



"The beaver is industrious and resilient. He works tirelessly to build a safe habitat, shaping from a complex of trees, branches and earthen mortar an enduring structure ideally suited to its purpose."

MAINTAINING AN OPEN AND TRANSPARENT MARKET FOR INVESTORS

The Vancouver Stock Exchange provides investors with a well-regulated, fair and accessible marketplace where they can participate in funding the new businesses and ideas that are fueling today's economy. Our market position as the exchange *Where Business Starts* clearly indicates our niche role in the global economy. The VSE has traditionally raised exploration capital for mining ventures around the world. In recent years, the Exchange has leveraged its venture capital expertise to facilitate the raising of growth capital for new-economy technology and biotechnology companies.

VSE companies are generally classified as "venture capital" investments, which are more speculative and carry a higher risk than "blue chip" companies. Certain investors appreciate the risks and rewards they offer and find them a valuable part of a diversified investment portfolio.

Investors in the VSE market are trying to realize a high return on a modest investment. Our part is to ensure market integrity by providing an open and transparent marketplace, in a balanced regulatory environment, with easy access to market information.





The integrity of the VSE market is enhanced by high-quality companies, automated trading and surveillance and a dynamic website. Each helps to safeguard our market and provide extensive information from which investors and industry professionals can make sound investment decisions with confidence.

The VSE is home to approximately 1,400 listed companies operating in British Columbia, other parts of Canada and around the world. Two-thirds are junior mining ventures and one-third are new-economy ventures in the high technology, biotechnology and other industrial sectors.

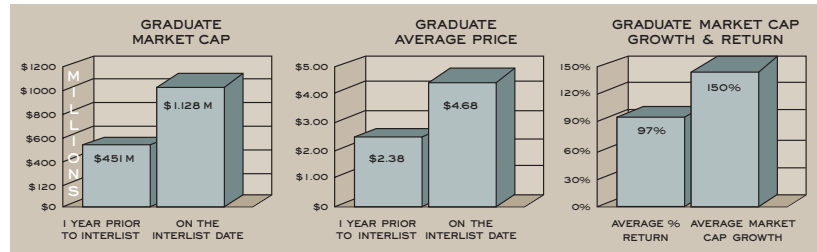
Most VSE companies are in the early phase of their life cycle. Their valuation is founded on the achievement of significant milestones, ranging from the discovery of a diamond or other mineral deposit, to clinical-trial breakthroughs. Going public in a market organized and regulated to support their growth enables companies such as Argentina Gold, The Electric Mail Company and Forbes Medi-Tech to provide a broad spectrum of investors with high-potential investment opportunities.

Following an initial public offering, companies raise additional capital through ongoing public financing rounds. As their capital needs increase, many companies leverage their early success into a joint venture or merger or graduate from the VSE to a senior exchange.

More than 200 VSE-launched companies have graduated to senior exchanges in the past half-dozen years.

VSE graduates consistently out-perform other North American markets in the year prior to their graduation. Prudent investors can identify and take advantage of opportunities presented by these fast-growing companies before they graduate from the VSE and before senior market analysts take notice of their potential.

1996-98 VSE TECHNOLOGY GRADUATES TO SENIOR EXCHANGES



Long an industry leader in the practice of applying technology to strengthen and improve services to investors, the VSE expanded its internet infrastructure in 1998 with VC INFO, a comprehensive listed-company database featuring more than 50 pages of information on each VSE company. VC INFO provides current business-day information and historical data to 1995. Online access to the VSE through the website and VC INFO enables anyone using the internet to access information about our market, at any time, from anywhere in the world. Subscribers can examine complete





prospectus filings, financial statements, technical reports and insider trading activity as well as the affiliations between directors and their various holdings. VC INFO also offers an effective tracking function that automatically monitors developments for a customized list of companies.

The VSE recognizes the value of fostering an investing public that understands the nature and purpose of venture capital. In 1998, we supplemented our *Junior Mining Standards* booklet with *Technology Standards* and will soon add *Internet Communications Standards*. This trio of VSE publications summarizes the reporting and disclosure obligations of directors and officers and clarifies for investors the standards the Exchange expects from listed companies.

During 92 years as a successful venture capital exchange, the VSE has developed a thorough understanding of venture capital investing and its role in Canada's capital markets. We understand how knowledgeable investors turn the risk and reward potential of equity financing to their advantage. For those who take the time to research and understand the prospective value of VSE listings, finding and growing with a new company can sometimes yield very significant financial rewards. In addition, investors gain the satisfaction of fueling a sector of the economy that is creating jobs to power long-term benefits for Canada.