



VANCOUVER STOCK EXCHANGE
1998



MEMBERS OF THE VANCOUVER STOCK EXCHANGE

The VSE is a self-regulating organization owned and operated by 58 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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VSE



The Story of BRAVE BEAR

Created by

Don Yeomans

November 1997 - February 1998

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Commissioned by the
Vancouver Stock Exchange
1998

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*“Like new companies and new ideas growing with the
assistance of the VSE’s Member firms, the young
venturous bear takes risks as he climbs up under
the protective gaze of the Thunderbird.”*

VANCOUVER STOCK EXCHANGE
PRESIDENT & C.E.O., MICHAEL E. JOHNSON



BRAVE BEAR

Artist Don Yeomans' *Brave Bear* tells a current day story of evolution. Traditional Haida symbols presented as stacked vertical elements form a large talking stick totem.

The yellow cedar pole, given to Yeomans by a friend twelve years ago, sat idle waiting for the right opportunity. Discussions with Vancouver Stock Exchange President and C.E.O. Michael Johnson regarding the 1998 commission resulted in this intricate carving.

The sculpture stands just over five feet tall and is approximately five inches at the widest point. Details include unique gold leaf "paw prints" and a one and a half inch wide gold plate disk in the Raven's mouth. The gold plated base is secured into a diamond drill hole bored into the gold bearing skarn rock from Tillicum Mountain near Burton, B.C. The Tillicum Mountain sample hosts significant amounts of visible coarse native gold mineralization. Geologist John Brock of Columbia Gold Mines, provided the gold sample to the VSE.



*“My carving material is a means to an end.
Wood is centering for me, both calming and focusing.”*

Artist, Don Yeomans



In the tradition of Haida culture, Brave Bear talking stick plays a symbolic role as a gathering point for meetings and contemplation. Talking sticks are believed to be forerunners to full-sized totems with some examples dating back to AD 1000. Animals, supernatural beings and humans transforming from one creature into another form an important component of totem stories.

KILLER WHALE

Representing the cone of the volcano, fire and wind swirl around the base of the talking stick. Killer Whale, the first figure on the pole, is lord of the seas and ruler of the underworld.

RAVEN

The second figure, the Raven, brings light to a dark world, creating and transforming the earth. The Raven shapes the world through cultural innovations. Sometimes possessing an alter ego, the Raven transforms into a restless, curious trickster.

BEAR MOTHER

The Bear Mother story is long and complex. Bear Mother, kidnapped after insulting the Bear kin, is forced to marry Bear Prince. With him she bears twin cubs. Considered an Earth-Mother figure, Bear Mother is the vessel through which the bloodlines of her people are strengthened. New knowledge and skills are introduced through her.



BEAR FATHER

Bear Father is killed ceremoniously as punishment for kidnapping Bear Mother. Before death, he releases his twin cubs to human life and they, with their mother, found the first generation of the Bear Clan. In commemoration of Bear Fathers sacrifice, a special mourning song is sung when a bear is killed.

BEAR TWINS

The Bear twins spend their early years with their Bear kin. After their release to human form, the cubs further establish the power and status of their mother's people, not unlike the ancient Roman tale of Romulus and Remus. *Brave Bear* ventures up the pole away from the care of his father leaving golden paw prints in his path.

THUNDERBIRD

Possessing supernatural strength, Thunderbirds are among the royalty of the skies. They speak a multitude of languages and are able to read the human mind. If approached by creatures of high rank, Thunderbirds will intervene in earthly matters and grant wishes.

Brave Bear's ascent up the pole under the protective gaze of the Thunderbird demonstrates his strong and fearless belief in his objectives.



"The pole represents the process of life with the brave cub as the most important aspect.

