

132.96	136.30	+3.34 ▲	+2.51%	100	136.69	135.56	+1.13%
66.50	66.78	+.28 ▲	+4.2%	200	66.81	65.80	+1.5%
36.43	36.844	+414 ▲	+1.14%	100	36.79	36.79	+0%
90.73	91.84	+1.11 ▲	+1.22%	100	92.05	90.56	+1.6%
140.16	139.06	-1.10 ▼	-7.8%	100	139.41	136.73	+1.9%
74.70	74.10	-.60 ▼	-8.0%	100	74.10	74.10	+0%
137.04	136.86	-.18 ▼	-1.3%	300	137.00	136.53	+1.2%
6.97	6.9405	-.0295 ▼	-4.2%	400	7.10	6.802	+4.4%
29.07	28.8299	-.2407 ▼	-8.3%	4700	29.04	28.84	+0.7%
24.42	24.27	-.15 ▼	-6.1%	300	24.48	24.15	+1.4%
11.72	11.82	+.10 ▲	+8.5%	100	11.84	11.87	+0.3%
47.45	47.36	-.09 ▼	-1.9%	200	47.46	47.00	+1.0%
6.98	6.88	-.10 ▼	-1.43%	695	6.88	6.88	+0%
42.71	42.56	-.15 ▼	-3.5%	400	42.72	42.89	+0.4%
22.66	22.95	+.29 ▲	+1.28%	500	22.95	22.41	+2.4%
14.38	14.38	-.02 ▼	-1.4%	500	14.38	14.38	+0%

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## Going Public in Canada and Listing on the TSX and TSXV

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# GOING PUBLIC IN CANADA AND LISTING ON THE TSX AND TSXV

*Going Public in Canada and Listing on the TSX and TSXV* is intended as a summary overview of key issues only. Specific advice should be sought in connection with particular transactions.

Blake, Cassels & Graydon LLP produces regular reports and special publications on Canadian legal developments. For further information about these reports and publications, please contact Alison Jeffrey in our Toronto office by telephone at 416-863-4152 or by email at [alison.jeffrey@blakes.com](mailto:alison.jeffrey@blakes.com).

This information is current as of May 1, 2013.

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# 1. Introduction

The discussion under each heading is intended to provide only general guidance and is not an exhaustive description of all procedures and laws that may apply in any particular proceeding or dispute. Particular cases may be subject to specific legal requirements not referred to in this guide. For this reason, the reader should not rely solely upon this guide, but should seek the advice of qualified counsel for assistance in dealing with any particular problem or dispute.

## 2. Stock Exchanges in Canada

In Canada, there are presently three recognized stock exchanges. The Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV) are operated by the TMX Group Inc., while the Canadian National Stock Exchange (CNSX) is a more recently established stock exchange. The focus of this guide will be on the TSX and TSXV, the two exchanges on which most Canadian public companies are listed.

There are four primary methods of going public on the TSX or TSXV:

- (a) an initial public offering (IPO) on the TSX or TSXV;
- (b) a reverse take-over of an existing TSX or TSXV listed issuer;
- (c) a qualifying transaction with a capital pool company (CPC) listed on the TSXV; or
- (d) if the issuer is already listed on a stock exchange elsewhere in the world, an application for a direct listing of its securities on the TSX or TSXV.

Issuers listing on either the TSX or TSXV are required to complete a listing application and meet various listing requirements of the respective stock exchange. Listing requirements for the TSX and TSXV are sector and development-stage specific. In general, more established issuers seek listings on the TSX, while the TSXV attracts junior issuers, which may eventually graduate to the TSX once they satisfy the TSX's listing requirements. The minimum requirements are summarized in Appendix 'A' hereto. There are minimal additional management or financial requirements for international issuers. However, as a practical matter, companies selecting a listing on the TSX or the TSXV must demonstrate their ability to satisfy all of their reporting and public issuer obligations in Canada. Moreover, it is generally recommended that they have some presence in Canada for performing administrative, regulatory reporting and investor relations functions.

In late 2012, the TSX and TSXV published a joint consultation paper on emerging market issuers (EMI) which discusses the potential risks associated with listing issuers with a significant connection to an emerging market jurisdiction. The exchanges consider an emerging market jurisdiction to be any jurisdiction outside of Canada, the United States, Western Europe, Australia and New Zealand. The exchanges have solicited comments in order to assess whether to implement new guidance or requirements for listing EMIs including the TSXV's proposed policy document, Appendix 2B – Listing of Emerging Market Issuers, which sets forth specific guidance and requirements applicable to the listing of EMIs on the TSXV.

The TSX has two levels of financial standards. *Exempt issuers* are established issuers with strong balance sheets that have met prescribed levels of pre-tax profitability and cash flow in the previous year. *Non-exempt issuers* are smaller issuers with lower levels of net tangible assets, cash flow or profit. Once listed, these issuers are subject to closer TSX regulatory scrutiny and escrow requirements. For example, the TSX's consent would be required before an issuer could make any material change to its business or affairs.

The TSXV also recognises two levels of financial standards. Tier 1 is the TSXV's premier tier and is reserved for the TSXV's more advanced issuers with more significant financial resources. As such, Tier 1 issuers benefit from fewer filing requirements. Tier 2 is the tier where the majority of the TSXV's listed issuers will trade. The TSXV also has a NEX board which permits issuers that have failed to meet the TSX or TSXV listing requirements to continue trading on a marketplace until they are reactivated onto the TSXV or delisted entirely.

Once listed, an issuer is subject to increased regulatory and disclosure requirements pursuant to Canadian securities laws (which are administered by the securities regulatory authorities in each of the Canadian provinces and territories) and exchange rules and policies, and also to a review of the merits of proposed transactions by the exchange. In order 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. All listed companies are required to publicly disclose and notify the exchange of any proposed change in capital structure or any other information relating to the business and affairs of a company that result 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. All proposed option plans, securities issues, mergers, amalgamations, take-over bids and rights offerings are subject to exchange review and acceptance before implementation. Because the exchange's major concern is to protect minority shareholders, its scrutiny of non-arm's-length transactions is particularly detailed.

## **3. Procedure for Listing on the TSX and TSXV**

### **3.1 Toronto Stock Exchange**

An issuer must complete a listing application form and provide the applicable supporting data in order to demonstrate that the company is able to meet the minimum listing requirements (see Appendix 'B' attached hereto for a complete list of the documents to be filed). Additionally, the issuer must sign a listing agreement evidencing its commitment to comply with TSX requirements for the continuance of its listing. When a listing of securities occurs concurrently with an IPO, the listing application is cross-referenced to the prospectus relating to the IPO. In other cases, the listing application is cross-referenced to an annual information form or other principal disclosure document. In the case of a reverse take-over, the management information circular prepared by the TSX shell company is the principal disclosure document that is reviewed and cleared by the TSX.

Above all, the issuer must be able to provide evidence of a successful operation of its business and of management experience and expertise. However, the TSX may take into account any factors it considers relevant in assessing the merits of a listing application and has the discretion to refuse granting an application.

