

VSE

VANCOUVER STOCK EXCHANGE
1997



1907 1997

MEMBERS OF THE VANCOUVER STOCK EXCHANGE

The VSE is a self-regulating organization owned and operated by 54 national and regional Member Firms which provide trading services for individual and institutional investors and assist companies seeking to raise capital by listing on the stock exchange.

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J.M. ESTEY (TO)

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P.M. BROWN, C.C. BUCKLAND, W.A. McMAHON

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TEL (604) 687-2699 FAX (604) 687-2120
J.C. LAY

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FAX (604) 688-1406
G.P. REID

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P. RUYS DE PEREZ

CT SECURITIES SERVICES INC.
TEL (416) 981-5000 FAX (416) 947-7190
R.A. COSBURN

DEACON CAPITAL CORPORATION
TEL (416) 350-3250 FAX (416) 350-3252
D.J. GLOVER

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D.S. CHERNOFF

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TEL (604) 688-1898 FAX (604) 682-8874
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GORDON CAPITAL CORPORATION
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S.R. ISAAC

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B.D. GRIFFITHS

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TEL (604) 643-1100 FAX (604) 643-1199
J.P.P. TOGNETTI

HSBC JAMES CAPEL CANADA INC.
TEL (604) 687-8557 FAX (604) 685-8566
G.K. L. FUNG

JONES, GABLE & COMPANY LIMITED
TEL (604) 685-1481 FAX (604) 685-3761
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C.M. BRACKEN

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P. BRUNET (MTL)

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R.G. PETERS

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N.N. THOMPSON

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WHALEN, BELIVEAU & ASSOCIATES INC.
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J. BELIVEAU (MTL)

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M.F. WOLVERTON

YORKTON SECURITIES INC.
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D.A. RISLING, R.M.D. CROSS



DORIS BRADSTREET DAUGHNEY



MAX MEIER

BUILDING FOR THE 21ST CENTURY

The Vancouver Stock Exchange continues along a clearly defined path characterized by growth and service enhancement. The changes being implemented under the leadership of President and C.E.O. Michael Johnson and his executive team are focused on building the VSE, ensuring that the Exchange is positioned to help its Member Firms effectively compete in the global economy.

We believe the VSE's listed companies and their investors will be the primary beneficiaries of the changes now underway. Significant improvements are evident in the areas of market practices, efficiency, responsiveness and overall performance. As the VSE works with Member Firms to attract domestic and international companies in search of public financing, the Exchange continues to strengthen its role as the world's leading venture capital exchange.

We are pleased to welcome Chris Lay as our new Vice-Chair. Our thanks goes to Jamie Bruce and John Jennings who have completed their terms on the Board and to all of our Governors, who have strongly supported the VSE's new direction and served with dedication. 1997 will be an important year for the VSE as we celebrate our 90th anniversary. This is a time when we can look back on our progress and apply this experience to the future, which holds so much promise for the VSE.

A handwritten signature in black ink, reading "Doris Bradstreet Daughney".

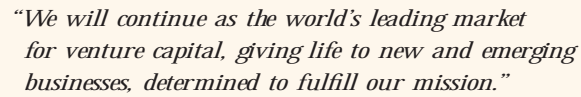
Doris Bradstreet Daughney
Chair

A handwritten signature in black ink, reading "Max Meier".

Max Meier
Vice-Chair



VANCOUVER STOCK EXCHANGE
Where Business Starts



CAPITALIZING ON OPPORTUNITIES

The Board of Governors recently adopted a Mission Statement which provides clear direction for the Exchange. In succinct terms it states our goal: *“To be an honest, fair and efficient market for venture capital.”* Our initiatives in 1997 and beyond will embrace this mission.

The VSE celebrates its 90th anniversary this year. Since 1907 our focus as a venture capital exchange has remained strong, along with our commitment to the Exchange's historical roots in the mining industry. While our present activities have grown far beyond an early emphasis on mineral exploration in Western Canada, they have never strayed from our passionate interest in new and emerging companies. Whether our listed companies represent a mining project in the Asia Pacific, a high-tech enterprise in the United States, or Canadians searching the far north for natural resources, we serve business that is too young or without the resources necessary to gain entrance to senior financial markets.





In concert with our Member Firms, we are actively developing national and international business. Teams from the VSE have visited Canadian markets, the United States, Asia Pacific, Latin America and Africa, attracting new companies to the Exchange. The results are evidenced in the 54 new listings and RTOs which have come to the VSE during the past year.

The VSE recently divested its West Canada Clearing and Depository business (which also serves the Alberta Stock Exchange) with The Canadian Depository for Securities Limited (CDS). This initiative creates a single national depository, clearing and settlement service for the trading undertaken by our Member Firms, thereby providing greater efficiency. CDS modified its systems to effectively preserve the unique functions required by our junior capital markets while providing the capabilities necessary for senior markets. The process of consensus building that led to this merger, provides a model for other national initiatives in the Canadian securities industry.

We have established a unique strategic position as the world's leading venture capital exchange. By effectively serving our niche market, we assume a key role in the growth of new and promising businesses. The VSE's mandate complements Canada's senior financial markets as many of the companies beginning on our Exchange will graduate to the larger exchanges when they have matured.



VANCOUVER STOCK EXCHANGE
Where Business Starts

A major commitment has been made to advance our goals
– to be an honest, fair and efficient market for venture capital.

The rules of the Exchange are being uniformly enforced with determination. The intolerance of the VSE and our Member Firms to market abuse, and our shared resolve to act against violations, is bringing positive change to market behaviour. This progress benefits everyone, expanding the capital available to listed companies and providing greater protection for the investor.

We are building a strong service culture to provide greater efficiencies by re-engineering our systems and streamlining our procedures. Advancements in these areas are of great importance to our listed companies. Recent enhancements allow the Exchange to respond more quickly to companies seeking to list on the VSE or arrange new financing as they anticipate business opportunities.

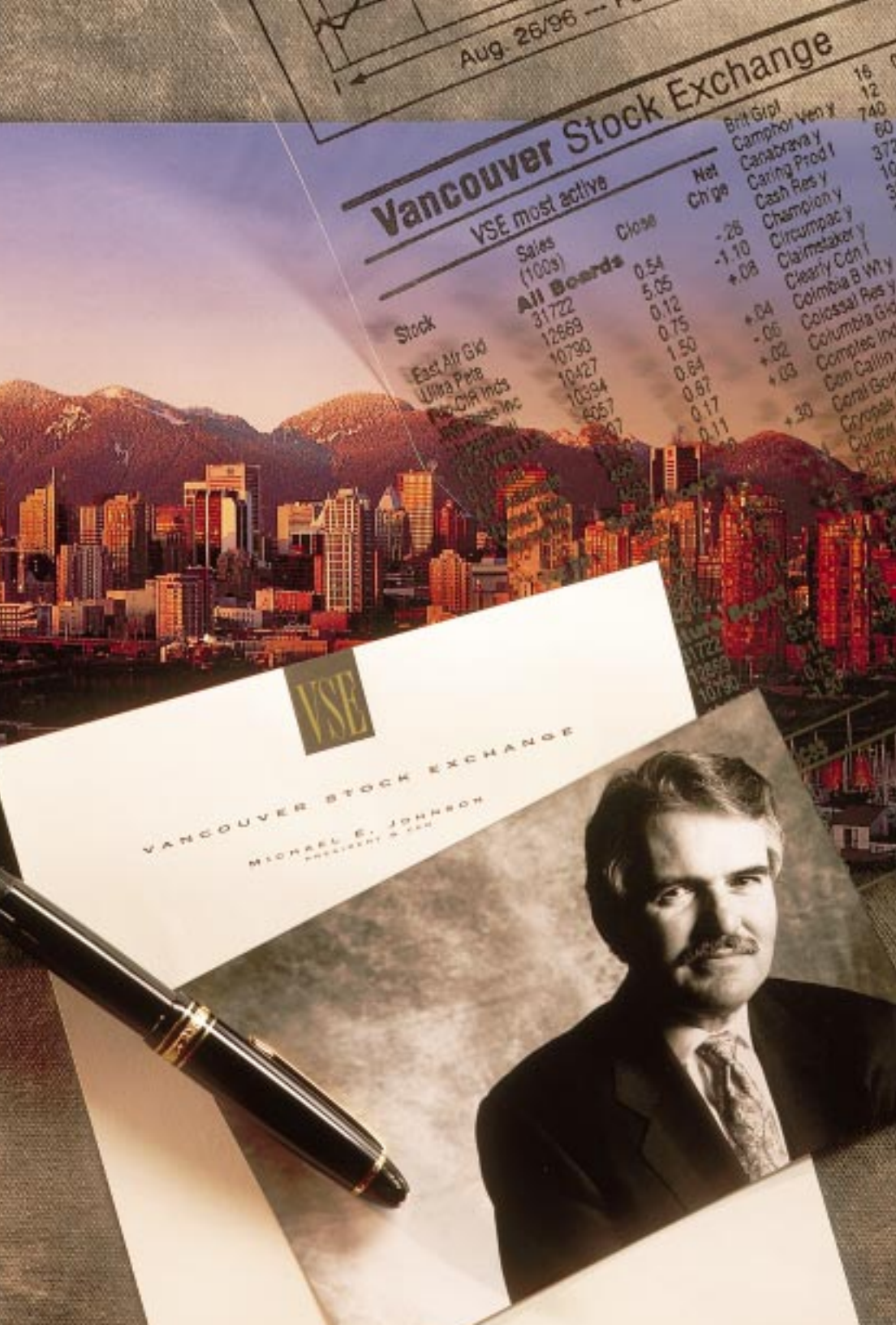
In the past twelve months the VSE has processed more financings than ever before, with greater speed, yet fewer staff. As an example of our improvements, an acceptance process used for more than 1900 stock option transactions each year which required ten documents in the past, now requires only five. This represents an important increase in our efficiency and also provides a direct saving to listed companies which no longer need to prepare the additional documents once required.