The carving is a dance of planes." DY

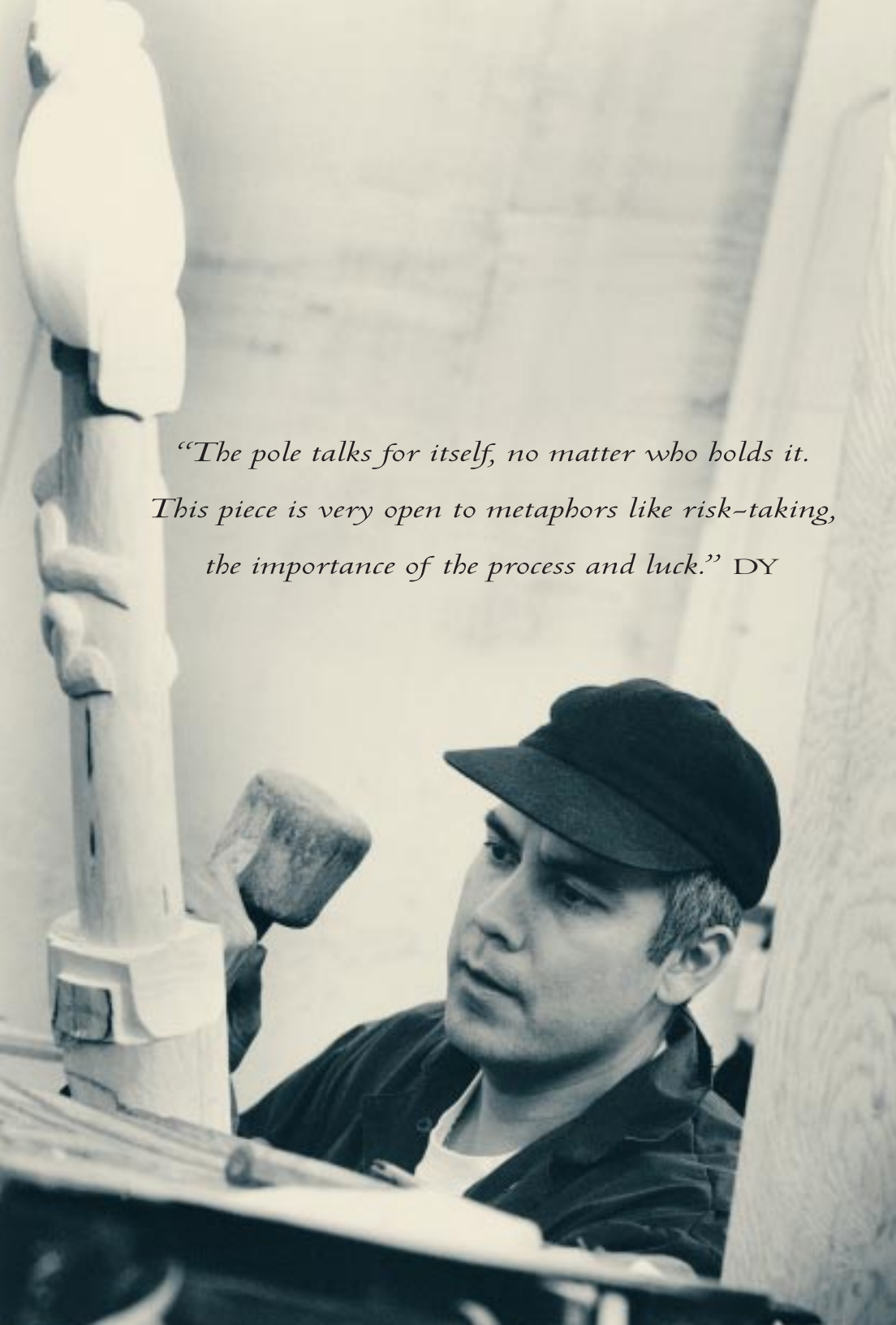


DON YEOMANS

Born in Prince Rupert, B.C., of a Masset Haida father and a Metis mother from Slave Lake, Alberta, Don Yeomans began his now thirty-year career as an artist under the expert guidance of his aunt, Freda Diesing. As a young man, Yeomans studied with Bud Mintz at Langara College in Vancouver, B.C. His many working relationships included jewellery-making under Phil Janze and assisting Robert Davidson in the building of the Charles Endenshaw Memorial Longhouse in the town of Masset on the Queen Charlotte Islands of B.C. Yeomans exceptional skill in both wood and metal reflect his consummate understanding of the Haida form. Yeomans work may be found at the University of B.C.'s Museum of Anthropology in Vancouver; the Royal British Columbia Museum in Victoria, B.C.; the Gallery Astley in Uttersberg, Sweden; Corporate Headquarters for IBM Canada in Markham, Ontario; and, many other public institutions and private collections.

Vancouver Stock Exchange President and C.E.O. Michael E. Johnson worked with Yeomans to develop a concept representing the relationship between the Exchange's market and new companies and ideas.

Brave Bear talking stick is the third piece in a series of carvings commissioned by the Vancouver Stock Exchange. All three are permanently installed at the Exchange.

A black and white photograph of a man wearing a dark cap and a dark jacket, working on a large, ornate wooden pole. He is holding a mallet and looking intently at his work. The pole has a decorative, carved top. The background is a light-colored, textured wall.

*“The pole talks for itself, no matter who holds it.
This piece is very open to metaphors like risk-taking,
the importance of the process and luck.” DY*

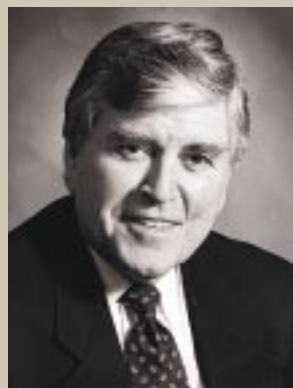


VANCOUVER STOCK EXCHANGE

Where Business Starts



DORIS BRADSTREET DAUGHNEY



J. CHRIS LAY

DEMONSTRABLE PROGRESS

In 1997 financial markets experienced a series of crises which strongly contrasted the previous year's record growth. In an interconnected world, the VSE was heavily impacted by turmoil within the mining industry, falling prices for gold and other commodities and the weakening of Asian economies. Yet amid incidents over which the VSE had no control, the Exchange performed with exceptional competence.

These challenges demonstrate the progress we've made as the Exchange charts a new course under the leadership of President and C.E.O. Michael Johnson and his management team. Trading systems withstood the demands of a volatile market, service levels continued to improve, corporate financings were handled with greater efficiency and the integrity of the VSE's market became more visible. In short, the Exchange rose to each new challenge and delivered excellence.

We thank the VSE staff for setting the standard demanded by our mission "to be an honest, fair and efficient market for venture capital." Without question, today's VSE is strong and makes an ever-greater contribution to its investors, listed companies, Member firms and the Canadian economy.

We are pleased to thank Ross Cory and Patrick Reid, who have completed their terms on the Board of Governors. We welcome our new Chair, Roslyn Kunin, as the VSE continues to expand its role as the place
Where Business Starts.

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

Doris Bradstreet Daughney
Chair

A handwritten signature in black ink, reading "J. Chris Lay".

J. Chris Lay
Vice Chair



"Like new companies and new ideas growing with the assistance of the VSE's Member firms, the young ventures bear takes risks as he climbs up under the protective gaze of the Thunderbird."

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OPEN FOR BUSINESS

In the last two years we focused on improving service levels and market integrity for our listed companies and investors, and building a sound foundation from which to grow our venture capital market.

Now, we shift our gaze to growth and the Exchange's expanding role in financing the future – both for companies and their new ideas. We continue to focus on mining, an area of traditional VSE strength, while expanding into technology and manufacturing. As we approach the millennium, our corporate strategy combines continued improvement in VSE operations with a focused business attitude aimed at growing our market.

Service excellence and market integrity continued to dominate the 1997 agenda. Surveys confirm that we are not characterized as complacent or bureaucratic, and that the VSE is an effective regulator. Automation helped achieve widespread operating efficiencies within the Exchange. Corporate Finance has introduced a new *Document Management Imaging System* (DMIS) which automates our records and facilitates electronic filings –





thereby enhancing the timeliness and quality of reviews. We continually endeavor to identify and implement opportunities for improvement of our service levels.

Based on sound market integrity, the British Columbia Securities Commission (BCSC) and the VSE are developing new initiatives to improve access to our market. Effective July 1, 1998, a new *Venture Capital Pool* (VCP) program will be launched and consultations continue as to the transfer of the responsibility for reviewing IPOs from the BCSC to the VSE. Changes in escrow policies, standardization of hold periods and simplified public offering documents for small financings are among other policy changes that will soon be implemented.

For more than a decade, the VSE has led in the use of technology to strengthen and improve services. We are now expanding and enhancing the innovative initiatives by which the VSE became the first fully automated trading system in North America. Most of our systems are already Year 2000 compliant. New investment is enabling us to introduce new products. At the forefront, will be the launch of a *Listed Company Data Base* (LCDB) which sets a global standard for depth of information and worldwide access via the internet.

VANCOUVER STOCK EXCHANGE
Where Business Starts

Building our market is a major goal in the year ahead. In partnership with our Member firms, we attend trade shows, host seminars and meet companies, institutional investors, analysts and market makers. While continuing to serve the Canadian junior mining and technology sectors, we are expanding our global reach.