Sponsorship by a participating organization of the TSX, as listed in the TSX's participating organization directory, is a significant consideration for an issuer and is mandatory for all issuers that are applying to list on the TSX under the criteria for non-exempt companies. Although the terms of any sponsorship are to be negotiated between the sponsor and the issuer, the terms must be confirmed by letter notice to the TSX from the sponsoring participating organization as part of the listing application.

Each director, officer, promoter and other insider of the issuer must complete a personal information form, or if a current personal information is on file with the TSX, a declaration. The TSX will conduct a background check of each director, officer, promoter and insider based on the information provided.

The issuer will be notified of the receipt of an original listing application as to whether all required documentation to complete an assessment has been submitted in a form acceptable to the TSX. Issuers will be given some time to submit any outstanding documentation. The TSX will render a decision, using its best efforts to do so, as soon as possible to accommodate an issuer's schedule for the filing of a prospectus (if applicable) and the closing of an offering of securities.

Upon completion of the assessment, the TSX will do one of three things:

- (1) grant conditional approval, subject to meeting specified conditions within a 90-day period;
- (2) defer the listing application, pending resolution of specified issues within a 90-day period; or
- (3) decline the listing application, in which case the issuer must wait six months before reconsideration.

As a general rule, the listing and posting of the securities for trading must take place not more than 90 days after final approval of the listing application.

## **3.2 TSX Venture Exchange**

The TSXV has a similar listing application process to the TSX. The issuer prepares a listing application (often just a letter application) which can be cross-referenced to a prospectus in the case of a listing by way of an IPO, or a filing statement or management information circular in the case of a listing by way of a reverse take-over or qualifying transaction. In a direct listing, the issuer would prepare the listing application on the TSXV's listing application form.

Issuers undertaking an IPO, reverse take-over, qualifying transaction or direct listing, are generally required to have the transaction sponsored by a member of the TSXV, as listed in the participating organizations directory. The TSXV also requires each director, officer, promoter and other insider to submit personal information forms (or updated declarations, if applicable) in order to conduct background checks. In addition, the TSXV also often requires a valuation, business plan and other similar documents to be submitted as part of the listing application in the case of a listing by way of a reverse take-over or qualifying transaction.

Following completion of the initial review, the TSXV will either grant conditional acceptance, defer the decision on the application, or decline the application for listing. When reviewing the application for listing, the TSXV may consider additional factors, including the public interest

and any facts or circumstances unique to the issuer. The TSXV may use its discretion to impose more restrictive or additional listing requirements or refuse the application, even if the issuer satisfies the initial listing requirements. The issuer must provide all required final documents before the TSXV will give its final acceptance.

### **3.3 Escrow Regime and Resale Restrictions**

Both the TSX and TSXV have escrow requirements for management and key principals. The fundamental objective of the exchange escrow requirements is to encourage continued interest and involvement in an issuer, for a reasonable period after its listing on the exchange, by those individuals whose continuing role would be reasonably considered relevant to an investor's decision to invest in the listed issuer. The exact escrow requirements differ depending on whether the issuer is listed as an exempt or non-exempt issuer on the TSX or as a Tier 1 or Tier 2 issuer on the TSXV. Certain TSX exempt issuers and non-exempt issuers with a market capitalization of greater than C\$100-million may be exempt from the escrow requirements.

Generally, the securities held by management and key principals will be escrowed and gradually released over a period of 18 to 36 months starting from the date of listing.

In addition to exchange escrow requirements, issuers contemplating a financing and listing on the TSX or TSXV should be aware that agents and underwriters for Canadian financings will typically restrict the ability of insiders to sell securities for a certain period of time after the financing. As well, Canadian securities laws may also impose certain “hold” or “seasoning” periods on securities issued prior to an IPO or in a concurrent private placement to a reverse take-over or qualifying transaction. Careful transaction structuring may be required to ensure there are sufficient freely tradeable securities following the listing transactions to satisfy the exchange’s public float and distribution requirements.

## **4. Methods of Listing on the TSX and TSXV**

As already discussed, there are several ways of listing on the TSX or TSXV, each with its own advantages and disadvantages.

### **4.1 Initial Public Offering (IPO)**

An IPO is the traditional method of obtaining a listing on a stock exchange. It involves the preparation of a prospectus in accordance with Canadian securities laws, filing of that prospectus with the securities regulatory authorities in each Canadian province and territory where the securities are to be sold, and clearance of that prospectus by the applicable securities regulatory authorities.

Canadian securities laws specify that (1) the objective of a prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision and (2) a prospectus must provide full, true and plain disclosure of all material facts relating to the securities to be distributed. Accordingly, a prospectus is a detailed disclosure document which includes, among other things, a description of the operations and business affairs of the issuer, information on the issuer’s officers and directors and, most importantly, financial statements of the issuer (and potentially further financial statements in respect of any significant



business(es) to be acquired with the proceeds of the IPO). A long-form prospectus prepared in connection with an IPO typically contains three years of audited annual financial statements of the issuer, as well as financial statements for the issuer's most recently completed interim period (with comparative financial information for the corresponding interim period in the immediately preceding year) which have been reviewed by the issuer's auditors.

As a first step, an issuer that proposes to use a prospectus to offer its securities to the public in Canada should identify one or more underwriters to advise on the offering and facilitate the distribution of the offered securities. The issuer, the underwriters, the issuer's auditors and the issuer's and underwriters' legal counsel will work together in drafting the prospectus. There will also be an extensive "due diligence" investigation conducted by the underwriters and their legal counsel, as underwriters (in addition to the issuer, its directors, Chief Executive Officer, and Chief Financial Officer, and any promoters) can bear statutory liability for misrepresentations in the prospectus.

The preliminary prospectus is then filed in all of the provinces and territories of Canada in which the securities of the issuer will be offered to the public. If more than one province or territory is involved, the issuer must designate one principal regulator – generally, the regulator of the jurisdiction in which the issuer's head office is located or, if the issuer's head office is not located in any applicable jurisdiction, the jurisdiction with which the issuer has the most significant connection – to review the prospectus (the Principal Regulator) and provide comments and questions to be addressed by the issuer, the underwriters, the issuer's auditors and the issuer's and underwriters' legal counsel (a Comment Letter). If the prospectus is filed in Ontario and the Principal Regulator is not the Ontario Securities Commission (OSC), the Principal Regulator and the OSC will undertake a co-ordinated review and comment process.

The application to list on the TSX or TSXV is typically made concurrently or shortly after the filing of the preliminary prospectus. The issuer and the underwriters can also begin to "market" the IPO once the preliminary prospectus has been filed (although, in practice, often marketing commences only after the issuer has been provided with an initial Comment Letter).

