurring in the listed entity, the company will be required to deposit with TSX the maximum fee, subject to subsequent adjustment. The fee shall be based on Fee Schedule 2, where the volume weighted average trading price for the first five days trading of the new entity's shares on TSX shall be used to calculate Listing Capitalization.

Structured Product Issuers
7. Where, after an initial listing, structured product companies list additional shares of a listed class, the fee for listing the additional shares, calculated separately for each class of listed shares, shall be comprised of a base charge of $1,000 plus an assessment of the Listing Capitalization of the shares to be listed by the company. The assessment of Listing Capitalization is at the rate of 0.0125% of Listing Capitalization in excess of $1,000,000 (subject to a maximum fee of $125,000). Listing Capitalization is rounded up to the nearest $million.

For structured product companies required to redeem and/or issue additional shares of a listed class on a continual basis, the assessment of Listing Capitalization is calculated separately for each class of listed shares at the rate of 0.0125% of (i) the volume weighted average trading price of the company's shares during a calendar quarter, multiplied by (ii) the net increase in number of shares listed during that calendar quarter, subject to a maximum fee of $125,000, and without minimum. At the time of original listing approval, TSX, in its discretion, shall determine if a company will be subject to this section.

D. SUBSTITUTIONAL LISTINGS

8. Where, after an initial listing, shares are to be split, subdivided, or otherwise changed, except as set out below, the fee for listing all substituted shares shall be $8,000.

Where, after an initial listing, the capitalization is to be reduced so as to result in a consolidation of shares, the fee for listing the consolidated shares shall be $4,000. Where there is to be a change in the classification or name of a listed class of shares without a change in the number of shares issued and outstanding or authorized for issuance for a specific purpose, the fee shall be $2,000. Where the name of a company is to be changed without any change in capital structure, the fee shall be $2,000. Where the stock symbol of a company is to be changed without any change in the name of the company or other change in capital structure, the fee shall be $1,000.

E. SUPPLEMENTAL LISTINGS

9. Where, after an initial listing of shares of a company, shares of the company are to be listed and such shares are not of a class already listed, the fee shall be based on Fee Schedule 2, where the Issue Price shall be used to calculate Listing Capitalization.

F. LISTING OF WARRANTS

10. For each series of warrants to be listed, the fee shall be $3,000.

G. LISTING OF CONVERTIBLE SECURITIES
11. For each series of convertible securities to be listed, the fee shall be $3,000.

H. LISTING OF SHARES PRIMARILY HELD OUTSIDE OF CANADA

12. Where less than 5% of the issued and outstanding shares of the company are owned by residents of Canada, the price per share used to calculated listing Capitalization shall be as per the applicable sections, above. For original listings, Fee Schedule 3 shall apply.

<table>
<thead>
<tr>
<th>Fee Schedule 3</th>
<th></th>
<th>VARIABLE FEE/$MM</th>
</tr>
</thead>
<tbody>
<tr>
<td>LISTING</td>
<td>FIXED FEE</td>
<td>LISTING CAPITALIZATION</td>
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<tr>
<td>CAPITALIZATION</td>
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<tr>
<td>Up to $15 million</td>
<td>$15,000</td>
<td></td>
</tr>
<tr>
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<td>$15,000 +</td>
<td>$600</td>
</tr>
<tr>
<td>Maximum Fee</td>
<td>$95,000</td>
<td></td>
</tr>
</tbody>
</table>

For additional, substitutional and supplemental listings, Fee Schedule 4 shall apply.

<table>
<thead>
<tr>
<th>Fee Schedule 4</th>
<th></th>
<th>VARIABLE FEE/$MM</th>
</tr>
</thead>
<tbody>
<tr>
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<td>FIXED FEE</td>
<td>LISTING CAPITALIZATION</td>
</tr>
<tr>
<td>CAPITALIZATION</td>
<td>RANGE</td>
<td>OVER $1MM</td>
</tr>
<tr>
<td>Up to $1 million</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>Over $1 million</td>
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<td>$600</td>
</tr>
<tr>
<td>Maximum Fee</td>
<td>$40,000</td>
<td></td>
</tr>
</tbody>
</table>

I. FILING FEES

13. A fee of $1,000 shall be payable to TSX by a listed company upon acceptance of a notice filed pursuant to Section 602 regarding treasury securities if no additional fee is payable.
A fee of $1,000 shall be payable to TSX for its review of: (i) any shareholder rights plan; and (ii) any amendment to a shareholder rights plan which has been adopted by a listed company.
A fee of $1,000 shall be payable to TSX upon acceptance of a notice filed by a listed company to commence a normal course issuer bid.

J. EXTRAORDINARY CIRCUMSTANCES

14. TSX reserves the right to charge additional fees in extraordinary circumstances where an inordinate amount of time is required to process an application or a filing.

K. RECOVERY OF EXPENSES

15. TSX may levy charges to cover expenses that it has incurred relating to due diligence, research or assessment procedures which TSX deems necessary in connection with any notice or application that has been filed, or that in the opinion of TSX ought to have been filed, pursuant to any Section or Appendix of the TSX Company Manual. These charges may include, but are not limited to, expenses associated with investigations of the background of companies or their officers, directors or major shareholders.

L. SUSTAINING FEE

16. The annual sustaining fee pertains to all listed companies. The fee is comprised of a base charge of $8,000 plus an assessment on the market value of the company's issued listed securities as at the end of the preceding calendar year. This assessment is calculated separately for each class of listed securities at the rate of $380 for each $5,000,000 of market value or part thereof. Statements covering the fees payable are sent to the listed companies prior to the end of February. Companies listed during the course of the year will be charged a sustaining fee on a pro rata basis, based on the market value of the company's issued listed securities at the time of listing. Companies delisted during the first six months of a calendar year will be entitled to a refund of one-half of the sustaining fee for that year.

Minimum Fee: $8,380
Maximum Fee: $65,000 (Non-Canadian Companies: $40,000)
For international exchange traded funds which are already listed on another recognized exchange, the fee shall be $20,000. For fund families with at least five of such international exchange traded funds listed on TSX, the fee for each additional new listing shall be $10,000, subject to an aggregate maximum fee of $200,000. An international exchange traded fund will generally be limited to funds organized outside of Canada, and which are not based on TSX indexes or TSX issuers.

The fees set out in this Listing Fee Schedule do not include the Canadian Goods and Services Tax, which Canadian issuers must remit with the fee.
payment.
TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

HOUSEKEEPING AMENDMENTS TO THE
TORONTO STOCK EXCHANGE COMPANY MANUAL

Introduction
In accordance with the “Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals” (the “Protocol”) between the Ontario Securities Commission (the “OSC”) and Toronto Stock Exchange (“TSX”), TSX has adopted and the OSC has approved, various amendments (the “Amendments”) to the TSX Company Manual (the “Manual”). The Amendments are housekeeping in nature and therefore, are considered non-public interest amendments.

Reasons for the Amendments
The Amendments have been made in order to update various TSX rules and reporting requirements, and to update cross references and legal references throughout the Manual.

Summary of the Amendments
The Amendments represent a number of housekeeping amendments, such as the removal of provisions relating to certain forms no longer required by, or made available by, TSX; the updating of references in the Manual to securities legislation; the reintroduction of appeal and conflict procedures in Part VI of the Manual; the addition of two approved news services; and minor amendments relating to the mandated use of TSX SecureFile.

Effective Date
The Amendments became effective on December 15, 2005.

The Amendments are attached as Appendix A.
Appendix A
Non-Public Interest Amendments to the TSX Company Manual

Toronto Stock Exchange (“TSX”) has amended the policies of the TSX Company Manual (the “Manual”) as follows:

Part III of the Manual

1. Section 329 of the Manual is amended by replacing the words at the beginning of the second sentence “See Sections 631 and 633…” with “See Section 613…”.

2. Sections 343 and 357 of the Manual are repealed.

3. Section 346 of the Manual is repealed and is replaced with the following:

“Sec. 346. Subsection 38(3) of the Ontario Securities Act states that no person or company, with the intention of effecting a trade in a security, may make any representation, oral or written, that such a security will be listed on any stock exchange or that application has been or will be made to list such security on any stock exchange except with the written permission of the Director of the Ontario Securities Commission, unless: (i) application has been made to list the securities and securities of the same issuer are already listed on any stock exchange; or (ii) the stock exchange has granted approval to the listing, conditional or otherwise, or has consented to or indicated that it does not object to the representation. If consent is sought from the Director will give this consent (which is normally evidenced by a final receipt in the case of a prospectus containing the representation), the Commission will require a communication from that stock exchange stating that the listing application has been conditionally approved before providing such consent.

A notation referring to listing on the Toronto Stock Exchange must not be printed on a preliminary prospectus or a draft of a prospectus or other offering document. The notation may only appear on a final prospectus or in other offering documents or in advertising when the listing application has been conditionally approved by the Exchange, unless otherwise consented to by the Exchange.

When securities have been conditionally approved for listing, the following notation on the face of the final prospectus or other offering document is permissible, but may only be used in its entirety:

The Toronto Stock Exchange has conditionally approved the listing of these securities. Listing is subject to the Company fulfilling all of the requirements of the Exchange on or before (insert date), including distribution of these securities to a
minimum number of public shareholders.

An “offering document” for this purpose includes any prospectus, rights offering circular, offering memorandum, securities exchange take-over bid circular or information circular concerning a proposed corporate reorganization or amalgamation that would result in the issuance of new securities.

36 Date to be 90 days from the date of conditional approval of the listing application by the Exchange or such other date as the Exchange may stipulate.”

Part IV of the Manual

4. In Sections 406 and 411 of the Manual:
   (I) all references to “National Policy No. 51-201” shall be replaced with “National Policy 51-201 Disclosure Standards” and the reference to National Policy No. 48 “Future-Oriented Financial Information”,
   (II) the reference to “Ontario Securities Commission Policies 7.1, Application of Requirements of the Securities Act to Certain Reporting Issuers” in the fourth paragraph shall be replaced with “National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers”, and
   (III) all other references to securities instruments and policies shall be amended to reflect proper citations.

5. In Section 424 of the Manual “FORM 6 – Distribution of Securities (Public Float)” and “FORM 7 – Mining Company/Oil & Gas Company Report” are deleted.

6. Section 425 of the Manual is repealed.

7. Section 431 of the Manual is amended by replacing the phrase “by fax or email addressed to the Exchange’s Listed Issuer Services” with “by TSX SecureFile4”, and the footnote as follows: “The Exchange will accept the filing of a Form 5 by fax or email until January 31, 2006.”

8. Former Sections 472 – 475 of the Manual are deleted and replaced with the current Section 472 in current footnote 4.

Part VI of the Manual

9. References to the former sections of Part VIII of the Manual are deleted from Sections 620(c) and (f), 635(c), and 637.
10. Sections 642 and 643 of Part VI of the Manual will be reinserted as follows:

“R. APPROVAL OF CHANGES IN CAPITAL STRUCTURE

642. Decisions in respect of the application of this Part VI are made by the Toronto Stock Exchange’s Listings Committee. If the Committee does not accept a change submitted under Part VI, the issuer may request that the matter be heard by the Listings Committee, with the additional participation of the Senior Vice President of the Toronto Stock Exchange and/or his/her designate. If after being heard, the issuer remains dissatisfied with the decision, the issuer may appeal the decision to a three-person panel of the Board of Directors of TSX Inc.

An issuer may request that the Ontario Securities Commission review the Board's decision provided that the provisions of Section 21 of the Ontario Securities Act (or any replacement legislation) apply.

643. Where a Conflict of Interest (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.) or potential Conflict of Interest arises relating to the continued listing on TSX of TSX Group Inc. or the continued listing of a Competitor (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.), reference should be made to the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.”

Other Parts of the Manual

11. Subsection 910(A) of the Manual is amended by inserting the following additional paid distribution news services:

“Market Wire, Incorporated (800) 774-9473  FAX (310) 846-3700
Filing Services Canada Inc. (403) 717-3898  FAX (403) 717-3896”

12. The cover page to each of the following forms:

i. Form 1 – Change in Outstanding and Reserved Securities
ii. Form 2 – Change in General Company Information
iii. Form 3 – Change in Officers/Directors/Trustees
iv. Form 5 – Dividend/Distribution Declaration
v. Form 8 – Change in Investor Relations Contact
vi. Form 9 – Request for Extension or Exemption for Financial Reporting/Annual Meeting
is amended by replacing the filing instructions in “How:” with the following:


Filing via fax to 416-947-4547 (514-788 -2421 for Montreal office) or via email to listedissuers@tsx.com will only be available until January 31, 2006.”

13. Form 1 – Change in Outstanding and Reserved Securities is amended by adding the words “on a quarterly basis” to the end of the last sentence of “WHEN TO FILE:”.

14. Form 11 – Notice of Private Placement is amended as follows:

(I) Question 5: “If the answer to question 5 is yes: …” is replaced with “If the answer to question 4 is yes: …”, and

(II) Question 7: “If the answer to 7 is yes, state: …” is replaced with ”If the answer to question 6 is yes, state: …”.

15. Appendix A: Original Listing Application is amended as follows:

(I) Cover page of the Original Listing Application: the email address for TSX at the end of the last paragraph is replaced with “listedissuers@tsx.com”, and

(II) Checklist of documents to be filed:

i. the second paragraph that begins with “If filing through SEDAR, …” is deleted, and

ii. under the heading “Share Purchase Warrants”, in item 6 the words “(see Section 807 of the TSX Company Manual)” are deleted.

16. The Personnel pages is amended as follows:

(I) the “Key Contacts - Administration and Personnel” page has been updated; and

(II) the “Summary of Filing and Reporting Requirements for Listed Companies” is deleted.

17. The Table of Contents and Index of the Manual are amended to reflect corresponding updates various parts of the Manual.

18. The Staff Notices are updated by adding Staff Notices 2005-0003 and 2005-0004.
TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

AMENDMENTS TO PARTS III AND VI OF THE TORONTO STOCK EXCHANGE (“TSX”) COMPANY MANUAL

Introduction

In accordance with the “Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals” (the “Protocol”) between the Ontario Securities Commission (the “OSC”) and Toronto Stock Exchange (“TSX”), TSX has adopted and the OSC has approved various amendments (the “Amendments”) to the TSX Company Manual (the “Manual”).

Reasons for the Amendments

The Amendments represent changes to the original listing requirements in Part III of the Manual (the “Part III Amended Sections”). As well, on January 1, 2005, certain amendments to Parts V, VI and VII of the Manual became effective (the “January 1, 2005 Amendments”). Since that time, it has come to our attention that a subsection of the January 1, 2005 Amendments had been published incorrectly and required updating. TSX has corrected this subsection (the “Part VI Amended Sections”, together with the Part III Amended Sections, the “Amended Sections”).

Summary of the Amendments

The Part III Amended Sections represent amendments to TSX’s requirements for Canadian directors in Sections 311, 316 and 321, and the repeal its original listing requirements for foreign issuers in Section 324. Sections 311, 316 and 321 are identical, with the exception of references to the applicable industry sectors.

The Part VI Amended Sections represent amendments to a provision in Subsection 613(a) that was inadvertently published incorrectly. The provision deals with whether or not restricted security holders are able to vote on a basis proportionate to their equity interests on security holder resolutions relating to security based compensation requirements. Although we received several comments on the January 1, 2005 Amendments during the comment process, no comments were directly made on this error. TSX has also removed the requirement to obtain approval of the majority of unrelated directors for security based compensation arrangements.

Effective Date
The Amendments will become effective on February 15, 2006. The Amendments were published for public comment on December 16, 2005. No comment letters were received.

The Amended Sections are attached as Appendix A.
Appendix A: Public Interest Amendments to Parts III and VI of the TSX Company Manual

Toronto Stock Exchange (“TSX”) has amended the policies of the TSX Company Manual (the “Manual”) as follows:

Part III of the Manual

1. Section 308 of the Manual will be amended by deleting the sentence “The requirements for foreign companies are set out in Section 324.”

2. Section 311 of the Manual will be amended as follows:

“Sec 311. The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company’s board of directors) should have adequate experience and technical expertise relevant to the company’s business and industry and adequate public company experience which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two Canadian directors unless they are foreign applicants that comply with all of the Minimum Listing Requirements for Foreign Companies as detailed in Section 324. Companies will be 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.

An independent director is defined as a person who:

(a) is not a member of management and is free from any interest and any business or other relationship which in the opinion of the Exchange could reasonably be perceived to materially interfere with the director’s ability to act in the best interest of the company; and

(b) is a beneficial holder, directly or indirectly, or is a nominee or associate of a beneficial holder, collectively of 10% or less of the votes attaching to all issued and outstanding securities of the applicant.

The Exchange will consider all relevant factors in assessing the independence of the director. As a general rule, the following persons would not be considered an independent director:

(i) a person who is currently, or has been within the past three years, an officer, employee of or service provider to the company or any of its subsidiaries or affiliates; or

(ii) a person who is an officer, employee or controlling shareholder of a company that has a material business relationship with the applicant.”

3. Section 316 of the Manual will be amended as follows:
“Sec. 316. The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company's board of directors) should have adequate experience and technical expertise relevant to a company's mining projects and adequate public company experience which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two Canadian directors unless they are foreign applicants that comply with all of the Minimum Listing Requirements For Foreign Companies as detailed in Section 324. Companies will be 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.

27 See footnote 14.”

4. Section 321 of the Manual will be amended as follows:

“Sec. 321. The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company's board of directors) should have adequate experience and technical expertise relevant to a company's oil and gas projects and adequate public company experience which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two Canadian directors unless they are foreign applicants that comply with all of the Minimum Listing Requirements for Foreign Companies as detailed in Section 324. Companies will be 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.

35 See footnote 14.”

5. Section 324 of the Manual will be repealed and replaced with the following:

“Minimum Listing Requirements for International Issuers

“Sec. 324. International issuers are entities where the issuer is already listed on another recognized exchange which is acceptable to the
Exchange, and is incorporated outside of Canada. There are no unique requirements for the management or the financial requirements for international foreign issuers. However, these issuers are generally required to have some presence in Canada and must be able to demonstrate, as with all issuers, that they are able to satisfy all of their reporting and public company obligations in Canada. This may be satisfied by having a member of the board of directors or management, an employee or a consultant of the issuer situated in Canada.”

Part VI of the Manual

6. Section 601 of the Manual will be amended by deleting the definition of “unrelated director”.

7. Subsection 602(g) of the Manual will be amended by deleting the last sentence that begins with “The exemptions contained in this Subsection 602(g) …”.

8. Section 613(a) of the Manual will be amended as follows:

“613. (a) When instituted, and when required for amendment, all security based compensation arrangements must be approved by:

(i) a majority of the listed issuer’s directors; and
(ii) a majority of the listed issuer’s unrelated directors; and
(iii) subject to Subsections 613(b), (c), (g) and (i), by the listed issuer’s security holders.

Every three years after institution, all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed maximum number of securities issuable, must be approved by:

(i) a majority of the listed issuer’s directors; and
(ii) a majority of the listed issuer’s unrelated directors; and
(iii) subject to Subsections 613(b), (c), (g) and (i), the listed issuer’s security holders.

Insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approvals required by this Subsection 613(a) unless the aggregate of the listed issuer’s securities:

(i) issued to insiders of the listed issuer, within any one year period; and
(ii) issuable to insiders of the listed issuer, at any time.
issued and issuable to insiders of the listed issuer under the arrangement, or when combined with all of the listed issuer's other security based compensation arrangements, could not exceed 10% of the listed issuer's total issued and outstanding securities.

If any security holder approval is required for a security based compensation arrangement and insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approval required by this Subsection 613(a), when combined with all of the listed issuer's other security based compensation arrangements could exceed 10% of the listed issuer's total issued and outstanding securities, holders of Restricted Securities, as defined in Section 624, must be 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.

Security holder approval required for a security based compensation arrangement must be by way of a duly called meeting. The exemption from security holder approval contained in Subsection 604(e) is not available in respect of security based compensation arrangements."
TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

HOUSEKEEPING AMENDMENTS TO THE
TORONTO STOCK EXCHANGE COMPANY MANUAL

Introduction
In accordance with the “Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals” (the “Protocol”) between the Ontario Securities Commission (the “OSC”) and Toronto Stock Exchange (“TSX”), TSX has adopted and the OSC has approved, various amendments (the “Amendments”) to the TSX Company Manual (the “Manual”). The Amendments are housekeeping in nature and therefore, are considered non-public interest amendments.