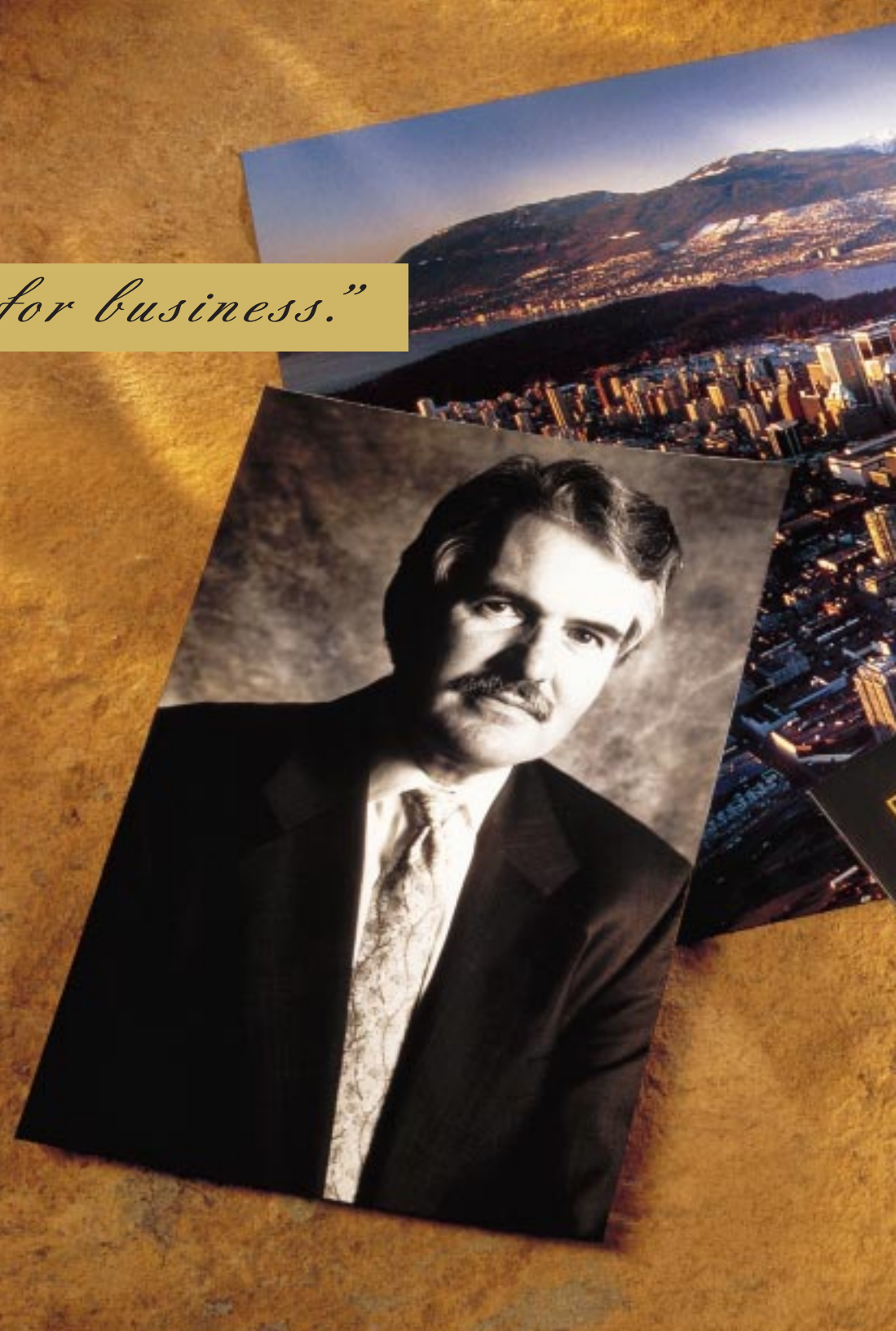
“Open for business.”

The VSE's economic contribution to Canada and British Columbia has been estimated in 1996 at \$1.5 billion in Gross Domestic Product (0.8% of the provincial total) — producing approximately 16,000 full time jobs and annual tax revenues of \$417 million.

Financial markets were rocked by scandal and uncertainty in 1997. While Bre-X was never listed on the VSE, its collapse shook investor confidence in the mining industry, an economic sector where we have been a leader in financing for over 90 years. In response we reviewed and published our *Junior Mining Standards* which make abundantly clear what we have required of listed companies and their directors with respect to disclosure, verification and reporting.

The VSE and its Members continue their working relationship to build our market and enhance our competitiveness. Recently we hosted the first Industry Leaders Perspectives conference in which we facilitated discussion of strategic issues and competitive responses pertaining to our Members' businesses.

I am pleased that the Exchange staff has built a service culture. I am proud of the service levels they have achieved, the improvements in market





integrity and the contribution they have made to the growth of our Members' businesses.

I want to recognize the outstanding contribution of Doris Bradstreet Daughney who has served for two years as our Chair. We have all benefited from her supportive leadership, business acumen and keen insight. We also thank our Board of Governors who have contributed so generously of their time.

It is also with great pleasure that I extend our congratulations to Dann Wilson, Employee of the Year, Randal Guy, Manager of the Year and Mary Beck, Executive of the Year.

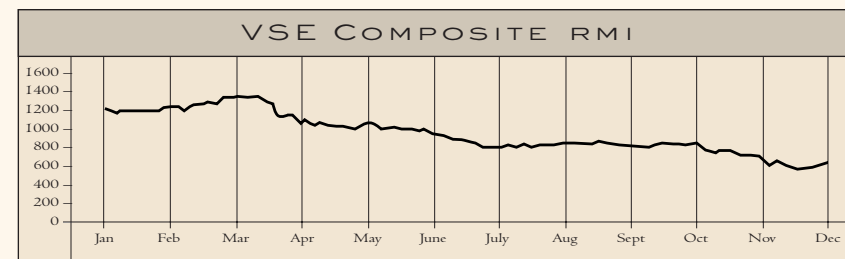
The VSE has undergone a dramatic transformation in recent years. Today, the Exchange is financially sound, deeply committed to service excellence, diligent in its demand for honesty and fairness in our market and determined to be an important part of Canada's financial industry. We are clearly positioned as the venture capital market of choice and declare the VSE *open for business.*

Michael E. Johnson
President & C.E.O.



VANCOUVER STOCK EXCHANGE 1997

GRADUATES	ADVANCED
29	374

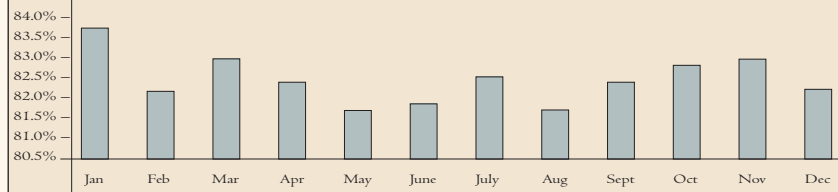


CORPORATE FINANCE	
Total Financings	\$1,466,704,053
Average \$ Per Financing	\$1,141,404
FINANCING \$	
Non-Resource	344,092,296
Resource	1,122,611,757
New Listings & RTOs	58
EOPs	56
Financing Transactions	1,285
Stock Options	2,287
Other Transactions	4,682
Total Transactions	8,367
New Advanced	42

INQUIRIES	
AVERAGE # / DAY	
Internet www site	2,821 Inquiries
	12,307 Pages
Quotations Subscribers	59,023
Other – PAL, CIC, IVR	193