A final prospectus may not be filed until all matters raised in the initial and any subsequent Comment Letters have been addressed to the satisfaction of the Principal Regulator (and the OSC, if applicable). The duration of this process will vary with each issuer from as short as two weeks to at least four weeks for most issuers and significantly longer for filings which raise novel issues or contain inadequate disclosure of material facts. During the period that the issuer is waiting for and responding to the comments of the securities regulator(s) on the prospectus, the issuer will concurrently submit applicable finalized documentation (or draft documentation to be executed on the closing of the IPO) to the TSX or TSXV, complete the exchange listing application and obtain conditional listing approval.

Once the underwriters have completed the marketing of the IPO, the issuer and the underwriters will, if the marketing is successful, agree on the size and price of the IPO and enter into an underwriting agreement. A copy of the final prospectus is then filed with the securities regulatory authorities in each Canadian province and territory where the securities are to be sold and delivered to each investor under the IPO. Following the expiry of a short statutory rescission period, the IPO may then be completed, the issuer will provide the applicable securities regulator(s) and the TSX or TSXV with copies of finalized documentation executed on the closing of the IPO, and the securities of the issuer will commence trading on the exchange.

### **4.1.1 Advantages and Disadvantages**

IPOs are particularly beneficial for large sophisticated issuers because the cost of filing a prospectus is justified by the ability to raise funds from the public pursuant to the prospectus.

An IPO enables issuers to raise funds to, among other possibilities, expand existing operations, acquire businesses, cash-out existing shareholders (including founders) and/or effect a change in capital structure (i.e., pay down outstanding indebtedness). An IPO also results in an issuer's securities being distributed to a wider, more diverse investor base, which can in turn create more publicity and awareness of a company's products and services, particularly if the issuer does not already have a significant presence in Canada. However, if there is a lack of an existing shareholder base, the underwriters will need to make sure that enough investors buy-in under the prospectus to meet the exchange's public float and distribution requirements. With an IPO, an issuer also does not have to deal with any pre-existing name associations or other obligations of an existing listed shell company (see "Reverse Take-Over" below).

The primary drawback of going public through an IPO is that it is costlier and may consume more time (e.g., potentially three to nine months from engaging a lead underwriter to the closing of the IPO) compared to other methods of going public.

## **4.2 Reverse Take-Over**

Another way to go public is through a reverse take-over (also known as a back-door listing or a reverse merger) of an issuer already listed on the TSX or TSXV. A reverse take-over takes place when a publicly listed issuer acquires a private issuer and the private issuer becomes a subsidiary of the listed issuer, or its assets are vended to the listed issuer. The shareholders of the private issuer also become majority shareholders in the publicly listed issuer following the reverse take-over transaction. The publicly listed issuer is frequently referred to as a shell company because often it will be a company whose business has deteriorated and has few assets other than its listing.

A reverse take-over can be achieved in various ways, including a merger, an asset purchase, or a share purchase. The issuer resulting from a reverse take-over must still meet the original listing requirements of the TSX or TSXV, and the transaction is subject to an approval procedure analogous to that of an IPO.

Reverse take-overs are subject to shareholder approval of the publicly listed shell company. As a result, the publicly listed shell company needs to prepare a management information circular and proxy materials, and hold a shareholder meeting. The management information circular would contain prospectus level disclosure for the public shell company, the private issuer and the resulting issuer following the reverse take-over transaction. Amongst other requirements, three years of audited financial statements for the private issuer will typically need to be included in the management information circular.

### **4.2.1 Advantages and Disadvantages**

One advantage of a reverse take-over is that the publicly listed shell starts out with a pre-existing shareholder base that can assist them with satisfying the exchange's public float and distribution requirements and also with liquidity issues that may arise down the line. Management of the

publicly listed shell may also have useful skill sets or pre-existing relationships with investors, investment dealers and other capital market participants which the new management can use to their advantage following the completion of the reverse take-over.

A reverse take-over does not require the preparation of a prospectus (although prospectus-level disclosure is nevertheless required). As a result, an issuer listing by way of a reverse take-over will primarily deal with the appropriate stock exchange as the regulatory authority. There is no additional regulatory oversight required by the provincial or territorial securities regulators. In addition, since it can be difficult to attract underwriter interest for an IPO if the size, financing requirements and industry sector of the issuer are not attractive enough, a reverse take-over provides an alternative method of listing if the issuer is simply seeking a listing and does not have financing requirements that are best met by an IPO.

Although a reverse take-over is generally thought to result in lower professional fees, the total costs associated with it are usually similar to an IPO. Depending on the purchase price of the publicly listed shell company (in the form of the equity dilution given to the shareholders of the shell company), the cost of a reverse take-over can be higher than the cost of an IPO for the same issuer. Moreover, in pursuing a reverse take-over, an issuer will have to spend additional time and resources conducting due diligence on the publicly listed shell to ensure it has satisfied all of its pre-existing obligations and does not have significant outstanding liabilities which may be inherited by the resulting issuer upon completion of the reverse take-over. The resulting issuer will also have to deal with pre-existing brand and name association of the publicly listed shell company. Finally, shareholders of the shell company who do not have an interest in the resulting issuer's business may sell their securities in the resulting issuer, creating downward pressure on the stock price.

Although a reverse take-over is often said to be a faster method of going public, our experience is that any time saved is nominal due to the exchange's requirements of obtaining shareholder approval of the shell company (which generally requires holding a shareholder meeting) and providing prospectus-level disclosure in the management information circular.

Reverse take-overs are generally most beneficial when the asset package or management team in the shell is attractive and when the issuer does not need to raise a significant amount of money from the public pursuant to a prospectus.

### **4.3 Qualifying Transaction**

The qualifying transaction is a unique listing method only available for the TSXV, which has a special category of listed issuers called capital pool companies (CPCs). CPCs are essentially shell companies which are incorporated and listed on the TSXV for the sole purpose of completing a reverse take-over, which the TSXV refers to as a qualifying transaction in reverse take-overs involving CPCs.

As shell companies, CPCs are limited in the amount of funds (C\$2-million) they can raise in the seed round financing and IPO to list on the TSXV. A CPC can only use the proceeds from its seed round financing and IPO to seek and complete a qualifying transaction which must be completed within two years of completing the CPC IPO. Frequently, CPCs are taken public with only a couple of hundred thousand dollars – just enough to seek and complete a qualifying transaction.

The other unique aspect of the qualifying transaction is that the TSXV does not require shareholder approval of the CPC to complete a qualifying transaction. As a result, if the qualifying transaction is structured such that CPC shareholder approval is not otherwise required under corporate or securities laws, then no shareholder meeting needs to be held and the transaction is completed more rapidly.

However, similar to a reverse take-over, prospectus level disclosure is required for the CPC, the private issuer and the resulting issuer in the management information circular or filing statement prepared for the qualifying transaction.