Importantly, while we become more responsive, we also continue to prudently uphold the VSE's standards and regulations.

*"To be an honest, fair
and efficient market
for venture capital."*

MISSION STATEMENT





The staff of the VSE have worked hard to initiate change and improve our operating efficiency. Their efforts are deeply appreciated. I am particularly proud of their commitment to our mission – ensuring that the VSE is an honest, fair and efficient market for venture capital. It is also with great pleasure that I extend our congratulations to Irene Komori, employee of the year, Angela Huxham, manager of the year and Warren Funt, executive of the year..

Max Meier has completed his term as industry Vice-Chair, serving during a time of rapid change for the VSE. We have greatly benefited from his contributions and strong leadership. So much has been possible within a very short time because of his support and that of our Board of Governors.

Looking back over our first 90 years, we are proud of the VSE's contribution to the economies of Canada and British Columbia and the role we play in Vancouver's development as an international financial centre on the Pacific Rim. The VSE is an important part of national and international financial markets – the place *Where Business Starts.*

Michael E. Johnson
President and C.E.O.



"The role of our venture capital market is to provide a place for ideas to become opportunities."

SERVING THE MARKET WHERE BUSINESS STARTS

The companies listed on the VSE represent an ever greater diversity of industries and geographic locations. The VSE's role as the leading exchange for companies participating in mining exploration remains unchanged. Over 800 listed companies are engaged in the search for mineral wealth in Canada, Latin America, Asia Pacific, Africa and the United States. Leveraging this expertise in evaluating and assessing risk, the VSE is serving an ever growing number of listed companies in industries such as high-technology, manufacturing, bio-technology and engineering.

A growing number of companies listed on the VSE are active in regions of the world where limited access to venture capital exists. Among these are 128 companies from Hong Kong, Australia and other parts of the Asia Pacific. Together these listed companies represent 16% of the total capitalization of the VSE, approximately 2.1 billion dollars.

The VSE is focused on serving companies in their early stages of development. The listing and financial criteria are different from those of senior exchanges which require a stronger track record and greater degree of corporate maturity. Our emphasis on venture capital allows the VSE and its members to play a critical role at the beginning of a company's life by providing access to the capital necessary to support its development as new ideas are tested and the foundation laid for future growth.





EXPANDING INTERNATIONAL ACTIVITIES

The evolution of the VSE to become a global exchange has been a natural extension of our participation in mining exploration and development. As the scope of operations for the VSE's listed companies became international, it was appropriate that the Exchange and its Member Firms met these broader requirements. Today mining represents 70% of the VSE's market capitalization, approximately 9.4 billion dollars. These mining companies operate internationally in over 90 countries.

A number of unique initiatives have been necessary to support our global position. Memorandums of Understanding which facilitate the sharing of information have been signed or are being developed with exchanges in Mexico, Brazil, Peru, Chile and Argentina, paving the way for further growth in Latin American markets.

The VSE has launched a pilot initiative, VISTA (Vancouver International Securities Trading Access) which enables the Exchange to effectively bridge the Pacific. Through the introduction of an additional trading session in Vancouver and the establishment of special communication links, it will be possible for brokers in Hong Kong and other parts of the Asia Pacific to trade on the VSE in real time, coinciding with the beginning of their business day. To complement this new service, the VSE also introduced a new category of trading participant, the International Associate. Through this program, brokers in other parts of the world will be permitted to undertake trades on the Exchange for their clients. These new trading initiatives will build investor interest and participation from around the world in the venture companies listed on the VSE.

REDEFINING OUR TRADING BOARDS

The trading boards of the VSE have been reorganized to recognize the geography and maturity of the businesses represented on the Exchange. Three boards – Can Am (Canada and the United States), Asia Pacific and Latin America – designate companies in those regions which are progressing in their development. They comprise the more established companies listed on the VSE.

Venture Company listings continue to be the starting place for companies at the beginning of their life cycle. When companies advance from a Venture listing to one of the geographic boards, they are allowed to operate under the less restrictive regulations for raising capital that are appropriate for more mature companies.



GRADUATES TO SENIOR MARKETS

A&A Foods Ltd.
A.R.C. Resins International Corp.
Arauco Resources Corporation
Alexa Ventures Inc.
America Mineral Fields Inc.
Atna Resources Ltd.
Aurex Resources Corp.
Beringer Gold Corp.
Black Swan Gold Mines Ltd.
Bolivar Goldfields Ltd.
Bonus Resource Services Corp.
Colossal Resources Corp.
Concert Industries Ltd.
Corriente Resources Inc.
Crystallex International Corporation
Delgratia Mining Corporation
Dia Met Minerals Ltd.
Getty Copper Corporation
Golden Queen Mining Co. Ltd.
Helix Biopharma Corp.
Insulpro Industries Inc.
International Road Dynamics Inc.
Integrated Paving Concepts Inc.
Iriana Resources Corporation
Leisureways Marketing Ltd.
M.L. Cass Petroleum Corporation
Manhattan Minerals Corp.
Mountain Province Mining Inc.
Namibian Minerals Corp. Ltd.
National Healthcare Manufacturing Corporation
Novopharm Biotech Inc.
Ondaajte Corp.
Ourominas Minerals Inc.
Purcell Energy Ltd.
Quest Capital Corporation
Silver Standard Resources Inc.
Sleeman Breweries Ltd.
Spatialzer Audio Laboratories Inc.
Stocker & Yale, Inc.
Stressgen Biotechnologies Corp.
Summo Minerals Corporation
Transglobe Energy Corp.
Turbodyne Technologies Inc.
WFI Industries Ltd.

ADVANCES FROM VENTURE TO GEOGRAPHIC BOARDS

A&B Geoscience Corporation
 Abacus Minerals Corporation
 Aim Group, Inc.
 Akiko Gold Resources Ltd.
 Alexa Ventures Inc.
 A.L.I. Technologies Inc.
 America Mineral Fields Inc.
 Archangel Diamond Corp.
 Auspex Minerals Ltd.
 Big Horn Resources Ltd.
 Boron Chemicals International Ltd.
 Botswana Diamondfields Inc.
 Calliope Metals Corporation
 Champion Resources Inc.
 Circumpacific Energy Corp.
 Delgratia Mining Corp.
 East Africa Gold Corp.
 El Callao Mining Corp.
 Energold Mining Ltd.
 Farrallon Resources Ltd.
 First Quantum Minerals Ltd.
 First Silver Reserve Inc.
 Global-Pacific Minerals Inc.
 Hymex Diamond Corp.
 Int'l Freegold Mineral Development Inc.
 Int'l Tournigan Corp.
 Jet Energy Corp.
 Kimberley Diamond Company N.L.
 Kingsway International Holdings Ltd.
 Lysander Gold Corp.
 Mar-West Resources Ltd.
 Minco Mining & Metals Corporation
 Mindflight Corporation
 Minefinders Corporation Ltd.
 Molnar Capital Corporation
 Mongolia Gold Resources Ltd.
 Multivision Communications Corp.

Northern Crown Mines Ltd.
 Novapharm Biotech Inc.
 NTS Computer Systems Ltd.
 Odin Mining and Exploration Ltd.
 Pacific Axis Ventures Inc.
 Palmer Resources Ltd.
 Paramount Ventures and Finance Inc.
 Proginet Corporation
 Prong Industries Corp. Ltd.
 Samex Mining Corp.
 Sinorank Petroleum Resources Ltd.
 Tanysis Technology Inc.
 Titan Pacific Resources Ltd.
 Turbodyne Technologies Inc.
 Vidatron Entertainment Group Inc.
 Wedgewood Resources Ltd.
 Western Pinnacle Mining Ltd.
 Winspear Resources Ltd.
 YGC Resources Ltd.

NEW LISTINGS

Alamos Minerals Ltd.
 Aqua-Pure Ventures Inc.
 Buffalo Mines Ltd.
 Caledonian Pacific Minerals N.L.
 Canarc Resource Corp.
 Chase Resource Corp.
 Citation Resources Inc.
 Consil Corp.
 Drummond Financial Corp.
 Epix Technologies Ltd.
 ESM Resources Ltd.
 Foran Mining Corporation
 Hilton Petroleum Ltd.
 HMM Gold Mining Corporation Limited
 IGT Int'l Growth Technologies Inc.
 I.T.C. Microcomponents Ltd.
 Kailimantan Gold Corp.
 Laverton Gold N.L.

