

POLICY 2.1

MINIMUM LISTING REQUIREMENTS

Scope of Policy

This Policy sets out the minimum listing requirements for all Issuers making application for a New Listing on the Exchange, including a listing following an Initial Public Offering, an application for listing by an Issuer that was previously listed on another stock exchange or otherwise meets all Exchange MLR before listing and a Reverse Take-Over. This Policy also applies to a Capital Pool Company conducting its Qualifying Transaction in accordance with Policy 2.4 - Capital Pool Companies.

Securities to be Listed

This Policy applies only to a New Listing of common shares (or equivalent securities) of an Issuer. The Exchange will not generally accept an application for listing of securities of an Issuer other than common shares, except where the common shares of that Issuer are already listed, or where the common shares and the other class of securities will be contemporaneously listed. For the purpose of this Policy, a security is equivalent to common shares if it has a single voting right and a right to participate in the distribution of property upon dissolution or winding-up, and generally includes class A shares and limited partnership units. An Issuer seeking to list both common shares and another class of security, such as warrants, should refer to Policy 2.8 - Supplemental Listings for the distribution and other requirements applicable to the other class of securities.

An Issuer seeking to list only securities which are not common shares or equivalents should consult with Exchange staff and schedule a pre-filing conference. Applications to list securities other than common shares or equivalents will be considered on a case-by-case basis. *See Policy 2.8 - Supplemental Listings, Policy 3.5 – Restricted Securities and Policy 2.7 -Pre-Filing Conferences.*

The main headings in this Policy are:

1. Introduction - Tiers and Industry Segments
2. Exercise of Discretion
3. Summary of Minimum Listing Requirements
4. Minimum Quantitative Requirements
5. Public Distribution

1. Introduction – Tiers and Industry Segments

1.1 General

- (a) The Exchange currently classifies Issuers into two different tiers based on standards including historical financial performance, stage of development and financial resources of the Issuer at the time of listing. Specific Minimum Listing Requirements for each industry segment in each of Tier 1 and Tier 2 have been developed. This Policy outlines the Minimum Listings Requirements for each industry segment in Tier 1 and Tier 2.
- (b) The Exchange also intends to introduce a third tier. However, at this time, a Tier 3 does not exist. Companies seeking listing which are unable to qualify for Tier 2 may wish to consult with the Canadian Dealing Network (“CDN”) to determine whether they qualify for trading on CDN.

1.2 Distinctions between Tiers and Industry Segments

- (a) Tier 1 is the Exchange’s premier tier and is reserved for the Exchange’s most advanced Issuers with the most significant financial resources. Tier 1 Issuers benefit from decreased filing requirements and improved service standards. Tier 2 is the tier where the majority of the Exchange’s listed Issuers will trade.
- (b) The Exchange classifies listed Issuers into different classes based on the industry segment of the Issuer’s business. The Exchange will classify Issuers based on information that is available in the Issuer’s application. An Issuer should specify in its initial Application for Listing or other New Listing application, the tier and industry segment it is applying to be listed on. The Exchange, at its discretion, can redesignate an Issuer into a different category or tier than the one applied for.
- (c) The Exchange places special identifiers beside an Issuer’s name or stock symbol to distinguish between Tier 1 and Tier 2 Issuers and to distinguish between regular Tier 2 Issuers and those which are Inactive. A Tier 1 or Tier 2 Issuer generally has a two or three letter stock symbol.

1.3 Interpretation

In this Policy:

“**Financial Resources**” refers generally only to the ability of an Issuer to pay from its cash flow, all general and administrative expenses and costs reasonably required pursuant to its business plan.

“**Minimum Listing Requirements**” or “**MLR**” means the minimum financial, distribution and other standards which must be met by applicants seeking a listing on a particular tier of the Exchange.

“Net Tangible Assets” or **“NTA”** means total assets less total liabilities, goodwill and intangibles. At the discretion of the Exchange, NTA can include deferred exploration and development expenditures or deferred research and development costs (other than general and administrative expenses) incurred in the five fiscal years before the Application for Listing, if the expenditures relate to the development of the asset, property, product or technology which is the basis on which the Issuer will otherwise meet Minimum Listing Requirements and in respect of which either commercialization has occurred or is reasonably imminent or in respect of which a further work program or research and development program has been recommended by an independent expert. Audited financial statements or an audited statement of costs must provide evidence of these expenditures. The Exchange can permit the inclusion of non-deferred expenditures in the case of Issuers which have expensed those costs against revenues or Issuers who were required by standard accounting practices in their jurisdiction of residence to expense those costs, provided the Issuer provides satisfactory evidence of the costs.