#### **4.3.1 Advantages & Disadvantages**

A qualifying transaction has the same advantages and disadvantages as a reverse take-over. However, a qualifying transaction has the added advantage that little due diligence is required on the CPC since it is a special purpose vehicle created solely to complete a qualifying transaction and has few historical obligations or liabilities that may be inherited by the resulting issuer. In addition, since a qualifying transaction can be structured so that CPC shareholder approval is not required, it can also be completed more rapidly than a conventional reverse take-over. However, as CPC shareholders typically invest at a fairly low stock price in the initial seed round or in the IPO, they may take their profit and sell at the first available opportunity following the qualifying transaction.

### **4.4 Direct Listing**

Where an issuer is already listed on a stock exchange outside Canada, it may be able to seek a dual listing and list directly on the TSX or TSXV. If the issuer is already listed on a reputable stock exchange, it may be eligible for certain exemptions from the TSX's or TSXV's listing, regulatory and reporting requirements.

#### **4.4.1 Advantages and Disadvantages**

For issuers that are already listed on a stock exchange, a direct listing provides additional liquidity and an additional marketplace for the issuer's securities to be listed and posted for trading and gives issuers access to the Canadian capital markets.

The primary disadvantage of a direct listing is that if it isn't accompanied by a concurrent financing or if shares aren't transferred by one or more shareholders from the issuer's home stock exchange to the TSX or TSXV, there may be little or no trading activity, and the expenses incurred in pursuing and maintaining the Canadian listing may not justify the minimal amount of trading activity.

## 5. Guidance for Emerging Market Issuers

As mentioned above, EMIs intending to list their securities on the TSX or TSXV could be subject to potential new guidance or requirements, including special rules with respect to disclosure of the following:

- potential risks associated with listing EMIs;
- management and corporate governance, including relating to requirements for independent directors;
- financial reporting and specifically the role of the Chief Financial Officer, the audit committee and auditors;
- internal controls, including, for the TSX, whether a report on internal controls should be submitted by an auditor at the time of original listing for EMIs;
- related-party transactions;
- non-traditional corporate/capital structures; and
- sponsorship of EMIs, including whether sponsorship reports should be made public.

### 5.1 Pre-Filing Conferences

The TSX and TSXV have recommended that any issuer with significant connections to an emerging market jurisdiction that is contemplating a listing on either exchange arrange a pre-filing meeting with the applicable exchange.

### 5.2 Sponsorship

The TSX notes that while, historically, sponsorship may have been waived for certain applicants completing an IPO or brokered financing, or graduating from the TSXV, in assessing EMIs, the TSX is unlikely to waive the sponsorship requirement.

### 5.3 Ongoing Requirements

In connection with an original listing, the TSX notes that it may require supplemental ongoing requirements to mitigate risks, including a requirement to have the TSX pre-clear a change of auditors and pre-clear new board members or senior management. The TSX further notes that it could periodically re-consider these requirements as an issuer's risk profile changes over time.

## **6. Considerations for Chinese Companies Seeking to List on the TSX or TSXV**

Chinese companies that wish to list on the TSX or TSXV face certain unique issues.

### **6.1 Redomiciling**

As a threshold issue, under Chinese law, a company incorporated in China cannot list on the TSX or TSXV. Any company incorporated in China would have to redomicile to an offshore jurisdiction. Usually, this means redomiciling as a company incorporated under one of the Canadian corporate statutes, although other offshore jurisdictions, such as the United States, are also acceptable. However, the exchange may require certain amendments to the company's constating documents where the Chinese company redomiciles into an offshore jurisdiction with corporate laws that are not similar to Canadian corporate statutes in terms of shareholder protection.

As a result of regulations that have been promulgated by the Chinese Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission and the State Administration for Foreign Exchange, redomiciling raises complex Chinese legal issues which require sophisticated legal advice from experienced Chinese counsel. It is crucial that any Chinese company seeking to list on the TSX or TSXV obtain sound Chinese legal advice upfront.

In addition, there are frequently tax consequences for the principal shareholders as a result of redomiciling a Chinese company to an offshore jurisdiction. These matters will also require cross-border tax advice from counsel experienced in international taxation issues.

### **6.2 Financial Statement Requirements**

As mentioned, issuers intending to list on the TSX or TSXV are usually required to produce three years of audited financial statements. Currently, the financial statements must be prepared in accordance with International Financial Reporting Standards and audited in accordance with International Auditing Standards for preparing and auditing financial statements. Financial statements prepared in accordance with Chinese accounting principles and audited in accordance with Chinese auditing standards will not be acceptable. In addition, with very few limited exceptions, the audit report must not contain any qualifications or reservations.

With respect to issuers with primary business in China, the TSX and TSXV have historically demonstrated heightened concern over the issuer's internal control over financial reporting and disclosure controls and procedures, and whether the issuer's management has adequate training to comply with Canadian financial reporting requirements. Issuers intending to list on the TSX or TSXV should ensure that their finance staff have sufficient training and experience to satisfy the exchange's concerns in this regard.

## **7. Appendix A: Toronto Stock Exchange and TSX Venture Exchange Minimum Listing Requirements**

### **TSX & TSXV**

#### **Minimum Listing Requirements (by type of company)**

The TSX and TSXV will examine each application on its merits. However, each exchange has published guidelines of some of the factors it takes into consideration. All amounts are in Canadian dollars unless otherwise specified. For further information, see the following website: [www.tsx.com](http://www.tsx.com) and then link to "Interested in Listing".

#### *Summary of Toronto Stock Exchange and TSX Venture Exchange Listing Requirements for International Issuers*

International issuers are entities where the issuer is already listed on another recognized exchange and is incorporated outside Canada. At this point in time, there are no unique management or financial requirements for international issuers, but as noted above, the TSX and TSXV are expected to issue new guidance or requirements for emerging market issuers.

International issuers are generally required to have some presence in Canada and must be able to demonstrate, as with all other 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.