Madoc Mining Company Ltd.
 Mandate National Mortgage Corp.
 Mercury Scheduling Systems Inc.
 Metex Resources N.L.
 Midasco Gold Corp.
 Mosaic Oil N.L.
 Native Strategic Investments Ltd.
 Nordac Resources
 NTS Computer Systems td.
 Ocean Resources N.L.
 Orcatron Communications Ltd.
 Orinoco Gold Inc.
 Ormonde Mining PLC
 Oxiana Resources N.L.
 Panorama Resources N.L.
 Rankin Resources Inc.
 Redwood Energy Ltd.
 Rhodes Mining N.L.
 Solaia Ventures Inc.
 St. Elias Mines Ltd.
 Suite Software
 Ticino Resources Corp.
 Titan Trading Analytics Inc.
 Touchstone Resources Ltd.
 Trans-Global Resources N.L.
 Triex Resources Ltd.
 Uniglobe Travel Online Inc.
 Wamco Resources Limited

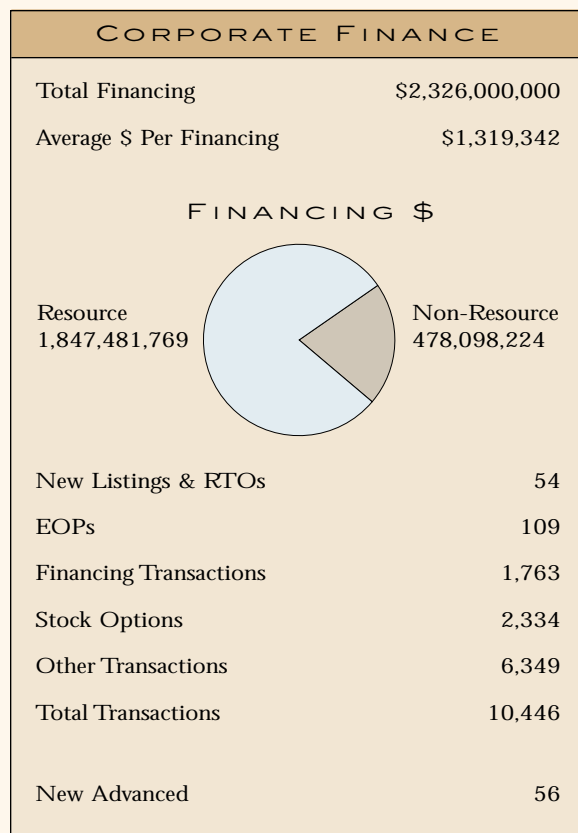
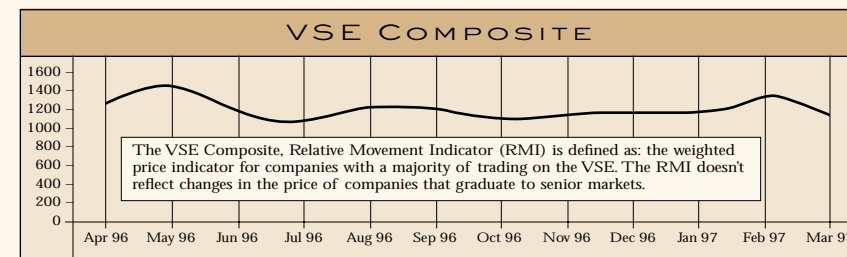
RTOs

Columbia Fuels Inc.
 Merit Technologies Ltd.
 Multivision Communications Corp.
 Prong Industries Corp. Ltd.
 Seahawk Minerals Ltd.
 Sedna Geotech Inc.
 USV Telemanagement Inc.
 West Dynamic Toll Road Ltd.



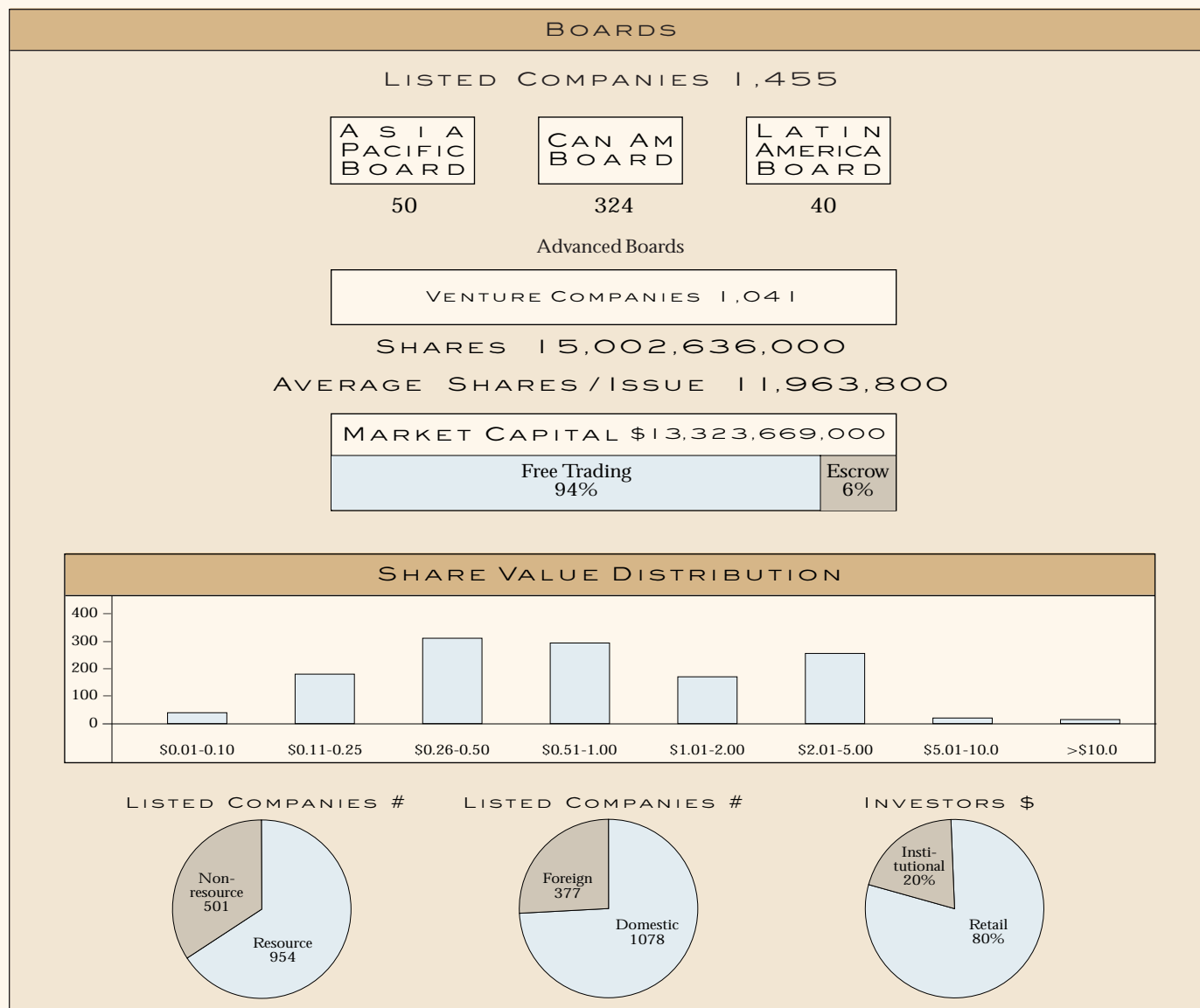
VANCOUVER STOCK EXCHANGE 1996 - 1997

GRADUATES	ADVANCED
44	414

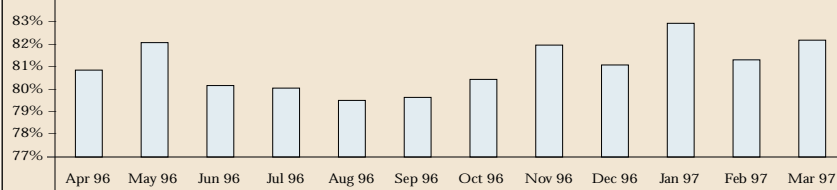


INQUIRIES

AVERAGE # / DAY	
Internet www site	2,118 Inquiries
	14,429 Pages
Quotations Subscribers	63,778
Other - PAL, CIC, IVR	248

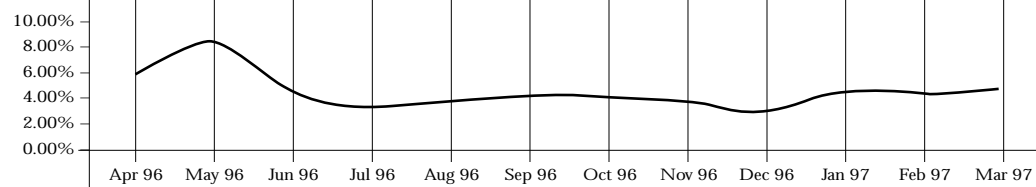


ACTIVE TRADERS RATIO



TRADING

LIQUIDITY RATIO



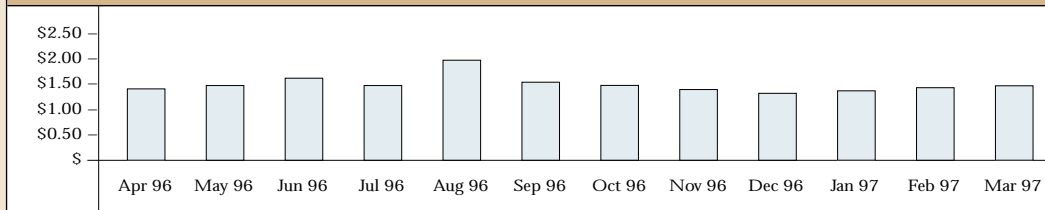
ORDERS: 4,973,390

SHARES TRADED: 8,423,434,068

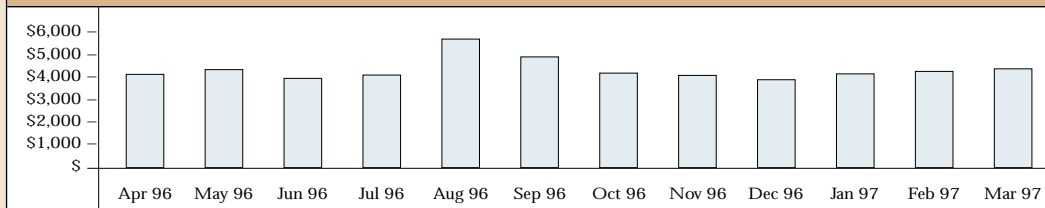
TRADES: 2,800,774

VALUE TRADED: \$12,888,000,000

AVERAGE PRICE / SHARE TRADED



AVERAGE TRADE SIZE



MEMBERS VSE / BC

Members	54
Members (PAJ*)	18
Offices	54
Registered Reps. (PAJ*)	1,497
Traders	360
Portfolio Managers	22
Directors/Officers	129
(*Prime Audit Jurisdiction)	

TRADING SYSTEM PERFORMANCE

TRADING DAYS 251

Trades	2,800,774
Average Trades/Day	11,158
High Trades/Day	26,099
Average Trade Execution Time	1.25 sec
Terminals-VCT Access	1,355
Major Outages	2
Availability	99.6%



"At the heart of the VSE is a culture built on service to listed companies and investors."