“Significant Interest” means at least a 50% interest.

“Working Capital” means current assets less current liabilities based on the Issuer’s most recent balance sheet. Issuers without positive cash flow, at the time of listing, must have enough cash or equivalents to meet all working capital requirements for 12 or more months (depending on the Issuer’s category). In calculating working capital requirements for Issuers which have not yet attained positive cash flow, the Exchange can consider any significant revenues generated. The Exchange will only consider financing alternatives where the Issuer, at the time of listing, has firm commitments to obtain that financing or, in exceptional circumstances, where the Issuer has a demonstrated ability to obtain financing.

2. Exercise of Discretion

- 2.1 When reviewing an Application for Listing, the Exchange can consider the public interest and any facts or circumstances unique to the Issuer.
- 2.2 The Exchange will also consider whether:
 - (a) the past conduct of any Insider suggests that the business of the Issuer will not be conducted with integrity and in the best interests of the Public Shareholders;
 - (b) the rules and regulations of any exchange or regulatory authority have not been complied with by any Insider; and
 - (c) the distribution of the Issuer’s securities to Public Shareholders is not sufficient to ensure an orderly market or appears to be susceptible to manipulation or abuse.
- 2.3 Whether or not an applicant Issuer appears to satisfy the Minimum Listing Requirements, the Exchange may:
 - (a) impose listing requirements of a more restrictive nature;
 - (b) impose additional listing requirements;

- (c) waive, modify or impose any other terms or conditions that it considers advisable;
- (d) refuse to accept the application for New Listing; or
- (e) classify an Issuer in a different tier or industry segment than the one the Issuer applied for.

3. Summary of Minimum Listing Requirements

3.1 Every Issuer making application pursuant to a New Listing, at the time its securities are listed for trading, must:

- (a) meet the minimum quantitative requirements set out in section 4 of this Policy for a particular tier and industry segment;
- (b) meet the minimum distribution requirements set out in section 5 of this Policy applicable to the particular tier on which the applicant Issuer is applying to be listed;
- (c) be in compliance with Policy 3.1 – Directors, Officers and Corporate Governance, including the suitability and qualifications of directors and management and the pre-listing concerns;
- (d) have had a Sponsor submit a final Sponsor Report; and
- (e) have submitted all agreements, reports, other documentation and information as required by Policy 2.3 – Listing Procedures.

3.2 In addition to the requirements set out above, an Issuer which has been subject to a cease trade order or similar ruling for 90 days or more or whose securities have not traded for 12 months or which is a delisted Capital Pool Company, must file with and receive a final receipt for a Prospectus from one of the Securities Commissions, before the Exchange will list the Issuer's securities.

3.3 The following tables summarize the Tier 1 and Tier 2 Minimum Listing Requirements:

Tier 1 Minimum Listing Requirements

Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
Net Tangible Assets	Category 1: \$2,000,000 Category 2: No requirement	No requirement	Category 1: \$1,000,000 NTA Category 2: \$5,000,000 NTA Category 3: No requirement	\$5,000,000	\$5,000,000
Property or Reserves	Category 1: Significant Interest in an Advanced Exploration Property Category 2: Significant Interest in a Property with Proven or Probable Reserves for a 3 year mine life	\$2,000,000 proven reserves	No requirement	No requirement	No requirement
Prior Expenditures	N/A	No requirement	No requirement	\$1,000,000	No requirement
Recommended Work Program	Category 1: \$500,000 on the Advanced Exploration Property (as recommended by Geological Report) Category 2: No requirement	No requirement	No requirement	Minimum: \$1,000,000	No requirement
Working Capital and Financial Resources	Category 1: Adequate for: Work program + 18 mos. G&A ⁽¹⁾ + 18 mos. property payments to keep Advanced Property and "principal properties" ⁽²⁾ in good standing +\$100,000 unallocated	Adequate (Min: \$500,000)	Categories 1 & 3: Adequate Financial Resources for 18 months Category 2: Adequate for Working Capital for 18 mos. under business plan (incl. G&A) ⁽¹⁾ and \$100,000 unallocated	Adequate Working Capital to cover: Work program + 18 mos. G&A ⁽¹⁾ + \$100,000 unallocated	Adequate for 18 months

Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
Working Capital and Financial Resources	Category 2: Adequate working capital and financial resources to conduct business plan, including 18 mos. G&A + \$100,000				
Earnings or Revenue	No requirement	No requirement	Category 1: \$100,000 pre-tax earnings in last year or in last two of three Category 2: No requirement Category 3: \$200,000 pre-tax earnings in last year or in last two of three	No requirement	No requirement
Distribution, Market Capitalization and Float	\$1,000,000 publicly held 1,000,000 free trading public shares 300 public holders with Board Lots 20% of issued and outstanding shares trading in the hands of the public				
Other Criteria	Category 1: Geological Report recommending completion of work program Category 2: Bankable Feasibility Study Sponsor Report is required	Geological Report Sponsor Report is required	Sponsor Report is required	Human or technological benefits Sponsor Report is required	Investment Issuers must have a disclosed investment policy and strategy Sponsor Report is required

- (1) "G&A" means general and administrative expenses.
- (2) "principal properties" means any other properties of the Issuer in respect of which 20% or more of the available funds will be spent in the next 18 months.

Tier 2 Minimum Listing Requirements

Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
Net Tangible Assets	No requirement	No requirement	Category 1: \$500,000 NTA Category 2: \$750,000 NTA Category 3: \$750,000 NTA	\$750,000	\$2,000,000
Property or Reserves	Satisfactory Interest in Qualifying Property	Category 1: \$500,000 proven producing reserves Category 2: \$750,000 proven and probable reserves Category 3: No requirement	No requirement	No requirement	No requirement
Prior Expenditures	\$100,000 on the Qualifying Property in last 12 mos. by applicant issuer	No requirement	Categories 1 & 2: not required Category 3: \$250,000 prior expenditures	\$500,000	No requirement
Recommended Work Program	\$200,000 on the Qualifying Property as recommended by Geological Report	Category 1: No requirement Category 2: \$300,000 work program Category 3: satisfactorily diversified exploration program. Issuer has at least \$1,500,000 allocated towards a joint venture or work program	No requirement	Minimum: \$500,000	No requirement

Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
Working Capital and Financial Resources	Adequate including: Work program + 12 mos. G&A ⁽¹⁾ + 12 mos. property payments to keep Qualifying Property and "principal properties" ⁽²⁾ in good standing +\$100,000 unallocated	Category 1: Adequate working capital and financial resources for 12 months Category 2 and 3: Adequate means adequate working capital and financial resources: Work program + 12 mos. G&A ⁽¹⁾ +12 mos. payments to keep property in good standing +\$100,000 unallocated	Category 1: Adequate for 12 months Category 2: Adequate working capital and financial resources for 12 mos. under business plan (incl. G&A ⁽¹⁾) and \$100,000 unallocated Category 3: Adequate working capital for 12 mos. under business plan (incl. G&A ⁽¹⁾) and \$100,000 unallocated	Adequate working capital to cover: Work program + 12 mos. G&A ⁽¹⁾ + \$100,000 unallocated	Adequate for 12 months
Earnings or Revenue	No requirement	No requirement	Category 1: \$50,000 pre-tax earnings in last year or in last two of three Category 2: \$250,000 operating revenue Category 3: No requirement	No requirement	No requirement
Distribution, Market Capitalization and Float	500,000 public free trading shares \$500,000 publicly held 300 public holders with Board Lots 20% issued and outstanding shares in the hands of the public				
Other Criteria	Geological Report recommending completion of work program Sponsor Report required.	Geological Report Sponsor Report is required	Category 1: Sponsor Report Category 2: Two year management plan demonstrating reasonable likelihood of earnings within 12 months + Sponsor Report.	Human or technological benefits Feasibility Study or other evidence of satisfactory due diligence by sponsor Sponsor Report is required	Investment Issuers must have a publicly disclosed investment policy and strategy Sponsor Report is required

Minimum Listing Requirements	Mining Issuers	Oil & Gas Issuers	Technology or Industrial Issuers	Research & Development Issuers	Real Estate or Investment Issuers
			Category 3: Two year management plan demonstrating reasonable likelihood of earnings within 12 months + Sponsor Report + working prototype of any industrial product or, in respect of any technology, testing satisfactory to demonstrate reasonable likelihood of commercial viability + \$250,000 in prior expenditures related to the development of the product or technology to be commercialized pursuant to the business plan in past 12 months		

- (1) "G&A" means general and administrative expenses.
- (2) "principal properties" means any other properties of the Issuer in respect of which 20% or more of the available funds will be spent in the next 18 months.