## LISTING REQUIREMENTS FOR EXPLORATION & MINING COMPANIES

	TSX Venture Tier 1	TSX Venture Tier 2	TSX Non-exempt Exploration and Development Stage	TSX Non-exempt Producer	TSX Exempt
<b>Property Requirements</b>	Material interest in a Tier 1 property <sup>(4)</sup>	Significant interest <sup>(5)</sup> in a qualifying property or, at discretion of Exchange, hold rights to earn a significant interest <sup>(5)</sup> in a qualifying property with sufficient evidence of no less than C\$100,000 of exploration expenditures on the qualifying property in the past three years	Advanced Exploration Property <sup>(2)</sup> Minimum 50% ownership in the property <sup>(3)</sup>	Three years proven and probable reserves as estimated by an independent qualified person (if not in production, a production decision made)	Three years proven and probable reserves as estimated by an independent, qualified person
<b>Recommended Work Program</b>	C\$500,000 on the Tier 1 property <sup>(4)</sup> as recommended by geological report	C\$200,000 on the qualifying property as recommended by geological report <sup>(6)</sup>	C\$750,000 on advanced exploration property <sup>(2)</sup> as recommended in independent technical report <sup>(6)</sup>	Bringing the mine into commercial production	Commercial level mining operations
<b>Working Capital and Financial Resources</b>	Adequate working capital and financial resources to carry out stated work program or execute business plan for 18 months following listing; C\$200,000 unallocated funds	Adequate working capital and financial resources to carry out stated work program or execute business plan for 12 months following listing; C\$100,000 unallocated funds	Minimum C\$2-million working capital, but sufficient to complete recommended programs, plus 18 months G&A <sup>(1)</sup> , anticipated property payments and capital expenditures. Appropriate capital structure.	Adequate funds to bring property into commercial production; plus adequate working capital for all budgeted capital expenditures and to carry on the business. Appropriate capital structure.	Adequate working capital to carry on the business. Appropriate capital structure.
<b>Net Tangible Assets, Earnings or Revenue</b>	C\$2-million net tangible assets	No requirement	C\$3-million net tangible assets	C\$4-million net tangible assets; evidence indicating a reasonable likelihood of future profitability supported by a feasibility study or historical production and financial performance	C\$7.5-million net tangible assets; pre-tax profitability from ongoing operations in last fiscal year; pre-tax cash flow of C\$700,000 in last fiscal year and average of C\$500,000 for past two fiscal years
<b>Other Criteria</b>	Geological report <sup>(6)</sup> recommending completion of work order		Up-to-date, comprehensive technical report <sup>(6)</sup> prepared by independent qualified person and 18-month projection (by quarter) of sources and uses of funds, signed by CFO		Up-to-date, comprehensive technical report prepared by independent qualified person
<b>Management and Board of Directors</b>	Management, including board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience. Companies are required to have at least two independent directors.				



	<b>TSX Venture Tier 1</b>	<b>TSX Venture Tier 2</b>	<b>TSX Non-exempt Exploration and Development Stage</b>	<b>TSX Non-exempt Producer</b>	<b>TSX Exempt</b>
<b>Distribution, Market Capitalization and Public Float</b>	Public float of 1,000,000 shares; 250 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in hands of public shareholders	Public float of 500,000 shares; 200 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders	C\$4-million publicly held 1,000,000 free trading public shares; 300 public holders with board lots		
<b>Sponsorship</b>	Sponsor report may be required		Required (may be waived if sufficient previous third-party due diligence)		Not required

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

(2) "advanced exploration property" refers to one on which a zone of mineralization has been demonstrated in three dimensions with reasonable continuity indicated. The mineralization identified has economically interesting grades.

(3) A company must hold or have the right to earn and maintain a 50% interest in the property. Companies holding less than a 50% interest will be considered on a case-by-case basis looking at program size stage of advancement of the property and strategic alliances.

(4) "Tier 1 property" means a property that has substantial geological merit and is:

(i) a property in which the issuer holds a material interest; and

(ii) a property on which previous exploration, including detailed surface geological, geophysical and/or geochemical surveying and at least an initial phase of drilling or other detailed sampling (such as trench or underground opening sampling) has been completed;

(iii) a property on which drilling or other detailed sampling on the property has identified potentially economic or economic materialization; and

(iii) an independent geological report recommends a minimum C\$500,000 Phase 1 drilling (or other form of detailed sampling) program based on the merits of previous exploration results; or an independent, positive, feasibility study demonstrates that the property is capable of generating positive cash flow from ongoing operations.

(5) "significant interest" means at least 50% interest.

(6) "geological report" or "technical report", in the case of a mining property, is a report prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects or any successor instrument.

#### **Mining Disclosure Standards**

National Instrument 43-101 is the Canadian Securities Administrators' (CSA) policy that governs the scientific and technical disclosure by mining companies and the preparation of technical reports. It covers oral statements as well as written documents and websites. NI 43-101 requires that all technical disclosure be based on advice by a "qualified person". Issuers are required to make disclosure of reserves and resources using definitions approved by the Canadian Institute of Mining, Metallurgy and Petroleum, except for disclosure pertaining to coal.

#### **Technical Reports by Foreign Qualified Authors**

Technical reports that accompany a listing application must be prepared by a qualified person who is a member of an approved professional association. Licences, certification or membership in the ASBOG, AIPG, AusIMM, IMMM, MMSA, EFG, AIG, SAIMM, SACNASP, GSL or IGI will normally be acceptable. The CSA has published an FAQ that provides details on the "qualified person" equivalents from other jurisdictions and other resources and reserve definitions that are acceptable with a brief reconciliation.

NI 43-101 is available at:

[http://www.osc.gov.on.ca/documents/en/Securities-Category4/rule\\_20051223\\_43-101\\_mineral-projects.pdf](http://www.osc.gov.on.ca/documents/en/Securities-Category4/rule_20051223_43-101_mineral-projects.pdf)

Frequently Asked Questions at:

[http://www.osc.gov.on.ca/documents/en/Securities-Category4/csa\\_20030124\\_43-302\\_faq-43-101.pdf](http://www.osc.gov.on.ca/documents/en/Securities-Category4/csa_20030124_43-302_faq-43-101.pdf)

For detailed listing requirements, go to [www.tmx.com](http://www.tmx.com).

**LISTING REQUIREMENTS FOR OIL & GAS  
(EXPLORATION OR PRODUCING) COMPANIES**

	<b>TSX Venture Tier 1</b>	<b>TSX Venture Tier 2</b>	<b>TSX Non-Exempt Oil &amp; Gas Development Stage Issuers<sup>(9)</sup></b>	<b>TSX Non-Exempt Oil &amp; Gas Exploration and Development Stage Issuers</b>	<b>TSX Exempt Oil &amp; Gas Issuers<sup>(4)</sup></b>
<b>Net Tangible Assets, Earnings or Revenue</b>	No Requirements				Pre-tax profitability from ongoing operations in last fiscal year. Pre-tax cash flow from ongoing operations of C\$700,000 in last fiscal year and average pre-tax cash flow from ongoing operations of C\$500,000 for the past two fiscal years.
<b>Working Capital and Financial Resources</b>	Adequate working capital and financial resources to carry out stated work program or execute business plan for 18 months following listing; C\$200,000 unallocated funds.	Adequate working capital and financial resources to carry out stated work program or execute business plan for 12 months following listing; C\$100,000 unallocated funds.	Adequate funds to either: (a) execute the development plan and cover all other capital expenditures and G&A <sup>(1)</sup> + debt service expenses, for 18 months with a contingency allowance; OR (b) bring the property into commercial production, with adequate working capital to fund all budgeted capital expenditures to carry on the business. 18-month projection of sources and uses of funds signed by CFO <sup>(6)</sup> . Appropriate capital structure.	Adequate funds to execute the program and cover all other capital expenditures and G&A <sup>(1)</sup> + debt service expenses for 18 months with a contingency allowance. 18-month projection of sources and uses of funds signed by CFO. Appropriate capital structure.	Adequate working capital to carry on the business. Appropriate capital structure.
<b>Distribution, Market Capitalization and Public Float</b>	Public float of 1,000,000 shares; 250 Public Shareholders each holding a Board Lot and having no Resale Restrictions on their shares; 20% of issued and outstanding shares in the hands of Public Shareholders.	Public float of 500,000 shares; 200 Public Shareholders each holding a Board Lot and having no Resale Restrictions on their shares; 20% of issued and outstanding shares in the hands of Public Shareholders.	At least 1,000,000 freely tradable shares with an aggregate market value of C\$4-million; 300 public holders, each with one board lot or more. Minimum market value of the issued securities that are to be listed of at least C\$200-million.	At least 1,000,000 freely tradable shares with an aggregate market value of C\$4-million; 300 public holders, each with one board lot or more.	
<b>Sponsorship</b>	Sponsor report may be required		Sponsor report may be required (generally not required for IPOs or TSX Venture Graduates)		Not required