SERVING INVESTORS AND LISTED COMPANIES

Building upon the changes made in 1996, the Exchange developed service standards and corresponding measurement criteria to evaluate the quality and efficiency of its operations. These are essential steps to ensure that the Exchange quickly identifies those areas which require further improvement to assist both investors and listed companies. In order to achieve a strong competitive advantage, the VSE appreciates that it must be very responsive to its listed companies, providing the service levels they require.

The VSE further recognizes its role as a business facilitator for listed companies. In this regard, efficiency must be a hallmark of the Exchange's operations. The importance of re-engineering to maximize performance has been underscored by the growing demands placed upon the Exchange as volume of shares traded increased 18.7% during fiscal 1996/97. More than 1,700 financings including private placements, and 8,600 filings and other transactions were completed in the past year as the VSE reviewed more than 3,000 pages of information each day.

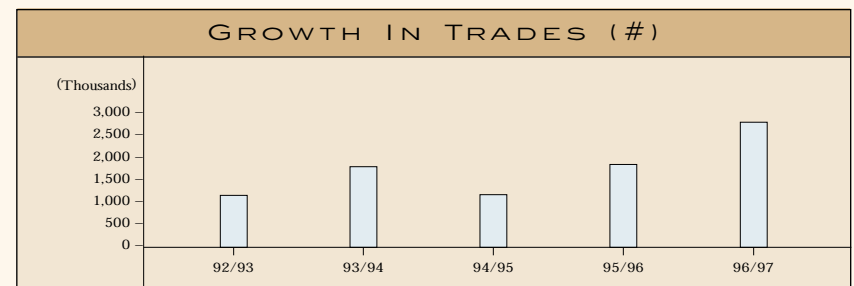
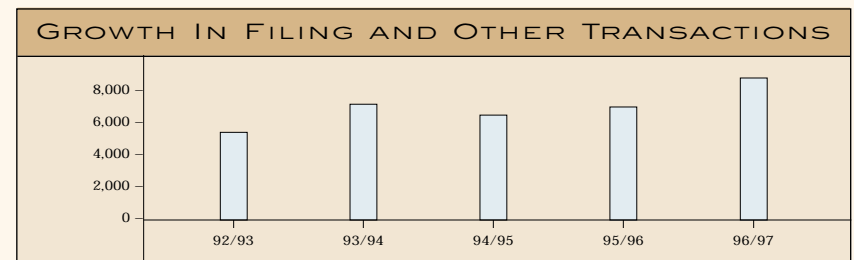
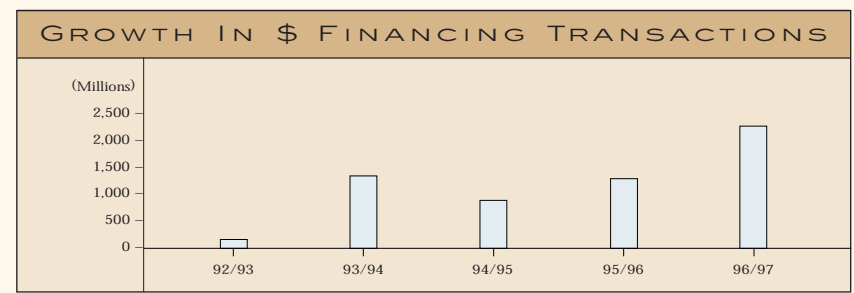
The Exchange continues to be an industry leader in technology through its fully automated trading system. Implemented in 1990, VCT (Vancouver Computerized Trading) provides investors with modern trading that is open and transparent, increasing efficiency and enhancing the monitoring of market operations.





The technology which supports the VSE's trading is undergoing continuous improvement to accommodate new growth and remain state-of-the-art.

Enhanced systems are being developed to ensure the VSE's ability to respond to the growing demands placed upon it by both domestic and international companies.



VANCOUVER STOCK EXCHANGE
Where Business Starts



"We are guardians of our market, ensuring that it is honest, fair and efficient."

ENFORCING TO BE HONEST AND FAIR

The VSE and its Member Firms are committed to building greater confidence in the market, ensuring that the investor is effectively protected. This requires consistent enforcement of the existing regulations. The comprehensive policies now in place must be upheld by all participants in the market.

The VSE's approach to market regulation is a combination of education, a strong emphasis on compliance and appropriate enforcement to ensure that market behaviour is honest and fair.

To ensure that employees of the VSE maintain the highest ethical standards, they are prohibited from investing in its listed companies. The compliance staff do not participate in the incentive programs of the Exchange, isolating them from considerations that could bias their decisions. The VSE has also established a Market Ethics and Conduct Review Committee to objectively assess the effectiveness of the Exchange's efforts to protect the market and investors.

Offering educational programs for the Officers and Directors of listed companies is an important initiative to ensure that the responsibilities of public ownership are fully understood.





The VSE is also implementing a major new program to help investors better understand the venture capital market and its corresponding risk and reward. The Exchange's information services are also being expanded to meet the needs of both institutional and individual investors.

The VSE's computerized trading system provides an open and transparent environment to facilitate fair trading, and is also an invaluable aid to market regulation. A wide range of automated surveillance tools are used for early detection of inappropriate trades and market manipulation.

Both the Exchange and its Member Firms are committed to protecting the integrity of the market. Our compliance staff strive to protect investors and our market. They ensure member firms maintain adequate capital per the CIPF (Canadian Investor Protection Fund) minimum standards. They examine the operational sales practices of member firms and their registered representatives. They require members to perform appropriate due diligence and that listed companies comply with the listings agreement and meet their disclosure responsibilities.

All exceptions are met by a uniform and determined approach to enforcement and ensure our market is honest and fair.

Concern for the integrity of the market has important implications for the VSE, its Member Firms, investors and listed companies. The pools of capital available to listed companies, and the ability of the VSE and its Member Firms to attract promising new companies, are all linked to investor confidence. Consequently, progress in this area has been given high priority and demonstrable results are already evident.

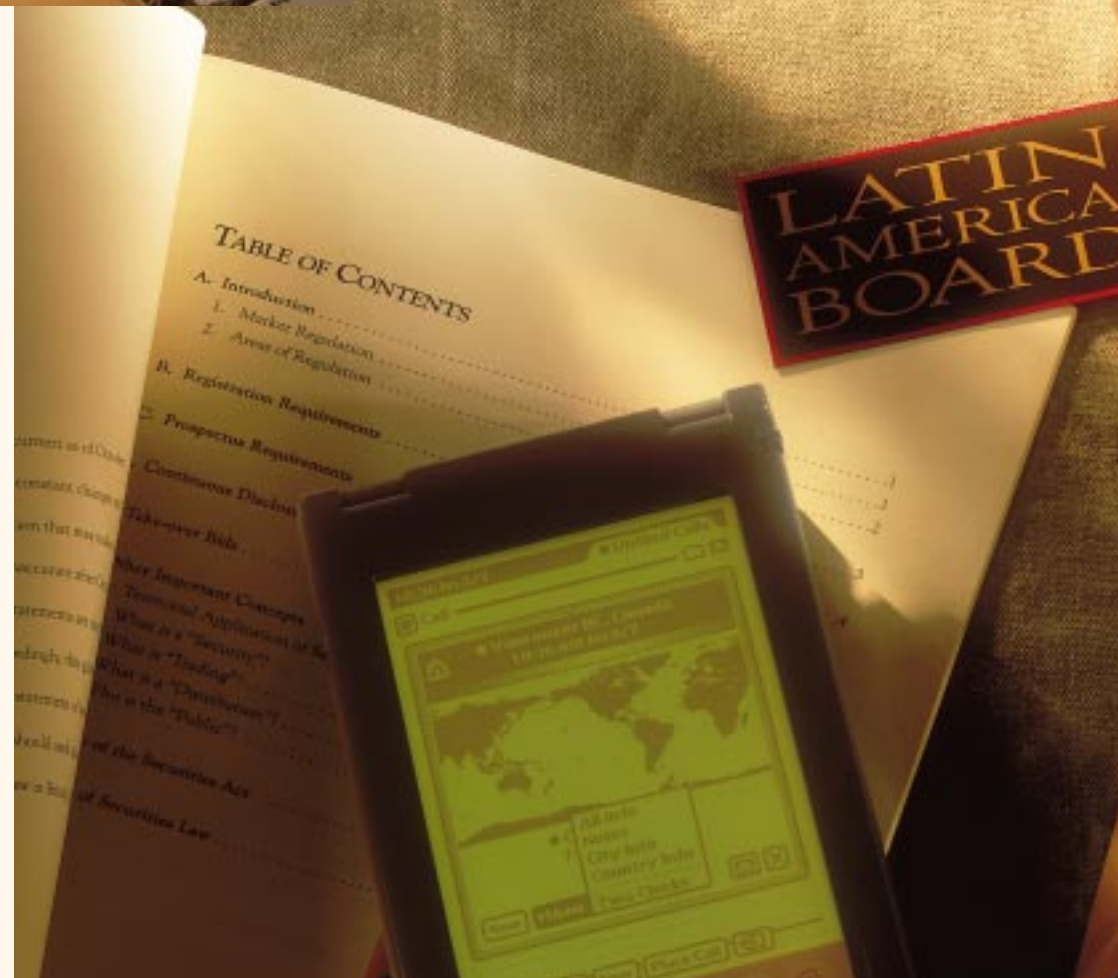
PROVIDING MARKET INFORMATION

Recognizing that information is essential to an honest, fair and efficient market, the VSE will be expanding its programs to provide more access to accurate, relevant, and timely information.