Reasons for the Amendments
The Amendments have been made in order to update and revise various TSX rules and forms, and to remove from the Manual those reporting forms which now must be filed via TSX SecureFile.

Summary of the Amendments
The Amendments represent a number of housekeeping amendments, such as the updating of cross references throughout the Manual and changes to certain filing requirements, the reduction in the amount of notice required via news release for issuers relying on certain exemptions, clarification of the procedure for continued listing reviews, changes to the Personal Information Form (“PIF”) to reflect concurrent changes being made to TSX Venture Exchange’s PIF in order to remain harmonized with them on the content and use of the PIFS, and finally the removal from the Manual of those reporting forms which, as of February 1, 2006, must be filed with TSX only through SecureFile.

Effective Date
The Amendments become effective on May 29, 2006.

The Amendments are attached as Appendix A.
Appendix A
Non-Public Interest Amendments to the TSX Company Manual

Toronto Stock Exchange ("TSX") has amended the policies of the TSX Company Manual (the "Manual") as follows:

Part III of the Manual

1. Section 330 is amended by replacing “…as detailed in Sections 637.4 to 637.11…” with “…as detailed in Section 612…” in the last sentence.

Part IV of the Manual

2. Section 455 is amended by replacing the last sentence with “Notices filed publicly through SEDAR will satisfy this requirement.”.

Part VI of the Manual

3. The second last sentence in the first paragraph of Section 604(d) is amended as follows:

“…Listed issuers using this exemption will be required to issue a press release at least ten (10) five (5) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. …”.

4. The first sentence in the second paragraph of Section 604(e) is amended as follows:

“…Listed issuers using this exemption will be required to issue a press release at least ten (10) five (5) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. …”.

5. Section 605 is amended as follows:

“TSX must be notified immediately of any increase or decrease in the number of issued securities of a listed issuer. The notice must be on Form 1 “Change in Outstanding and Reserved Securities” found in Appendix H, which must be filed via TSX SecureFile within ten (10) days after the end of any month in which any change to the number of outstanding or reserved listed securities has occurred (including a reduction in such number that results from a cancellation or redemption of securities). If no such change has occurred, a Please note that “nil” reports must be filed on a quarterly (calendar) basis.”
6. Section 613(g) of the Manual is amended by adding the following to the end of the first sentence “…(this includes amendments to individual security agreements and amendments to security based compensation arrangements, including, in both instances, those assumed by the listed issuer through an acquisition).”.

Part VII of the Manual

7. Section 719 is amended by inserting the following after the words “Decisions in respect of the application of this Part VII are made by…”, in the first sentence: “members of…”.

Other Parts of the Manual

8. In Appendix A, the Checklist of Documents to be filed with the Listing Application is amended by deleting the words “…(see Section 802 of the TSX Company Manual)” in item 17.

9. In Appendix A and H, the Personal Information Form (“PIF”) is amended as follows:
   
   (I) first paragraph on cover page has been amended as follows:

   “Where an individual has submitted a Personal Information Form (“PIF”) to the Toronto Stock Exchange, a division of TSX Inc. or to TSX Venture Exchange, a division of TSX Venture Exchange Inc. (collectively referred to as the “Exchange”) within the last 36 months and the information has not changed, a Declaration Form may be completed in lieu of this PIF.”;

   (II) paragraph on the cover page subtitled “All Questions”, the sentence “If you have any questions regarding this form please contact the Exchange.” has been added;

   (III) Question 4 subtitled “POSITIONS WITH OTHER ISSUERS”, the following question has been added:

   “D. Has your employment as an officer of an issuer ever been suspended or terminated for cause? If yes, attach full particulars.”;

   and Questions 4 (E) and (F) have been updated accordingly;

   (IV) Question 8 subtitled “PROCEEDINGS” has been amended as
follows:

“\(A.\) Are you now, in any jurisdiction, the subject of:
(i) a notice of hearing or similar notice issued by an SRA or any self regulatory organization?
(ii) a proceeding or to your knowledge, under investigation, by an exchange SRA or any self regulatory organization?

B. Have you ever:
(iii) been prohibited or disqualified under securities, corporate or any other legislation from acting as a director or officer of a reporting issuer or been prohibited or restricted by a self regulatory organization or SRA from acting as a director, officer, employee, agent or consultant of a reporting issuer?
(iv) …
(v) had any other proceeding, review or investigation of any nature or kind taken against you?”;

(V) Statutory Declaration to the PIF and the Declaration have been amended as follows:

“(b) I have read and understand the Personal Information Collection Policy of the Exchange attached hereto as Exhibit 2 as well as the Notice of Collection, Use and Disclosure of Personal Information by Securities Regulatory Authorities attached hereto as Exhibit 3 (Exhibit 3 relates to the use of this PIF and collection of information for the sole purposes of SRAs) (collectively, the “PIF Collection Policy”);”;

(VI) Exhibit 2 titled “PIF Personal Information Collection Policy” to both the Statutory Declaration and Declaration is amended as follows:

i. in the first paragraph subtitled “Collection, Use and Disclosure”:

“TSX Inc. and its affiliates, their authorized agents, subsidiaries and divisions, including the Toronto Stock Exchange and TSX Venture Exchange (collectively referred to as “TSX”) collect the information (which may include personal, confidential, non-public, criminal and other information) in the PIF Personal Information Form and in other forms that are submitted by you and/or by the Issuer or an entity applying to be an Issuer and use it for
the following purposes (the “object of the file”):”;

ii. in the final paragraph subtitled “Questions”:

“If you wish to consult your file or make corrections to it or if you have any questions or enquiries with respect to the privacy principles outlined above or about our practices, please send a written request to: Chief Privacy Officer, TSX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, Canada, M5X 1J2.”.

10. Appendix H is amended as follows:

(I) Form 10 – Change in Principal Business will be deleted, and its contents will be merged into Form 2 – Change in General Company Information;

(II) Forms 1, 2, 3, 5, 8 and 9 will no longer be located in the Manual, but will be available through TSX SecureFile and on TSX’s website. The requirements to file such Forms will remain unchanged within the Manual;

(III) Form 11 – Notice of Private Placement is amended by adding the following question:

“13. Was the subscription price (or formula within a binding agreement) determined at a time when material undisclosed information existed?”.

11. The Table of Contents and Index are amended to reflect corresponding updates to various parts of the Manual.

12. The Key Contacts page has been updated.
AMENDMENTS TO TORONTO STOCK EXCHANGE’S POLICY ON NORMAL COURSE ISSUER BIDS AND DEBT SUBSTANTIAL ISSUER BIDS (Appendix F of the Toronto Stock Exchange Company Manual)

On August 2, 2002 Toronto Stock Exchange (“TSX”) originally published for comment amendments to Parts V, VI and VII of TSX Company Manual (the “Manual”), including changes to TSX’s policy on normal course issuer bids (“NCIBs”), debt substantial issuer bids (“DSIBs”) and other bids through the facilities of TSX. Additional amendments to the Manual were published for comment on January 2, 2004. On November 5, 2004, certain amendments to the Manual were finalized with an effective date of January 1, 2005, other than the NCIB and DSIB policy which was republished for comment at that time. As a result of comments received on the Amendments, further changes have been made to the NCIB and DSIB policy amendments (the “Amendments”), and the Amendments are therefore being republished for a further 30 day comment period.

The Amendments will be effective upon approval by the Ontario Securities Commission (the “OSC”) following public notice and comment. Comments should be in writing and delivered by November 21, 2005 to:

Luana N. DiCandia  
Policy Counsel  
Toronto Stock Exchange  
The Exchange Tower  
130 King Street West  
Toronto, Ontario M5X 1J2  
Fax: (416) 947-4461  
Email: luana.dicandia@tsx.com

A copy should also be provided to the:

Cindy Petlock  
Manager  
Market Regulation  
Capital Markets  
Ontario Securities Commission  
20 Queen Street West  
Toronto, Ontario M5H 3S8  
Fax: (416) 595-8940  
Email: cpetlock@osc.gov.on.ca

Comments will be publicly available unless confidentiality is requested.

Overview

TSX is seeking comments on the Amendments. The Amendments are intended to provide listed issuers with a complete and transparent set of TSX standards and
practices allowing issuers and investors, and their respective advisors, to have certainty when planning and completing transactions. TSX believes that this will result in more efficient, cost effective access to Canadian capital markets. More specifically however, the fundamental objectives of the NCIB and DSIB policy are to provide issuers with the ability to buy back their own securities in a cost effective way that treats public security holders fairly while not adversely impacting the market. In an attempt to balance these objectives, TSX has considered, among other things, the variances in liquidity, public float, distribution and market capitalization of TSX listed issuers.

TSX received a total of 21 comment letters in response to the November 2004 publication. Comments were received from interlisted and smaller listed issuers, participating organizations, legal advisors, fund managers and other market participants. Attached as Appendix B is a summary of the comment letters together with TSX’s responses.

Daily Repurchase Restriction & Monthly Repurchase Restriction

Under the current rules and policies of TSX, all issuers making purchases under an NCIB may not purchase more than 2% of the relevant class of securities outstanding in any 30 day period. TSX proposes to replace the 2% repurchase restriction with a daily repurchase restriction (section 628(a)(xiii)(a)) for all issuers other than investment funds. Under the daily repurchase restriction, issuers may purchase up to 25% of the average daily trading volume (“ADTV”) of the listed securities on any trading day. The ADTV will be calculated based on trading on TSX over the most recently completed six months immediately preceding TSX acceptance of the NCIB notice. Issuers will continue to be subject to the aggregate 12 month repurchase restriction of that number of securities equal to the greater of 10% of the public float or 5% of the issued and outstanding securities.

TSX has been concerned about the 2% purchase restriction for issuers with illiquid securities. The 2% purchase restriction was determined as a brightline test for all issuers without regard to the actual impact such purchases would have on the market quality. Following discussions with stakeholders and after reviewing the SEC’s safe harbor rule 10b-18, TSX is proposing to replace the 2% repurchase restriction with the daily repurchase restriction. The daily repurchase restriction was designed to prevent an issuer from dominating the market for its securities through substantial purchasing activity. An issuer dominating the market for its security under an NCIB may mislead investors about the integrity of the market as an independent pricing mechanism. TSX believes that the daily repurchase restriction provides sufficient flexibility for issuers to repurchase their securities under an NCIB while ensuring the quality of the market.

Virtually all comment letters received addressed the daily purchase restrictions. Many of the comments indicated that the daily repurchase restriction would be inappropriate for the Canadian marketplace, primarily because Canadian issuers are far less liquid than US listed issuers. The commentors indicated that the daily repurchase restriction would be overly restrictive and limit an issuer’s ability to stabilize the market. Other commentors indicated that the daily repurchase restriction should be further aligned with the SEC’s rule to permit parallel rules for interlisted issuers, including the use of a rolling four week period preceding any purchase for the calculation of ADTV and the addition of a block exception from the daily repurchase restriction.
As a result of the comments: (i) the 2% repurchase restriction in any 30 day period has been reinstituted only for issuers who meet the definition of investment fund, as defined in National Instrument 51-102 Continuous Disclosure Obligations; (ii) the ADTV calculation has been changed from a one month period to a six month period; and (iii) a block exception from the daily repurchase restriction has been added. TSX continues to believe that the daily repurchase restriction is necessary in order to ensure the integrity of the market.

While TSX recognizes that the liquidity of most Canadian issuers is significantly less than US listed issuers, it is important to note that the SEC’s safe harbour rule applies to not only those listed on the New York Stock Exchange and NASDAQ National Market, but all US public issuers. A block exception was added in part to permit less liquid issuers with a stabilizing mechanism in the event that a large block became available on the market (section 629(l)(7) and “Block Purchase Exception from the Daily Repurchase Restriction” below).

TSX reinstituted the 2% repurchase restriction for investment funds only since the nature and structure of investment fund securities are significantly different than regular corporate equity securities. Investment funds are generally not as liquid as other securities and the 25% ADTV repurchase restriction may impose limitations for investment funds to utilize an NCIB.

Investment funds typically represent a basket of public funds or securities. The net asset value of these funds is transparent as it is calculated and published on a regular basis. At times, investment funds trade at a discount to net asset value. The 2% repurchase restriction will assist investment funds in minimizing the discount to market, which promotes better valuation and trading of investment funds without affecting the integrity of the market for these securities.

An additional provision has been added to the definition of average daily trading volume for listed securities, other than investment funds, which have been listed on TSX for a period of less than six months. In such circumstances, TSX is proposing to use the period since the date of listing, but that period must consist of at least four weeks of trading of the listed security as the basis for the average daily trading volume. Consequently, securities listed, other than investment funds, pursuant to an initial public offering could not be subject to a normal course issuer bid for the first four week period following the IPO. Without such a provision, an issuer with newly listed securities could not commence a normal course issuer bid for a period of six months following the initial listing. This is consistent with the SEC’s safe harbour rule for the first four weeks immediately following the creation of a security.

TSX is also proposing to prohibit any NCIB purchases in the opening of the market and the last half hour of the regular trading session, other than with respect to market on close orders (section 629(l)(8)). Purchases at the opening and during the last half hour of trading are considered to be a significant indicator of the direction of trading, the strength of demand, and the current market value of the security.

**Question 1:** Is it appropriate to retain the 2% repurchase restriction in any 30 day period for investment funds?
**Question 2:** Should issuers with newly listed securities, such as in the case of an IPO, be restricted from commencing a normal course issuer bid for the first four weeks of trading?

**Question 3:** Is it appropriate to prohibit purchases made under an NCIB during the opening of a trading session and the last half hour before the scheduled close of a trading session?

**Block Purchase Exception from the Daily Repurchase Restriction**

TSX is proposing a block purchase exception from the daily repurchase restriction (section 629(l)(7)). A “block” means a quantity of securities that either: (i) has a purchase price of $200,000 or more; (ii) is at least 5,000 securities and has a purchase price of at least $50,000; or (iii) is at least 20 board lots of the security and total 150% or more of the ADTV for that security. This definition has been derived from the SEC’s safe harbour rule, however all dollar amounts are expressed in Canadian dollars and are therefore not equivalent to US dollar figures.

Issuers, other than investment funds, will be permitted to buy one block per calendar week which exceeds the daily repurchase restrictions. The block purchase exception may only be used on a day during which the issuer has not made any other purchases under its NCIB. Subsequent purchases may be made during the same week provided that they comply with the daily repurchase restriction. Any securities purchased under the block exception will count toward the aggregate maximum number of securities which may be purchased under the NCIB.

**Question 4:** Should the block purchase exception be permitted and if so: (a) is the frequency of once a calendar week appropriate, and (b) is the definition of a block appropriate?

**Question 5:** Does the block purchase exception provide low to medium liquidity issuers with sufficient flexibility to conduct market stabilization activities?

**Question 6:** Does the block purchase exception disadvantage potential purchasers, either in terms of price or availability?

**Question 7:** Should purchases under the block purchase exception be permitted where previous purchases were made under the NCIB on the same day?

**Question 8:** Should investment funds be permitted to use the block purchase exception?

**Use of Derivatives in Conjunction with Normal Course Issuer Bids**

Currently, certain listed issuers enter into forward purchase contracts and put options that may result in the repurchase of their listed securities. TSX had developed internal guidelines for the use of forward purchase contracts, put option agreements and call option agreements (individually or collectively, “derivatives”) in conjunction with NCIBs. The guidelines are proposed to be incorporated into the Amendments (section 629.1) and provide requirements regarding the acceptable terms for derivatives, purchase restrictions and reporting and disclosure requirements.
The definitions of “forward purchase contract”, “put option agreement” and “call option agreement” include reference to an OTC contract. The definitions have been limited to OTC contracts in order to ensure that TSX and the listed issuer are aware of the identity of the counterparty.

The requirements related to derivatives used in conjunction with an NCIB are limited to those derivatives which are settled by physical delivery of the underlying security. Derivatives which provide for exclusive cash settlement have been excluded from these requirements, as the listed issuer does not ultimately repurchase its own securities, but rather settles by cash payment.

Four commentors addressed the derivatives questions posed in the November 5, 2004 publication. Generally, commentors agreed that it was not appropriate for TSX to regulate exclusively cash settled derivatives in the context of an issuer’s NCIB. TSX accordingly has not amended section 629.1 in this regard. Two commentors expressed concerns regarding the daily repurchase restriction and the settlement of a derivative contract. TSX is proposing that settlement of the contract will be exempt from the daily purchase restriction, however the hedging activity associated with the contract will be subject to the restriction (section 629.1(l) and (m)), as well as all other purchase prohibitions.

Use of Accelerated Buy Backs in Conjunction with Normal Course Issuer Bids

TSX is also proposing to introduce rules allowing for accelerated buy backs during a normal course issuer bid. Accelerated buy backs permit an issuer to purchase a block of its securities for cancellation on a short sale from a broker. An accelerated buy back consists of an agreement between the listed issuer and a counterparty, whereby the counterparty agrees to sell a fixed number of listed securities short to the listed issuer on a specified date, and whereby the counterparty subsequently covers its short position in those securities with open-market purchases. TSX is proposing to permit the accelerated buy backs, subject to a number of restrictions related to open market purchases, including restrictions related to pricing and quantity, similar to those proposed for the use of derivatives during normal course issuer bids.

The accelerated buy back has been introduced in response to comments requesting the TSX to be more consistent with the trading strategies currently being used in the U.S. The SEC’s rule 10b-18 permits accelerated buy backs on a basis that ensures all investors have an opportunity to benefit from the issuer’s repurchase and the consequent hedging activity of the broker.

Debt Substantial Issuer Bids

The definition of “issuer bid” under securities legislation specifically excludes “an offer to acquire or redeem debt securities that are not convertible into securities other than debt securities”. TSX is concerned that a listed issuer may be able to repurchase some or all of its listed debt securities through the facilities of TSX without being subject to certain requirements which would normally apply to an issuer bid. These requirements include advance notification of the terms of the bid, identical consideration for the repurchase of securities and pro-rata re-purchases. The amended policy ensures that security holders can participate equally in a debt substantial issuer bid, which TSX believes is important.
since such a bid may significantly impact the liquidity of the market for the listed securities.

Four commentors addressed the DSIB question posed in the November 5, 2004 publication, two of whom expressed concerns than issuers listing debt on TSX would be significantly disadvantaged. Issuers with debt listed on TSX would be subject to significantly more onerous requirements that issuers with debt trading OTC only. TSX believes that because of the nature of the holders of TSX listed debt, it is important to permit security holders to participate in a repurchase on a pro-rata basis. However, where the instrument governing the debt provides for an alternative repurchase method, the requirements of the DSIB policy will not apply (section 628(a) (viii) and (xii)). Where the governing instrument provides an alternative repurchase method, the security holder has purchased the debt on the understanding that the issuer may repurchase the debt in accordance with the governing instrument.

Public Interest

TSX is publishing the Amendments for a 30 day comment period. Given the substantive nature of the Amendments, TSX believes that it is important for its key stakeholders to have an opportunity to review the amended policies prior to their implementation.

As a result, the Amendments will only become effective following public notice, a comment period and the approval of the OSC.

Text of Amendments

Attached as Appendix A are the Amendments, blacklined to reflect changes since the November 5, 2004 publication. In particular, we refer readers as follows:

1. Section 628(a)(xiii)(a) and (b), which contain the daily and monthly repurchase restriction;
2. Section 628(a)(iii) and 628(l)(7) contain the block purchase exceptions;
3. Section 629.1 contains the provisions on derivatives and accelerated buy backs used in connection with NCIBs; and
4. Section 629.2 contains the provisions on debt substantial issuer bids.