	<b>TSX Venture Tier 1</b>	<b>TSX Venture Tier 2</b>	<b>TSX Non-Exempt Oil &amp; Gas Development Stage Issuers<sup>(9)</sup></b>	<b>TSX Non-Exempt Oil &amp; Gas Exploration and Development Stage Issuers</b>	<b>TSX Exempt Oil &amp; Gas Issuers<sup>(4)</sup></b>
<b>Property Requirements</b>	<p><b>Exploration</b> – C\$3-million in reserves of which a minimum of C\$1-million must be proved developed reserves<sup>(2)</sup> and the balance probable reserves</p> <p><b>Producing</b> – C\$2-million in proved developed reserves<sup>(2)</sup></p>	<p><b>Exploration</b> – either (i) Issuer has an unproven property with prospects or (ii) Issuer has joint venture interest and C\$5-million raised by Prospectus offering</p> <p><b>Reserves</b> – either (i) C\$500,000 in proved developed producing reserves or (ii) C\$750,000 in proved plus probable reserves</p>	Contingent resources <sup>(7)</sup> of C\$500-million <sup>(8)</sup>	C\$3-million proved developed reserves <sup>(2, 5)</sup>	C\$7.5-million proved developed reserves <sup>(2, 5)</sup>
<b>Recommended Work Program</b>	<p><b>Exploration</b> – satisfactory work program (i) of no less than C\$500,000 and (ii) which can reasonably be expected to increase reserves, as recommended in a Geological Report.</p> <p><b>Producing</b> – No requirement</p>	<p><b>Exploration</b> – minimum of C\$1.5-million allocated by Issuer to a work program as recommended in a Geological Report except where Issuer has a joint venture interest and has raised C\$5-million in Prospectus offering</p> <p><b>Reserves</b> – (i) satisfactory work program and (ii) in an amount of no less than C\$300,000 if proved developed producing reserves have a value of less than C\$500,000 as recommended in Geological Report</p>	Clearly defined development plan, satisfactory to the Exchange, which can reasonably be expected to advance the property	Clearly defined program to increase reserves	
<b>Management and Board of Directors</b>	Management, including board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience. Companies are required to have at least two independent directors.				
<b>Other Criteria</b>	Geological Report recommending completion of work program		Up-to-date technical report prepared by an independent technical consultant (NI 51-101 <sup>(3)</sup> )		

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

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

(3) "NI 51-101" National Instrument 51-101 – *Standards of Disclosure for Oil & Gas Activities* – available at: <http://www.osc.gov.on.ca/en/13338.htm>, or [http://www.bcsc.bc.ca/uploadedFiles/securitieslaw/policy5/51-101\\_NII-rev.pdf](http://www.bcsc.bc.ca/uploadedFiles/securitieslaw/policy5/51-101_NII-rev.pdf) for a consolidated version.

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

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

(6) This projection must also include actual financial results for the most recently completed quarter.

(7) "Contingent resources" are defined in accordance with Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101, however the Exchange in its discretion may exclude certain resources classified as contingent resources after taking into consideration the nature of the contingency. The Exchange will use the best-case estimate for contingent resources, prepared in accordance with National Instrument 51-101.

(8) 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 the equivalent of National Instrument 51-101 will normally be acceptable also. The value of the resources should be calculated as the best-case estimate of the net present value of future cash flows before income taxes, prepared on a forecast basis, and discounted at a rate of 10%. The Exchange may, at its discretion, also require the provision of a price sensitivity analysis.

(9) The Exchange strongly recommends pre-consultation with the Exchange for any applicant applying under this listing category. Generally, this category will be limited to issuers with unconventional oil & gas assets, such as oil sands.

For detailed listing requirements, go to [www.tmx.com](http://www.tmx.com).

**LISTING REQUIREMENTS FOR INDUSTRIAL, TECHNOLOGY,  
RESEARCH & DEVELOPMENT AND REAL ESTATE COMPANIES**

<b>Initial Listing Requirements</b>	<b>TSX Venture Tier 1 Industrial/Technology/ Life Sciences</b>	<b>TSX Venture Tier 2 Industrial/Technology/ Life Sciences</b>	<b>TSX Venture Tier 1 Real Estate or Investment</b>	<b>TSX Venture Tier 2 Real Estate or Investment</b>
<b>Net Tangible Assets, Revenue or Arm's-Length Financing (as applicable)</b>	C\$5-million net tangible assets or C\$5-million revenue. If no revenue, two year management plan demonstrating reasonable likelihood of revenue within 24 months.	C\$750,000 net tangible assets or C\$500,000 in revenue or C\$2-million Arm's-Length Financing. If no revenue, two-year management plan demonstrating reasonable likelihood of revenue within 24 months.	<b>Real Estate:</b> C\$5-million net tangible assets <b>Investment:</b> C\$10-million net tangible assets	C\$2-million net tangible assets or C\$3-million Arm's-Length Financing
<b>Adequate Working Capital and Capital Structure</b>	Adequate working capital and financial resources to carry out stated work program or execute business plan for 18 months following listing; C\$200,000 unallocated funds	Adequate working capital and financial resources to carry out stated work program or execute business plan for 12 months following listing; C\$100,000 unallocated funds	Adequate working capital and financial resources to carry out stated work program or execute business plan for 18 months following listing; C\$200,000 unallocated funds	Adequate working capital and financial resources to carry out stated work program or execute business plan for 12 months following listing; C\$100,000 unallocated funds
<b>Property</b>	Issuer has Significant Interest in business or primary asset used to carry on business		<b>Real Estate:</b> Issuer has Significant Interest in real property <b>Investment:</b> no requirement	
<b>Prior Expenditures and Work Program</b>	History of operations or validation of business		<b>Real Estate:</b> no requirement <b>Investment:</b> disclosed investment policy	<b>Real Estate:</b> no requirement <b>Investment:</b> (i) disclosed investment policy and (ii) 50% of available funds must be allocated to at least two specific investments
<b>Management and Board of Directors</b>	Management, including board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience. Companies are required to have at least two independent directors.			
<b>Distribution, Market Capitalization and Public Float</b>	Public float of 1,000,000 shares; 250 Public Shareholders each holding a Board Lot and having no Resale Restrictions on their shares; 20% of issued and outstanding shares in the hands of Public Shareholders	Public float of 500,000 shares; 200 Public Shareholders each holding a Board Lot and having no Resale Restrictions on their shares; 20% of issued and outstanding shares in the hands of Public Shareholders	Public float of 1,000,000 shares; 250 Public Shareholders each holding a Board Lot and having no Resale Restrictions on their shares; 20% of issued and outstanding shares in the hands of Public Shareholders	Public float of 500,000 shares; 200 Public Shareholders each holding a Board Lot and having no Resale Restrictions on their shares; 20% of issued and outstanding shares in the hands of Public Shareholders
<b>Sponsorship</b>	Sponsor Report may be required			

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

(1) Generally includes companies engaged in hardware, software, telecommunications, data communications, information technology and new technologies that are not currently profitable or able to forecast profitability.

