

POLICY 2.3

LISTING PROCEDURES

Scope of Policy

This Policy describes the procedure for obtaining an initial listing of common shares (or equivalent securities) on the Exchange. The Policy does not address listing of securities other than common shares (or equivalent securities), which is covered in Policy 2.8 – Supplemental Listings. It applies to an initial listing made concurrently with any initial public offering of shares and applies to an application for listing of shares of an Issuer that meet Minimum Listing Requirements before listing, including Issuers whose shares previously traded in another market. If the Initial Public Offering is made by an Exchange Vetted Prospectus ("EVP"), additional procedures set out in Policy 4.2 – Prospectus Offerings must be followed.

This Policy does not describe the procedures for obtaining a listing pursuant to a Qualifying Transaction or Reverse Take-Over. The procedures for effecting a Qualifying Transaction by a Capital Pool Company are described in Policy 2.4 – Capital Pool Companies. The procedures for effecting a listing pursuant to a Reverse Take-Over are described in Exchange Policy 5.2 – Changes of Business and Reverse Take-Overs.

The main headings in this Policy are:

1. Exchange Vetted Prospectus
2. Required Documentation
3. Trading in US Dollars

1. Exchange Vetted Prospectus

- 1.1 The Exchange has been authorized by the BCSC to review and provide comments on IPO prospectuses filed in British Columbia only (*see Policy 4.2 - Prospectus Offerings*). The ASC and the BCSC have authorized the Exchange to review and provide comments on a prospectus for a Capital Pool Company (*see Policy 2.4 – Capital Pool Companies*). For prospectuses which the Exchange is authorized to review, the Exchange provides the comments on behalf of the Exchange and the Securities Commissions. However, the Securities Commissions retain the authority to refuse to issue a receipt for the prospectus. The procedures for offerings by way of Exchange Vetted Prospectus are contained in Policies 4.2 and 2.4.

2. Required Documentation

In connection with an initial Application for Listing, an Issuer must file with the Exchange the documents described below.

2.1 Initial Submission

The initial submission in connection with an Application for Listing must include the following:

- (a) a letter requesting conditional acceptance of the listing of one or more specific classes of shares and indicating the number and class of the Issuer's shares to be issued and outstanding upon completion of the prospectus offering and, if convertible or exchangeable securities will be issued and outstanding after the prospectus offering, the number and type of shares reserved for issuance on exercise or conversion;
- (b) if the Application for Listing is being made contemporaneously with an Initial Public Offering, a copy of the preliminary Prospectus;
- (c) if the Application for Listing is not being made under paragraph (b) above, a draft Listing Application (Form 2B), together with financial statements as would be required by the Securities Laws of Alberta or British Columbia in connection with a Prospectus;
- (d) a certified list of all shareholders from the Issuer's transfer agent and registrar or other register of securities;
- (e) if the Application for Listing is not made in connection with an Initial Public Offering and the certified list of shareholders does not provide evidence of a sufficient number of Board Lot holders as required by Policy 2.1 – Minimum Listing Requirements, written evidence from a Member or other investment dealers or other intermediaries which are registered holders, confirming the number of beneficial owners of Listed Shares which they represent who hold a Board Lot;
- (f) a list of all outstanding securities of the Issuer, including the date of issuance, the number and type issued and the issue price; if the Issuer has more than 50 shareholders, details of holdings can be provided just for Related Parties of the Issuer;
- (g) a completed Sponsorship Acknowledgement Form (see Appendix 2A);
- (h) a duly executed Personal Information Form (Form 2A) from each director, senior officer, Promoter and other Insider of the Issuer; if any of these persons is not an individual, a PIF from each director, senior officer and each person who beneficially, directly or indirectly owns or controls 50% or more of the voting rights of such non-individual (or if no individual holds more than 50%, then of any person who is a Control Person);
- (i) a schedule of all properties and assets held by the Issuer, including for each property its legal description, the nature and extent of interest held and details of all mortgages, charges, liens or other encumbrances;

- (j) if the Issuer is a Mining Issuer or an Oil and Gas Issuer, a Geological Report for each of the Issuer's principal properties which must include recommendations for exploration and/or development work;
- (k) if the Issuer is an Industrial or Technology Issuer that has not yet generated net income from its business in the amount referred to in Policy 2.1 - Minimum Listing Requirements, a comprehensive business plan;
- (l) if the Issuer is a Real Estate or Investment Issuer, a copy of its investment policy and strategy;
- (m) if the Issuer is a Research and Development Issuer, a discussion of the research and development conducted to date and a comprehensive recommended research and development work program;
- (n) certified copies of all material contracts, including a copy of each of the following agreements – escrow agreements, pooling or voting trust agreements, stock option or other convertible security agreements, management contracts, underwriting/agency agreements, corporate finance agreements, finder's fee agreements and agreements relating to material acquisitions or dispositions completed within the past two years and all agreements made, directly or indirectly, between the applicant Issuer and the Insiders of the applicant Issuer;
- (o) draft copies of all material agreements which the Issuer expects to enter into before or contemporaneously with the listing;
- (p) if applicable, a valuation or appraisal report prepared by a qualified individual in accordance with industry standards;
- (q) a copy of the documents by which the Issuer was incorporated or created (articles, memorandum, by-laws, letters patent, or other similar constating documents) and, if the Issuer is incorporated outside of Canada, a copy of the statute under which the Issuer was incorporated or created;
- (r) if the Issuer's principal properties or assets are located outside Canada, the Exchange will generally require a title opinion or other appropriate confirmation of title in a form acceptable to the Exchange; and
- (s) the applicable listing fee prescribed by Policy 1.3 - Schedule of Fees based on completion of any minimum offering.