Attached as Appendix B is a summary of the comment letters together with TSX’s responses.
APPENDIX A

NORMAL COURSE ISSUER BIDS AND DEBT SUBSTANTIAL ISSUER BIDS

628. General.

(a) In Sections 628, 629, 629.1 and 629.2:

(i) “accelerated buy back” means an agreement between the listed issuer and a counterparty, whereby the counterparty sells a fixed number of listed securities short to the listed issuer on a specified date and the counterparty subsequently covers its short position in those securities pursuant to the open-market purchases;

(ii) “average daily trading volume” or “ADTV” means the trading volume on TSX for the most recently completed calendar month six months preceding the date of acceptance of the notice of normal course issuer bid by TSX, excluding any purchases made by the listed issuer under its normal course issuer bid during such six months, calculated as the total volume for the month divided by the number of trading days for the relevant months. In the case of listed securities which have been listed on TSX for a period of less than six months, for the ADTV for such securities shall be based on the period since the date of listing, but must be at least four weeks preceding the date of acceptance of the notice of normal course issuer bid by TSX;

(iii) “block” means a quantity of securities that either:

(a) has a purchase price of $200,000 or more; or

(b) is at least 5,000 securities and has a purchase price of at least $50,000; or

(c) is at least 20 board lots of the security and total 150% or more of the ADTV for that security;

(iv) “broker” means the participating organization designated by the listed issuer to make all purchases of listed securities for the purposes of the normal course issuer bid;

(v) “call option agreement” means an OTC agreement between the listed issuer and the counterparty governing the terms of the call option and constituting the call option contract in respect of which the underlying interest is the listed security which is the subject of the normal course issuer bid and pursuant to which the listed issuer will, in consideration of the payment of a premium to the
counterparty, have the option to require the counterparty to sell to the listed issuer a number of securities issued by the listed issuer at a date and a price which are specified in the call option;

(vi) "circular bid" means a formal take-over bid or a formal issuer bid made in compliance with the requirements of Part XX of the OSA;

(iv)(vii) "counterparty" means the participating organization or financial intermediary, as defined in section 204 of the Regulations to the OSA, at the opposite side of a derivative or an accelerated buy back from the listed issuer;

(v)(viii) "debt substantial issuer bid" means an issuer bid made through the facilities of the TSX, other than a normal course issuer bid, for debt securities that are not convertible into securities other than debt securities;

(vi)(ix) "derivative" means a put option agreement, a call option agreement or a forward purchase contract;

(vii)(x) "forward purchase contract" means an OTC agreement between the listed issuer and the counterparty under which the listed issuer agrees to purchase a number of listed securities which are subject to the normal course issuer bid at a date and a price which are specified in the agreement;

(xi) "investment fund" has the same definition found in National Instrument 51-102 Continuous Disclosure Obligations;

(viii)(xii) "issuer bid" means an offer, made through the facilities of TSX, to acquire listed securities made by or on behalf of a listed issuer for securities issued by that listed issuer, unless:

(a) the securities are purchased or otherwise acquired in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are purchased to meet sinking fund or purchase fund requirements;

(b) the purchase or other acquisition is required by the instrument creating or governing the class of securities or by the statute under which the issuer was incorporated, organized or continued; or

(c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right;
“normal course issuer bid” means an issuer bid by a listed issuer to acquire its listed securities where the purchases:

(a) if the issuer is not an investment fund, do not, when aggregated with all other purchases by the listed issuer during the same trading day, aggregate more than the greater of: (i) 25% of the average daily trading volume of the listed securities of that class, excluding any purchases made by the listed issuer under its normal course issuer bid; and (ii) 1,000 securities; and

(b) if the issuer is an investment fund, do not, when aggregated with all other purchases by the listed issuer during the preceding 30 days, aggregate more than 2% of the listed securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by TSX; and

(c) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of

(i) 10% of the public float on the date of acceptance of the notice of normal course issuer bid by TSX, or

(ii) 5% of such class of securities issued and outstanding on the date of acceptance of the notice of normal course issuer bid by TSX, excluding any securities held by or on behalf of the listed issuer on the date of acceptance of the notice of normal course issuer bid by TSX,

whether such purchases are made through the facilities of a stock exchange or otherwise, but excluding purchases made under a circular bid;

“OTC” means trading over the counter and not through the facilities of an exchange;

“principal security holder” of a listed issuer 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; and

“public float” means the number, known to the issuer after reasonable inquiry, of securities of the class which are issued and outstanding, less the number of securities of the class 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;
(c) every principal security holder of the listed issuer; and
(d) the number of securities that are pooled, escrowed or non-transferable;

(\textit{xiii}(xvii)) “put option agreement” means an OTC agreement between the listed issuer and the counterparty governing the terms of the put option and constituting the put option contract in respect of which the underlying interest is the listed security which is the subject of the normal course issuer bid and pursuant to which the counterparty will, in consideration of the payment of a premium to the listed issuer, have the option to require the listed issuer to acquire a number of securities issued by the listed issuer at a date and a price which are specified in the put option; and

(b) For the purposes of Sections 628, 629 and 629.1:

(i) a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted;

(ii) For the purposes of Sections 628, 629 and 629.1, in calculating the number of securities acquired by the listed issuer, securities purchased by a person or company acting jointly or in concert with the listed issuer, as determined in accordance with Section 9091 of the OSA, during the period of an outstanding normal course issuer bid will be included; and

(d) For the purposes of Section 93(3)(e) of the OSA, an issuer bid made through the facilities of TSX may only be completed, (iii) the number of securities that may be acquired by a listed issuer shall be adjusted to account for stock splits, consolidations and stock dividends, or other similar events.

(c) For the purposes of Section 93(3)(e) of the OSA, an issuer bid may only be completed as a normal course issuer bid in accordance with Sections 629 and 629.1. A debt substantial issuer bid made through the facilities of TSX may only be completed in accordance with Section 629.2.

629. Special Rules Applicable to Normal Course Issuer Bids.

(a) The provisions of this section shall apply to all normal course issuer bids.

(b) The filing of a notice is a declaration by the listed issuer that it has a present intention to acquire securities. The notice must set out the number of
securities that the listed issuer’s board of directors has determined may be acquired rather than simply reciting the maximum number of securities that may be purchased pursuant to Section 628(a)(ix)(bxi)(c). A notice is not to be filed if the listed issuer does not have a present intention to purchase securities.

(c) TSX will not accept a notice if the listed issuer would not meet the criteria for continued listing on TSX, assuming all of the purchases contemplated by the notice were made.

(d) TSX requires that the listed issuer prepare and submit to TSX a draft of the notice containing the information prescribed by Form 12, Notice of Intention to Make a Normal Course Issuer Bid, found in Appendix H. When the notice is in a form acceptable to TSX, the listed issuer shall file the notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the notice must be filed at least two clear trading days prior to the commencement of any purchases under the bid.

(e) A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

(f) The listed issuer will issue a press release indicating its intention to make a normal course issuer bid, subject to TSX acceptance, prior to acceptance of the executed notice by TSX. The press release shall summarize the material aspects of the contents of the notice, including the number of securities sought, the method of disposition of the securities, if applicable, the reason for the bid and details of any previous purchases in the preceding 12 month period, including the number of securities purchased and the average price paid. If a press release has not already been issued, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the notice is accepted by TSX. A copy of the final press release shall be filed with TSX.

(g) The listed issuer shall include a summary of the material information contained in the notice in the next annual report, information circular, quarterly report or other document mailed to security holders. The document should indicate that security holders may obtain a copy of the notice, without charge, by contacting the listed issuer.

(h) A normal course issuer bid may commence on the date that is two trading days after the later of:

(i) the date of acceptance by TSX of the listed issuer’s notice in final executed Form 12; or

(ii) the date of issuance of the press release required by Subsection (f) of this Section 629.

(i) Upon acceptance of the notice, TSX will publish a summary notification of the normal course issuer bid in its Daily Record.

(j) During a normal course issuer bid, a listed issuer may determine to amend its notice by increasing the number of securities sought while not exceeding: (i)
the maximum percentages referred to in the definition of normal course issuer bid or
(ii) provided that the issuer has increased its number of issued securities which are subject to the bid by at least 25% from the number of issued securities as at the date of acceptance of the notice of normal course issuer bid by TSX, the maximum percentages referred to in the definition of normal course issuer bid, as at the date of the amended notice. When the amended notice is in a form acceptable to TSX, the listed issuer shall file the amended notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the amended notice must be filed at least three clear trading days prior to the commencement of any purchases under the amended bid. In addition, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the amended notice is accepted by TSX. A copy of the final press release shall be filed with TSX. Upon acceptance of the amended notice, TSX will publish a summary notification of the normal course issuer bid in its Daily Record.

(k) A trustee or other purchasing agent (hereinafter referred to as a "trustee") for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or security holders of a listed issuer may participate, is deemed to be making an offer to acquire securities on behalf of the listed issuer where the trustee is deemed to be non-independent. Trustees that are deemed to be non-independent are subject only to Subsections 629(k) and (l) and (m) and to the limits on purchases of the listed issuer's securities prescribed by the definition of "normal course issuer bid". Trustees that are non-independent must notify TSX before commencing purchases. A trustee is deemed to be non-independent where:

(i) the trustee (or one of the trustees) is an employee, director associate or affiliate of the listed issuer; or
(ii) the listed issuer, directly or indirectly, has control over the time, price, amount and manner of purchases or the choice of the broker through which the purchases are to be made. The listed issuer is not considered to have control where the purchase is made on the specific instructions of the employee or security holder who will be the beneficial owner of the securities.

TSX should be contacted where there is uncertainty as to the independence of the trustee.

(l) Within 10 days of the end of each month in which any purchases are made, whether the securities were purchased through the facilities of TSX or otherwise, the listed issuer shall report its purchases to TSX stating the number of securities purchased during its purchases that month, giving the average price paid and stating whether the securities have been cancelled, reserved for issuance or otherwise dealt with. Nil reports are not required. The listed issuer may delegate the reporting requirement to the broker appointed to make its purchases; however, the listed issuer bears the responsibility of ensuring timely
reports are made. TSX periodically publishes a list of securities purchased pursuant to normal course issuer bids.

This paragraph also applies to purchases by non-independent trustees and to purchases by any party acting jointly or in concert with the listed issuer. Purchases by non-independent trustees and other parties acting jointly or in concert with the listed issuer are excluded from TSX’s periodic publication of securities purchased pursuant to normal course issuer bids.

TSX has set the following rules for listed issuers and brokers acting on their own behalf:

1. **Price Limitations** - It is inappropriate for a listed issuer making a normal course issuer bid to abnormally influence the market price of its securities. Therefore, purchases made by listed issuers pursuant to a normal course issuer bid shall be made at a price which is not higher than the last independent trade of a board lot of the class of securities which is the subject of the normal course issuer bid. In particular, the following are not "independent trades":
   
   (a) trades directly or indirectly for the account of (or an account under the direction of) an insider of the listed issuer, or any associate or affiliate of the listed issuer;
   
   (b) trades for the account of (or an account under the direction of) the broker making purchases for the bid; and
   
   (c) trades solicited by the broker making purchases for the bid.

2. **Prearranged Trades** - It is important to investor confidence that all holders of identical securities be treated in a fair and even-handed manner by the listed issuer. Therefore, an intentional cross or pre-arranged trade is not generally permitted, unless such trade is made in connection with the block purchase exception.

3. **Private Agreements** - It is in the interest of security holders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the OSA, which provides very limited exemptions for private agreement purchases. TSX, therefore, will not normally accept a notice which indicates that purchases will be made other than by means of open market transactions.

4. **Sales from Control** - Purchases pursuant to a normal course issuer bid shall not be made from a person or company effecting a sale from control block pursuant to Part 2 of Multilateral Instrument 45-102 [Resale of Securities](#) and Section 630-633 of this Manual. It is the responsibility of the broker acting as agent for the listed issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a broker is offering the same class of securities of the listed issuer under a sale from control.
5. **Purchases During a Circular Take-Over Bid** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a circular take-over bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof. This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

In addition, if the listed issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid other than those permitted by pursuant to OSC Policy 62-601, Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions.

6. **Undisclosed Material Information** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid while the listed issuer possesses any material information which has not been disseminated. Reference is made to the TSX Timely Disclosure policy in this regard.

7. **Block Purchase Exception** – A listed issuer may make one block purchase per calendar week which exceeds the daily repurchase restriction contained in Subsection 628(xiii)(a), subject to maximum annual aggregate limits. This block purchase exception may not be used on any day during which the issuer makes purchases under its normal course issuer bid.

8. **Purchases at the Opening and Closing** – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid at the opening of a trading session, or during the 30 minutes before the scheduled close of a trading session. However, purchases of securities pursuant to a normal course issue bid may be effected through the market on close facility.

(m) A listed issuer shall appoint only one broker at any one time as its broker to make purchases. The listed issuer shall inform TSX in writing of the name of the responsible broker and registered representative. The broker shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions of Sections 628, 629 and 629.1 and the terms of such notice. To assist TSX in its surveillance function, the listed issuer is required to receive prior written consent of TSX where it intends to change its broker.

(en) Failure to comply with any requirement herein may result in the suspension of the bid.
629.1 Use of Derivatives and Accelerated Buy Backs in Conjunction with Normal Course Issuer Bids

Application

(a) Unless otherwise specifically modified by the terms of this Section 629.1, all provisions of Section 628 or 629 shall apply to derivatives and accelerated buy backs entered into by the listed issuer.

(b) A listed issuer shall not enter into a derivative or accelerated buy back unless:

1. the listed issuer has filed a notice which has been accepted by TSX; and

2. such derivative or accelerated buy back provides that:

   (i) the counterparty will be bound by the provisions of this Section;

   (ii) the interest of the counterparty under the derivative or accelerated buy back may only be assigned with the prior written consent of TSX; and

   (iii) the interest of the counterparty under the derivative or accelerated buy back may only be assigned to another counterparty.

(c) Counterparties must ensure that all hedging activities or other trading associated with derivatives or accelerated buy backs (and other similar securities, whether or not such securities contemplate physical or cash delivery for settlement) comply with Policy 2.1 - Just and Equitable Principles and Policy 2.2 - Manipulative and Deceptive Method of Trading under the Universal Market Integrity Rules for Canadian Marketplaces.

(d) A derivative that provides for exclusive “cash settlement” is not considered by TSX to constitute a transaction which is subject to this Section 629.1.

Terms of Derivatives and Accelerated Buy Backs

(e)(e) Each derivative used in conjunction with a normal course issuer bid shall be an OTC agreement with a counterparty.

(e)(f) The exercise price of a put or call option will be as negotiated by the listed issuer and the counterparty provided that the exercise price shall not exceed the aggregate of:
1. the price of the last independent trade of a board lot on TSX of the underlying interest at the time the exercise price has been agreed upon; and

2. the premium per unit of the underlying security which will be received by the issuer or the counterparty on the writing of the put or call option, respectively.

(f)(g) The purchase price of securities under a forward purchase contract or an accelerated buy back will be as negotiated by the listed issuer and the counterparty provided that the purchase price shall not exceed the price of the last independent trade of a board lot on TSX at the time the purchase price has been agreed upon.

(g)(h) Each derivative or accelerated buy back must expire on or before the last day on which purchases of securities may be made by the listed issuer under the normal course issuer bid.

(h)(i) Each derivative shall provide for settlement by the physical delivery of the underlying interest.

(i)(j) Notwithstanding subsection (h)(i), a derivative may provide for a cash settlement where:

1. the purchase of listed securities of the listed issuer by the listed issuer would not be permitted pursuant to the applicable securities legislation; or

2. a take-over bid has been publicly announced for the securities which are the subject of the normal course issuer bid.

Restrictions on the Number of Listed Securities Subject to Derivatives and Accelerated Buy Backs

(j)(k) At any time during the period of the normal course issuer bid, the aggregate of the number of listed securities which are subject to outstanding derivatives and accelerated buy backs and the number of listed securities acquired by the listed issuer prior to that time under the normal course issuer bid (including any listed securities acquired by the listed issuer on the exercise of any derivative) shall not exceed the greater of:

1. 5% of the number of issued and outstanding securities (excluding any listed securities held by or on behalf of the listed issuer) at the date of acceptance of the notice by TSX; and

2. 10% of the public float of the listed securities at the date of acceptance of the notice by TSX.
(k)(i) At any time during the period of the normal course issuer bid, a listed issuer may not: (i) enter into or exercise a derivative, or (ii) make a purchase in the open market pursuant to the normal course issuer bid, if the aggregate of:

1. any listed securities purchased on a particular day by a counterparty to a derivative in connection with such derivative;

1-2. any listed securities purchased on a particular day by the listed issuer on the exercise of a derivative counterparty to an accelerated buy back in connection with such accelerated buy back; and

2-3. any listed securities purchased by the listed issuer in the open market pursuant to the normal course issuer bid on a particular day, excluding any listed securities purchased pursuant to the block purchase exception.

exceeds the greater of: (i) 25% of the average daily trading volume of the listed securities of that class and (ii) 1,000 securities, unless such purchase is made pursuant to a block exception as at the date the derivative is entered into, excluding any purchases made by the listed issuer under its normal course issuer bid and (ii) 1,000 securities contained in Subsection 629(l)(7).

(m) Derivative If the listed issuer is an investment fund, at no time during the period of the normal course issuer bid may the aggregate of:

1. any listed securities purchased in the preceding 30 days by a counterparty to a derivative in connection with such derivative;

2. any listed securities purchased in the preceding 30 days by a counterparty to an accelerated buy back in connection with such accelerated buy back; and

3. any listed securities purchased by the listed issuer in the open market pursuant to the normal course issuer bid in the preceding 30 days.

exceed 2% of the securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by TSX.

(n) Purchases by a listed issuer of its listed securities from a counterparty pursuant to a derivative or accelerated buy back are not subject to the restrictions on daily repurchases contained in Subsection 628(xii)(a) and (b), prearranged trades contained in Subsection 629(l)(2), private agreement contained in Subsection 629(l)(3) and the block purchase exception contained in
Subsection 629(l)(7), provided that any listed securities purchased by a counterparty in connection with a derivative or accelerated buy back are purchased in accordance with all of the restrictions contained in Subsection 629(l).

**Reporting and Disclosure Requirements**

(l)(o) The intention of the listed issuer to enter into a derivative **or accelerated buy back** as part of a normal course issuer bid must be disclosed in the notice and in the press release required by Subsection 629(Subsections 629 (d) and (f)).

(m)(p) A copy of each derivative **or accelerated buy back** agreement, and any amendment thereto, shall be filed with TSX within 10 days of execution and each derivative **and** **or accelerated buy back** amendment shall be subject to the approval of TSX.

(p)(q) Each derivative **or accelerated buy back** shall be treated as a confidential document and will not be placed in the public record by TSX.

(e)(r) The listed issuer shall be responsible for:

1. ensuring compliance with restrictions on the number of listed securities as imposed by Sections 628, 629 and 629.1; and

2. reporting to TSX details of all open market purchases and acquisitions on the exercise of derivatives **or pursuant to an accelerated buy back** during a calendar month within 10 days following the month end.

(p)(s) The listed issuer may not delegate to the counterparty the responsibility for compliance and reporting as set forth in Subsection 629.1(er).

**Counterparties to Derivatives**

(e)(t) Notwithstanding any other provision of Sections 628, 629 and 629.1, the listed issuer shall be entitled to use one participating organization as broker for open market purchases under the normal course issuer bid and another participating organization as a counterparty to the derivative or **accelerated buy back** or as an agent for the counterparty if such counterparty is not a participating organization.

(p)(u) The listed issuer may change the counterparty for the purposes of this Section 629.1 if:

1. the counterparty has ceased hedging activities related to any outstanding derivative; or

2. all derivatives **or accelerated buy backs** with the counterparty have expired or otherwise been settled.
Corporate and Securities Law Compliance

(e)(v) The listed issuer has the obligation to ensure any derivative or accelerated buy back entered into is in accordance with the corporate law under which the listed issuer is organized and the articles, by-laws or other charter documents of the listed issuer.

(f)(w) The listed issuer has the obligation to ensure that the writing of any OTC over-the-counter option, as a distribution of securities, is undertaken pursuant to the granting of an exemption order from applicable securities legislation.