4. Minimum Quantitative Requirements

4.1 Overview

The Exchange categorizes Tier 1 and Tier 2 Issuers by industry segment and applies specific requirements to each industry segment. Each Tier 1 or Tier 2 Issuer will be placed into one of the following categories:

- (a) Technology or Industrial
- (b) Mining
- (c) Oil and Gas
- (d) Real Estate or Investment

(e) Research and Development

Each industry segment is further divided into subcategories. The quantitative minimum requirements for listing in each industry and tier are provided below.

4.2 Technology or Industrial – Tier 1

A technology or industrial issuer seeking a listing in Tier 1 must satisfy all the criteria in one of the three categories below:

(a) Category 1:

- (i) Net Tangible Assets of at least \$1,000,000;
- (ii) adequate Financial Resources to carry on the business of the Issuer for 18 months; and
- (iii) net income of at least \$100,000 before extraordinary items and after all charges except income taxes in the fiscal year immediately preceding the filing of the listing application or a minimum average net income of \$100,000 before extraordinary items and after all charges except income taxes for at least two of the last three fiscal years;

or

(b) Category 2:

- (i) Net Tangible Assets of at least \$5,000,000;
- (ii) a management plan outlining the development of its business for 24 months, which management plan demonstrates that the Issuer's product, service or technology is sufficiently developed and that there is a reasonable expectation of earnings from its business within the next 12 months; and
- (iii) adequate Working Capital to carry out the program outlined in its management plan. For further clarification, adequate Working Capital includes the funds necessary to achieve any acquisition, growth or expansion plans and satisfy general and administrative expenses for at least 18 months and at least \$100,000 in unallocated funds;

or

(c) Category 3:

- (i) adequate Financial Resources to carry on the business of the Issuer for 18 months; and

- (ii) net income of at least \$200,000 before extraordinary items and after all charges except income taxes in the fiscal year immediately preceding the filing of the listing application or a minimum average net income of at least \$200,000 before extraordinary items and after all charges except income tax for at least two of the last three fiscal years.

4.3 Technology or Industrial – Tier 2

A technology or industrial issuer seeking a listing in Tier 2 must satisfy all the criteria in one of the three categories below:

(a) Category 1:

- (i) Net Tangible Assets of at least \$500,000;
- (ii) adequate Financial Resources to carry on the business of the Issuer for 12 months; and
- (iii) net income of at least \$50,000 before extraordinary items and after all charges except income taxes in the fiscal year immediately preceding the filing of the listing application or a minimum average net income of at least \$50,000 before extraordinary items and after all charges except income taxes for at least two of the last three fiscal years;

or

(b) Category 2:

- (i) Net Tangible Assets of at least \$750,000;
- (ii) revenues derived from commercial operations in the last 12 months of at least \$250,000;
- (iii) a management plan outlining the development of its business for 24 months, which management plan demonstrates that the Issuer's product, service or technology is sufficiently developed and that there is a reasonable expectation of earnings from its business within the next 12 months; and
- (iv) adequate Working Capital and Financial Resources to carry out the program outlined in its management plan. For further clarification, adequate Working Capital and Financial Resources includes the funds necessary to achieve any acquisition, growth or expansion plans and satisfy general and administrative expenses for at least 12 months and at least \$100,000 in unallocated funds;

or

(c) Category 3:

- (i) Net Tangible Assets of at least \$750,000;
- (ii) at least \$250,000 must have been spent on the development of the product or technology by the applicant Issuer in the 12 months preceding the application;
- (iii) sufficient testing of any technology to demonstrate commercial viability;
- (iv) a working prototype of any industrial product;
- (v) a management plan outlining the development of its business for 24 months, which management plan demonstrates that the Issuer's product, service or technology is sufficiently developed and that there is a reasonable expectation of earnings from its business within the next 12 months; and
- (vi) adequate Working Capital to carry out the program outlined in its management plan. For further clarification, adequate Working Capital includes the funds necessary to achieve any acquisition, growth or expansion plans and satisfy general and administrative expenses for at least 12 months and at least \$100,000 in unallocated funds.