Demand for VSE information, fueled by record market activity, was particularly strong in the past year. The sale of MarketDepth, a broadcast feed originating from our trading system, increased by 46%. Responding to the growth of the Internet as a distribution network, enhancements to the VSE web site continue, enabling investors to download information to their personal computers. The telephone information services have also been upgraded, giving immediate access to market information that will help investors.

Plans for the coming year include further enhancements to our listed company database, treasury order and index systems and a broader distribution of existing market information products.

The VSE continues to work closely with vendors to market its databases and, through new products and initiatives, better serve retail and institutional investors in Canada and elsewhere.





EDUCATING INVESTORS AND LISTED COMPANIES

Providing education to the participants in our market and ensuring that they have full appreciation of our unique qualities and rules of operation is of great importance.

The VSE is undertaking a series of programs to help individual investors better understand the market and its unique characteristics. A booklet entitled "Guide For Venture Capital Investment" is being developed and will be widely distributed this year. A complementary television program will also be in production to provide further educational support.

These new initiatives will become part of an on-going commitment by the VSE to provide information and education for individual investors.

Training programs developed by Ken Hanna continue to ensure that Directors and Officers of listed companies understand the continuous disclosure requirements and public trust they must uphold when entering the stock market. These initiatives are provided through a joint effort of the VSE, Simon Fraser University, The British Columbia Securities Commission and the firm of Catalyst Corporate Finance Lawyers.

These educational activities are financed in part by the fines levied for member discipline.

VANCOUVER STOCK EXCHANGE
Where Business Starts



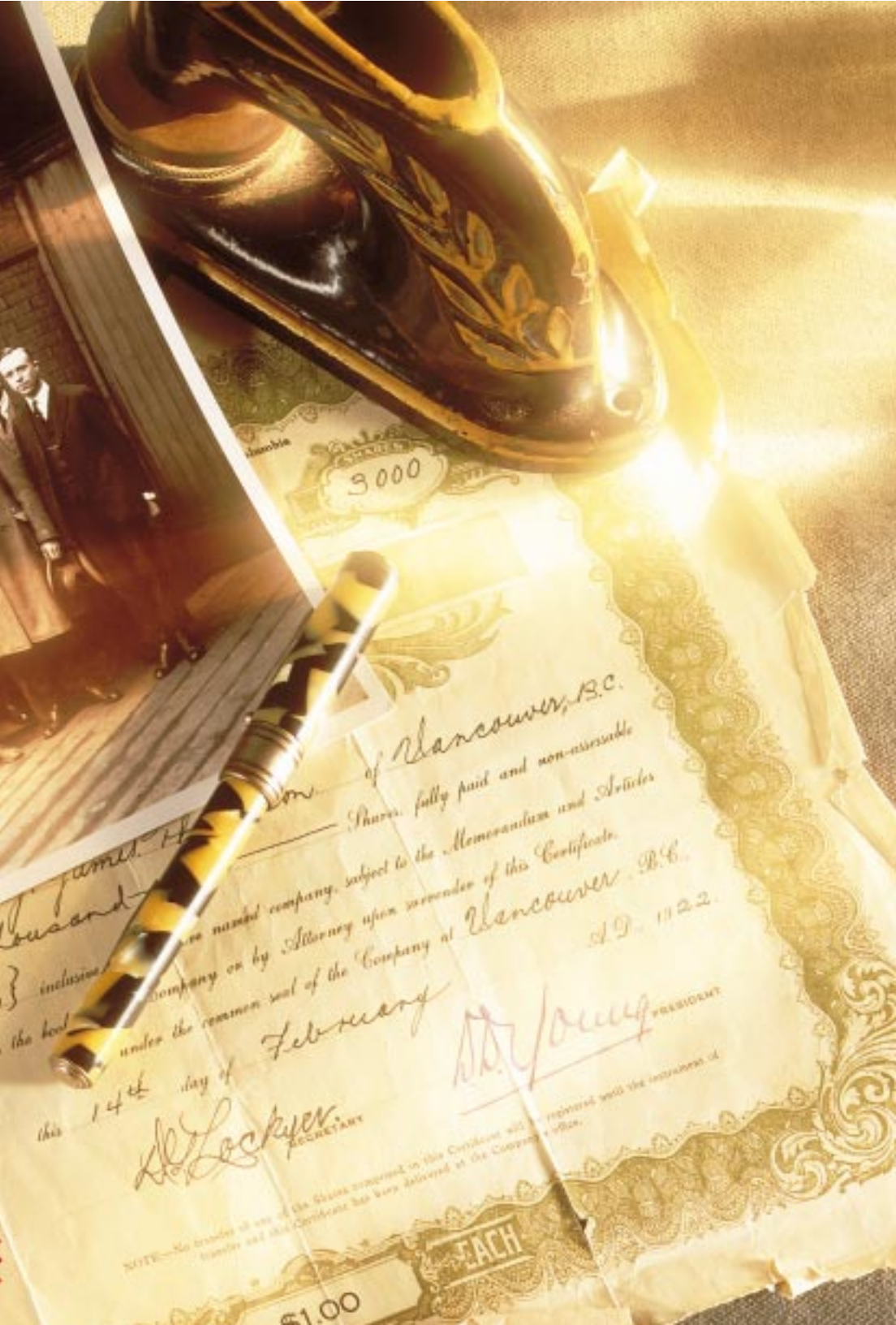
"Over the past 90 years, we developed technology skills and venture capital expertise which we will leverage to continue support of mining exploration and development, to enter high technology and bio technology financings and to expand into international markets."

BUILDING ON OUR HERITAGE

The Vancouver Stock Exchange has grown from humble beginnings in 1907 to become the world's largest venture capital exchange focusing almost exclusively on venture capital. It was organized because of the need to raise the funds necessary to search for natural resources, particularly minerals, in the Canadian west. In the early transactions, prospectors would sell their claims to a venture company in exchange for shares. The capital raised would be used to finance more prospecting and to further explore and develop promising claims.

Throughout the First World War, the Great Depression and the Second World War, the VSE played a major role as gold, copper, nickel, oil and gas were discovered in British Columbia, Alberta, the Yukon and the Northwest Territories. The Exchange slowly became stronger as its reputation for raising venture capital grew. Listed companies like Home Oil and Consolidated Mining and Smelting gave the VSE prominence among investors during the 1920s.





The dramatic growth that built the VSE as it is today, began in the 1960s as major mineral discoveries like Dynasty, Pyramid and Hemlo in the late 1970s allowed the Exchange to assume its role as the leading exchange for mining exploration in the world. The VSE became associated with international leaders in mining. Companies like International Corona, Placer Dome and Cominco all benefited from the VSE's support for mineral exploration, and they carefully watch the progress of our exploration companies today, often acquiring the most promising properties to bring into production.

In addition to raising capital for exploration in North America, the VSE's listed companies were often interested in projects far from their early roots in the Canadian Rockies. As mining activities grew, the companies listed on the VSE expanded to continue their search for minerals in Latin America, Asia and Africa.

Mining is no less important to the VSE today than it was decades ago. Investor interest has simply shifted from Turner Valley and Eskay Creek to Voisey's Bay, and other promising discoveries in Indonesia. It is estimated that approximately 20% of all mining exploration in the world is financed through the VSE.