(u)(x) TSX may require, prior to the approval of any normal course issuer bid which will permit the listed issuer to enter derivatives or accelerated buybacks, the submission of a legal opinion or other evidence satisfactory to TSX that the listed issuer is permitted to enter into such derivative or accelerated buy back (including compliance with any applicable corporate law). The listed issuer has the obligation to ensure that its entering into of a derivative or accelerated buy back is pursuant to an order exempting the issuer from applicable securities legislation regarding issuer bids.

“Cash Settled” Arrangements

(v) A derivative that provides for exclusive “cash settlement” is not considered by TSX to constitute a transaction which is subject to this Section 629.1.

629.2 Debt Substantial Issuer Bids

(a) The provisions of this section shall apply to a debt substantial issuer bid provided that:

(i) there is no legal or regulatory requirement to provide a valuation of the securities that are the subject of the bid to security holders; or

(ii) exemptions from all applicable requirements have been obtained.

(b) A listed issuer making a debt substantial issuer bid shall file with TSX a notice in the form of Form 13 found in Appendix H, together with a filing fee prescribed by Part VIII and shall not proceed with the bid until the notice has been accepted by TSX.

(c) Immediately after TSX has accepted notice of the debt substantial issuer bid, the listed issuer shall:

(i) disseminate details of the bid to the media in the form of a press release in a form approved by TSX; and

(ii) communicate the terms of the bid by advertising in the manner
prescribed by TSX, or by such other means as may be approved by TSX.

(d) A book for receipt of tenders to the debt substantial issuer bid shall be opened on TSX not sooner than the thirty-fifth calendar day after the date on which notice of the bid is accepted by TSX and at such time, and for such length of time, as may be determined by TSX.

(e) Where in a debt substantial issuer bid, more securities are tendered than the number of securities sought, the listed issuer shall take up a proportion of all securities tendered equal to the number of securities sought divided by the number of securities tendered, and participating organizations shall make allocations in respect of securities tendered in accordance with the instructions of TSX.

(f) In respect of a bid:
   
   (i) no participating organization shall knowingly assist or participate in the tendering of more securities than are owned by the tendering party; and

   (ii) tendering, trading and settlement by participating organizations shall be in accordance with such rules as TSX shall specify to govern each bid.

(g) If a listed issuer makes or intends to make a debt substantial issuer bid, neither the listed issuer nor any person acting jointly or in concert with the listed issuer shall enter into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the listed issuer subject to the bid that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

(h) A notice of amendment shall be filed with the TSX for any proposed amendment to the terms of the bid. The proposed amendment will only be effective upon the acceptance of the TSX.

(i) Where the listed issuer becomes aware of a material change in any of the information contained in the notice in respect of a debt substantial issuer bid, the listed issuer shall file with the TSX forthwith a notice of amendment. The proposed amendment will only be effective upon the acceptance of the TSX.

(j) Immediately upon acceptance of the notice of amendment by the TSX, the listed issuer shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book.
## Comments Received

**Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids**

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<tbody>
<tr>
<td>Peter W. Kay</td>
<td>1) General</td>
<td>1) General</td>
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<td>Senior Vice President Capital Management</td>
<td>Overall, I am supportive of the approach you are taking, particularly with respect to the intention to simplify and harmonize the regulations.</td>
<td>Thank you for your comment.</td>
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<td>CIBC</td>
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<td></td>
<td>2) Volume Purchase Restriction</td>
<td>2) Volume Purchase Restriction</td>
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<td>Calculating the 25% volume purchase restriction based on the month prior to the date of TSX acceptance of the bid raises the prospect of using an unrepresentative month as a base. It would be more appropriate to recalculate the volume purchase restriction on an ongoing basis and it would also be beneficial to have greater harmonization between the method TSX uses in calculating “average daily trading volume” and that used by the SEC in Rule 10b-18.</td>
<td>TSX appreciates your concerns and agrees that the 25% volume purchase restriction based on the month prior to the date of TSX acceptance of the bid may be unrepresentative of usual trading in the securities of an issuer. Consequently, the definition of average daily trading volume (“ADTV”) has been amended as follows:</td>
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<td>“average daily trading volume” or “ADTV” means the trading volume on TSX for the most recently completed calendar month preceding the date of acceptance of the notice of normal course issuer bid by TSX, excluding any purchases made by the listed issuer under its normal course issuer bid during such six months, calculated as the total volume for the month divided by the number of trading days for the relevant month. In the case of listed securities which have been listed on TSX for a period of less than six months, the ADTV for such</td>
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## Comments Received
### Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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<td><strong>securities shall be based on the period since the date of listing, but must be at least four weeks preceding the date of acceptance of the notice of normal course issuer bid by TSX:</strong>&lt;br&gt;The use of a fixed limit rather than a rolling limit makes it easier for buying brokers to comply with the daily purchase restrictions and makes it easier for TSX to monitor and enforce its NCIB policy.</td>
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</table>

### 3) Unusual situations
It is not clear that there is a mechanism under the new requirements for applying to TSX for an exemption from the volume purchase restrictions in unusual circumstances. It would be preferable to include such a process.

### 4) Block purchase exception

### 3) Unusual situations
Although not included in the request for comments, pursuant to Section 603, TSX has discretion to grant exemptions from any of the requirements contained in Parts V or VI of the Manual. TSX will exercise its discretion having regard to the factors described in Section 603. For instance, the merger transaction completed between Manulife Financial Corporation and John Hancock Financial Services, Inc. was considered unusual by TSX and consequently, we used our discretion to provide certain exemptive relief.

Pursuant to Section 629(i), a listed issuer may also amend its notice in certain stated circumstances in order to increase the number of securities that may be purchased.

### 4) Block purchase exception
# Appendix B

## Comments Received

### Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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|      | It would appear that the regulations do not contemplate purchases of large blocks (i.e. blocks in excess of the 25% daily volume limit). We would suggest that consideration be given to allowing some sort of relief for block purchases, perhaps along the line of that provided by SEC regulations in Rule 10b-18. | Section 629 has been amended to allow block purchases of securities, other than investment funds, in certain specific circumstances. Section 629 (l)(7) has been added:  

**Block Purchase Exception** – A listed issuer may make one block purchase per calendar week which exceeds the daily repurchase restriction contained in Subsection 628(xiii)(a), subject to maximum annual aggregate limits. This block purchase exception may not be used on any day during which the issuer makes purchases under its normal course issuer bid.  

Section 629(a)(iii) has also been included:  

“block” means a quantity of securities that either:  

(a) has a purchase price of $200,000 or more; or  
(b) is at least 5,000 securities and has a purchase price of at least $50,000; or  
(c) is at least 20 board lots of the security and total 150% or more of the ADTV for security; |

5) Debt Substantial Issuer Bids | 5) Debt Substantial Issuer Bids |
## Comments Received
### Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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<td>The proposals are inconsistent with normal practice in the over-the-counter markets for the vast majority of debt instruments, and would suggest that the imposition of these types of rules would provide a considerable disincentive for listing debt securities on the TSX.</td>
<td>TSX is of the opinion that Section 629.2 on Debt Substantial Issuer Bids is necessary in order to maintain a quality market place and ensure that security holders can participate equally and thus be treated fairly. Please also note that the proposed rules provide that “an offer by a listed issuer to acquire securities in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities” is not covered by the definition of “issuer bid” and consequently not subject to the policy on DSIBs.</td>
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| Ms. Michelle Peacock | 1) **Volume Purchase Restriction** | 1) **Volume Purchase Restriction**
Ms. Michelle Peacock Equity Division | The 25% volume restriction should be recalculated each calendar month or on the preceding 4 weeks, to align with US rules. | Please see our response to comment #A2 above. |
BMO Nesbitt Burns Inc. | 2) **Average Daily Trading Volume** | 2) **Average Daily Trading Volume**
The ADTV used to calculate the volume purchase restriction should be based on volume on all marketplaces, not just TSX volume. | If we were to calculate the ADTV based on volume on all marketplaces, we believe that it would artificially inflate volume and consequently, allow issuers to unduly affect the market price of their securities by purchasing a larger number of securities than would otherwise be permitted. |
|   | As a result, Section 628(a)(ii) has been amended as follows: |   |
### Comments Received

#### Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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<td>“average daily trading volume” or “ADTV” means the trading volume on TSX for the most….</td>
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|      |          | 3) Hedging Activity and Regulations  
Thank you for your comment. |
|      |          | 4) Derivatives and Physical Delivery  
The requirements related to derivatives used in conjunction with an NCIB are limited to those derivatives which are settled by physical delivery of the underlying security as stated in section 629.1(d). |
|      |          | 5) Derivatives and Cash Settlement  
Thank you for your comment. Derivatives which provide for exclusive cash settlement have been excluded from the application of the new rules as the listed issuer does not ultimately repurchase its own securities but rather settles by cash payment. TSX does not intend to regulate or monitor cash-settled derivatives. |

#### 3) Hedging Activity and Regulations
The hedging activity associated with a derivative is appropriately regulated by the Universal Market Integrity Rules (“UMIR”). Reference is made to Policy 2.1 – Just and Equitable Principles and Policy 2.2 – Manipulative and Deceptive Methods of Trading under UMIR.

#### 4) Derivatives and Physical Delivery
The hedging activity associated with a physical delivery should be subject to the requirements of proposed sections 628, 629 and 629.1. The hedging activity culminating in delivery associated with the over-the-counter derivatives, although indirect, has the same potential for market impact as a direct NCIB and is the result of a transaction undertaken by the issuer.

#### 5) Derivatives and Cash Settlement
We do not believe that sections 628 and 629 should apply to exclusively cash-settled derivatives. Hence, section 629.1 (a) should not apply.
### Comments Received

**Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids**

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| Nicolle D. Irving             | **1) Volume Purchase Restriction**  
The proposed changes, including amendment to the volume purchase restriction, will significantly and negatively impact small listed companies and stocks that are not highly liquid. Would it be more prudent to establish a “high volume issuer” test and give them the choice to use the “daily average method” while allowing the lower volume issuers to maintain the 2% limit? | **1) Volume Purchase Restriction**  
We continue to believe that the 25% volume purchase restriction should apply to all issuers listed on TSX. TSX had originally proposed to provide an exemption to the 2% purchase restriction for those issuers with high trading volumes on TSX only. However, following the receipts of comments, we decided to adopt the 25% limit for all issuers other than investment funds. One of the principles of NCIB |
| Nicolle D. Irving, Vice PresidentTrading Administration & ComplianceGMP Securities Ltd. | **6) Debt Substantial Issuer Bids**  
Repurchase conditions are clearly defined in the trust indentures governing the bonds and may be in conflict with TSX rules. We recommend that all bonds be treated consistently, whether listed or unlisted. | **6) Debt Substantial Issuer Bids**  
Please see our response to comment #A5 above. |

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Appendix B
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<td>policies has always been that an issuer should not have a significant impact on the market price of its securities by virtue of purchases made under its NCIB.</td>
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<td>In order to provide more flexibility to issuers, including those with less liquid stocks, wishing to purchase securities above the 25% threshold on a very specific occasion, TSX now allows an issuer to benefit from a block purchase exception. Please refer to our response provided in #A4 above.</td>
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<td>We have retained the 2% limit for investment funds, which have the same meaning as that found in National Instrument 51-102 Continuous Disclosure Obligations. The valuation of investment funds is generally accessible through the net asset value of the fund, which in turn is a reflection of market value.</td>
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<td>2) Block purchase exception Please see our response to comment #A4 above.</td>
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<td>3) Unrepresentative Limit TSX has amended its definition of ADTV in order to ensure</td>
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2) Block purchase exception
Currently NCiBs can be used to purchase selling interest in the marketplace on blocks thus removing the risk of price declines on volume sales or for discount bids. Block trading can significantly impact thinly traded securities and in most cases not accurately reflect the value of the company.

3) Unrepresentative Limit
Another concern we have would be the possibility for
# Comments Received
## Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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<td>manipulation of volumes prior to the acceptance of a bid to ensure highly volume limit and/or the manipulation of timely dissemination of news to manipulate volumes prior to a bid.</td>
<td>that the 25% volume purchase restriction was representative of usual trading in an issuer’s securities and to avoid any manipulation. The ADTV is now based on a six month period prior to the date of TSX acceptance of the bid. Please also see our response to comment A#2 above.</td>
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D

David M. Power  
Vice President  
Market Strategy and Execution  
Corporate Treasury  
RBC Financial Group

1) **Block purchase exception**  
The proposed amendment does not provide for a block purchases exemption, and therefore, it might limit Canadian banks in their NCIB execution tactics in the future. As a result, we propose to either keep the current TSX volume limitation or to replicate the block purchases exemption in SEC’s safe harbor rule 10b-18.  

2) **Volume Purchase Restriction**  
We think that it would be sufficient for the 25% volume purchase restriction limit to be calculated once for the program in effect, as we do not anticipate great trading volatility and therefore significant month-to-month changes in the 25% purchase restriction.  

3) **Derivatives and Physical Delivery**  
The key condition set out in the amendment requires that each derivative must provide for physical delivery.  

1) **Block purchase exception**  
Please refer to our response to comment A#4 above.  

2) **Volume Purchase Restriction**  
Please refer to our response to comment A#2 above.  

3) **Derivatives and Physical Delivery**  
Securities which are repurchased by an issue under an NCIB must, in most cases, be cancelled by the issuer, so
## Comments Received

### Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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<td>As the <em>Bank Act</em> prohibits RBC from holding its own securities, this requirement would restrict the ability of RBC to enter into derivative transactions.</td>
<td>this requirement is not unusual. In addition, please see our response to comments D#4 and #5.</td>
</tr>
</tbody>
</table>
|      | **4) Harmonization with SEC Rule 10b-18**  
RBC is of the view that TSX should further harmonize the NCIB rules with the US safe harbor 10b-18 rules, so that the banks that are listed on both US and Canadian stock exchanges can comply with both set of rules, and the *Bank Act*, without unnecessary conflicts. | **4) Harmonization with SEC Rule 10b-18**  
We have reconsidered the safe harbour rule and made changes where we believed appropriate, including an exception for block purchase as noted above. |

### 1) Exceptional Circumstances

**Imperial Oil Limited**

Imperial Oil Limited has been granted an exemption from TSX which allows its principal shareholder to participate in the program by making a block sale at the closing price each day after the close of normal trading hours and during the special trading session. The block amount is calculated based on shares purchases from the minority shareholders such that the principal shareholder’s ownership is unchanged at the end of the day. We urge you to specify that open market trading (i.e. during normal trading hours) may not exceed 25% of the designated daily volume but to exclude from the limitation block trades at the closing price after the close of normal trading hours.

**TSX will deal with unique requests, such as Imperial’s, on a case by case basis by using its discretion as stated in section 603.**

Please also note that issuers will now be able to rely on a block purchases exception. Please refer to our response to comment #A4 above.
## Comments Received

### Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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| Jeff Glass Blake, Cassels & Graydon LLP | 1) **Volume Purchase Restriction**  
I believe that additional analysis is required before the 2% purchase restriction is replaced, particularly given the impact that the amendment will have on NCIB purchases of less liquid securities.  
In the context of Canadian markets it is not uncommon for the decision of a very few retail investors to move the market in a material way contributing to significant price volatility. Additional liquidity for investors in such circumstances and the resulting price stability are each desirable result. As I understand it, the decision to base the amendment on SEC’s rule 10b-18 was made in the context of an effort to accommodate high volume stocks and in my view, more consideration should be given to the potential impact of the amendment on less liquid securities.  
2) **Average Daily Trading Volume**  
In my view, rather than fixing ADTV as at the date TSX accepts the NCIB notice, ADTV should be recalculated every trading day based on the trading volume in the prior 20 trading days in order that the 25% volume restriction is determined on the basis of influences on the market at the time such purchases are made. | 1) **Volume Purchase Restriction**  
We believe that the 25% volume purchase restriction should apply to all listed issuers notwithstanding their size, with the exception of investment funds. Please refer to our response to comment #C1 above.  
2) **Average Daily Trading Volume**  
Please see our response to comment #A2 above. |
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<td>3) Block purchase exception</td>
<td>3) Block purchase exception</td>
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<td>Given the impact of section 628(a)(ix)(a) on the level of purchases that would be permitted in respect of illiquid securities, TSX should give consideration to adopting a block purchase exemption.</td>
<td>Please see our response to comment #A4 above.</td>
</tr>
<tr>
<td>G</td>
<td>1) General comment</td>
<td>1) General comment</td>
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<td>We are of the view that it would be helpful if TSX would confirm in the new rules that they are intended to apply only in connection with a NCIB made through the facilities of TSX, in order to remove any ambiguity with respect to a NCIB made through another stock exchange.</td>
<td>We agree with your comment and Section 628(a)(xii) has been amended as follows:</td>
</tr>
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<td>“issuer bid” means an offer, made through the facilities of TSX, to acquire listed securities…</td>
<td>“issuer bid” means an offer, made through the facilities of TSX, to acquire listed securities…</td>
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<td>2) Average Daily Trading Volume</td>
<td>2) Average Daily Trading Volume</td>
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<td>We are of the view that the 25% volume restriction should not be fixed solely with reference to the calendar month immediately preceding the date of acceptance of the notice of NCIB by TSX, as this creates a static and arbitrary volume restriction that may not reflect the changing circumstances of the issuer during the life of the issuer bid. It would be preferable to use a “rolling” 30-day period as the appropriate measure, or, failing that, a 30-day period ended on the most recent month-end.</td>
<td>Please see our response to comment #A2 above.</td>
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Osler, Hoskin & Harcourt
## Comments Received

**Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids**

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|      | 3) **Block purchase exception**  
It would be helpful to have the opportunity to exceed the 25% limit where circumstances warrant, presumably on application to TSX – such circumstances might include foreseeable events that will lead to exceptional sources of liquidity, such as a substantial issuance of shares pursuant to a merger or acquisition. | 3) **Block purchase exception**  
TSX will now allow block purchases. Please see our response to comment #A4 above.  
As stated in Section 603, TSX has also discretion to grant exemptions under special circumstances. |
|      | 4) **Derivatives and ADTV**  
The integration of the daily repurchase restriction with the derivatives rules in section 629.1(k) strikes us as having been drafted in such a way as will likely create problems for the implementation of derivative programs in the manner usually contemplated. This is created in particular by the inclusion of the first subclause (i) (“enter into or exercise a derivative”) with the language and purchase restrictions that follow. | 4) **Derivatives and ADTV**  
We agree with your comment and have amended Section 629.1(l) (formerly Section 629.1(k)) and added new Section 629.1(m) as follows:  

(l) At any time during the period of the normal course issuer bid a listed issuer may not: (i) enter into or exercise a derivative, or (ii) make a purchase in the open market pursuant to the normal course issuer bid, if the aggregate of:  

1. any listed securities purchased on a particular day by a counterparty to a derivative in connection with such derivative;  
2. any listed securities purchased on a particular day by the listed issuer on the exercise of a counterparty to an accelerated buy back in connection with such accelerated buy back;  

### Comments Received

**Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids**

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and

3. any listed securities purchased by the listed issuer in the open market pursuant to the normal course issuer bid on a particular day, excluding any listed securities purchased pursuant to the block purchase exception, exceed the greater of: (i) 25% of the average daily trading volume of the listed securities of that class and (ii) 1,000 securities, unless such purchase is made pursuant to a block exception as at the date the derivative is entered into, excluding any purchases made by the listed issuer under its normal course issuer bid and (ii) 1,000 securities contained in Subsection 629(1)(7).

(m) If the listed issuer is an investment fund, at no time during the period of the normal course issuer bid may the aggregate of:

1. any listed securities purchased in the preceding 30 days by a counterparty to a derivative in connection with such derivative;

2. any listed securities purchased in the preceding 30 days by a counterparty to an
### Comments Received

**Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids**

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<td>accelerated buy back in connection with such accelerated buy back; and</td>
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<td>3. any listed securities purchased by the listed issuer in the open market pursuant to the normal course issuer bid in the preceding 30 days, exceed 2% of the securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by TSX.</td>
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<td>5) Accelerated Share Buybacks</td>
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<td>Thank you for your comment. TSX has amended the rules in order to permit accelerated share buybacks. Section 629.1 has been amended accordingly.</td>
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<td>6) Price restrictions</td>
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<td>The price is restricted to an amount not higher than the last</td>
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### 5) Accelerated Share Buybacks

The US securities laws and stock exchange rules are flexible enough to facilitate accelerated share buybacks on a basis that ensures all investors have an opportunity to benefit from the issuer's repurchase and the consequent hedging activity of the dealer. In our view, TSX should consider amending the proposed amendments to permit accelerated share buybacks to occur in Canada through the facilities of TSX.