2.2 Additional Documentation

Before the Exchange will provide conditional acceptance of the Application for Listing, the Issuer must submit the following documents to the Exchange:

- (a) responses to any questions or comments from the Exchange, together with any additional documents or agreements requested by the Exchange;

- (b) a preliminary Sponsor Report (*see Policy 2.2 - Sponsorship and Sponsorship Requirements*); and
- (c) if the Application for Listing is being conducted concurrently with an Initial Public Offering, a copy of all correspondence with the applicable Securities Commissions.

2.3 Final Documentation

Before an Issuer's shares will be listed for trading, the Exchange must receive the following documents:

- (a) if the Issuer has not undertaken a prospectus offering in connection with the Listing, two originally executed copies of the Listing Application (Form 2B) dated within three business days of the date they are submitted to the Exchange;
- (b) if the application for listing is made concurrently with a prospectus offering, the Application for Listing must include two originally executed Statutory Declarations (Form 2C) dated within three business days of the date they are submitted to the Exchange, attached to the Prospectus, confirming the Prospectus disclosure. In the event of a material change between the date of the Prospectus and the Statutory Declaration, (including in the case of a CPC, the announcement of an Agreement in Principle) a comprehensive material change report supplementing the disclosure must be incorporated into the Statutory Declaration;
- (c) two duly executed Listing Agreements (Form 2D) filed in paper form;
- (d) a certified copy of a resolution of the directors of the applicant Issuer approving the Listing Agreement and authorizing the directors of the Issuer to execute the Listing Application or the Statutory Declaration and the Listing Agreement;
- (e) if applicable, a consent letter from each auditor, accountant, engineer, appraiser, lawyer or other person or party (an "Expert") whose report, appraisal, opinion or statement (a "Report") is disclosed or summarized or incorporated by reference into the Listing Application or supporting documents, which states that the Expert has read the Listing Application and confirms that there are no misrepresentations contained in the Listing Application which are derived from the Expert's Report or of which the Expert is otherwise aware as a result of the review conducted in connection with the preparation of such Report;
- (f) all material agreements not previously provided under section 2.1(n);
- (g) a specimen share certificate (which complies with Policy 3.2 – Filing Requirements and Continuous Disclosure) and, if applicable, a specimen certificate for any other security to be listed; all certificates must be printed with the applicable CUSIP number;
- (h) three choices for a stock symbol;

- (i) if the Application for Listing is being conducted concurrently with an Initial Public Offering, a Distribution Summary Statement (Form 2E) prepared by the Issuer's Sponsor;
- (j) a letter from the Issuer's transfer agent and registrar confirming that it has been duly appointed, including the fee per share certificate charged by the transfer agent and registrar and an undertaking to provide the Exchange with a copy of each treasury order of the Issuer within five business days after any issuance of Listed Shares;
- (k) a letter from the Issuer's escrow agent confirming that it has been duly appointed as escrow agent and specifying the number and type of shares on deposit with the escrow agent to be held in escrow pursuant to the terms of each escrow agreement and the names of shareholders on behalf of whom it is holding any escrowed securities;
- (l) a certificate of the applicable government authority or legal opinion that the Issuer is in good standing under or not in default of applicable corporate law;
- (m) a certificate of the applicable Securities Commission(s) or legal opinion that the Issuer is a reporting issuer in good standing or not in default in each jurisdiction in which it is a reporting issuer; and
- (n) a duly executed copy of the Sponsor Report (*see Policy 2.2 - Sponsorship and Sponsorship Requirements*).

3. Trading in US Dollars

- 3.1 The Exchange's trading system and settlement system accommodates Listed Shares trading and settling in US dollars. Listed Shares cannot trade in both US and Canadian dollars, but an Issuer may have one class of security listed in US dollars and a different security listed in Canadian dollars.

See Policy 3.2 - Filing Requirements and Continuous Disclosure for additional information on trading in U.S. dollars.

4. Significant Connection to Ontario

- 4.1 Where it appears to the Exchange that an Issuer undertaking an Initial Listing on the Exchange has a Significant Connection to Ontario, the Exchange will, as a condition of its acceptance of the Initial Listing, require the Issuer to provide the Exchange with evidence that it has made a bona fide application to become a reporting issuer in Ontario.