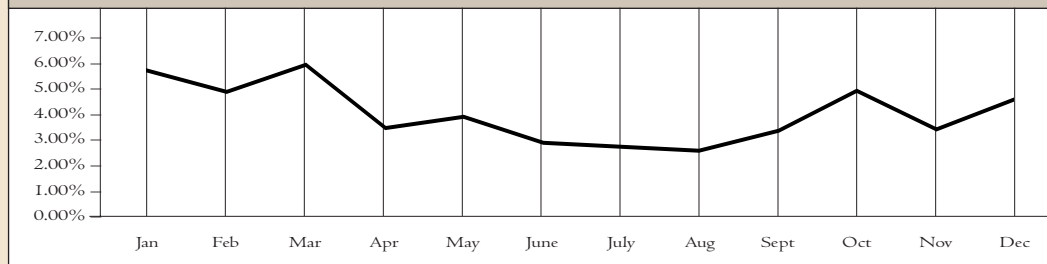
BOARDS		
LISTED COMPANIES 1,429		
ASIA PACIFIC BOARD	CAN AM BOARD	LATIN AMERICA BOARD
55	267	52
Advanced Boards		
VENTURE COMPANIES 1,055		
SHARES 17,004,573,493		
AVERAGE SHARES / ISSUE 13,222,841		
MARKET CAPITAL \$9,466,365,458		
Free Trading 94%		Escrow 6%
SHARE VALUE DISTRIBUTION		
LISTED COMPANIES #	LISTED COMPANIES #	INVESTORS \$

ACTIVE TRADERS RATIO



TRADING

LIQUIDITY RATIO



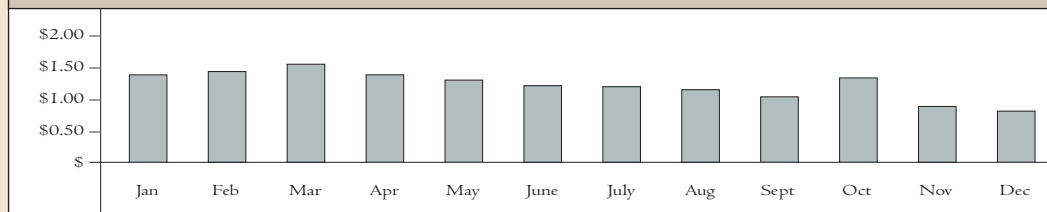
ORDERS: 3,952,626

SHARES TRADED: 7,122,043,152

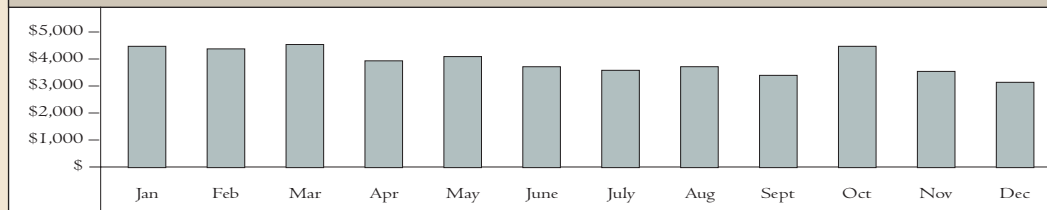
TRADES: 2,081,242

VALUE TRADED: \$8,971,172,931

VERAGE PRICE / SHARE TRADED



AVERAGE TRADE SIZE



MEMBERS VSE / BC

Members	55
Members (PAJ*)	19
Offices	176
Registered Reps. (PAJ*)	1,476
Traders	376
Portfolio Managers	23
Directors/Officers	297
(*Prime Audit Jurisdiction)	

TRADING SYSTEM PERFORMANCE

TRADING DAYS 252

Trades	2,081,242
Average Trades/Day	8,259
High Trades/Day	17,142
Average Trade Execution Time	1.25 sec
Terminals-VCT Access	3,963
Major Outages	3
Availability	99.4%



"The Exchange is now ready, willing and able to facilitate access to capital for listed companies while providing investor protection."

THE EXCHANGE

Due to strong employee commitment, the Exchange dramatically improved service excellence. We now gauge our performance against standards for service quality and timeliness. Our efforts continue to identify and implement initiatives which further improve these service levels.

CORPORATE FINANCE

The quality and timeliness of our reviews have improved. The service levels for our listing and financing processes have been further enhanced with the electronic filing capabilities provided through the Commission's SEDAR and the Exchange's new DMIS. Improved listing processes include Marketing's PREP; Member Due Diligence and Sponsorship; and, PLAC and Corporate Finance/BCSC acceptance and registration. Improved financing processes include Member due diligence and Corporate Finance acceptance.

To help listed companies and their directors, we published user-friendly booklets of our standards for junior mining and technology companies with respect to disclosure, certification and reporting.





Together with the BCSC, we are developing new initiatives to improve our market's competitiveness.

- A *Venture Capital Pool* (VCP) program will be launched July 1, 1998 to enable companies in the early stage of their development to raise capital from the public market.
- Consultations continue as to the transfer of the responsibility for reviewing IPOs from the BCSC to the VSE to streamline file processing times. This will be complemented by Commission post-audits on a sample basis to confirm the quality of such reviews.

We will continue to apply prudent standards while providing listed companies with efficient access to capital for their ventures.

Corporate Finance Service Standards

TRANSACTION	SERVICE STANDARD
Private Placements	20 Days
Stock Options	20 Days
Exchange Offering Prospectuses	70 Days
Initial Public Offerings	90 Days
Venture Capital Pools	25 Days

TRADING

May 1998 marks the tenth anniversary of the VSE's *Vancouver Computerized Trading* system (VCT). The fourth busiest exchange in North America, the VSE's VCT executes trades in 1.25 seconds, with a 99.42 per cent reliability rating in 1997. New sophisticated monitoring functions were built into VCT, strengthening its ability to monitor trading activities.

The VSE joined the other Canadian Exchanges in developing the Securities Trading Access Messaging Protocol (STAMP), enabling their members to access any of the Exchanges' trading systems.

The Exchange also implemented a full Business Continuity Program designed to ensure market operations would recommence within 24 hours if a disaster closes the Vancouver facility.

YEAR 2000

The VSE's trading system and most other applications have been Year 2000 compliant since inception. The remaining subsystems are scheduled for modification and testing this year. We are working with joint industry committees and are offering consultancy to our Members to address the interdependencies of the securities industry.

INFORMATION SERVICES

To more effectively serve investors and the financial community on a global basis, the VSE's internet website underwent major restructuring. This expanded resource will provide a comprehensive array of services on both a free and subscriber basis. This service will include: Exchange policies and procedures, *Listed Company Data Base* (LCDB), market highlights and delayed quotations.

Of special note, LCDB will provide for each listed company: filings, news releases, notices, technical reports, financial statements and stock quotations (on a 15-minute delay) and trading summaries, giving investors a comprehensive source of information for our listed companies.