### 6) Price restrictions

Section 629(f) restricts the purchase price under the
## Comments Received
Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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<td>forward purchase contract to no more than the pricing of the last independent trade of a board lot, meaning that the issuer is consequently not allowed to incorporate a financing charge or spread beyond the market price of the security. In addition, we understand that the relevant pricing of a derivative is generally determined directly as a result of (and following) the counterparty’s hedging transactions, which typically occur over the course of several days after the contract is made – meaning that the final price of the contract will reflect an average of purchases made over the course of several days, which may well exceed the spot market price on the date the contract is entered on or on one or more dates during the period when the price is being determined.</td>
<td>independent trade of a board lot in order to ensure that the counterparty does not have an incentive to conduct its hedging activity at escalating prices. In addition, it would not generally be in the issuers’ economic interest to purchase its securities under a forward contract at a price higher than it could otherwise obtain such securities. Unlike a call option which may be exercised at the issuers’ election, the forward purchase contract is a definitive purchase arrangement on a future date.</td>
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<td><strong>7) Definition of Normal Course Issuer Bid</strong>&lt;br&gt;In our view, the opening words of the definition should read &quot;means an issuer bid by a listed issuer&quot;.</td>
<td><strong>7) Definition of Normal Course Issuer Bid</strong>&lt;br&gt;The definition of normal course issuer bid has been amended as follows:&lt;br&gt;&lt;br&gt;&quot;normal course issuer bid&quot; means an issuer bid by a listed issuer to acquire…&quot;</td>
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<td><strong>8) Definition of Circular</strong>&lt;br&gt;The proposed amendments do not contain a definition of</td>
<td><strong>8) Definition of Circular</strong>&lt;br&gt;The definition of circular bid has been added and is as</td>
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### Comments Received

#### Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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<td><strong>1) Block purchase exception</strong>&lt;br&gt;TSX should permit one block exemption per week.</td>
<td><strong>1) Block purchase exception</strong>&lt;br&gt;Please see our response to comment #A4 above.</td>
</tr>
<tr>
<td>Ted Larkin&lt;br&gt;Head of Equity&lt;br&gt;Capital Markets&lt;br&gt;UBS Securities Canada Inc.</td>
<td><strong>2) Trading Restrictions</strong>&lt;br&gt;No opening trades and no trading in the last 10 minutes should be permitted for NCIB purchases.</td>
<td><strong>2) Trading Restrictions</strong>&lt;br&gt;We agree with your comment and have added Section 629(l) 8:</td>
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<td><strong>Opening and Closing Purchases</strong> – A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid at the opening of a trading session, or during the 30 minutes before the scheduled close of a trading session. However, purchases of securities pursuant</td>
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# Appendix B

## Comments Received
### Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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<td><strong>3) Average Daily Trading Volume</strong>&lt;br&gt;ADTV calculation should be based on prior 3 to 6 months on TSX only.</td>
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**3) Average Daily Trading Volume**
Please see our response to comment #A2 above. |
| I | **1) General**<br>RS believes that the amendments, as a whole are positive and will result in more effective regulation of NCIBs and DSIBs.<br>RS believes that the proposal to implement a daily repurchase restriction represents a substantial improvement over the existing 2% restriction. By limiting the daily purchase to 25% of daily average trading volume, issuers will have more limited ability to affect the price of a security through NCIB purchases. |  
**1) General**
Thank you for your comment. |
| Michael J. Brady Counsel Market Policy and General Counsel’s Office Market Regulation Services Inc. (“RS”) | **2) Volume Purchase Restriction**<br>RS believes that the 25% volume purchase restriction should be recalculated each calendar month rather than be determined as of the date of acceptance of the NCIB by TSX. By calculating the restriction each month, the repurchase amount will more accurately reflect the liquidity of the security at the time of the purchases. By |  
**2) Volume Purchase Restriction**
We thank you for your comment. Please see our response to comment #A2 above. |
## Comments Received

**Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids**

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|      | basing a daily repurchase amount on an outdated calculation made at the date of the approval of the NCIB, there is an increased likelihood that purchases under the NCIB may have a considerable impact on trading in a security. If the ADTV is to be determined at the time of acceptance of the NCIB, RS believes that it would be appropriate to calculate this amount based on trading during a larger period than a calendar month preceding the date of acceptance of the NCIB. RS would suggest that the calculation of the ADTV calculated over a three-month period might more accurately reflect historic trading volumes for the security and will be less subject to volatility due to one-time events. | 3) Derivatives and ADTV  
The proposed move from a monthly restriction on the size of NCIB activity equal to 2% of the issued and outstanding securities to 25% of ADTV may impose practical limitations on the use of derivatives in connection with an NCIB. |
|      | 3) Derivatives and ADTV  
Please see our response to comment #G4 above. | |
|      | 4) Derivatives and Cash Settlement  
Extending the ambit of section 629.1 to include cash settled derivatives would ensure that the issuer does not have an indirect impact on the market for its securities. | 4) Derivatives and Cash Settlement  
TSX does not intend to regulate derivatives which provide for exclusive cash settlement as the listed issuer does not repurchase its own securities. |
### Comments Received

**Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids**

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| 5) Debt Substantial Issuer Bids | RS supports TSX proposal regarding Debt Substantial Issuer Bids. As a listed security, the issuer should treat the holders equally and fairly with respect to repurchases. | **5) Debt Substantial Issuer Bids**  
Thank you for your comment. |
| 6) Definition of ADTV | The definition of ADTV should ensure that the calculation will be adjusted to account for splits, consolidations, dividends paid through the issuance of securities or similar transactions | **6) Definition of ADTV**  
We agree with your comment and have added Section 628(b)(ii):  
“For the purposes of Sections 628,629,629.1:...  
(iii) the number of securities that may be acquired by a listed issuer shall be adjusted to account for stock splits, consolidations and stock dividends, or other similar events..” |
| 7) Definition of NCIB | In the first line of the definition, the term “bid by a listed issuer” is used. RS believes that the correct reference should be to “issuer bid”. | **7) Definition of NCIB**  
Please see our response to comment #G7 above. |
| 8) Amendment to the size of NCIB | Section 629(j) is acceptable to RS. However, it should be made clear in this section whether the amended notice amounts to a new NCIB providing limits for a further 12 months from the date of the amended notice or whether the new limits apply for the remaining period of the original notice. If the provision is being made for | **8) Amendment to the size of NCIB**  
We believe it is clear that the amendment will only apply to the remaining term of the NCIB. |
## Comments Received
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<td>an increase in the size of an NCIB where the issued capital has increased by 25%, should there be a comparable provision governing the reduction of the size of the NCIB if the issued capital has decreased by 25% or more.</td>
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|                             | **9) Pre-arranged Trades**  
The final sentence of clause 629(m) Part 2 refers to the fact that “a cross or pre-arranged trade is not generally permitted”. RS proposes that the sentence should read “an intentional cross or pre-arranged trade is generally not permitted”. Unintentional crosses which are executed by the trading system without knowledge that the order on the other side of the market is a bid pursuant to a NCIB should not be restricted. | **9) Pre-arranged Trades**  
The final sentence of Section 629(l) 2., (formerly Section 629(m) 2.) has been amended as follows:  
“…Therefore, an intentional cross or pre-arranged trade is not permitted.”                                                                                     |
| J                           |                                                                                                                                                                                                          |                                                                                                                                                                                                          |
| Christopher S.L. Hoffman    | **1) Volume Purchase Restriction**  
Brompton Group is concerned with the fact that the maximum daily purchase amount will be calculated based on the ADTV in the month immediately preceding TSX acceptance of the NCIB notice. If for some reason, there was very little trading in the month before acceptance of the NCIB notice, an issuer’s ability under an NCIB will be substantially limited. | **1) Volume Purchase Restriction**  
Please see our response to comment #A2 above.                                                                                                                                                              |
| Executive Vice-President     |                                                                                                                                                                                                          |                                                                                                                                                                                                          |
| Brompton Group              |                                                                                                                                                                                                          |                                                                                                                                                                                                          |
| 2) IPOs                     |                                                                                                                                                                                                          |                                                                                                                                                                                                          |
## Comments Received
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<td>Each of Brompton fund implements its NCIB immediately after completion of the initial public offering. It appears that under the revised proposal, this would result in the daily repurchase restriction being zero.</td>
<td>We have amended the definition of “normal course issuer bid” to retain the 2% over 30 days buyback restrictions for listed issuers who are investment funds. As a result, the 4 week minimum trading requirement after an IPO will not apply to investment funds.</td>
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<td><strong>3) Exemption to ADTV</strong>&lt;br&gt;The revised proposal will significantly limit the ability of issuers whose securities are stable and not highly traded. The effect will be that unitholders in certain issuers will not be able to obtain the benefits which are currently available under an NCIB. We believe this result is inappropriate and unanticipated. We submit that the proposed amendment should retain the current 2% monthly purchase restriction even if other rules are provided for high trading issuers.</td>
<td><strong>3) Exemption to ADTV</strong>&lt;br&gt;Please see our response to comment #C1 above. One of the principles of NCIB policies has always been that an issuer should not have a significant impact on the market price of its securities by virtue of purchases made under its NCIB.</td>
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**K**

| Heather Crawford<br>Counsel<br>Clairvest Group Inc. | **1) Exemption to ADTV**<br>Clairvest believes that the proposed changes to the 2% purchase restriction will negatively affect small companies and stocks that may suffer periods of poor liquidity. We believe that while the proposed changes which replace the 2% monthly purchase restriction with a 25% ADTV cap may be appropriate for an issuer with large trading volumes, it is not appropriate for issuers with much lower trading volumes. Shareholders of these companies with small capitalization are adversely affected. | **1) Exemption to ADTV**<br>Please see our response to comment #C1 above. |
## Comments Received

**Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids**

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<td>Simon Romano</td>
<td>affected.</td>
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<td>Stikeman Elliot</td>
<td>While we believe that the current 2% monthly restriction works for all market participants, we would accept a different test for issuers with high trading volumes provided that the 2% monthly restriction was continued for companies with less liquid securities.</td>
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<td><strong>1) Definition of OTC</strong></td>
<td>1) Definition of OTC&lt;br&gt;The definition contemplates trading through the facilities of any exchange. Therefore a marketplace which is not an exchange would not fall within the definition.</td>
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<td>How does the definition of OTC cover trading on other marketplaces?</td>
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<td><strong>2) Definition of Public Float</strong></td>
<td>2) Definition of Public Float&lt;br&gt;Section 628(xvi) has been amended as follows:</td>
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<td>Should the definition of “public float” not have a knowledge qualification?</td>
<td>“Public float” means the number, known to the issuer after reasonable inquiry, ……</td>
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<td><strong>3) Crosses or Pre-Arranged Trades</strong></td>
<td>3) Crosses or Pre-Arranged Trades&lt;br&gt;The term “generally” has been removed. Please see our response to comment #I9 above.</td>
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<td>The use of the word “generally” in section 629(m)(2) seems worthy of some elaboration. When might this be permitted?</td>
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<tr>
<td>Stephen A. Weintraub</td>
<td><strong>1) Volume Purchase Restriction</strong></td>
<td>1) Volume Purchase Restriction&lt;br&gt;Please see our response to comment #C1 above.</td>
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<td>Executive Vice President</td>
<td>Counsel Corporation believes that the proposed</td>
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<td>&amp; Secretary Counsel Corporation</td>
<td>elimination of the “2% in 30 days” restriction in favour of a “25% of ADTV restriction” will be detrimental to companies with smaller capitalization and low trading volumes. It would only exacerbate the illiquidity of the shares of smaller companies that do not have the benefit of research coverage or an institutional following and further discourage existing and potential shareholders. We believe that the current 2% restriction should remain in place for companies with smaller capitalizations although we make no recommendation as to what the capitalization threshold should be.</td>
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<tr>
<td>Michael D. Shabada, CA Vice President, Finance and CFO Melcor Developments Ltd.</td>
<td>1) <strong>Volume Purchase Restriction</strong> Melcor Developments Ltd. generally believes that the proposed changes to the 2% purchase restriction will negatively affect small companies and stocks that may suffer periods of poor liquidity. We believe that while the proposed changes which replace the 2% monthly purchase restriction with a 25% ADTV cap may be appropriate for an issuer with large trading volumes, it is not appropriate for issuers with much lower trading volumes. Shareholders of these companies with small capitalization will be adversely affected. While we understand that there may need to be a change required due to some specific situations, we believe that the current 2% monthly restriction works for</td>
<td>1) <strong>Volume Purchase Restriction</strong> Please see our response to comment #C1 above.</td>
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<td>all market participants including Melcor. We would strongly suggest that you take into consideration the effect of the proposed rules on all companies and not just the large ones.</td>
<td>Please see our response to comment #C1 above.</td>
<td></td>
</tr>
<tr>
<td>C. Verner Christensen  &lt;br&gt;Vice President, Finance and Secretary  &lt;br&gt;Guardian Capital Group Limited</td>
<td>1) Volume Purchase Restriction  &lt;br&gt;Guardian believes that the proposed changes to the 2% purchase restriction will negatively affect the stocks of smaller companies, which periodically go through periods of poor liquidity. While the proposed changes, which replace the 2% monthly purchase maximum with a 25% ADTV maximum, appear to be appropriate for issuers with large trading volumes, they are not appropriate for issuers, such as Guardian, with lower volumes.  &lt;br&gt;The current 2% rules allows issuers such as Guardian to participate in the market when the shares are considered undervalued, but the proposed rule does not do so. We would, therefore, encourage the TSX to continue the current policy for companies with less liquid shares.</td>
<td>1) Volume Purchase Restriction  &lt;br&gt;Please see our response to comment #C1 above.</td>
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<td>Betty B. Horton, CA  &lt;br&gt;Vice President, Finance  &lt;br&gt;Sceptre Investment Counsel Limited</td>
<td>1) Volume Purchase Restriction  &lt;br&gt;Sceptre believes that the proposed changes to the 2% purchase restriction will negatively affect small companies and stocks that may suffer periods of poor...</td>
<td>1) Volume Purchase Restriction  &lt;br&gt;Please see our response to comment #C1 above.</td>
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# Comments Received

## Proposed Amendments to TSX Policy on Normal Course Issuer Bids and Debt Substantial Issuer Bids

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<td>liquidity. We believe that while the proposed changes which replace the 2% monthly purchase restriction with a 25% ADTV cap may be appropriate for an issuer with large trading volumes, it is not appropriate for issuers with much lower trading volumes. Shareholders of these companies with small capitalization are adversely affected. While we believe that the current 2% monthly restriction works for all market participants, we would accept a different test (like the proposed ADTV) for issuers with high trading volumes provided that the 2% monthly restriction was continued for companies with less liquid securities.</td>
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| QGeorge Malikotsis | 1) **Volume Purchase Restriction** We are particularly troubled by the proposal in the Amendments that would change the interim period volume restrictions on NCIBs from 2% of the relevant class of securities outstanding in any 30-day period to 25% of the ADTV of the relevant class of securities in any one day. This concern stems from the fact that for a company like Senvest whose shares are thinly traded, this will have the effect of greatly reducing our flexibility to purchase shares under our NCIB. Perhaps a better approach would be to adopt a hybrid | 1) **Volume Purchase Restriction** Please see our response to comment #C1 above. |

| George Malikotsis 
Vice President, Finance 
Senvest Capital Inc. | 1) **Volume Purchase Restriction** We are particularly troubled by the proposal in the Amendments that would change the interim period volume restrictions on NCIBs from 2% of the relevant class of securities outstanding in any 30-day period to 25% of the ADTV of the relevant class of securities in any one day. This concern stems from the fact that for a company like Senvest whose shares are thinly traded, this will have the effect of greatly reducing our flexibility to purchase shares under our NCIB. Perhaps a better approach would be to adopt a hybrid | 1) **Volume Purchase Restriction** Please see our response to comment #C1 above. |
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|      | rule which would recognize the different needs and concerns of those listed companies with actively traded shares and those listed companies whose shares are thinly traded. | 2) Application of Section 629(m)  
In response to the concern that a NCIB should, in the case of an illiquid market, have an undue impact on the market price of the shares, we submit that the restrictions contained at Section 629(m) of the Amendments provide adequate protection in that regard. |
|      | 2) Application of Section 629(l) (formerly Section 629(m))  
Thank you for your comment. The restrictions in Section 629(l) (formerly Section 629(m)) provide necessary market protections during the operation of an NCIB, but do not address the larger issues affecting liquidity. | |
| R Charles A. (Tony) Teare Executive Vice President Diaz Resources Ltd. | 1) Volume Purchase Restriction  
Diaz believes that the proposed changes to the 2% per month purchase restriction will negatively affect small companies and stocks that may suffer periods of poor liquidity. Also, we believe the current system adequately protects the existing shareholders without adversely affecting the trading patterns of smaller companies with poorer liquidity.  
While Diaz believes that the current 2% monthly restriction works for all market participants, we would accept a different test for issuers with high trading volumes provided that the 2% monthly restriction was continued for companies with less liquid securities. | 1) Volume Purchase Restriction  
Please see our response to comment #C1 above. |
# Comments Received

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<td>1) <strong>Volume Purchase Restriction</strong>&lt;br&gt;The proposed change to replace the 2% monthly purchase restriction with a 25% ADTV cap will negatively impact issuers with lower trading volumes. The current 2% rule allows small cap issuers to participate in the market when it believes that the shares are inappropriately undervalued. The proposed change would adversely affect issuers with low trading volume.</td>
<td>1) <strong>Volume Purchase Restriction</strong>&lt;br&gt;Please see our response to comment #C1 above.</td>
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<td>1) <strong>Volume Purchase Restriction</strong>&lt;br&gt;As our company has a thinly trade float, we support the position addressed in Clairvest Group Inc.’s letter.</td>
<td>1) <strong>Volume Purchase Restriction</strong>&lt;br&gt;Thank you for your comment. Please see our response to comment #C1 above.</td>
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<td>U</td>
<td>1) <strong>Volume Purchase Restriction</strong>&lt;br&gt;Reko believes that the proposed changes to the 2% purchase restriction will negatively affect small companies and stocks that may suffer periods of poor liquidity. We believe that while the proposed changes which replace the 2% monthly purchase restriction with a 25% ADTV cap may be appropriate for an issuer with large trading volumes, it is not appropriate for issuers with much lower trading volumes. Shareholders of these companies with small capitalization are adversely</td>
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|      | affected.  
While we believe that the current 2% monthly restriction works for all market participants, we would accept a different test (like the proposed ADTV) for issuers with high trading volumes provided that the 2% monthly restriction was continued for companies with less liquid securities. | TSX Response |
TORONTO STOCK EXCHANGE

REQUEST FOR COMMENTS

AMENDMENTS TO PARTS III AND VI OF THE
TORONTO STOCK EXCHANGE (“TSX”) COMPANY MANUAL

TSX is publishing proposed changes to the original listing requirements in Part III of the Manual (the “Part III Amended Sections”). As well, on January 1, 2005, certain amendments to Parts V, VI and VII of the TSX Company Manual (the “Manual”) became effective (the “January 1, 2005 Amendments”). Since that time, it has come to our attention that a subsection of the January 1, 2005 Amendments had been published incorrectly and required updating. TSX is proposing to correct and update this subsection (the “Part VI Amended Sections”, together with the Part III Amended Sections, the “Amended Sections”). The Amended Sections are being published for a 30 day comment period.

The Amended Sections will be effective upon approval by the Ontario Securities Commission (the “OSC”) following public notice and comment. Comments should be in writing and delivered by January 17, 2006 to:

Luana N. DiCandia
Policy Counsel
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Fax: (416) 947-4547
Email: luana.dicandia@tsx.com

A copy should also be provided to the:

Cindy Petlock
Manager
Market Regulation
Capital Markets
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
Email: cpetlock@osc.gov.on.ca

Comments will be publicly available unless confidentiality is requested.
Overview

TSX is seeking comments on the Amended Sections. The Amended Sections are required in order for TSX to continue to provide listed issuers with a complete and transparent set of TSX standards and practices allowing issuers and investors, and their respective advisors, to have certainty when planning and completing transactions.