(2) Applicants should file a complete set of forecast financial statements covering the current and/or next fiscal year (on a quarterly basis). Forecasts must be accompanied by an auditor's opinion that the forecast complies with the CICA Auditing Standards for future-oriented financial information. Applicants should have at least six months of operating history.

(3) Under certain circumstances, deferred development charges or other intangible assets can be included in net tangible asset calculations.

(4) Companies with less than C\$2-million in net tangible assets may qualify for listing if the earnings and cash flow requirements for senior companies are met.

(5) "G&A" means general and administration expenses.

**LISTING REQUIREMENTS FOR INDUSTRIAL, TECHNOLOGY,  
RESEARCH & DEVELOPMENT AND REAL ESTATE COMPANIES**

Minimum Listing Requirements	TSX Non-Exempt Technology Issuers <sup>(1, 7)</sup>	TSX Non-Exempt Research & Development (R&D) Issuers <sup>(7)</sup>	TSX Non-Exempt Forecasting Profitability <sup>(7)</sup>	TSX Non-Exempt Profitable Issuers <sup>(7)</sup>	TSX Exempt Industrial Companies <sup>(8)</sup>
<b>Earnings or Revenue</b>			Evidence of pre-tax earnings from ongoing operations for the current or next fiscal year of at least C\$200,000 <sup>(2)</sup>	Pre-tax earnings from ongoing operations of at least C\$200,000 in the last fiscal year	Pre-tax earnings from ongoing operations of at least C\$300,000 in the last fiscal year
<b>Cash Flow</b>			Evidence of pre-tax cash flow from ongoing operations for the current or next fiscal year of at least C\$500,000 <sup>(2)</sup>	Pre-tax cash flow of C\$500,000 in the last fiscal year	Pre-tax cash flow of C\$700,000 in last fiscal year, and an average of C\$500,000 for past two fiscal years
<b>Net Tangible Assets</b>			C\$7.5-million <sup>(3)</sup>	C\$2-million <sup>(3, 4)</sup>	C\$7.5-million <sup>(3)</sup>
<b>Adequate Working Capital and Capital Structure</b>	Funds to cover all planned development expenditures, capital expenditures, and G&A <sup>(5)</sup> expenses for 1 year <sup>(6)</sup>	Funds to cover all planned R&D expenditures, capital expenditures and G&A <sup>(5)</sup> expenses for two years <sup>(6)</sup>	Working capital to carry on the business, and an appropriate capital structure		
<b>Cash in Treasury</b>	Minimum C\$10-million in the Treasury, with majority raised by prospectus offering	Minimum C\$12-million in Treasury + majority raised by prospectus offering			
<b>Products and Services</b>	Evidence that products or services at advanced stage of development or commercialization and that management has the expertise and resources to develop the business <sup>(9)</sup>	Minimum two-year operating history that includes R&D activities. Evidence of technical expertise and resources to advance its R&D programs <sup>(10)</sup>			
<b>Management and Board of Directors</b>	Management, including the board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience. Companies are required to have at least two independent directors.				
<b>Public Distribution and Market Capitalization</b>	1,000,000 free trading public shares. C\$10-million held by public shareholders. 300 public shareholders each holding a board lot. Minimum C\$50-million market capitalization		1,000,000 free trading public shares C\$4-million held by public shareholders 300 public shareholders each holding a board lot		
<b>Sponsorship</b>	Generally required				Not required

(6) A quarterly projection of sources and uses of funds, for the relevant period, including related assumptions signed by the CFO must be submitted. Projection should exclude uncommitted payments from third parties or other contingent cash receipts. R&D issuers should exclude cash flows from future revenues.

(7) Exceptional circumstances may justify granting of a listing, notwithstanding minimum requirements – generally an affiliation with established business and/or exceptionally strong financial position is required. Special purpose issuers are generally considered on an exceptional basis.

(8) (7), as well as for granting Exempt status. Special purpose issuers are generally considered on an exceptional basis.

(9) "Advanced stage of development or commercialization," generally restricted to historical revenues from the issuer's main business or contracts for future sales. Other factors may also be considered.

(10) Other relevant factors may also be considered.

For detailed listing requirements, go to [www.tmx.com](http://www.tmx.com).

## 8. Appendix B: TSX Exchange: List of documents to be filed

### TSX EXCHANGE (TSX)

#### LIST OF DOCUMENTS TO BE FILED

The following documents *must be filed concurrently with the Principal Listing Document and the TSX Listing Application in draft form.*

Applicants that are listed on the TSX Venture Exchange may be exempted from filing certain documents as noted below. Please refer to the footnotes for complete details.

1. A Personal Information Form and Consent for Disclosure of Criminal Record Information Form (collectively, a PIF), to be completed by every individual who will, at the time of listing:
  - a. be an officer or director of the Applicant; or
  - b. 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.

Where an individual has submitted a PIF to the TSX or TSX Venture Exchange within the last 36 months *and the information provided on such PIF has not changed*, a Statutory Declaration Form and a Consent for Disclosure of Criminal Record Information Form may be completed and filed in lieu of a PIF.<sup>1</sup>

Additional costs incurred to conduct searches on Individuals **residing outside Canada, the United States of America, the United Kingdom and Australia** will be charged to and must be paid by the Applicant.

2. A cheque for the original listing application fee payable, as provided in the TSX Listing Fee Schedule.<sup>2</sup>
3. The following financial statements, as applicable, unless included in the Principal Listing Document or available on SEDAR:
  - a. Audited financial statements for the most recently completed financial year, signed by two directors of the Applicant on behalf of the Board;
  - b. Unaudited financial statements for the most recently completed financial quarter, signed by two directors of the Applicant on behalf of the Board; and
  - c. If the Applicant has recently completed or proposes to complete a transaction such as a business acquisition or a significant disposition and such transaction would materially affect the financial position or operating results of the Applicant, *pro forma* financial statements that give effect to the transaction must be submitted.

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<sup>1</sup> *In the context of the listing of a special purpose issuer,* where an individual has submitted a PIF to the TSX within the last 12 months *and the information provided on such PIF has not changed*, such individual will be exempted from providing a PIF or a Statutory Declaration Form and a Consent for Disclosure of Criminal Record Information Form, as applicable.