CLEARING AND SETTLEMENT

Completed at the end of 1996, the merger of West Canada Clearing Corporation and West Canada Depository Trust Company with the Canadian Depository for Securities Ltd. has successfully furnished more efficient clearing and settlement of our members' client trading activity.





COMPLIANCE

The Compliance Department continues its assertive approach to market regulation, working to ensure that investors are appropriately protected and listed companies comply with the regulations governing public companies. VSE Examiners have also implemented an initiative to help Member firms ensure that they have suitable internal controls, processes and systems to effectively assess risk and avoid inappropriate activities.

In 1997, the VSE became an affiliate member of the International Organization of Securities Commissions and Others (IOSCO), an organization committed to promoting “high standards of regulation in order to maintain just, efficient and sound markets.”

MARKETING

During the past year, the Marketing team has participated in conferences, trade exhibitions and special VSE-organized road shows in Canada, the United States, Asia, Australia, Latin America, Europe and Africa.

Marketing proactively works with our Members to attract new listings and financings, participation by institutional funds, and improve our market’s awareness and image throughout the investment community.

The Exchange, with its Members, is ready, willing and able to serve the needs of both our listed companies and investors – making the VSE the market of choice for venture capital.

OUR TRADING BOARDS

The VSE's trading boards 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 represent the more established companies listed on the VSE.

Venture company listings are 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.L.I. Technologies Inc.
Caring Products International, Inc.
DC DiagnostiCare Inc.
DiamondWorks Ltd.
Envoy Communications Group Inc.
Essex Resource Corp.
Etruscan Enterprises Inc.
Farallon Resources Ltd.
Gemcom Software International Inc.
Genetronics Biomedical Ltd.
Global-Pacific Minerals Inc.
Integrated Paving Concepts Inc.
International Road Dynamics Inc.
Kit Resources Ltd.
MFC Bancorp Ltd.
Minco Mining & Metals Corporation
Minefinders Corporation Ltd.
Nicholas Financial, Inc.
Northern Crown Mines Ltd.
NTS Computer Systems Ltd.
Pacific Rim Mining Corp.
Petrolex Energy Corp.
Sepp's Gourmet Foods Ltd.
Sutton Resources Ltd.
Tanisys Technology, Inc.
Turbodyne Technologies Inc.
Vantex Oil, Gas and Minerals Ltd.
Vidatron Entertainment Group Inc.
Xemac Resources Inc.

ADVANCES FROM VENTURE TO GEOGRAPHIC BOARDS

Abacus Minerals Corporation
Alamos Minerals Ltd.
Alexa Ventures Inc.
A.L.I. Technologies Inc.
America Mineral Fields Inc.
BPI Industries Inc.
Canbras Communications Corp.
CVL Resources Ltd.
DC DiagnostiCare Inc.
East Africa Gold Corporation
Envoy Communications Group Inc.
Essex Resource Corp.
Etruscan Resources Incorporated
First Silver Reserve Inc.
Gabriel Resources Ltd.
Global-Pacific Minerals Inc.
Gresham Resources Inc.
Greystar Resources Ltd.
GST Global Telecommunications Inc.
High Desert Mineral Resources Inc.
ID Internet Direct Ltd.
International Ballater Resources Inc.
International Rochester Energy Corp.
Kit Resources Ltd.
Madison Enterprises Corp.
Multivision Communications Corp.
National Challenge Systems Inc.
Novopharm Biotech Inc.
Odin Mining and Exploration Ltd.
Pacific Rim Mining Corp.
Palmer Resources Ltd.
Priority Ventures Ltd.
Ridgeway Petroleum Corp.
RIS Resources International Corp.

SAMEX Mining Corp.
Star Choice Communications Inc.
Steppe Gold Resources Ltd.
ThrillTime Entertainment International Inc.
TMT Resources Inc.
Ultra Petroleum Corp.
Vidatron Entertainment Group Inc.
Winspear Resources Ltd.

NEW LISTINGS

American Wild Woodland Ginseng Corp.
Antarex Metals Ltd.
APAC Minerals Inc.
Aurogin Resources Ltd.
Bargold Resources Ltd.
Bentall Corporation
Bigsky Resources Corporation
Buffalo Mines Ltd.
Celtic Resources Holdings PLC
Christopher James Gold Corp.
Clear Creek Resources Ltd.
Darnley Bay Resources Limited
Denstone Resources Ltd.
Dexton Technologies Corporation
Doublestar Resources Ltd.
Drummond Financial Corp.
E.S.I. Environmental Sensors Inc.
ESM Resources Ltd.
Exito Minerals Ltd.
Gemcom Software International Inc.
Gold Lion Explorations Inc.
Golden Maritime Resources Ltd.
Greenvale Mining N.L.
Group West Systems Ltd.
Hilton Petroleum Ltd.
HMH Gold Mining Corporation Limited

InfoNow Corporation
Infowave Wireless Messaging Incorporated
Integrated Business Systems and Services, Inc.
King Communications International Limited
Kingsgate Consolidated N.L.
Madoc Mining Company Ltd.
Masterpiece Games Inc.
Metro Resources Company Limited
Neary Resources Corporation
Norwood Resources Ltd.
Panamex Resources Inc.
Riverstone Resources Inc.
Rorex Exploration Inc.
Rubicon Minerals Corporation
San Telmo Resources Ltd.
Spectrum Resources Limited
St. Elias Mines Ltd.
Stealth Ventures Inc.
Terragold Explorations Inc.
Ticino Resources Corp.
TimberWest Timber Trust
Timpete Mining Corporation
Trade Wind Communications Limited
Tren Exploration Inc.
Twin Star Minerals Ltd.
Vetta Ventures Corp.
Waymar Resources Ltd.
Wildrose Resources Ltd.

RTOS

ATC Technologies Corporation
Multiplex Technologies Inc.
Pan Asia Mining Corp.
(formerly Consolidated Nu-Media Industries Inc.)
Sedna Geotech Inc.



"Akin to our junior miners, Brave Bear's ascent up the pole demonstrates his strong and fearless belief in his objectives."

COMMITMENT TO JUNIOR MINING

As the single largest source of venture capital for junior mining exploration for more than 90 years, the VSE helped produce some of the largest and richest mineral discoveries in history – both in Canada and abroad.

Discoveries like Hemlo, Voisey's Bay, Lac de Gras and Arequipa have generated profits in the billions for investors. To illustrate: a \$1,000 investment in Diamond Fields in 1994 grew to more than \$48,000 by August of 1996 when the company was purchased by Inco. Dia Met Minerals investors realized large gains when the company was acquired by BHP. Barrick Gold's \$1.1 billion takeover of Arequipa and its Pierina deposit in Peru will enable the company to produce 750,000 ounces of gold annually for \$50 an ounce, among the lowest costs on earth.