With respect to the Part III Amended Sections, TSX is proposing to amend its requirements for Canadian directors in Sections 311, 316 and 321, and to repeal its original listing requirements for foreign issuers in Section 324. Sections 311, 316 and 321 are identical, with the exception of references to the applicable industry sectors.

With respect to the Part VI Amended Sections, TSX is amending a provision in Subsection 613(a) that was inadvertently published incorrectly. The provision deals with whether or not restricted security holders are able to vote on a basis proportionate to their equity interests on security holder resolutions relating to security based compensation requirements. Although we received several comments on the January 1, 2005 Amendments during the comment process, no comments were directly made on this error. TSX is also proposing to remove the requirement to obtain approval of the majority of unrelated directors for security based compensation arrangements.

Part III Amended Sections

Management – Sections 311, 316 and 321

As part of the standards required for the management of an issuer applying for listing, TSX currently requires that issuers applying for listing have at least two Canadian directors, unless they are foreign applicants complying with the minimum listing requirements for foreign Issuers. TSX proposes to eliminate the Canadian director requirement, as we believe that focusing on management’s experience with public issuers is more important than simply the residency of the issuer’s board of directors. TSX believes that, while specific public company obligations and requirements vary across international jurisdictions, the fundamental first principles and framework to comply with such obligations and requirements exist, regardless of residency.

TSX is also adding a requirement that an issuer have a chief executive officer (CEO), a chief financial officer separate from the CEO and a corporate secretary. TSX is currently applying such standards to applicants for listing, as a working practice. TSX believes that its issuers should have a full complement of management in order to support its operations, and to ensure that issuers have the support in place to assist them in complying with TSX standards and with securities laws.
At this time, TSX does not propose to change the definition of “independent” currently used in the Manual. However, we are currently reviewing this definition to determine if TSX can be consistent with the definition of independence currently used in securities laws.

**Foreign Issuer Listing Requirements – Section 324**

In today’s global economy, issuers continue to become more international in their scope, and as a result, a distinction in listing standards based on whether an issuer’s operations are based in Canada is no longer appropriate. The criteria used for original listing requirements should be consistent, where applicable, for all issuers, regardless of where the issuer is based. As a result, TSX proposes to eliminate separate minimum listing requirements for foreign issuers, and to replace the term “foreign issuer” with “international issuer”, which will be defined as an issuer which is already listed on another recognized exchange and is incorporated outside of Canada.

TSX believes the elimination of the foreign minimum listing criteria is appropriate for the following reasons:

- the foreign minimum listing criteria was intended to facilitate the listing of large multinational entities already listed, and do not reflect the key success factors for international listings in general;
- both the operations and financing of issuers have become more international in their scope; and
- one set of listing criteria is less confusing for market participants.

**Part VI Amended Sections**

**Restricted Security Holders – Subsection 613(a)**

Section 613 went into effect on January 1, 2005 as part of the January 1, 2005 Amendments. The restricted security holder provision within Subsection 613(a) was published as follows:

“If any security holder approval for a security based compensation arrangement, when combined with all of the listed issuer's other security based compensation arrangements could exceed 10% of the listed issuer's total issued and outstanding securities, holders of Restricted Securities, as defined in Section 624, must be 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.”
This provision was inadvertently drafted in a confusing manner, and does not reflect the original intention. The original intention of this provision was that holders of restricted securities would be entitled to vote together with other holders of equity securities for the approval of security based compensation arrangements whenever disinterested security holder approval was required. TSX proposes to amend this provision in its intended form as follows:

“If any security holder approval is required for a security based compensation arrangement and insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approval required by this Subsection 613(a), when combined with all of the listed issuer’s other security based compensation arrangements could exceed 10% of the listed issuer’s total issued and outstanding securities, holders of Restricted Securities, as defined in Section 624, must be 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. “

No comments on the error in this provision were received during the comment process for the January 1, 2005 Amendments.

Unrelated Director Approval – Sections 601 and 613(a)

TSX is also proposing to remove the requirement to obtain approval of a majority of the listed issuer’s unrelated directors for the implementation of, or amendment to, a security based compensation arrangement. The term “unrelated director” was defined under TSX’s former corporate governance guidelines, which have now been repealed from the Manual. TSX believes that the approval of a majority of directors, in addition to the approval of security holders, is sufficient to ensure that the arrangement is fair and appropriate for the issuer. Consequently, the definition of “unrelated director” will be deleted from Section 601 since it is a defined term in used only for the purposes of Subsection 613(a).

Public Interest

TSX is publishing the Amended Sections for a 30 day comment period. TSX believes that it is important for its key stakeholders to have an opportunity to review the Amended Sections prior to their implementation. As a result, the Amended Sections will only become effective following public notice, a comment period and the approval of the OSC.

Text of Amendments

The Amended Sections are attached as Appendix A.
Toronto Stock Exchange ("TSX") proposes to amend the policies of the TSX Company Manual (the "Manual") as follows:

**Part III of the Manual**

1. Section 308 of the Manual will be amended by deleting the sentence “The requirements for foreign companies are set out in Section 324.”

2. Section 311 of the Manual will be amended as follows:

   **Sec 311.** The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company’s board of directors) should have adequate experience and technical expertise relevant to the company’s business and industry and adequate public company experience which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two Canadian directors unless they are foreign applicants that comply with all of the Minimum Listing Requirements for Foreign Companies as detailed in Section 324. Companies will be required to have at least two independent directors, 14 a chief executive officer (CEO), a chief financial officer who is not also the CEO, and a corporate secretary.

   14 An independent director is defined as a person who:

   (a) is not a member of management and is free from any interest and any business or other relationship which in the opinion of the Exchange could reasonably be perceived to materially interfere with the director’s ability to act in the best interest of the company; and

   (b) is a beneficial holder, directly or indirectly, or is a nominee or associate of a beneficial holder, collectively of 10% or less of the votes attaching to all issued and outstanding securities of the applicant.

   The Exchange will consider all relevant factors in assessing the independence of the director. As a general rule, the following persons would not be considered an independent director:

   (i) a person who is currently, or has been within the past three years, an officer, employee of or service provider to the company or any of its subsidiaries or affiliates; or

   (ii) a person who is an officer, employee or controlling shareholder of a company that has a material business relationship with the applicant.

3. Section 316 of the Manual will be amended as follows:
“Sec. 316. The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company's board of directors) should have adequate experience and technical expertise relevant to a company's mining projects and adequate public company experience which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two Canadian directors unless they are foreign applicants that comply with all of the Minimum Listing Requirements For Foreign Companies as detailed in Section 324. Companies will be required to have at least two independent directors,27 a chief executive officer (CEO), a chief financial officer who is not also the CEO, and a corporate secretary.

27 See footnote 14.”

4. Section 321 of the Manual will be amended as follows:

“Sec. 321. The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company's board of directors) should have adequate experience and technical expertise relevant to a company's oil and gas projects and adequate public company experience which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two Canadian directors unless they are foreign applicants that comply with all of the Minimum Listing Requirements for Foreign Companies detailed in Section 324. Companies will be required to have at least two independent directors,35 a chief executive officer (CEO), a chief financial officer who is not also the CEO, and a corporate secretary.

35 See footnote 14.”

5. Section 324 of the Manual will be repealed and replaced with the following:

“Minimum Listing Requirements for International Issuers

“Sec. 324. International issuers are entities where the issuer is already listed on another recognized exchange which is acceptable to the
Exchange, and is incorporated outside of Canada. There are no unique requirements for the management or the financial requirements for foreign issuers. However, these issuers are generally required to have some presence in Canada and be able to demonstrate, as with all issuers, that they are able to satisfy all of their reporting and public company obligations in Canada. This may be satisfied by having a member of the board of directors or management, an employee or a consultant of the issuer situated in Canada.”

Part VI of the Manual

6. Section 601 of the Manual will be amended by deleting the definition of “unrelated director”.

7. Subsection 602(g) of the Manual will be amended by deleting the last sentence that begins with “The exemptions contained in this Subsection 602(g) …”.

8. Section 613(a) of the Manual will be amended as follows:

“613. (a) When instituted all security based compensation arrangements must be approved by:

(i) a majority of the listed issuer’s directors; and
(ii) a majority of the listed issuer’s unrelated directors; and
(iii) subject to Subsections 613(b), (c), (g) and (i), by the listed issuer’s security holders.

Every three years after institution, all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed maximum number of securities issuable, must be approved by:

(i) a majority of the listed issuer’s directors; and
(ii) a majority of the listed issuer’s unrelated directors; and
(iii) subject to Subsections 613(b), (c), (g) and (i), the listed issuer’s security holders.

Insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approvals required by this Subsection 613(a) unless the securities issued and issuable to insiders of the listed issuer under the arrangement, or when combined with all of the listed issuer’s other security based compensation arrangements, could not exceed 10% of the listed issuer’s total issued and outstanding securities.
If any security holder approval is required for a security based compensation arrangement and insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approval required by this Subsection 613(a), when combined with all of the listed issuer's other security based compensation arrangements could exceed 10% of the listed issuer's total issued and outstanding securities, holders of Restricted Securities, as defined in Section 624, must be 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.

Security holder approval required for a security based compensation arrangement must be by way of a duly called meeting. The exemption from security holder approval contained in Subsection 604(e) is not available in respect of security based compensation arrangements."
STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

Retained Interest Securities and Coat-Tail Provisions

TSX has received a number of original listing and filing applications for the creation of certain business trusts. These trusts may include the creation of retained interest securities ("RISs") as an alternative mechanism to holding units directly through which the founders maintain an interest. The RISs are designed to provide an economic equivalent of the listed securities and are exchangeable into listed securities, although there may be minor differences including restrictions on transfer and subordination of distributions made on the listed securities. The RISs generally have an equivalent voting entitlement to the listed securities which permits the holders of the RISs to vote together with the holders of the listed securities on matters related to the trust. Although the RISs are typically issued by an issuer other than the trust, they have a contractual entitlement to vote at the trust level through special voting trust units.

As the RISs generally have an economic and voting equivalent to the listed securities, TSX believes that it is necessary for the listed securities to explicitly contain take-over bid protection. The requirement for take-over bid protection is contained in Section 1.09 of TSX’s Policy Statement on Restricted Shares (the "Policy"), an extract of which is reproduced below:

"…. If there is no published market for the Common Shares, the holders of at least 80% of the outstanding Common Shares will generally be required to enter into an agreement with a trustee for the benefit of the holders of Restricted Shares from time to time, which agreement will have the effect of preventing transactions that would deprive the holders of Restricted Shares of rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid of if the Common Shares had been Restricted Shares….

…. Coattails may also be required by the Exchange in the case of a company that has more than one outstanding class of voting securities but
not shares that fall within the definition of Non-Voting or Subordinate Voting Shares."

In the case of a business trust with RISs, Common Shares in the above extract should be read as RISs and the Restricted Shares should be read as the listed trust units.

In accordance with Subsection 1.09(2) of the Policy, TSX will require that holders of RISs and similar securities enter into a trust agreement which restricts the transfer of such securities, prior to listing the related publicly held securities. Issuers which have listed securities prior to November 2, 2004 will not be subject to the requirement, however if the listed securities or RISs are subsequently amended, TSX will require compliance with this Notice and the Policy, prior to accepting any application to amend the provisions of those securities.

Questions regarding this notice should be directed to Julie Shin at tel: 416. 947-4539 or e-mail: julie.shin@tsx.com.

STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

Toronto Stock Exchange ("TSX") staff is providing clarification on the interpretation and application of certain of the amendments to Parts V, VI and VII of TSX’s Company Manual (the "Manual") published on November 5, 2004. Where required, the relevant Sections of the Manual will be amended in the next Manual update.

Security Based Compensation Arrangements
S. 601 and 613 – “Insider” definition
For the purposes of Section 613, TSX will not consider a director or senior officer of a subsidiary or affiliate of a listed issuer as an insider of that listed issuer unless such director or senior officer:

(a) in the ordinary course receives or has access to information as material facts or material changes concerning the listed issuer before the material facts or material changes are generally disclosed;

(b) is a director or senior officer of a major subsidiary of the listed issuer; or

(c) is an insider of the listed issuer in a capacity other than as a director or senior officer of the subsidiary or affiliate.

“Major subsidiary” has the same meaning found in National Instrument 55-101 – Exemptions from Certain Insider Reporting Requirements.

S. 601 and 613(h)(i) – “Market Price” definition
Notwithstanding Section 613(h)(i) which requires that the exercise price for any stock options not be less than "market price" (as defined in Section 601), TSX will continue to accept as the exercise price for stock options: (a) a closing market
price at the time of the grant; or (b) a reasonable pre-determined formula, based on a weighted average trading price or average daily high and low board lot trading prices for a short period of time prior to the time of the grant. Any security based compensation arrangement (the “Plan”) must specify the method used for determining market price and that method must be consistently used.

**S. 613(d) - Amendments**

Section 613(d) requires that any Plan with an amendment procedure must contain specific details as to whether security holder approval is required for an amendment. In addition, this procedure must be specifically disclosed at the time of security holder approval. In the absence of an amendment procedure, security holder approval is required for any amendment.

Many existing Plans currently have a general amendment provision which permits an amendment, subject to the approval of the board of directors and, if required, TSX. These general amendment provisions will not be sufficient for the purposes of Section 613(d). However, for Plans which have a general amendment provision, TSX will not require security holder approval for the following types of amendments:

(a) amendments of a “housekeeping” nature;

(b) a change to the vesting provisions of a security or a Plan;

(c) a change to the termination provisions of a security or a Plan which does not entail an extension beyond the original expiry date; and

(d) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

TSX will require security holder approval for the following types of amendments for such Plans:

(a) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by security holders will not require an additional security holder approval;

(b) any change to the eligible participants which would have the potential of broadening or increasing insider participation;

(c) the addition of any form of financial assistance;
(d) any amendment to a financial assistance provision which is more favourable to participants;

(e) the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve; and

(f) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the issuer.

Listed issuers should note that the above list is not exhaustive. Generally, security holder approval will be required, notwithstanding the amendment procedures contained in the Plan, where an amendment may lead to significant or unreasonable dilution in the issuer's outstanding securities, or may provide additional benefits to eligible participants, especially insiders, at the expense of the listed issuer and its existing security holders. Staff considers these types of amendments as fundamental changes to a Plan.

Listed issuers adopting amendment procedures are reminded that materials to be provided to security holders must be pre-cleared with TSX. Staff strongly recommends that listed issuers proposing to include an amendment procedure empowering the board of directors (or similar body) to make fundamental changes to a Plan, include a description of the general nature of the changes the board may make, together with specific examples.

**S. 613(d) - Increases to Plan Maximum**

Increases to Plan maximums will not be permitted under the amendment provisions in Section 613(d) without specific security holder approval for the increase. Even if a Plan includes a security holder approved amendment procedure permitting increases to Plan maximums, TSX will not accept such amendments without specific security holder approval for a new fixed maximum number or percentage increase. An increase to Plans includes an increase in the fixed maximum number of securities issuable, an increase to the fixed maximum percentage of securities issuable and a change from a fixed maximum number Plan to a fixed maximum percentage Plan. An increase does not include reloading of securities after exercise under a fixed maximum percentage Plan, provided that the fixed maximum percentage of securities is not increased and the Plan specifically provides for this reload.

Section 613(h) will be amended to require specific security holder approval for these increases to a Plan maximum.

**S. 613(g) – Annual Disclosure**

The annual disclosure requirements contained in Section 613(g) will only apply to listed issuers with a fiscal year end on or after December 31, 2004. Listed
issuers with a fiscal year end prior to December 31, 2004 are not required to provide such disclosure.

S. 613(h)(ii) – Reloading Fixed Percentage Plans
Section 613(h)(ii) does not prohibit the reloading of any Plan, such as an evergreen Plan. Evergreen Plans and other similar Plans containing the appropriate provisions which have been properly disclosed and approved by security holders, may be automatically reloaded upon the exercise of options, deferred share units, restricted share units or similar securities. However, any Plan with a reloading provision will be subject to the renewal security holder approval as required by Section 613(a).

S. 613(h)(iii) – Insider Re-pricings and Extensions - Voting of Restricted Security Holders
The voting requirements for holders of restricted securities as described in Section 613(a) apply to all security holder approvals for security based compensation arrangements. This Section applies to any amendments requiring security holder approval pursuant to a Plan or under the Manual, such as a re-pricing or extension of an option held by an insider (Section 613(h)(iii)).

Acquisitions
S. 611(d) – Acquisitions of Assets from Reporting Issuers
Section 611(d) is intended to provide relief from security holder approval for an acquisition of a reporting issuer having 50 or more beneficial security holders, where the listed issuer offeror would issue more than 25% of its capital. TSX will not allow relief from the security holder approval required under Section 611(c) if the listed issuer offeror’s securities are being issued directly to, and for assets of, the reporting issuer. This Section was intended to provide relief from security holder approval for transactions such as circular take-over bids and plans of arrangement where security holder approval would not otherwise be required.

Section 611(d) will be amended to require specific security holder approval for acquisitions, as described above.

Questions regarding this notice should be directed to your listed issuer services manager.

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<th>E-mail</th>
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<tbody>
<tr>
<td>A</td>
<td>Leela Akerboom</td>
<td>416.947.4553</td>
<td><a href="mailto:leela.akerboom@tsx.com">leela.akerboom@tsx.com</a></td>
</tr>
<tr>
<td>B to Can</td>
<td>Joel Weinstein</td>
<td>416.947.4216</td>
<td><a href="mailto:joel.weinstein@tsx.com">joel.weinstein@tsx.com</a></td>
</tr>
<tr>
<td>Cao to Cz</td>
<td>Selma Thaver</td>
<td>416.947.4240</td>
<td><a href="mailto:selma.thaver@tsx.com">selma.thaver@tsx.com</a></td>
</tr>
<tr>
<td>D, E</td>
<td>Steven Oliver</td>
<td>416.947.4569</td>
<td><a href="mailto:steven.oliver@tsx.com">steven.oliver@tsx.com</a></td>
</tr>
<tr>
<td>F, G, J, K</td>
<td>Julie Shin</td>
<td>416.937.4539</td>
<td><a href="mailto:julie.shin@tsx.com">julie.shin@tsx.com</a></td>
</tr>
<tr>
<td>H, I</td>
<td>Greg Ferron</td>
<td>416.947.4477</td>
<td><a href="mailto:greg.ferron@tsx.com">greg.ferron@tsx.com</a></td>
</tr>
<tr>
<td>L</td>
<td>Luana Di Candia</td>
<td>416.947.4246</td>
<td><a href="mailto:luana.dicandia@tsx.com">luana.dicandia@tsx.com</a></td>
</tr>
<tr>
<td>M</td>
<td>David Babstock</td>
<td>416.947.4348</td>
<td><a href="mailto:david.babstock@tsx.com">david.babstock@tsx.com</a></td>
</tr>
<tr>
<td>N, O, Pa to Pe</td>
<td>Dale Thomson</td>
<td>416.947.4540</td>
<td><a href="mailto:dale.thomson@tsx.com">dale.thomson@tsx.com</a></td>
</tr>
</tbody>
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STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

Toronto Stock Exchange ("TSX") staff is providing clarification on the interpretation and application of certain sections of Part VI of TSX’s Company Manual (the “Manual”). Where required, the relevant Sections of the Manual will be amended in the next Manual update.

Security Based Compensation Arrangements

These interpretations will be applied to all arrangements effective immediately. Any conditional approval for an arrangement granted by TSX prior to the date of this Staff Notice will not be affected. Issuers however, will be subject to these interpretations for any arrangements or amendments proposed after the date of this Staff Notice for which security holder approval is required.

