



*"The beaver rarely abandons his work,
but perseveres against all obstacles until
his lodge and dams are complete."*

IMPROVING ACCESS TO CAPITAL FOR LISTED COMPANIES

The Vancouver Stock Exchange welcomes emerging companies to our market. Our aim is to make their transition from private to public company quick, simple and cost-effective. From pre-listing through to graduation, we work hard to ensure that the VSE's effective regulatory environment, open and transparent trading system and broad dissemination of market information will advance each company's initial and ongoing financing efforts.

By providing an active, well-regulated public market for funding companies during their early development, the VSE occupies a unique place among North American stock markets. Through decades of experience with junior companies, the VSE has tailored its policies and listing requirements to suit the unique needs of early-stage ventures in need of growth capital from \$500,000 to \$25 million. Recently, the VSE introduced significant changes to its corporate finance policies and procedures to improve access to capital for listed companies.





Companies can benefit in many ways from going public early in their development. As a venture capital market, the Vancouver Stock Exchange provides the framework, regulation and liquidity of a public market, as well as the opportunity for ongoing financing. From employee stock options to fair valuations that can lead to other financing opportunities, the VSE helps emerging companies grow their businesses in a regulated environment. VSE services and programs are designed to provide access to capital and protect investors.

An important aspect of the VSE's venture capital marketplace is its open-auction trading system, Vancouver Computerized Trading (VCT). Compared to dealer markets, where traders typically act as principals, buying and selling from their own inventories, the VSE's order-driven auction market has no specialists or market makers. Those trading VSE stocks view the full order book, and their trades are executed directly on the VCT system. This enables listed companies to establish a fair and realistic valuation based purely on market forces.

The VSE website offers a wealth of information to listed companies and investors. It provides market highlights, publications and delayed stock quotations as well as market summaries and complete VSE corporate finance policies and rules. An important feature of the VSE website introduced in 1998 is VC INFO, our comprehensive database of listed company information.

There are three ways to list on the Vancouver Stock Exchange. Once a prospective listed company secures a sponsor, its directors consult with their legal counsel and underwriter to choose between an initial public offering (IPO) or a reverse takeover (RTO). Proven entrepreneurs with a public market track record may choose instead to launch a venture capital pool (VCP) company to find and acquire a suitable venture. Whichever door the company chooses, it will enter the same junior capital marketplace with the same benefits of liquidity, incentive options, higher valuation and an environment that can promote growth.

Since the British Columbia Securities Commission transferred responsibility for the vetting of prospectuses to the VSE in 1998, the Exchange has worked to significantly improve the processing time for initial public offerings.

VSE SERVICE STANDARDS

Initial Public Offering (IPO)	90 days
Exchange Offering Prospectus (EOP)	70 days
Venture Capital Pool (VCP)	25 days

The VSE marketing department works collaboratively with members to attract new companies to the Exchange. Our market can play an important role in the development of emerging companies as they grow and mature toward senior market listings. It can also be an effective complement to venture capitalist and other forms of early-stage investment.





For companies considering a listing on the VSE, the marketing department provides a unique consulting service called the Pre-Review Program (PREP). The PREP coordinator provides advice about the VSE listing process and may also provide introductions to Vancouver-based lawyers, accountants, member firms and other consultants who have successfully brought companies to the VSE.

The VSE's commitment to mining remains firm, even as the importance of the non-resource sector increases. As the single largest source of venture capital for junior mining exploration, our Exchange has fostered some of the largest and richest mineral discoveries in history, both in Canada and around the world. On the technology front, the VSE has leveraged its venture capital expertise to support the early development of companies that have gone on to be leaders in their industries.

Building a market for emerging companies is our major goal. At a time when financing early-stage companies can be a formidable challenge, the Vancouver Stock Exchange stands ready, willing and able to assist junior explorers and new technology ventures to secure the funding needed to build their businesses.