In the past three decades alone, the VSE has raised more than \$15 billion of venture capital used by talented junior explorers to discover mines worth a gross value of \$150 billion. Approximately 65% of all listings and 80% of annual financings on the VSE are attributable to hardrock mineral exploration activity. This type of activity has been linked to the VSE since the Exchange's origins.





The BRE-X scandal impacted on the world of junior mining — including the VSE, despite never being listed on our Exchange. In response, the VSE is working with mining industry associations to restore investor confidence. After a joint review, we published our *Junior Mining Standards* in November 1997. The booklet clearly defines the responsibilities of a listed junior mining company and its directors, based on the principle that the public and analysts must have access to the appropriate information with which to make buy and sell decisions or recommendations.

Major Canadian mining companies of international stature — like Placer Dome and Cominco — were built on discoveries emerging from the VSE's more than 90 years of venture capital history.

Only Australia boasts a similarly significant junior mining presence and many Australian companies are choosing to list on the VSE to fund activities in their traditional search areas. Since late 1995, the VSE has attracted 14 Australian companies and more are expected, given the heavy weighting of junior explorers Down Under.

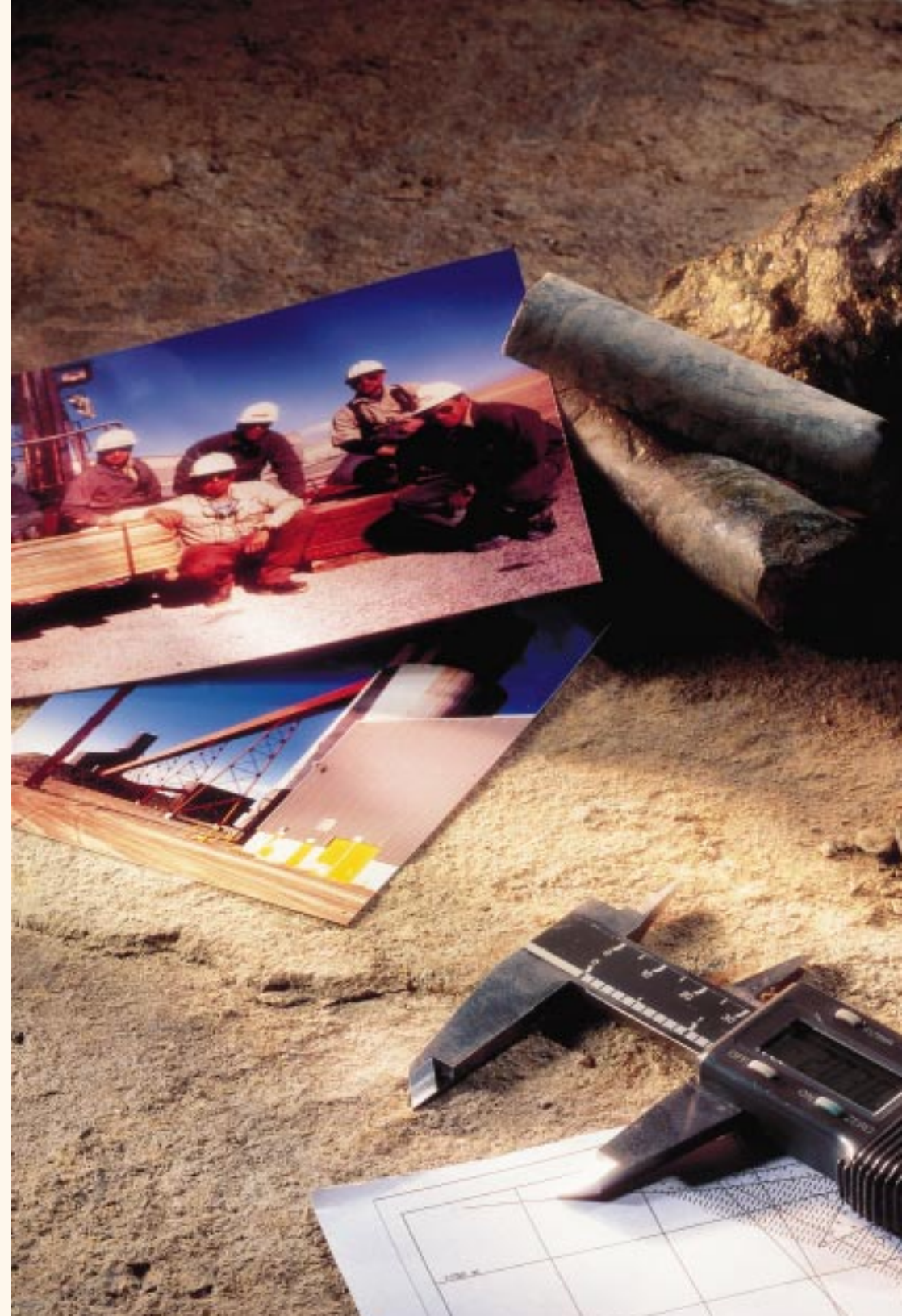
In later years, technology, much of which was developed in Canada, garnered a larger role in the discovery and exploitation of mineral resources. Geo-physical breakthroughs enabled examination of large, often inaccessible tracts, by air. On the metallurgical side came the development of autoclaves that allowed the treatment of refractory ore that was previously uneconomic to recover. Equipment grew larger, which allowed lower grade copper and gold deposits to be mined and processed economically.