<sup>2</sup> The original listing application fee is waived for Applicants listed on the TSX Venture Exchange.



4. **For Mining and Oil & Gas Applicants:**
  - a. Full and up-to-date reports on the significant properties of the Applicant, prepared in compliance with the National Instrument 43-101 (NI 43-101) for Mining Applicants and in compliance with National Instrument 51-101 (NI 51-101) for Oil & Gas Applicants. Reports prepared in conformity with other reporting systems deemed by the TSX to be substantially equivalent to NI 43-101 and NI 51-101 will normally be acceptable also. Written consent from the author must be provided for the use of the reports in support of the Listing Application.
  - b. A certificate from the author of the reports confirming that he/she: i) has reviewed the disclosures in the Principal Listing Document regarding the properties covered by such reports; and ii) considers the disclosure to be accurate to the best of his/her knowledge.
  - c. Projected sources and uses of funds statement for a period of 18 months, including related assumptions, presented on a quarterly basis, prepared by management and signed by the Chief Financial Officer, unless the Applicant is applying for listing pursuant to Section 314.1 or 319.1 (Requirements for Eligibility for Listing Exempt from Section 501).
5. **Technology Applicants:** Projected sources and uses of funds statement, including related assumptions, for a period of 12 months, presented on a quarterly basis, prepared by management and signed by the Chief Financial Officer.
6. **Research and Development Applicants:** Projected sources and uses of funds statement, including related assumptions, for a period of 24 months, presented on a quarterly basis, prepared by management and signed by the Chief Financial Officer.
7. Certified copies of all charter documents, including Articles of Incorporation, Letters Patent, Articles of Amendment, Articles of Continuance, Articles of Amalgamation, partnership agreements, trust indentures, declarations of trust or equivalent documents.<sup>3</sup> **Applicants incorporated outside Canada** may be required to provide a reconciliation of the corporate laws in their home jurisdiction to those of the *Canada Business Corporation Act*.
8. **Applicants with Restricted Voting Securities** – One copy of the take-over protection agreement (or coattail trust agreement) which meets, or will be amended to meet, the requirements of **Section 624 (l)** of the Company Manual.<sup>1</sup>
9. One copy of every security-based compensation arrangement and any other similar agreement (a Plan) under which securities may be issued, together with a sample option agreement used for option grants if there is a Plan in place or all individual option agreements if the Applicant has no Plan. If securityholder approval was required for the Plan, include a copy of the approval.<sup>1</sup>
10. Copies of any agreements under which securities are held in escrow, pooled, or under a similar arrangement.<sup>1</sup>
11. Reports evidencing the number of freely tradeable securities and the number of securityholders in the form set out in Attachments 1 and 2 of the Listing Application for each class of securities to be listed including warrants and convertible debentures.

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<sup>3</sup> If the Applicant has previously submitted these documents to the TSX Venture Exchange in a form acceptable to the TSX, then the Applicant may provide a consent and direction to the TSX Venture Exchange to provide it to the TSX.

12. Sponsorship letter in draft form from the TSX participating organization in compliance with the requirements set out in **Section 326** of the Company Manual, unless exempted by the TSX.<sup>4</sup>
13. Information required to update the Principal Listing Document, including continuous disclosure filings such as material change reports, business acquisition reports, press releases and any other information required to make the listing application current. In addition, such appendix should include an updated chart of the trading history of the securities of the Applicant up to the end of the month preceding the application to list on the TSX, if applicable.

The following documents *must be filed after the Applicant has been conditionally approved for listing on the TSX*, together with any additional documentation specified in the conditional approval letter.

1. TSX Listing Application duly completed in final form. The certificate and declaration accompanying the Listing Application must be signed by: i) the Chief Executive Officer (or President); and ii) the Corporate Secretary or the Chief Financial Officer of the Applicant, or, if not available, by another duly authorized senior officer of the Applicant. Declarations must be made before a Notary Public. If the declarations are made outside Canada, appropriate adjustments should be made.
2. A letter from the trust company which acts as transfer agent and registrar in the City of Toronto stating that it has been duly appointed as transfer agent and registrar 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.<sup>5</sup>
3. Security certificates – One of the following, *for each class of securities to be listed*<sup>1</sup>:
  - a. For applicants using engraved security certificates – A definitive specimen certificate which meets the requirements set out in Appendix D of the Company Manual, printed by a bank note company approved by the TSX.
  - b. For applicants using the book entry only system administered by CDS Clearing and Depository Services Inc. (CDS) – A copy of the global certificate.
  - c. For applicants using a generic certificate – A definitive specimen of the generic certificate and a letter from the issuing transfer agent confirming that the generic certificate is in compliance with all Security Transfer Association of Canada requirements.
4. CUSIP confirmation – One of the following, *for each class of securities to be listed*<sup>1</sup>:
  - a. For applicants incorporated in Canada – An unqualified letter from the CDS confirming the CUSIP number assigned to each class of securities to be listed on the TSX.

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<sup>4</sup> Applicants currently listed on the TSX Venture Exchange should contact the TSX to discuss providing a sponsorship letter. Generally, TSX Venture Exchange Applicants are not required to submit a sponsorship letter if they have: i) provided a sponsorship letter as a result of a major transaction pursuant to the TSX Venture Exchange policy within the last 18 months; ii) cleared a prospectus in the past 12 months; iii) traded on the TSX Venture Exchange for a minimum period of 24 months, meet the original listing requirements detailed in Part III of the Company Manual and are in good standing with all TSX Venture Exchange regulatory requirements; or iv) completed an eligibility review as outlined in section 305 of the Company Manual and the TSX has determined that the issuer meets the listing requirements and no sponsorship letter is required.

<sup>5</sup> If the Applicant has previously submitted these documents to the TSX Venture Exchange in a form acceptable to the TSX, then the Applicant may provide a consent and direction to the TSX Venture Exchange to provide them to the TSX.

- b. For applicants incorporated outside Canada – An unqualified letter from the entity which has the jurisdiction to assign CUSIPs confirming the CUSIP number assigned to each class of securities to be listed *and* a confirmation from CDS that the securities to be listed on the TSX are eligible for clearing and settlement through CDS;
5. A letter 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:
  - a. it is a valid and subsisting company (or other legal entity, as applicable);
  - b. all of the securities, which have been allotted and issued as set out in the listing application, have been legally created; and
  - c. all of the securities, which have been allotted and issued as set out in the listing application, are or will be validly issued as fully paid and non-assessable.
6. A copy of every material contract referred to in the listing application, if not already provided pursuant to a different requirement in this list and if not available in current form on SEDAR.<sup>1</sup>
7. Duly completed registration form for TSX SecureFile which is available on tsx.com.

**The TSX reserves the right to require any additional document or information as it deems appropriate in order to assess the Applicant's eligibility to list on the TSX.**

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