VANCOUVER STOCK EXCHANGE
Where Business Starts

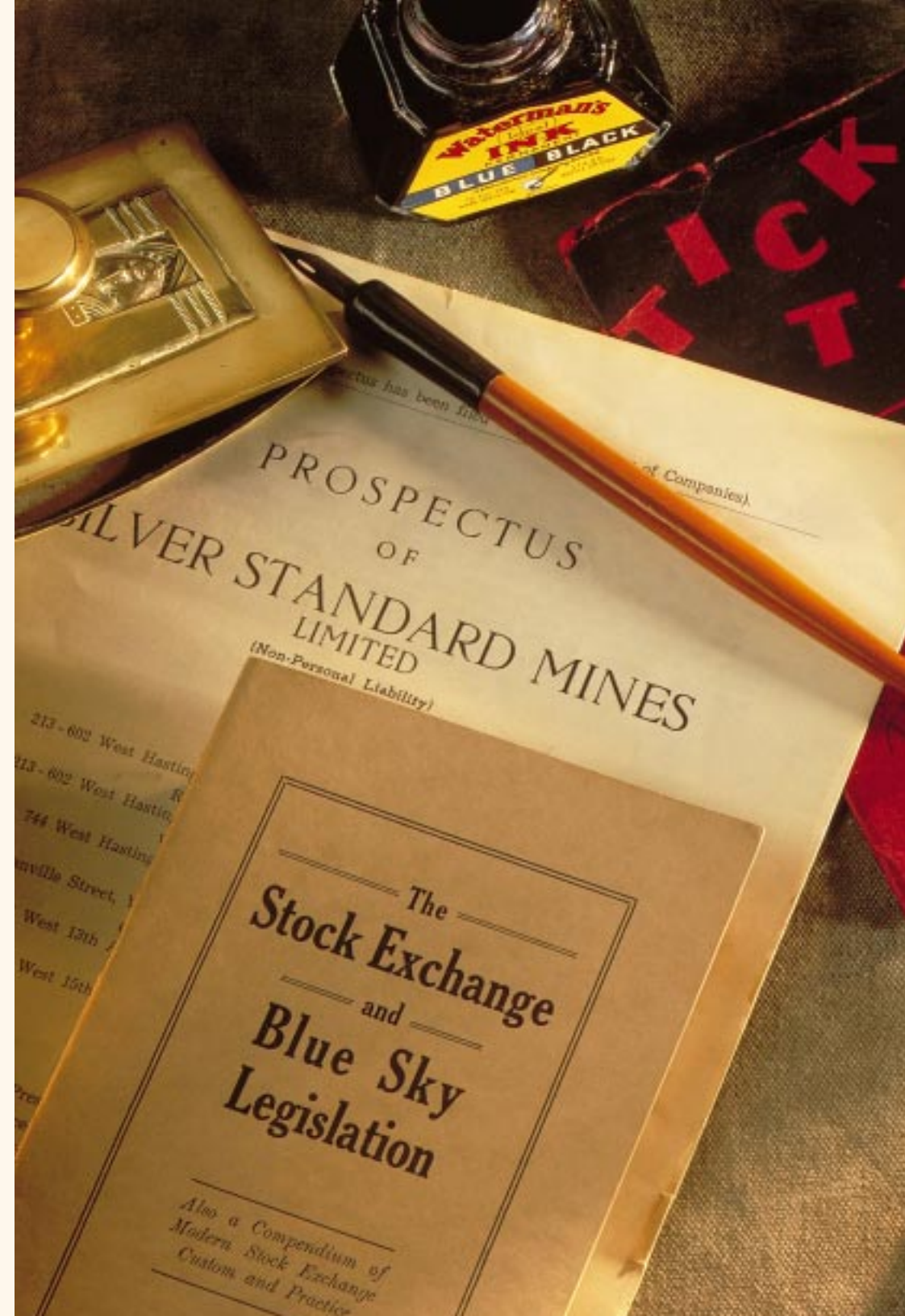
As the Exchange developed its reputation as a source of venture capital, it began to move beyond mining and attract companies seeking to raise capital for a wide range of businesses. The Exchange has evolved from being almost exclusively a mining exchange to become a venture capital exchange. The expertise of the VSE and its Member Firms in raising venture capital has expanded to a growing list of companies in telecommunications, software development and consumer products.

Over the past 90 years, the VSE progressed from a very traditional trading floor characterized by loud voices and chalk boards to become one of the most technologically sophisticated operations in the world.

In 1990, in a single step from a totally manual trading environment, the Exchange became the first in North America to introduce a fully automated trading system. The VCT



system designed by the VSE is now being used by other exchanges in centres such as Mexico City, London and Bombay. The growth of the VSE during the past 90 years demonstrates the important role played by a venture capital exchange.





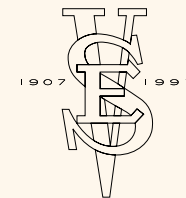
In 1907 a total of 367,441 shares were traded for a value of \$136,440. In 1996/97 a total of 8.4 billion shares were traded on the VSE with a value of \$12.8 billion. Trading volume has made the VSE the fourth busiest exchange in North America. In 1996/97, venture capital raised through the VSE exceeded \$2.3 billion.

The impact of the VSE on Vancouver's professional infrastructure has grown along with the Exchange. Today the city is recognized for its

geologists, securities lawyers, financial analysts and investment dealers, all noted for their expertise in mining and venture capital.



Looking toward the year 2000, the VSE is building upon the strengths which come from its heritage. The venture capital expertise, use of technology, international marketing, and expanding role in the global economy are products of its historical focus on helping emerging companies.



VANCOUVER STOCK EXCHANGE
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MINING COMPANY, LIMITED.

Gives
256 to 260
Rose Gulch Hydraulic Mining Company, Limited.
is the
Thompson
Thompson in the Capital
inclusive, fully paid up
transferable on the Books of the Company by
remainder of this Certificate.
L.D. Jay



Exploration for precious minerals in British Columbia began hundreds of years ago. Indigenous peoples of the Northwest Coast mined copper for use as currency. Spanish Pilot Commander Don Jose María Narváez discovered Vancouver while searching for gold in 1791 and British Explorer Captain George Vancouver arrived the following year. A small European settlement grew up on the Burrard Inlet. In 1886, Canadian Pacific Railway manager, William Van Horne, named the community after Captain Vancouver.

People arrived in the newly incorporated city from around the world. The Klondike Gold Rush brought prospectors infected with gold fever. In 1887, Canadian Pacific Railway drove the last spike into the rail connecting eastern and western Canada. Empress Shipping Lines began a fast route service to Europe and the Pacific Rim.

Vancouver's Golden Era began. For twelve years the fastest growing city in Canada exploded with opportunity. Eastern Canadian and Western European capital spurred development of mineral, lumber and fishing resources throughout B.C.

On their visit in 1901, Britain's future King George V and Queen Mary, found a bustling city which boasted a famous Opera House where Sarah Bernhardt and Mark Twain had appeared. Author Rudyard Kipling speculated successfully on the Vancouver real estate market. The tallest building in the British Empire was Vancouver's Sun World Tower. Even comedian Charlie Chaplin passed through town, washing dishes while waiting for his U.S. visa.

In 1906, banker Donald Von Cramer, real estate dealer and mining broker Charles D. Rand and ten other prominent members of the business community decided to form a stock exchange devoted exclusively to mining issues. They envisioned an exchange that would "roust the eastern bankers from their lethargy" by providing a place for hard working prospectors to finance their work. A private members bill, introduced to the B.C. legislature for the purpose of incorporating the Vancouver Stock Exchange, received royal assent on April 25th, 1907. The first trade, one thousand shares of

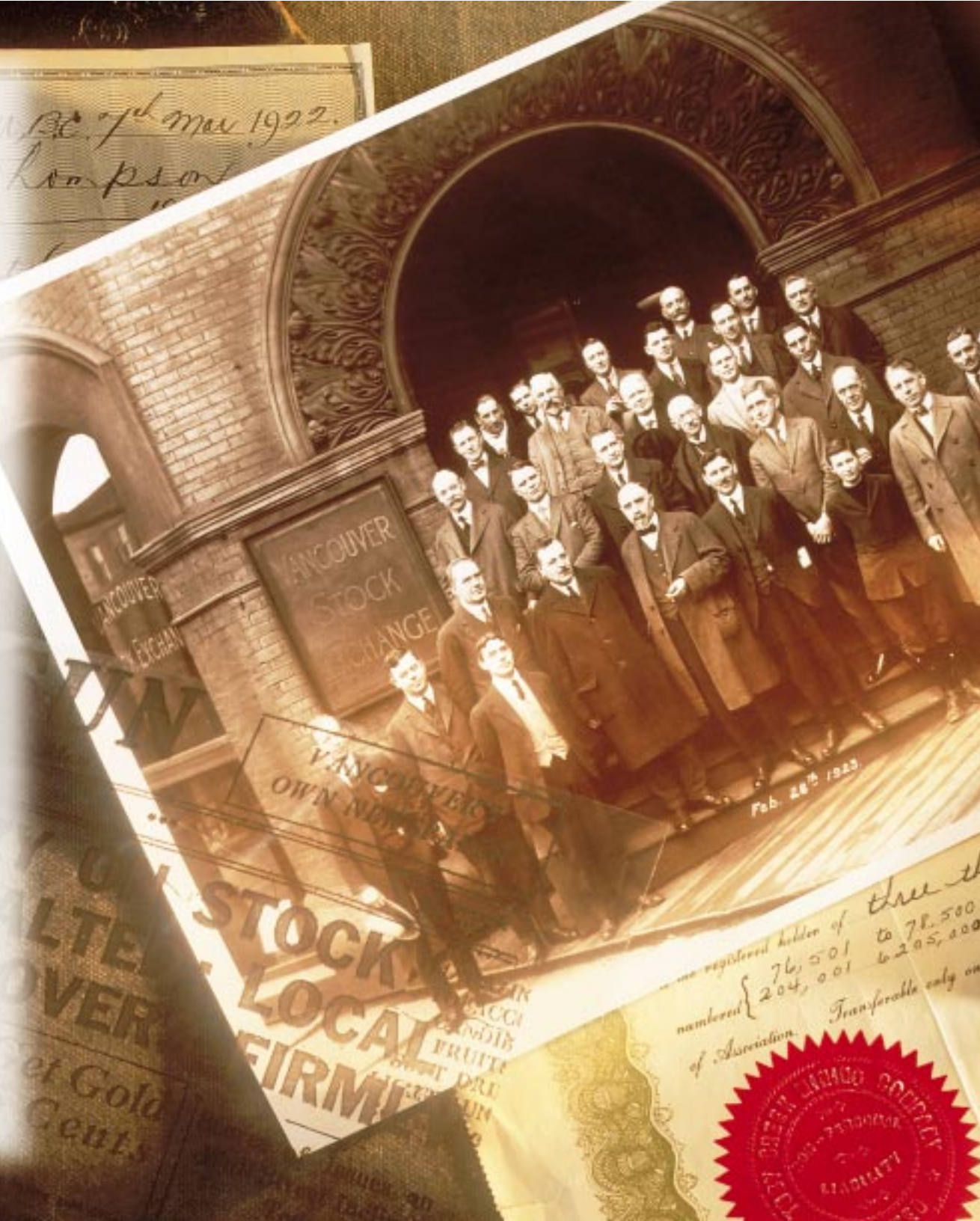
Alberta Coal at forty-three cents each, took place on August 1st. Between 1877 and 1910 at least fifteen stock exchanges formed in B.C. in addition to Seattle and Portland. Only the VSE survived.