S.613(a) – Security Holder Approval

Insiders

TSX has received a number of inquiries as to how staff interpret the phrase “securities issued and issuable” to insiders in s.613(a) to determine whether eligible insiders are entitled to vote on the security based compensation arrangement. The intent was to include both securities issued pursuant to exercises (i.e. shares), as well as securities issuable in the future under the arrangement. However, in the course of our review, we have identified a number of issues associated with this interpretation, and in particular, the unintended result of requiring disinterested security holder approval for most long-standing stock option plans and evergreen plans.

As a result, but subject to the limitation in the next paragraph, staff will interpret s.613(a) to include only securities issuable to insiders under all security based compensation arrangements, when determining whether eligible insiders are
entitled to participate in the vote. This would include securities currently under
grant (including outstanding options), and securities available to be granted to
insiders under all arrangements.

However, TSX believes it is still appropriate to limit insider participation if, over a
defined period of time, the securities issued and issuable to insiders could
exceed 10% of an issuer’s issued and outstanding securities. As a result, staff
will interpret s.613(a) to include securities issued to insiders in any one-year
period, when determining whether eligible insiders are entitled to participate in
the vote. This would include securities issued to insiders upon the exercise of
options under all arrangements.

Without language in the arrangement which captures these limitations, insiders
eligible to receive a benefit under the arrangement will be not be eligible to vote.

Therefore, to avoid the exclusion of eligible insider votes, issuers should include
both of the following provisions in their security based compensation
arrangements:

(a) The number of securities issuable to insiders, at any time, under all
security based compensation arrangements, cannot exceed 10% of
issued and outstanding securities; and

(b) The number of securities issued to insiders, within any one year
period, under all security based compensation arrangements, cannot
exceed 10% of issued and outstanding securities.

This interpretation applies to all types of security based compensation
arrangements, including both fixed maximum arrangements and evergreen
arrangements.

Amendments to Security Based Compensation Arrangements

The approvals required under s.613(a) apply to security based compensation
arrangements when they are instituted, and when amendments to security based
compensation arrangements require security holder approval pursuant to
s.613(d). Such approvals include approval by a majority of the issuer’s directors,
a majority of the issuer’s unrelated directors and the issuer’s security holders
(which may exclude votes of insiders entitled to receive a benefit under the
relevant security based compensation arrangement, where applicable).

S.613(d) and (g) – Disclosure

The disclosure required under s.613(d) and (g) for security based compensation
arrangements must be as of the date of the information circular containing the
relevant disclosure. Issuers will need to update disclosure as of the most
recently completed fiscal year end to include grants, exercises, amendments, etc. which may occur after the fiscal year end is completed, but prior to the filing of the information circular.

S.613(h)(iii) – Amendments to Insider Securities

S.613(h)(iii) requires security holder approval, excluding the votes of securities held by insiders benefiting from the amendment, for a reduction in the exercise price or purchase price, or an extension of the term, of options, or similar securities, held by insiders. If an issuer cancels options, or similar securities, held by insiders and then regrants those securities under different terms, TSX will consider this an amendment to those securities and will require security holder approval under this section, unless the regrant occurs at least three months after the related cancellation.

Private Placements

S.607(f)(i) – Security Holder Approval

Private placements which require security holder approval must close, and the securities must be issued, no later than 135 days from the date upon which the market price of the securities being issued is established, only when such security holder approval is obtained at a duly convened meeting of security holders. Private placements where security holder approval is obtained by written consent (s.604(d)), or where the issuer is exempt from security holder approval (s.604(e) or (f)), must close, and the securities must be issued, no later than 45 days from the date when market price is established.

Reporting Forms 6 and 7

Effective immediately, issuers will no longer be required to file with TSX Form 6 – Distribution of Securities (Public Float), and Form 7 – Mining Company/Oil & Gas Company Report. The forms will be removed from SecureFile and from the Manual in the next update.

Important Information on TSX Electronic Communications

Issuers are strongly recommended to use TSX SecureFile – a secure, web-based filing system which facilitates the filing of documents and reports with TSX. If you are not yet using SecureFile, please contact the TSX SecureFile Administrator at 416.947.4526 or ttsxsecurefile@tsx.com to register.

Issuers are also reminded that all general e-mails should be directed to listedissuers@tsx.com.
Questions regarding this notice should be directed to your Listed Issuer Services Manager.

<table>
<thead>
<tr>
<th>First Letter(s) of Issuer’s Name</th>
<th>Listed Issuer</th>
<th>Telephone Number</th>
<th>E-mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - Agrium</td>
<td>Joel Weinstein</td>
<td>416.947.4216</td>
<td><a href="mailto:joel.weinstein@tsx.com">joel.weinstein@tsx.com</a></td>
</tr>
<tr>
<td>B - Can</td>
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</tr>
<tr>
<td>Agrium - Anvil</td>
<td>Steven Oliver</td>
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<td><a href="mailto:steven.oliver@tsx.com">steven.oliver@tsx.com</a></td>
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<td>Julie Shin</td>
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<tr>
<td>Anvil-Azure</td>
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<tr>
<td>E</td>
<td>David Babstock</td>
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<td><a href="mailto:david.babstock@tsx.com">david.babstock@tsx.com</a></td>
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<tr>
<td>H - K</td>
<td>Raj Dewan</td>
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<tr>
<td>L, O</td>
<td>Amelia Nedovich</td>
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<td><a href="mailto:amelia.nedovich@tsx.com">amelia.nedovich@tsx.com</a></td>
</tr>
<tr>
<td>M - N</td>
<td>Robert Perry</td>
<td>416.947.4545</td>
<td><a href="mailto:robert.perry@tsx.com">robert.perry@tsx.com</a></td>
</tr>
<tr>
<td>Q, S</td>
<td>Rajine Valcin</td>
<td>514.788.2402</td>
<td><a href="mailto:martine.valcin@tsx.com">martine.valcin@tsx.com</a></td>
</tr>
<tr>
<td>P, T - Tq</td>
<td>Christian Marcoux</td>
<td>514.788.2403</td>
<td><a href="mailto:christian.marcoux@tsx.com">christian.marcoux@tsx.com</a></td>
</tr>
<tr>
<td>R, Tr - Z</td>
<td>Pierre Jr Reneault</td>
<td>514.788.2404</td>
<td><a href="mailto:pierre.jr.reneault@tsx.com">pierre.jr.reneault@tsx.com</a></td>
</tr>
</tbody>
</table>

March 21, 2005.
STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

Toronto Stock Exchange (“TSX”) staff is providing notification and clarification to issuers regarding certain procedures involving transactions at TSX, and notification to issuers with securities trading in US dollars of a potential issue involving trades.

Delisting of Securities Following a Going Private Transaction

TSX is providing clarification on the process leading to the delisting of securities when a listed issuer is the subject of a merger, acquisition, arrangement or other transaction which results in all its issued and outstanding securities listed on TSX being acquired by another entity (a “Going Private Transaction”).

TSX practice has been to delist the listed issuer's securities immediately after receiving confirmation that the Going Private Transaction has been completed. Once in receipt of this confirmation, TSX would notify market participants of the delisting of the securities, and the listed securities would normally be delisted at the market close on the same day that market participants were notified.

This brief pre-notification period to market participants has resulted, in some cases, in security holders not having sufficient time to execute and finalize their investment strategies. This was particularly problematic for securities included in the S&P/TSX Composite Index, where index investors were not afforded sufficient time to make the necessary adjustments to their portfolios.

TSX is committed to providing a liquid, fair and orderly marketplace for all market participants. Accordingly, once a listed issuer has provided satisfactory confirmation that a Going Private Transaction has been completed, TSX will promptly advise market participants that:

1. the Going Private Transaction has been completed; and
2. as a result of the completion of the Going Private Transaction, the affected securities listed on TSX will be delisted at the market close on the next trading day after the issuance of such notice.

TSX believes that this process will give sufficient time to market participants to benefit from a liquid, fair and orderly market to carry out their investment strategies. However, TSX will take into account a variety of factors in the application of this delisting procedure in the context of Going Private Transactions, including:

- for interlisted securities, the delisting process for such securities imposed by the other exchange or marketplace; or
- whether replacement securities will be listed in substitution of securities delisted – if so, TSX may shorten the pre-notification period.

New Procedure for the filing of Closing Documentation

Private Placements and Acquisitions

TSX is providing clarification to listed issuers of the procedure which follows the completion of a private placement private placement or acquisition (a “Transaction”).

In order to list additional securities reserved and/or issued pursuant to a Transaction, TSX requires that a number of documents be filed after the closing of the Transaction (the “Closing Documents”). In many instances, listed issuers and their legal advisers have taken a considerable amount of time in filing the Closing Documents.

Accordingly, TSX will require:

1. on the same business day of the closing of a Transaction:
   a. an e-mail or facsimile of the press release announcing the closing of the Transaction; or
   b. a written confirmation by e-mail or facsimile that the Transaction has closed; and

2. all Closing Documents relating to the Transaction must be filed by the market close on the next business day following the closing of the Transaction. Closing Documents may be filed using TSX Secure File, by e-mail or by courier, as appropriate or applicable.

Once in receipt of the Closing Documents, TSX will promptly update its records to list the additional securities reserved and/or issued pursuant to the Transaction.
Original Listings

TSX has also experienced delays in receiving certain original listing documents after a listed issuer becomes listed on TSX. Issuers newly listed on TSX normally have 60 days from their listing date to provide executed copies of the legal opinion, listing application and statutory declarations. These documents must now be filed as soon as practicable after listing, but in any event, within 10 days of the listing date. An undertaking to that effect, signed by two officers of the issuer, shall also be provided by TSX prior to listing.

Securities That Trade in US Dollars

TSX and TSX Venture Exchange (“TSXV”) are providing notice to their listed issuers that currently have securities trading in US dollars. TSX and TSXV would like to notify such issuers of two issues that have arisen since the implementation of US dollar trading:

1. All trades in securities traded in US dollars that settle on a US banking holiday will fail; and
2. All trades in securities traded in US dollars that settle on a US banking holiday which is also a record date for a distribution, will result in an inaccurate list of shareholders on the record date.

In response to these issues, TSX and TSXV propose the following:

   
   Currently, all trades executed on TSX or TSXV settle on the third Canadian business day after the trade date (T+3), regardless of currency traded. A Canadian business day is defined as a weekday that is not a Canadian banking holiday. TSX and TSXV systems calculate the T+3 settlement date and advise the Canadian Depository for Securities (“CDS”) accordingly. For settlement in US dollars, CDS uses the US Federal Wire Service. However, the US Federal Wire Service is not open on US banking holidays, and as result, all US dollar trades executed on TSX or TSXV that are due to settle on a US banking holiday will ‘fail’ under the CDS system.

   TSX and TSXV are currently in the process of amending their settlement calculation for trades in US dollars as follows: if the settlement date for a T+3 trade in US Dollar securities falls on a US banking holiday, the settlement date will automatically be moved forward one US business day to T+4. This approach will ensure that settlement for these trades will occur on a US business day and not a US banking holiday, therefore preventing the CDS system from failing the trades.
2. **Trades in US Dollar Securities That Settle On A US Banking Holiday Which Also Happens To Be a Record Date For a Distribution**

When a trade in a security traded in US dollars settles T+3 on a US banking holiday which also happens to be the record date for a distribution for such security, by settling the trade under the T+4 proposal described above, certain buyers will not be included on the shareholder list to receive the entitlement as of the record date.

For example, if an issuer, whose securities trade in both Canadian and US dollars on TSX or TSXV declares a cash distribution for shareholders of record on Friday, which also happens to be a US banking holiday, all trades in these securities commencing at the opening on Wednesday (assuming no holidays) will trade ex-dividend (when a distribution is declared, a security will trade ex-dividend two business days before the record date). Trades in the US Dollar book for this security on Tuesday would normally settle Friday (T+3). However, since this date is also a US banking holiday, TSX and TSXV systems will push the settlement date for these trades to Monday (T+4). As a result, anyone who buys a security on Tuesday in the US dollar book will not be included on the shareholder record list for the distribution on Friday, and therefore will not receive the distribution to which they would otherwise be entitled to receive. The chart below illustrates this example.

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<thead>
<tr>
<th>Monday</th>
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<td></td>
<td>holiday</td>
<td>Record Date</td>
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Therefore, if T+3 falls on both a US banking holiday and a Canadian record date for a distribution for a particular US Dollar traded security, TSX and TSXV will have to implement special T+2 settlement to ensure that the shareholders are on record for the distribution and that the settlement date occurs on a US business day. In our example above, all trades on Tuesday would then settle on Thursday (T+2).

As a result, TSX and TSXV are asking issuers to avoid setting a record date for a distribution that falls on a US banking holiday. If this is not avoided, TSX and TSXV will have to manually implement special T+2 settlement for those trades, as described above.
The following is a list of US banking holidays in 2005 which should be avoided as record dates for a distribution for US dollar securities:

1. Martin Luther King Day, January 17
2. Presidents Day, February 21
3. Memorial Day, May 30
4. Independence Day, July 4
5. Thanksgiving, November 24
6. Christmas Day, December, if the date is different from the Canadian statutory holiday

If you have any questions, please feel free to call Selma Thaver at 416.947.4240, or Dale Boyd, Senior Product Manager, Trading, at 416.947.4360.
Questions regarding this Staff Notice should be directed to your Listed Issuer Services Manager.

<table>
<thead>
<tr>
<th>First Letter(s) of Issuer's Name</th>
<th>Listed Issuer</th>
<th>Telephone Number</th>
<th>E-mail Address</th>
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<tbody>
<tr>
<td>A - Agrium</td>
<td>Joel Weinstein</td>
<td>416.947.4216</td>
<td><a href="mailto:joel.weinstein@tsx.com">joel.weinstein@tsx.com</a></td>
</tr>
<tr>
<td>B - Can Agrium - Anvil</td>
<td>Selma Thaver</td>
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<td>H - L</td>
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<td>M - O</td>
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<td>Q, S</td>
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<td><a href="mailto:raj.dewan@tsx.com">raj.dewan@tsx.com</a></td>
</tr>
<tr>
<td>P, T - Tq</td>
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<td>416.947.4499</td>
<td><a href="mailto:amelia.nedovich@tsx.com">amelia.nedovich@tsx.com</a></td>
</tr>
<tr>
<td>R, Tr - Z</td>
<td>Robert Perry</td>
<td>416.947.4545</td>
<td><a href="mailto:robert.perry@tsx.com">robert.perry@tsx.com</a></td>
</tr>
</tbody>
</table>

**MONTREAL**

| A - E                            | Martine Valcin | 514.788.2402 | martine.valcin@tsx.com |
| F - M                            | Christian Marcoux | 514.788.2403 | christian.marcoux@tsx.com |
| N - Z                            | Pierre Jr Reneault | 514.788.2404 | pierre.jr.reneault@tsx.com |

May 10, 2005.
STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

Toronto Stock Exchange ("TSX") staff is providing clarification of certain provisions of the TSX Company Manual (the "Manual") and guidance on the following topics:

i) private placements of securities issued at a price equal to or based on net asset value or where the market price is unknown;

ii) granting of options, rights and other entitlements when material information is undisclosed; and

iii) optionholders voting on proposed plans of arrangement.

PRIVATE PLACEMENTS PRICED AT NET ASSET VALUE

TSX staff wishes to provide guidance to its issuers and other market participants on the pricing of securities pursuant to a private placement when a listed issuer (alone or with other issuers) (the "Listed Issuer") is spinning off a portion of its business or assets by way of a plan of arrangement (an "Arrangement") to form another entity (the "New Entity") or where the market price of the securities being issued is unknown.

Some Arrangements provide for the completion of a private placement at the time of the Arrangement. These private placements often contemplate the issuance of securities to insiders of the New Entity, who may also be part of the Listed Issuer’s management, at a subscription price equal to or based on the net asset value ("NAV") of the assets being acquired by the New Entity (the "NAV Private Placement"). NAV Private Placements are priced before the market price of the New Entity’s securities is established. As a result, securities under the NAV Private Placement may in fact be issued at a significant discount to the eventual market price of the securities once trading begins.

Section 607(e) of the Manual provides that listed issuers can complete private placements which result in the issuance of securities at a price that is less than
market price, less the maximum allowable discounts allowed by TSX, subject to the approval of security holders other than those participating in the private placement. As a result, TSX requires that NAV Private Placements be approved by security holders other than those participating in the NAV Private Placement. The security holder approval must be in a separate and specific security holder resolution, which may be conditional upon approval of the Arrangement.

When security holders are voting on NAV Private Placements and Arrangements, TSX wants to ensure that all relevant information is clearly presented to assist security holders in forming a reasoned judgment when determining whether to approve the transactions. TSX believes there is an opportunity to improve and standardize this disclosure and will require the following disclosure in the issuer’s information circular (“Circular”) for NAV Private Placements:

1. A concise and consolidated summary of the payments and benefits to insiders, management and directors of both the Listed Issuer and the New Entity as a result of the NAV Private Placement, which are not otherwise available to all security holders. The summary should also be cross referenced in both the transaction overview and the executive compensation sections of the Circular, where applicable.

The summary should include a detailed list of all recipients of securities, by category, including securities received under the NAV Private Placement, and other NAV-related grants. This summary should also include details of other payments and benefits resulting from the Arrangement, including but not limited to: retention bonuses, golden parachutes, pension fund contributions, potential gain on accelerated options, etc.

This disclosure must be made in table form, an example of which has been provided below.

<table>
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<tr>
<th>Securities Granted To / Subscribed For</th>
<th>Number &amp; Class</th>
<th>Exercise or Subscription Price</th>
<th>Other Payments and Benefits Resulting from the Arrangement</th>
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</thead>
<tbody>
<tr>
<td>Directors and Officers ¹</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Employees ²</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private placees not related to previous entity ²</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Identify individually each officer and director of the New Entity, Listed Issuer and any other surviving entity who will purchase or receive securities in the New Entity at NAV. Identify those directors deemed to be independent.

2. Aggregated as a group.

3. Payments and benefits should be itemized per individual or group, where applicable, and should include an explanation of how the value was arrived at. Examples include: retention bonuses, golden parachutes, pension fund contributions, potential gain on accelerated options, etc.
Calculations should be based on a five (5) day volume weighted average price (VWAP) of the Listed Issuer for the 5 days prior to the date of the Circular.

2. Disclosure of the rationale for completing the NAV Private Placement and why NAV pricing is appropriate, particularly for insiders.

3. A statement that securities issued pursuant to the NAV Private Placement may be issued at a significant discount to the market price, taking into account the maximum allowable discount by TSX, of the securities of the New Entity once it begins trading on TSX (with appropriate cautionary language that no such premium may develop).

TSX must pre-clear the required disclosure in the draft Circular. If the Circular does not provide the appropriate disclosure and the required level of disinterested security holder approval, TSX may not accept notice of the NAV Private Placement.

In order to allow time for a sufficient review of the disclosure, please provide the draft Circular to TSX a minimum of five (5) business days prior to finalization and printing.

TSX may apply similar disclosure requirements to other transactions where the market price of the securities being issued is unknown.

**GRANTING OF OPTIONS, RIGHTS AND OTHER ENTITLEMENTS WHEN MATERIAL INFORMATION IS UNDISCLOSED**

TSX staff reminds its listed issuers of certain provisions of the Manual relating to the granting of options, rights and other entitlements (collectively “Options”) under a security based compensation arrangement (a “Compensation Arrangement”) when material information is undisclosed.

Section 613(j) of the Manual states that:

“…Listed issuers may not set option exercise prices, or prices at which securities may otherwise be acquired, on the basis of market prices which do not reflect material information of which management is aware but which has not been disclosed to the public. …”

When such undisclosed material information exists, it is not appropriate for the board of directors (or a duly appointed committee of the board) of a listed issuer to grant Options under a Compensation Arrangement. This remains the case even if the recipient of the Option is not aware of the undisclosed material information.
TSX allows two exceptions to this rule:

(a) employees may acquire securities under a share purchase plan on specified terms if they previously committed to the acquisition at a time when they did not have knowledge of the undisclosed material information; and

(b) a person or company who is neither an employee nor an insider of the listed issuer may be granted Options at a price set when the material information is still undisclosed if the grant relates to the undisclosed event (such as an acquisition by a listed issuer of another company).