4.4 Mining Issuer – Tier 1

A mining issuer seeking a listing in Tier 1 must satisfy all of the criteria in one of the two categories below:

(a) Category 1:

- (i) Net Tangible Assets of at least \$2,000,000;
- (ii) a Significant Interest in an Advanced Exploration Property;
- (iii) a Geological Report recommending a minimum \$500,000 work program on the Advanced Exploration Property; and
- (iv) adequate Working Capital which for clarification includes adequate funds:
 - (A) to conduct the recommended work program;
 - (B) to satisfy general and administrative expenses for at least 18 months;
 - (C) to maintain the Advanced Exploration Property and all principal properties in good standing for at least 18 months; and
 - (D) at least \$100,000 in unallocated funds;

or

- (b) Category 2:
- (i) a Significant Interest in a property with proven or probable reserves providing for a minimum three year mine life;
 - (ii) a bankable feasibility study; and
 - (iii) adequate Working Capital and Financial Resources which for clarification includes adequate funds:
 - (A) to conduct the business plan recommended by the bankable feasibility study;
 - (B) to satisfy general and administrative expenses for at least 18 months; and
 - (C) at least \$100,000 in unallocated funds.

4.5 Mining Issuer – Tier 2

A mining issuer seeking a listing in Tier 2 must satisfy all of the criteria below:

- (a) a Significant Interest in a Qualifying Property;
- (b) a minimum of \$100,000 in exploration and development costs have been spent on the Qualifying Property by the applicant Issuer in the last 12 months;
- (c) a Geological Report recommending a minimum \$200,000 first phase work program on the Qualifying Property; and
- (d) adequate Working Capital which for clarification includes adequate funds:
 - (i) to conduct the recommended work program;
 - (ii) to satisfy general and administrative expenses for at least 12 months;
 - (iii) to maintain the Qualifying Property and all principal properties in good standing for at least 12 months; and
 - (iv) at least \$100,000 in unallocated funds.

4.6 Oil and Gas Issuer – Tier 1

An oil and gas issuer seeking a listing in Tier 1 must satisfy all of the criteria below:

- (a) a Geological Report demonstrating proven reserves with a present value of \$2,000,000 based on constant dollar pricing assumptions, discounted at 15%; and
- (b) adequate Working Capital and Financial Resources to carry out the business, which for clarification includes at least \$500,000 in Working Capital.

4.7 Oil and Gas Issuer – Tier 2

An oil and gas issuer seeking a listing in Tier 2 must satisfy all of the criteria in one of the three categories below:

(a) Category 1:

- (i) at least \$500,000 proven producing reserves;
- (ii) a Geological Report recommending further development or production; and
- (iii) adequate Working Capital and Financial Resources for 12 months;

or

(b) Category 2:

- (i) proven and probable reserves with a present value of \$750,000 based on constant dollar pricing, discounted at 15%, and for probable reserves, risk discounted a further 50%;
- (ii) a Geological Report recommending a minimum development program of \$300,000; and
- (iii) adequate Working Capital and Financial Resources, which for clarification includes adequate funds:
 - (A) to complete any joint venture exploration program or other recommended work program;
 - (B) to satisfy general and administrative expenses for at least 12 months; and
 - (C) at least \$100,000 in unallocated funds;

or

- (c) Category 3:
 - (i) a satisfactorily diversified exploration program recommended by a Geological Report;
 - (ii) at least \$1,500,000 of the Issuer's funds are allocated to a joint venture or other satisfactory recommended exploration program; and
 - (iii) adequate Working Capital and Financial Resources, which for clarification includes adequate funds:
 - (A) to complete the recommended work program;
 - (B) to satisfy general and administrative expenses for at least 12 months; and
 - (C) at least \$100,000 in unallocated funds.

4.8 Real Estate or Investment Issuer – Tier 1

A real estate or investment issuer seeking a listing in Tier 1 must satisfy all of the criteria below:

- (a) Net Tangible Assets of at least \$5,000,000;
- (b) adequate Working Capital and Financial Resources for 18 months; and
- (c) a publicly disclosed satisfactory investment policy and strategy.

4.9 Real Estate or Investment Issuer – Tier 2

A real estate or investment issuer seeking a listing in Tier 2 must satisfy all of the criteria below:

- (a) Net Tangible Assets of at least \$2,000,000;
- (b) adequate Working Capital and Financial Resources for 12 months; and
- (c) a publicly disclosed satisfactory investment policy and strategy.