Rand became the first president and remained the spokesperson until his death in 1914. From the beginning, the Exchange, through Rand, upheld their mission of "protecting the public and enhancing economic activity."

German entrepreneur Alvo Von Alvensleben, reputed to be backed by Kaiser Wilhelm, purchased one of the first seats, bringing between \$7 and \$10 million in capital to the Exchange in just over four years. In 1909, young entrepreneur Johnny Jukes bought a seat and financed many mines through the VSE including Bralorne, a huge gold discovery in the 1930s. In 1910, Von Alvensleben hosted the first annual VSE dinner at his newly completed WigWam Inn. Guests travelled up Indian Arm by paddle wheeler to an elegant dinner. A wild display of fireworks ended the eventful night.

A British publication of the time described Vancouver as "extremely cosmopolitan and full of varied interests." Vancouver City Council voted unanimously to give married women the vote in 1910. Canada's first artificial ice arena was home to the Millionaires hockey team and Fred "Cyclone" Taylor, one of Canada's greatest players. Artist Emily Carr held an exhibit in 1912 on her return from studies in Paris.

The Golden Years ended abruptly with the onset of a depression in 1912 and the outbreak of World War I on August 4th, 1914. With the opening of the Panama Canal and completion of the Great Northern Railway, U.S. and European market connections strengthened. In 1918 the war ended and soldiers came home to a city poised to enjoy the freedom and financial gains of the 1920s. Jazz was in the air, women cut their hair and shortened their skirts and men wore straw boater hats and pants with wide cuffs. Crowds watched the Human Fly, Harry Gardiner climb the Sun World Tower and Harry Houdini dangle from it by his heels. Local boy Percy Williams became the "world's fastest human" capturing two gold medals at the 1929 Amsterdam Olympics. The Art Deco Marine Building,



TICKER TALK

JANUARY



FEBRUARY



completed in 1929, symbolized jazz-era prosperity.

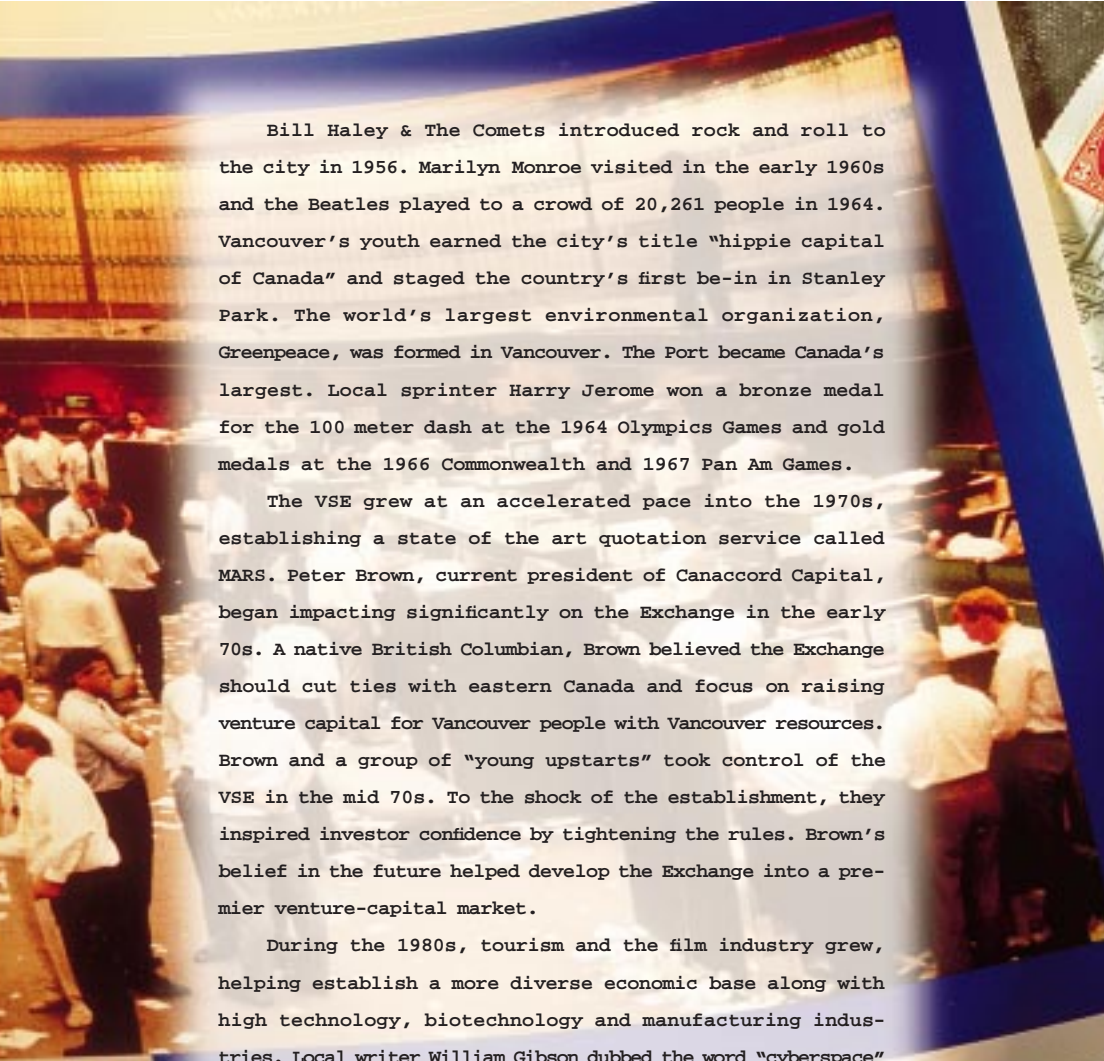
International stock speculation seemed to yield endless profits. The Exchange purchased one of the city's first teletype-operated circuits. Then suddenly the stock market crash of 1929 turned wealth into worthless paper. A local headline optimistically predicted that "recovery from market crash may take a year." By 1932, unemployment reached fifteen per cent and Vancouver became known as the "hobo capital" of Canada. The depression helped strengthen support for left wing parties and turned Vancouver into one of the most politically radical cities on the continent.

The Guinness Family completed the Lions Gate Bridge in the late 30s. Surprisingly, a Granville street marquee in 1937 read "Assassin of youth - exposes those wild Marijuana parties. Passions unleashed by innocent fun." A four-hundred-seventeen-foot Douglas fir, believed to be the tallest tree in the world, was felled in Lynn Valley. An avid female fisherman caught a ninety-five pound salmon in the waters off Point Atkinson.

Though numerous brokerage houses went bankrupt during and after the crash, John McGraw's company managed to do well. The 1933-34 gold market brought him prosperity. Known as "master of the floor," McGraw had natural trading acumen. At twenty, he took charge of Continental Securities, becoming the youngest VSE member in its history. He served thirty-nine consecutive years, sat on the Board of Governors from 1931 until 1970 and served as president three times.

On September 10th, 1939, Canada entered World War II. The conflict brought a boost to the economy of the ravaged city as Vancouver became a center for ship and airplane building. With the end of the war in 1945, sustained expansion began. Vancouver grew up and out. In 1954, Roger Bannister and John Landy broke the world record running the "Miracle Mile" at the British Empire Games held in Vancouver. Bannister narrowly beat Landy with a time of 3:58:8. The story was the cover of the premier issue of Sports Illustrated and the first sporting event to be broadcast across North America.

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Bill Haley & The Comets introduced rock and roll to the city in 1956. Marilyn Monroe visited in the early 1960s and the Beatles played to a crowd of 20,261 people in 1964. Vancouver's youth earned the city's title "hippie capital of Canada" and staged the country's first be-in in Stanley Park. The world's largest environmental organization, Greenpeace, was formed in Vancouver. The Port became Canada's largest. Local sprinter Harry Jerome won a bronze medal for the 100 meter dash at the 1964 Olympics Games and gold medals at the 1966 Commonwealth and 1967 Pan Am Games.