Staff has become aware that listed issuers may not be adhering to the requirements of Section 613(j) of the Manual, particularly in the context of ongoing consideration or negotiation of strategic alternatives for the listed issuer. During such periods, if material information has not been disclosed, TSX will not permit Options to be granted. Staff does not view regular annual grants during such periods as a mitigating factor. Staff also cautions listed issuers about granting Options during a blackout period, whether or not the blackout period is directly related to the material undisclosed event.

If TSX becomes aware of Options having been granted while material information is undisclosed, it will require that those Options be cancelled, forfeited or re-priced to a price established after the material information has been disclosed to the market and the impact on the trading price of the securities underlying the Options is known. In addition, TSX may require disclosure in the continuous disclosure documents of the issuer of the cancellation, forfeit or re-pricing and the circumstances that led to such action. TSX may also suspend or delist an issuer depending on the severity and/or repeated violation of this provision.

**PLANS OF ARRANGEMENT AND OPTIONHOLDER VOTING**

An increasing number of listed issuers have been using the provisions of the *Canadian Business Corporations Act* (the “CBCA”) and provincial corporate legislation to facilitate, by way of arrangement (“Arrangement”), the completion of transactions such as mergers, reorganizations and conversions into income trusts. In some instances where allowed under the relevant corporate legislation, issuers have allowed optionholders, warrantholders and other security holders (collectively, the “Optionholders”) to vote together with holders of common shares (the “Shareholders”) on the proposed Arrangement.

Despite any voting privileges granted to Optionholders under relevant corporate legislation, TSX requires that all such Arrangements receive the approval of the majority of Shareholders. Shareholders have fully paid for their common shares (the “Shares”), acquired either directly from the listed issuer or from secondary market purchases, while Optionholders have only been granted a contractual
right by the listed issuer to subscribe for Shares at a given price for a certain period of time. In addition, unlike Shares, options are non-participating and do not confer on their holders the right to receive residual property upon wind-up or liquidation of the corporation. We also believe that allowing Optionholders to vote on Arrangements is contrary to the provisions of most stock option plans, which specifically provide that Optionholders do not have any rights as Shareholders until options have been duly exercised and paid for and until the underlying securities have been issued to the Optionholder. However, TSX will not preclude an issuer from seeking approval of its Optionholders, in addition to the Shareholder approval TSX requires.

Accordingly, TSX will require, as one of the conditions to its approval of an Arrangement, evidence that Shareholders of the listed issuer have approved the Arrangement, without taking into account of votes cast by Optionholders.

We also wish to remind issuers that TSX must pre-clear the draft Circular prepared for an Arrangement. Please provide the draft Circular and related materials to staff a minimum of five (5) business days prior to finalization and printing.
STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

Toronto Stock Exchange ("TSX") staff is providing guidance on the following topics:

i) special year end distributions by income trusts and other similar non-taxable entities (collectively, the "Trusts"); and

ii) filing procedures and response times for expedited and year end applications.

SPECIAL YEAR END DISTRIBUTIONS BY TRUSTS

TSX staff reminds its issuers that TSX must be provided with notification of a distribution (including a dividend) declaration immediately following the meeting at which the decision to declare the distribution is made. In any event, a notice in the form of a Form 5: Dividend/Distribution Declaration ("Form 5") must be filed at least seven (7) trading days prior to the record date. Reference is made to Sections 428 to 435.2 of the TSX Company Manual (the "Manual") for additional details regarding dividends and other distributions to security holders.

This minimum seven (7) trading day notification period applies to all distributions, including special year end distributions by Trusts, whether or not:

(a) the exact amount of the distribution known;

(b) the distribution is to be paid in cash, trust units and/or other securities; or

(c) if the distribution is to be paid in securities, the securities to be distributed are immediately consolidated after the distribution, resulting in no change to the number of securities held by security holders.

Where the exact amount of the distribution is unknown, issuers should provide, at the time they file their Form 5, their best estimate of the anticipated amount of the
distribution and indicate that such amount is an estimate. Details regarding the payment of the distribution in cash, trust units and/or other securities and whether such securities will be immediately consolidated must be provided. Upon determination of the exact amount of any estimated distribution, the issuer must disseminate the final details by press release and provide TSX’s dividend administrator with a copy of the press release.

Notification of a distribution must be provided to TSX in accordance with Sections 428 to 435.2 of the Manual even when the distribution is paid entirely in securities which are immediately consolidated following the distribution, resulting in no change to the number of securities held by security holders. Such distributions may have tax consequences for security holders, which could impact the market price of the securities. Accordingly, TSX will publish a bulletin containing details of any such distribution.

TSX staff further reminds its issuers that notices of any distributions, other than those solely payable in cash, should also be filed with the issuers’ respective Listed Issuer Services manager, in addition to TSX’s dividend administrator.

**EXPEDITED AND YEAR END APPLICATIONS**

An increasing number of issuers are filing notices of private placements and other applications on an expedited basis. TSX staff reminds issuers and their legal counsel that issuers are obligated to immediately notify TSX in writing of any transaction involving the issuance or potential issuance of any listed securities in accordance with Section 602 of the Manual.

While TSX staff will make every effort to accommodate closings, issuers and their legal counsel are reminded to file applications on a timely basis and that, for routine transactions, they should anticipate formal responses generally within three to five business days after receipt of notice by TSX. Expedited Filings for private placements under Section 607(c) of the Manual, and other filings made pursuant to Section 602 which are requested to be reviewed by TSX on an expedited basis, are generally responded to with within three business days of receipt. If a transaction is requested to be reviewed by TSX on an expedited basis, issuers or their legal counsel should clearly identify the time by which a response is requested and an explanation as to why the application is being filed on an expedited basis. Issuers and their counsel are also reminded that any information circulars, where applicable, which must be pre-cleared by TSX should be submitted in substantially completed form at least five (5) business days prior to finalization for printing.

As TSX generally receives a high volume of filings and applications for year-end closings, issuers and their legal counsel should avoid filing late applications, particularly in mid to late December.
STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

Toronto Stock Exchange ("TSX") staff is updating previously issued guidance to amendment procedures in security based compensation arrangements and clarifying amendments to option terms during black out periods.

SECURITY BASED COMPENSATION ARRANGEMENTS

Subsection 613(d) – Amendment Procedures

Effective January 1, 2005, TSX introduced new rules regarding the procedure for amending a security based compensation arrangement (a “Plan”) in Subsection 613(d) of the TSX Company Manual (the "Manual"). Subsection 613(d) provides that in order for an issuer to amend a Plan, or an agreement or entitlement subject to a Plan, the Plan must specify whether security holder approval is required for that type of amendment (the “Amendment Procedure”). Such Amendment Procedure must be approved by security holders (either when the Plan is initially adopted or at the time of a subsequent amendment). In the absence of an Amendment Procedure which addresses the types of amendment being requested, security holder approval will be required by TSX.

Prior to the introduction of the new rules, security holder approval was required if an amendment was considered material by TSX, which led to significant uncertainty for issuers. The goal of new Subsection 613(d) is to allow security holders to assess if certain types of amendments are appropriate without requiring security holder approval in each circumstance. In the absence of such assessment and approval, all amendments must be specifically approved by security holders.

At the time of implementation of Subsection 613(d), TSX realized that many Plans already contained a “general amendment” provision which permitted an amendment to a Plan, subject to board approval and TSX approval. In order to assist with the transition of Subsection 613(d), TSX issued Staff Notice 2004-0002 on December 17, 2004, to clarify situations in which this “general amendment” provision would be sufficient for amendments to a Plan without security holder approval. A non-exhaustive list of examples was provided of what types of amendments would be permitted with only a “general amendment” provision in a Plan without security holder approval.
The interpretation of Subsection 613(d) provided by Staff Notice 2004-0002 was intended to be temporary in order to ease the transition of the new rule. As a result, effective June 30, 2007, TSX will retract the interpretation given to Subsection 613(d) in Staff Notice 2004-0002, and will apply Subsection 613(d) to its fullest extent. Accordingly, issuers will have until June 30, 2007 to adopt the proper Amendment Procedure in their Plans. After such date, issuers who have “general amendment” provisions in their Plans will no longer be able to make any amendments to their Plans without security holder approval, including amendments considered to be of a “housekeeping” nature.

Issuers are strongly advised to introduce detailed amending provisions to their Plans at their next meeting of security holders in order to obtain the requisite approval for the Amendment Procedures. Staff strongly recommends that issuers proposing to include an amendment procedure empowering the board of directors (or similar body) to make fundamental changes to a Plan, include a description of the general nature of the changes the board may make, together with examples. TSX may also require that a copy of the Plan be included with the circular.

Issuers are also reminded that materials to be provided to security holders must be pre-cleared by TSX. Such materials, together with the Plan, should be submitted at least five (5) business days in advance of the printing date.

**Subsection 613(h)(iii) – Black Out Periods**

Subsection 613(h)(iii) of the Manual, which also went into effect on January 1, 2005, provides that, notwithstanding that a Plan has been approved by the listed issuer’s security holders, security holder approval on a disinterested basis will be required for an extension of the term or reduction in exercise price of options benefiting insiders. As a result of Subsection 613(h)(iii), regardless of whether this type of amendment was contemplated and added to the Plan as a type of amendment that directors may approve without security holder approval, and security holders approved the Plan with that provision, TSX will always require specific disinterested security holder approval for extensions to, and repricing of, options benefiting insiders.

TSX recognizes that many of its listed issuers are under self imposed black out periods from time to time, preventing officers, directors and employees from exercising options. Self imposed black out periods are an example of good corporate governance and trading policies. Subsection 613(h)(iii) was not intended to penalize listed issuers, and their insiders and employees, for this type of positive corporate behaviour.

As a result, since Plans may set any expiration term so long as it is approved by security holders, Plans may consider providing an expiration date that is “conditional” upon potential expiration during a black out period. Plans may provide that the expiration of the term of an option may be the later of a fixed
expiration date ("Fixed Term"), or a date shortly after the expiration date should the Fixed Term expiration date fall within, or immediately after, a black out period ("Black Out Expiration Term"), provided that the Plan or the Black Out Expiration Term have been approved by security holders. Where the Fixed Term expires immediately after the black out period ends, the Black Out Expiration Term should be reduced by the number of days between the Fixed Term expiration date and the end of the black out period (i.e. if the Black Out Expiration Term is five days after the end of a black out period, options whose Fixed Term expires two days after the black out period ends will only have an additional three days to exercise.)

Issuers wishing to amend their Plan to allow for this type of term should describe the following in the term expiration provision in the Plan:

- the Black Out Expiration Term should only be available when there is a black out period self imposed by the listed issuer (i.e. it should not apply to a listed issuer or its insiders being the subject of a cease trade order);
- the Black Out Expiration Term, after the lifting of the black out period, should be reasonable (i.e. five to ten business days), and should be clearly defined in the Plan as a fixed period of time which will not be subject to board discretion; and
- the Black Out Expiration Term should be available to all eligible participants under the Plan, under the same terms and conditions.

The disclosure in the listed issuer’s information circular must appropriately describe the expiration term of options granted under the Plan as it may relate to black out periods. Any amendment to an existing Plan to provide for a Black Out Expiration Term must be approved by security holders notwithstanding that the Plan has a broad underlying amending procedure.
Subsection 613(a)
Approval of Unallocated Entitlements under Security Based Compensation Arrangements

Subsection 635(b)(i)
Public Announcement of the Adoption of Security Holder Rights Plans

Form 4 – Personal Information Forms
Disclosure of Pardoned Offences

STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

Toronto Stock Exchange ("TSX") staff is providing clarification on:

(i) the requirement for listed issuers to seek renewal security holder approval every three years ("Renewal Approval") for unallocated options, rights, deferred share units, restricted share units or similar securities (collectively, "Entitlements") under security based compensation arrangements that do not have a fixed maximum number of securities issuable ("Reloading Plans");

(ii) the requirement for listed issuers that adopt security holder rights plans ("Plans") without preclearance from TSX to publicly announce the adoption of the Plan and, if applicable, TSX deferral of the Plan; and

(iii) the requirement to disclose offences for which a pardon has been granted in personal information forms ("PIFs").

Subsection 613(a) – Requirement to Seek Security Holder Approval for Unallocated Entitlements under Reloading Plans

Under the TSX Company Manual (the "Manual"), listed issuers are permitted to establish Reloading Plans that may be automatically reloaded upon the exercise of Entitlements, provided that the relevant provisions of the plan have been properly disclosed to and approved by security holders and a majority of the listed issuer's directors. Three years after institution and every three years thereafter, listed issuers must obtain Renewal Approval for all unallocated Entitlements under a Reloading Plan.

TSX reminds listed issuers that, for the purpose of obtaining Renewal Approval, security holders must pass a resolution specifically approving unallocated Entitlements under a Reloading Plan. In addition, the resolution should include the next date by which the listed issuer must subsequently seek Renewal Approval, such date being no later than three years from the date such resolution was approved. Security holder approval relating to other types of amendments to a Reloading Plan will not be accepted as implicit Renewal Approval. If Renewal Approval is not obtained within three years of either the institution of a Reloading Plan or Renewal Approval, as the case may be, all
unallocated Entitlements will be cancelled and the listed issuer will not be permitted to
grant further Entitlements under the Reloading Plan until such time as Renewal Approval
is obtained as noted above. In such case, all allocated Entitlements under a Reloading
Plan, such as options that have been granted but not yet exercised, will continue
unaffected.

Subsection 635(b)(i) – Announcement of the Adoption of Security Holder Rights
Plans

TSX will normally defer its review of, or decision to consent to, Plans that can reasonably
be perceived as having been proposed or adopted as a response to a specific or
contemplated take-over bid for a listed issuer until the appropriate securities commission
has determined whether it will intervene pursuant to National Policy 62-202 Take-Over
Bids – Defensive Tactics. If the securities commission does not intervene, TSX will
generally not object to the adoption of the Plan, provided that it is ratified by security
holders at a meeting held within six months following the date of adoption of the Plan.

TSX reminds listed issuers that adopt Plans without preclearance from TSX that,
pursuant to Subsection 635(b)(i) of the Manual, they must publicly announce that the
adoption of the Plan is subject to TSX acceptance. In addition, if TSX determines to
defer its review of, or decision to consent to, the Plan, listed issuers must publicly
announce TSX’s decision to defer. Disclosure should also be made in cases where TSX
has made a decision to either consent, or to deny consent, to the adoption of the Plan,
and therefore the listing of the rights.

Requirement to Disclose in a PIF, Offences for Which a Pardon Has Been Granted

TSX reminds individuals who have received a pardon under the Criminal Records Act
(Canada) (or other applicable legislation) that has not been revoked at the time of
executing the PIF, that, when completing a PIF, the individual must disclose the
pardoned offence as follows: (a) the individual must respond to question 6A of the PIF,
which asks whether the individual has pled guilty to or been found guilty of an offence,
as follows: “Yes, pardon granted on (date)”, specifying the date on which the pardon was
granted; and (b) the individual must provide details of the pardoned offence in an
attachment to the PIF. General instructions for completing PIFs, including instructions for
disclosure of pardons, are located on pages one and two of the PIF.
STAFF NOTICE TO APPLICANTS, LISTED ISSUERS
SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

Toronto Stock Exchange ("TSX") staff is providing guidance on the following topics:

(i) private placements priced at net asset value or where market price is unknown ("NAV Private Placements") for previously financed issuers applying to list on TSX;

(ii) valuation requirements where an issuer spins off a portion of its business or assets (the "Transferred Assets") by way of a plan of arrangement and completes a NAV Private Placement;

(iii) escrow requirements for NAV private placements; and

(iv) complications resulting from the failure of issuers to cancel securities purchased under a normal course issuer bid ("NCIB") prior to a dividend or distribution record date, and an update on the status of proposed Sections 628 to 629.3.

Section 603 and Subsection 607 (e) – NAV Private Placements – Previously Financed Issuers

Listed issuers (alone or in combination with other issuers) proposing to spin off a portion of their business or assets into another entity ("Spinco") which involves the completion of a NAV Private Placement in Spinco are required to provide disclosure and obtain security holder approval in accordance with Staff Notice #2005-0003. Since the publication of Staff Notice #2005-0003, TSX staff has become aware of the use of certain previously existing issuers, including tax loss entities, being used as Spincos. In
certain cases, these Spincos have completed private placements immediately prior to entering into agreements with listed issuers for a spin off.

TSX staff is concerned about the potential abuse of this practice and perceived avoidance of TSX rules. Accordingly, any private placement in a Spinco which has closed within three months preceding the date of the signing of an agreement for the use of Spinco will be deemed to be a NAV Private Placement for the purposes of Staff Notice #2005-0003. Accordingly, these NAV Private Placements must comply with TSX disclosure and security holder approval requirements summarized in Staff Notice #2005-0003.

Section 603 - NAV Private Placements – Valuation Requirements

TSX staff has become aware of certain issuers listed in categories other than Oil and Gas proposing to spin off a portion of their business or assets (the “Transferred Assets”) into a Spinco by way of a plan of arrangement. Historically, the value of Transferred Assets for oil and gas issuers is supported by independent technical reports prepared in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Generally, issuers listed in categories other than Oil and Gas do not have similar disclosure requirements which would support the value of Transferred Assets.

TSX staff is concerned about the lack of independence and standardization of valuation methodologies used by issuers that are not subject to NI 51-101 and proposing a NAV Private Placement based on the value of Transferred Assets. As a result, TSX staff will expect the completion of an independent valuation of the Transferred Assets (and any other material assets of Spinco) which supports the pricing of a NAV Private Placement. A summary of the valuation must be disclosed in the listed issuer’s information circular being provided to security holders in connection with the plan of arrangement. Listed issuers should prepare Spinco valuations and disclosure in accordance with Part 6 of Ontario Securities Commission Rule 61-501 – Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions. These valuation requirements are in addition to the disclosure and security holder approval requirements detailed in Staff Notice #2005-0003.

Appendix C – NAV Private Placements – Escrow Requirements

Generally, the stated purpose of NAV Private Placements is a combination of the following: (i) to allow insiders and other service providers to increase their ownership position in Spinco in a manner which encourages continued employment; (ii) to align the interest of placees through the capital commitment being made under the NAV Private Placements by insiders and service providers; (iii) to allow Spinco to meet the challenges in retaining qualified personnel in a very competitive employment market; and (iv) to provide additional capital to Spinco. Given these stated purposes, securities placed under a NAV Private Placement are generally accompanied by a negotiated contractual escrow in order to facilitate the retention of insiders and other service providers.

TSX staff has become aware of certain NAV Private Placements which have been proposed without a negotiated contractual escrow. Staff is concerned that these securities are generally immediately freely tradable once Spinco lists on TSX as they are
not subject to resale restrictions and are not directly captured by National Policy 46-201 – Escrow for Initial Public Offerings ("NP 46-201") or the TSX Escrow Policy contained in Appendix C of the Company Manual.

Accordingly, if a satisfactory escrow has not been negotiated between Spinco and its Principals, TSX may use its discretion to impose escrow on the Principals (as such term is defined in NP 46-201) of Spinco for any securities placed under a NAV Private Placement on terms consistent with those in NP 46-201 and the TSX Escrow Policy. Staff will expect that the release schedule for securities subject to a negotiated escrow will, at a minimum, be equivalent to the release schedule provided for under NP 46-201 and the TSX Escrow Policy.

**Appendix F (Proposed Sections 628 to 629.3) - Timely Cancellation of Securities Purchased Pursuant to a Normal Course Issuer Bid and Status of Proposed Sections 628 to 629.3**

Issuers canceling securities purchased through a normal course issuer bid ("NCIB") are reminded to ensure that cancellation of these securities take place in a timely manner, as soon as possible after settlement. TSX has been advised that some issuers purchasing securities under an NCIB are canceling these securities several days if not weeks after settlement. Issuers setting a record date for dividends or distributions should ensure that all securities purchased under an NCIB for which they will not pay dividends or distributions are cancelled sufficiently in advance of a record date in order to avoid the need for extensive disbursement reconciliations between The Canadian Depository for Securities and transfer agents. These reconciliations are extremely time consuming and may result in delayed payments to security holders.

The proposed changes to the NCIB rules (Sections 628 to 629.3), last published for comment October 21, 2005, are in the process of being finalized and are not yet in effect.