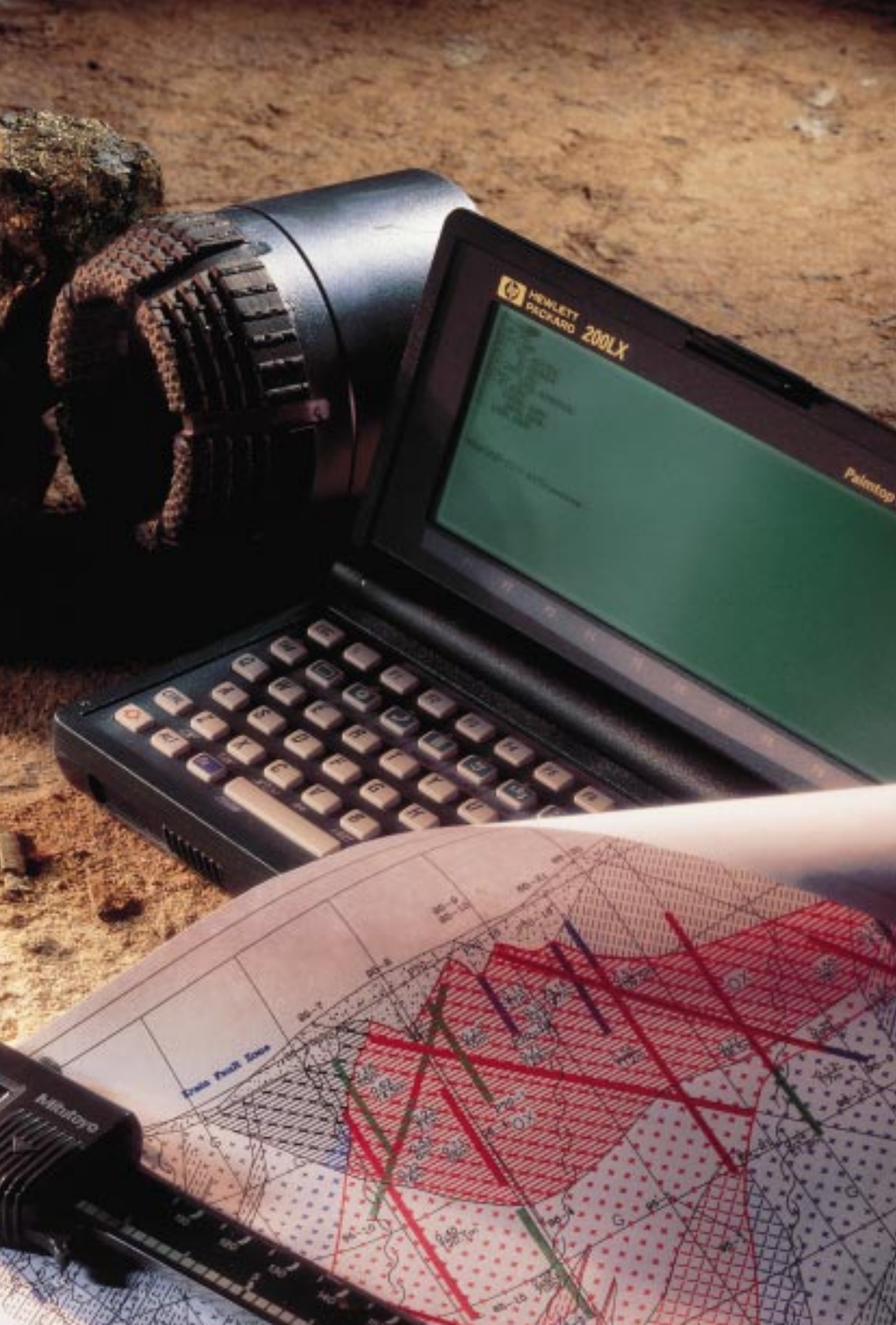
Over the years, the enormous wealth created by VSE-financed discoveries in Canada prompted governments to build roads, rail lines and related facilities that helped open up remote regions to other kinds of business opportunities. This multiplier effect also created numerous jobs for geophysicists, geologists, lawyers, analysts and a host of other professionals.

Even though the public vehicle is important, in the end it's people that find mines. Vancouver boasts more mineral industry consultants than any other city in the world; a thousand or more at last count, including some of the world's preeminent diamond consultants from Russia, South Africa and Australia. They are virtually all located within a five-block radius of the city's financial district. They also exchange ideas and expertise freely, benefiting the industry as a whole.

The majority of VSE listings are junior explorers, whose influence has become considerably more international. Today, the VSE accounts for approximately 15 per cent of global mining exploration expenditures. More than 800 VSE-listed companies are engaged in probing the earth's crust for mineral wealth in 90-plus countries globally. Foreign-based companies are choosing to list on the VSE to fund activities where they live.

What has also evolved is a symbiotic relationship between majors and juniors, neatly summed up years ago by an old mining engineer with the words: "They find 'em; we mine 'em." Historically, the big producers acquire a good proportion of their new reserves in Canada (and increasingly, abroad) from grass roots discoveries generated by VSE-funded junior explorers.





The VSE is the source for significant quantities of venture capital and has helped level the playing field between the major companies and their entrepreneurial junior partners. For instance, Hemlo partners, Teck Corporation and International Corona participated equally in the David Bell and Williams mines, one of the largest gold finds in Canadian history. BHP Minerals and Dia Met Minerals are sharing ownership of the Lac de Gras diamond project north of Yellowknife in the Northwest Territories.

Over time, some juniors also become majors. Many VSE listings graduate to senior exchanges, like Toronto and Nasdaq, where financing is available for large-scale exploration projects and actual mine development. The VSE is proud to serve as a stepping stone for companies graduating to these more senior markets, which is the proof of a job well done.

In carving out this important global niche, the VSE has earned an enviable reputation as the world's leading center for such venture capital activity. With close ties to mining organizations, in-house technical expertise, codified standards for junior explorers and a virtually transparent, well-regulated, computerized trading system, the VSE is the market of choice for financing mining exploration.

VANCOUVER STOCK EXCHANGE
Where Business Starts



"Our future is the product of the tools we use."

SUPPORT FOR TECHNOLOGY

The VSE is using its venture capital expertise to become an increasingly important player in financing advanced technology – both at home and across North America.

The move from mining to technology is a natural one. Both industries share many similarities, chiefly: high risk with little return in the first few years of the project and projects founded on science with an expectation of higher than normal returns once they become commercially viable.

Since 1995, technology companies have raised more than \$600 million on the VSE. The Exchange lists close to 150 technology companies with a total market capitalization of \$2.3 billion in six key sectors: telecommunications, wireless communications, biotechnology, medical products, hardware and software development.

Blessed with a well-educated, highly-skilled talent pool and sophisticated telecommunications infrastructure, Canada offers tremendous opportunities. The VSE is taking its expertise to companies needing venture capital, wherever they are located.



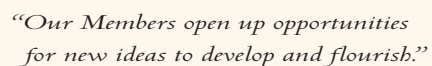


While primarily supporting the technology industry based around Vancouver, the VSE and its Member firms are reaching out geographically. Last year, meetings were held with technology representatives in Seattle and Ottawa, both hotbeds for high-tech start-up companies. The results confirmed the potential for new business. Such road shows, and more planned to New York, Boston, Texas and California in 1998, enable the VSE to market its proven expertise widely to this vital sector.

Success stories are fascinating and go beyond the high profile areas of computers and software. Engaged in developing fuel cells small enough to propel cars and other vehicles, Ballard Power Systems Inc. of Burnaby, British Columbia started small on the VSE. It recently formed major joint ventures with Germany's Daimler-Benz, Ford, General Motors, Chrysler and GEC Ahlstrom.

Investors in VSE-listed QLT PhotoTherapeutics Inc. of Vancouver were rewarded when the U.S. Food and Drug Administration announced marketing clearance for the company's light-activated drug, PHOTOFRIN. This potentially curative treatment for certain types of early-stage, micro-invasive lung cancer provides a new option for patients who, for a variety of reasons, are not eligible for surgery or radio-therapy treatment.

By offering innovative financing expertise in an exchange that is honest, fair and efficient, the VSE is quickly becoming a market of choice for North American technology companies.



The VSE and our 58 Member firms form a partnership committed to building an honest, fair and efficient market for venture capital.