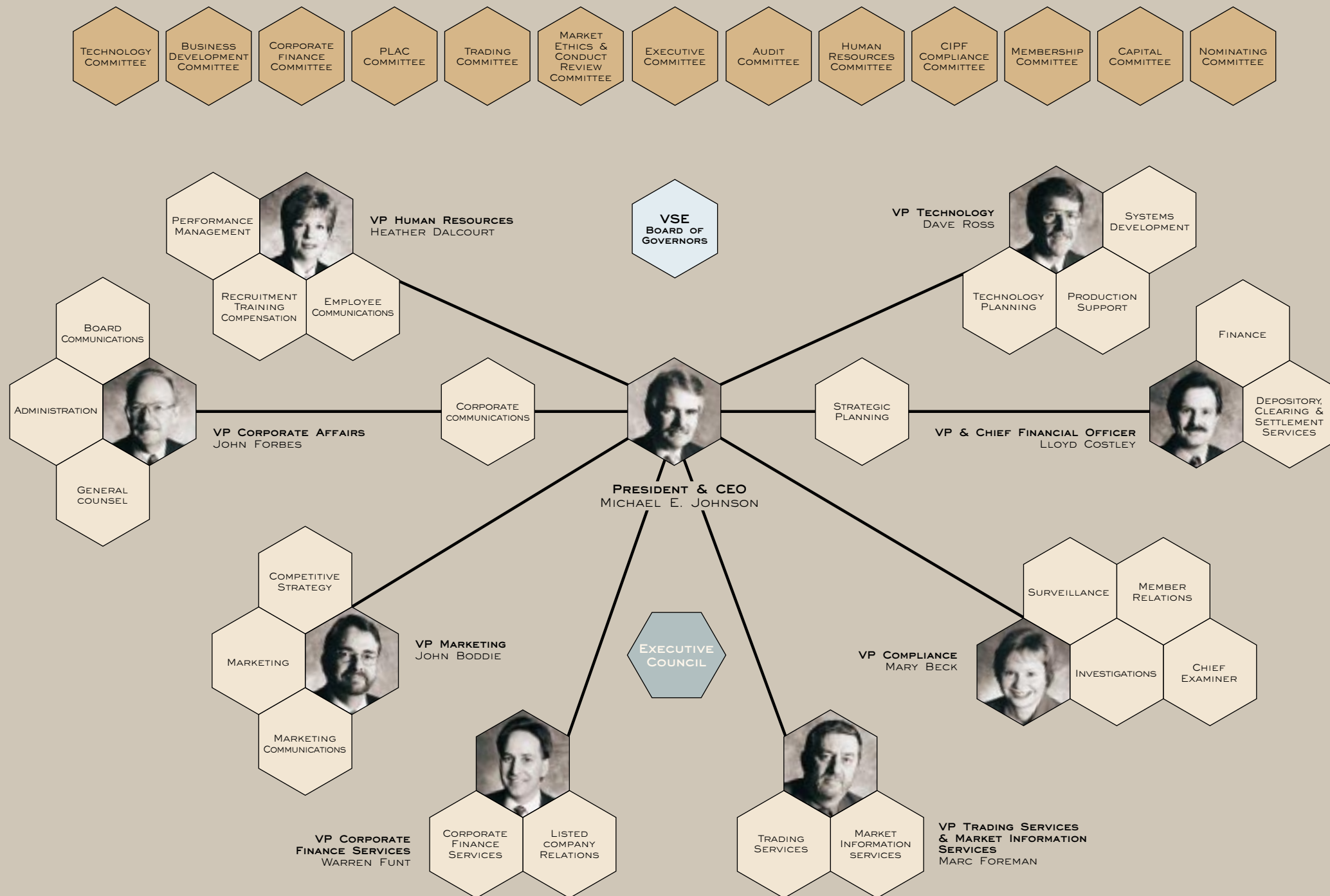
The VSE grew at an accelerated pace into the 1970s, establishing a state of the art quotation service called MARS. Peter Brown, current president of Canaccord Capital, began impacting significantly on the Exchange in the early 70s. A native British Columbian, Brown believed the Exchange should cut ties with eastern Canada and focus on raising venture capital for Vancouver people with Vancouver resources. Brown and a group of "young upstarts" took control of the VSE in the mid 70s. To the shock of the establishment, they inspired investor confidence by tightening the rules. Brown's belief in the future helped develop the Exchange into a premier venture-capital market.

During the 1980s, tourism and the film industry grew, helping establish a more diverse economic base along with high technology, biotechnology and manufacturing industries. Local writer William Gibson dubbed the word "cyberspace" to define the borderless world of the internet. The 1986 Expo revealed Vancouver's aspirations to forge into the future as a global and multicultural city.

The VSE continued to stay on the forefront of technology by eliminating the trading floor in 1990 and becoming the first fully automated exchange in Canada. Characterized by forward thinking members, technological innovation and unparalleled venture capital expertise, the VSE is making its contribution to Vancouver's becoming an international financial center.



VANCOUVER STOCK EXCHANGE ORGANIZATION



AS OF MARCH 31, 1997

BOARD OF GOVERNORS

R.B. Ashton
F.M. Banducci
B.S. Bassett
D. Bradstreet Daughney
B. Brink
D.N. Burdett
M.-Y. Chan
T.Y.C. Chan
K.R. Cory
M. Couvelier
M.E. Johnson
R. Kunin
J.C. Lay
N.M. McKinstry
L.J. McFadden
G.M. Medland
M. Meier
P. Reid
D.A. Risling
L. Rubin
N.F. Thompson
D.J. Yea

EXECUTIVE COMMITTEE

D. Bradstreet Daughney, Chair
M. Meier, Vice-Chair
M.E. Johnson, President and C.E.O.
J.C. Lay, Honorary Secretary-Treasurer
R.B. Ashton
D.N. Burdett
M.-Y. Chan
G.M. Medland
P. Reid
N.F. Thompson

OFFICERS

Chair - D. Bradstreet Daughney
Vice-Chair - M. Meier
President & C.E.O. - M.E. Johnson
Honorary Secretary-Treasurer - J.C. Lay
Corporate Secretary - J.M. Forbes

COMMITTEE CHAIRS

Audit - J.C. Lay
Business Development - R. Sherwood
Capital - N.F. Thompson
CIPF Financial Compliance - M. Meier
Corporate Finance Policy - G.M. Medland
Human Resources - M. Meier
Market Ethics & Conduct Review - P. Reid
Membership - B.S. Bassett
Nominating - P. Reid
Pre-Listing Advisory - D.J. Yea
Technology - N.F. Thompson
Trading Policy - K.G. McPherson



VANCOUVER STOCK EXCHANGE
Where Business Starts

LISTING ON THE VSE

The process of listing on the Vancouver Stock Exchange can be summarized in four steps.

LEARN

Prior to beginning the process of obtaining a listing on the VSE, companies should carefully review the requirements of the Exchange and ensure they meet the minimum criteria for public companies.

- The guidelines for listing on the VSE are summarized in "A Guide To Listing On The VSE," available from the Marketing Department.
- Based on the requirements of the Exchange, a business plan should be prepared and information that needs review assembled.

INITIATE

With a preliminary business plan, a company can begin the process of going public.

- If the company has selected a sponsoring Member Firm, work on the public prospectus can begin.
- The Marketing Department also offers the Pre-Review Process (PREP) to review and comment on a company's business plan and on any regulatory concerns or areas of deficiency in meeting the minimum requirements. An assessment of the potential to raise the required funds is also provided. If the results of PREP are positive, the VSE will forward the business plan to interested Member Firms.

SPONSOR

The company selects a Member Firm to sponsor it throughout the listing process.

- Once Corporate Finance has given its acceptance, the Member Firm leads the company in its public offering.
- The Member Firm that acts as sponsor will conduct due diligence of the company's history, management, future prospects and financing options.
 - The company may obtain initial seed capital prior to the public offering from qualified investors.
 - Prior to corporate finance's full review and acceptance of the public offering, a group of industry experts will assess the company's plans through a Pre-Listing Advisory Committee (PLAC) review.

TRADE

The company will receive approval to initiate trading.

- The Directors and Officers are expected to understand their responsibilities of operating as a public company. Simon Fraser University's 'Going Public' training program is recommended for all new directors and officers.
- The sponsoring Member Firm has the responsibility to continue in that role for a minimum of one year.
- The company will satisfy the on-going disclosure requirements and other policies of the VSE and the British Columbia Securities Commission.

SUMMARY OF LISTING REQUIREMENTS FOR VENTURE COMPANIES		
MINIMUM LISTING REQUIREMENTS	RESOURCE COMPANY	NON-RESOURCE COMPANY
Seed Capital	\$ 175,000	\$ 400,000
Seed Capital Price	\$ 0.25	\$ 0.25
Prior Expenditure	\$ 100,000	\$ 300,000
Net Proceeds from Offering	\$ 275,000	\$ 450,000
Funds for Asset Development	\$ 100,000	n/a
Offering Price (shares/units)	\$ 0.30 or \$ 0.40	\$ 0.30 or \$ 0.40
Number of Shares in Offering	500,000	600,000
Publicly Held Shares	300,000	300,000
Number of Shareholders	300	300
Unallocated Working Capital	\$ 100,000	\$ 100,000
Note: There are additional requirements for listing to qualify for the Advanced Boards		

To learn more about raising venture capital on the VSE, please contact the Marketing Department and request a copy of the listing package.

1-888-LIST VSE



VANCOUVER STOCK EXCHANGE

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P.O. BOX 10333 609 GRANVILLE STREET
VANCOUVER, BRITISH COLUMBIA, CANADA V7Y 1H1
TELEPHONE (604) 689-3334 FACSIMILE (604) 688-6051

VSE INFORMATION

Internet: www.vse.ca
Internet e-mail: postmaster@vse.ca

Interactive Voice Response System
available 24 hours a day, information
representatives available between
7 a.m. and 4 p.m. PST, Monday to Friday,
for listed company information
(604) 488-3100

HOW TO LIST ON THE VSE

Marketing Department 1-888-LIST VSE
Fax (604) 488-3121

QUESTIONS & CONCERNS

President's Action Line (604) 488-3141

MARKET QUOTES

Telephone Quotation Line
(Offers market quotes 24 hours a day)

Free Service (604) 683-2676

Fee based service 1-900-451-5700
(88 cents per minute)

Bulletin Board Service
(Free service for end of day quotes)
(604) 685-8438

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