4.10 Research and Development Issuer – Tier 1

A research and development issuer seeking a listing in Tier 1 must satisfy all of the criteria below:

- (a) a satisfactory recommended research and development work program of at least \$1,000,000;
- (b) Net Tangible Assets of at least \$5,000,000;

- (c) a minimum of \$1,000,000 in prior research and development costs (excluding general and administrative costs) must have been spent by the applicant Issuer on the technology or product on which the research and development program is recommended;
- (d) adequate Working Capital and Financial Resources, which for clarification includes adequate funds:
 - (i) to conduct the recommended research and development program;
 - (ii) to satisfy general and administrative expenses for at least 18 months; and
 - (iii) at least \$100,000 in unallocated funds.

4.11 Research and Development Issuer – Tier 2

A research and development issuer seeking a listing in Tier 2 must satisfy all of the criteria below:

- (a) a satisfactory recommended research and development work program of at least \$500,000;
- (b) Net Tangible Assets of at least \$750,000;
- (c) a minimum of \$500,000 in prior research and development costs (excluding general and administrative costs) must have been spent by the applicant Issuer on the technology or product on which the research and development program is recommended;
- (d) adequate Working Capital and Financial Resources, which for clarification includes adequate funds:
 - (i) to conduct the recommended research and development program;
 - (ii) to satisfy for general and administrative expenses for at least 12 months; and
 - (iii) at least \$100,000 in unallocated funds.

4.12 Working Capital

If an Issuer has historically generated positive cash flow, the Exchange will generally conclude that the Issuer has sufficient financial resources to meet its historical general and administrative expenses. If an Issuer has generated revenues which have not yet resulted in positive cash flow, the Exchange can consider those revenues when calculating the minimum Working Capital requirements of the Issuer. An Issuer with no revenues must have, at the time of listing, sufficient Working Capital to satisfy all its Working Capital needs for at least 12 months.

5. Public Distribution

5.1 Tier 1

An Issuer seeking a listing in Tier 1, regardless of industry segment, must satisfy all of the criteria below:

- (a) at least 1,000,000 securities of the class to be listed are held by Public Shareholders, free of any trading restrictions;
- (b) the aggregate Market Value of the securities held by Public Shareholders is at least \$1,000,000;
- (c) at least 300 Public Shareholders hold at least one Board Lot each; and
- (d) at least 20% of the issued and outstanding securities to be listed are held by Public Shareholders.

5.2 Tier 2

An Issuer seeking a listing in Tier 2, regardless of industry segment, must satisfy all of the criteria below:

- (a) at least 500,000 securities of the class to be listed are held by Public Shareholders, free of any trading restrictions;
- (b) the aggregate Market Value of the securities held by Public Shareholders is at least \$500,000;
- (c) at least 300 Public Shareholders hold at least one Board Lot each; and
- (d) at least 20% of the issued and outstanding securities to be listed are held by Public Shareholders.

5.3 General Requirements

- (a) If an Issuer does not meet the requirements of section 5.1(c) or 5.2(c), the Exchange can permit the listing of an Issuer that:
 - (i) has between 200 and 300 Public Shareholders holding at least one Board Lot each if the Issuer has more than 400 Public Shareholders in total and at least 20% of the free-trading securities are held by Public Shareholders; or
 - (ii) has only 200 Public Shareholders holding at least one Board Lot each where, in conjunction with the application for New Listing, the Issuer has completed a public offering which raised gross proceeds of at least \$1,000,000 with an offering price of at least \$2.00 per security.

- (b) In determining whether an Issuer has adequate public distribution, the Exchange will exclude from the calculation, any distribution which:
- (i) is contrary to Securities Laws or Exchange Requirements, or
 - (ii) has been achieved solely or principally by gift, dividend in specie, securities exchange take-over bid of a non-reporting issuer, or other similar means.
- (c) An Issuer does not have adequate public distribution, if at the time of listing, the aggregate number of Listed Shares beneficially owned or controlled directly or indirectly by the Pro Group (before inclusion of any Agent's Option) exceeds 20% of the total issued and outstanding Listed Shares of the Issuer.
- (d) If an Issuer appears to meet the distribution requirements in sections 5.1(c) or 5.2(c) but most of the 300 Public Shareholders hold only a single Board Lot and the balance of the securities are held by only a few shareholders, then trading in the Issuer's securities could reasonably become subject to manipulation and the Exchange will generally conclude that the Issuer does not have adequate public distribution.
-