With a proven record of raising capital for companies in diverse industries, Member firms have also been world leaders in venture capital financing for junior mining companies since 1907. In recent years this collective expertise has been applied to virtually every industry – from gold and diamond mining to biotechnology and software development – on every continent.

Member firms' services include the research capability necessary to serve both retail and institutional investors. Their corporate finance teams, licensed for underwriting by the BCSC, work with companies seeking to go public or requiring additional capital from the marketplace.





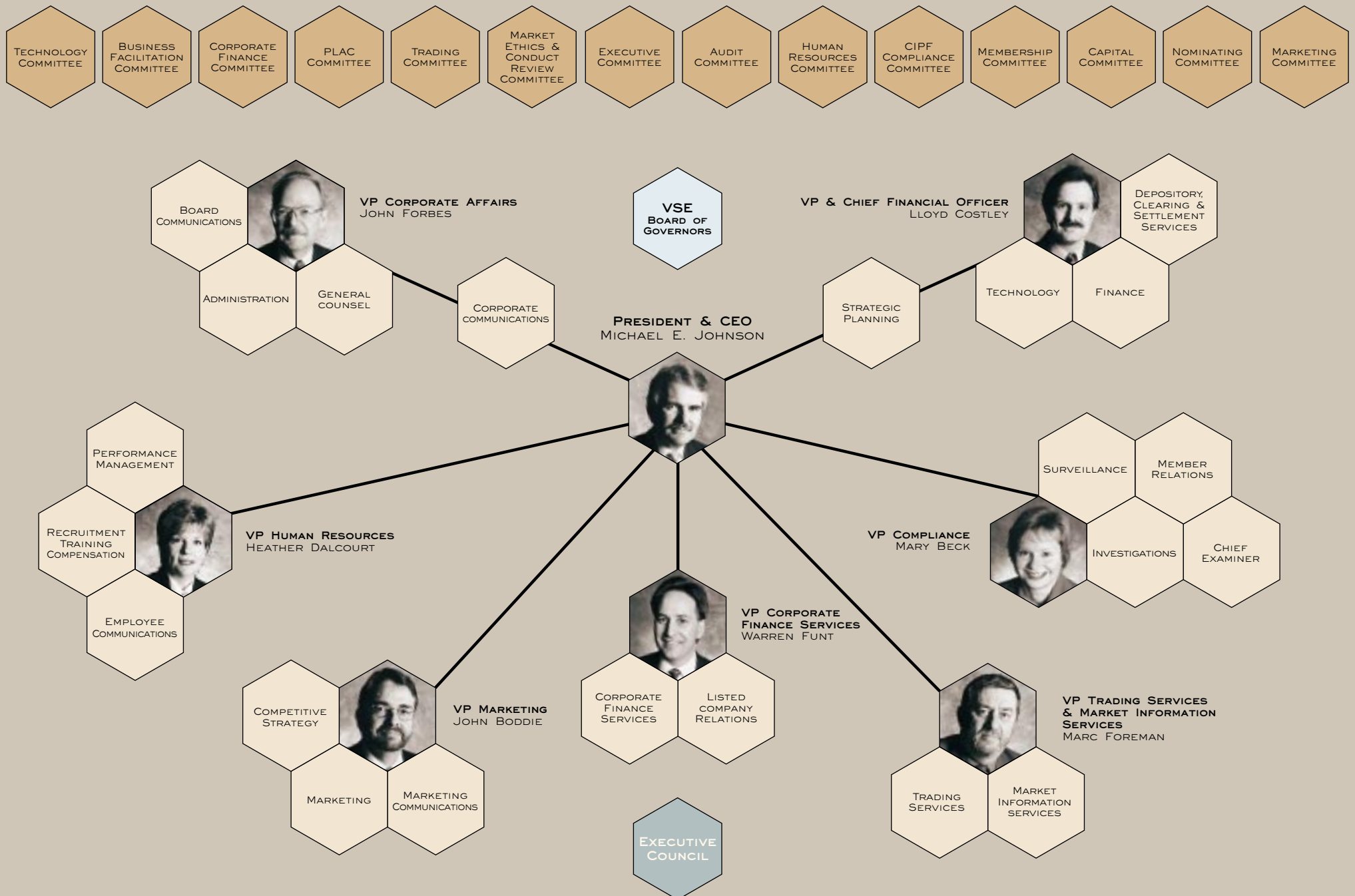
Many service a retail distribution network while others source capital from institutional and private clients. Member firms represent national and regional companies with varying expertise and capability and provide a broad mix of skills to meet the diverse needs of VSE-listed companies. Collectively, they are uniquely equipped to help companies raise venture capital on the VSE.

Member firms work closely with companies, counseling them on how to be organized in preparation for a public offering. Working with the VSE, they review a company's proposal and complete their due diligence to ensure the company meets all the prerequisites of a successful public offering. This objective process includes preparing officers and directors to meet the responsibility of operating a public company.

Our Member firms make a critical contribution to the success of a company's IPO and continue in a sponsoring role for a minimum of one year. This includes providing a wide range of after-market support, such as helping expand the company's investor base, preparing and distributing company information and advising on effective investor relations programs.

In partnership, the VSE and its Members are committed to serving listed companies and investors, thereby contributing to the economies of both British Columbia and Canada and making the VSE the market of choice for venture capital.

VANCOUVER STOCK EXCHANGE ORGANIZATION



AS OF DECEMBER 31, 1997

BOARD OF GOVERNORS

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B. Brink
D.N. Burdett
M.-Y. Chan
T.Y.C. Chan
K.R. Cory
M.B. Couvelier
M.E. Johnson
R. Kunin
J.C. Lay
J.W. McCoach
L.J. McFadden
L.H. McQuid
G.M. Medland
P. Reid
L. Rubin
T.K. Salman
N.F. Thompson
D.J. Yea

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J.C. Lay, Vice-Chair
M.E. Johnson, President & C.E.O.
G.M. Medland, Honorary Secretary-Treasurer
R.B. Ashton
B.S. Bassett
D.N. Burdett
R. Kunin
P. Reid
N.F. Thompson

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Vice-Chair – J.C. Lay
President & C.E.O. – M.E. Johnson
Honorary Secretary-Treasurer – G.M. Medland
Corporate Secretary – J.M. Forbes

COMMITTEE CHAIRS

Audit – G.M. Medland
Business Facilitation – S.R. Sherwood
Capital – L.H. McQuid
CIPF Financial Compliance – J.C. Lay
Corporate Finance Policy – D.J. Yea
Human Resources – J.C. Lay
Market Ethics & Conduct Review – B.S. Bassett
Membership – L.J. McFadden
Marketing – G.M. Medland
Nominating – P. Reid
Pre-Listings Advisory – F.M. Banducci
Technology – N.F. Thompson
Trading Policy – K.G. McPherson



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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

Where Business Starts

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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