

POLICY 2.7

PRE-FILING CONFERENCES

Scope of Policy

Certain filings may arise from time to time where the application of the Exchange's Policies is not clear to an Issuer or its professional advisers. With a view to facilitating filings and identifying key filing issues as early as possible, the Exchange encourages, and in certain cases requires, pre-filing conferences with Exchange staff.

This Policy describes when a pre-filing conference is required or recommended, and outlines the type of documents to be filed before a pre-filing conference.

For the purposes of this Policy, “**Issuer**” means Companies listed on the Exchange and Companies applying to list on the Exchange.

The main headings in this Policy are:

1. Required or Recommended Pre-Filing Conferences
2. Purpose of a Pre-Filing Conference
3. Scheduling a Pre-Filing Conference
4. Filing Requirements

1. Required or Recommended Pre-Filing Conferences

1.1 When a Pre-Filing Conference is Required

A pre-filing conference is required for:

- (a) a delisted Issuer or any Issuer which has been subject to a cease trade order for more than 90 days and any Issuer whose Listed Shares have not traded for any reason for more than 12 months;
- (b) an Issuer which seeks listing on the Exchange solely of a class of securities other than common shares or equivalent securities. In this case, in addition to the documents described below, the Issuer must submit to the Exchange, a copy of the relevant constating documents or other documentation creating the securities and describing or governing the terms of the securities, including any indenture or agreement. The Issuer must also comply with Policy 3.5 – Restricted Shares and the provisions of applicable Securities Law; and

- (c) an Issuer making application pursuant to a Reverse Take-Over or Qualifying Transaction or in respect of any other transaction involving a halt and requiring Sponsorship, such as a Change of Business, before the Issuer's Listed Shares can be reinstated for trading.

1.2 When a Pre-Filing Conference is Recommended

Although not required, if an Issuer or its Sponsor or their respective legal counsel is concerned about the ability of the Issuer to obtain a listing on the Exchange or to obtain a listing on a particular tier, the Issuer can arrange a pre-filing conference.

A pre-filing conference is strongly recommended in certain circumstances, including the following:

- (a) an application for listing by a Foreign Issuer;
- (b) if the business to be conducted by the Issuer is unique;
- (c) the listing of a Capital Pool Company where the principals are contemplating a Qualifying Transaction and are uncertain as to whether the Exchange would conclude that an agreement was virtually certain to be reached with respect to a particular Qualifying Transaction;
- (d) if the business to be conducted by the Issuer could reasonably be anticipated to give rise to public interest concerns;
- (e) if the Issuer, the Sponsor or their respective legal counsel have concerns with respect to the following:
 - (i) the Issuer does not strictly meet a particular aspect of the Minimum Listing Requirements; however, the Issuer has considerable strengths in other areas of its business which the Sponsor believes justifies listing the Issuer or listing the Issuer in a particular tier;
 - (ii) one or more of the Insiders of the Issuer does not meet the requirements of Policy 3.1 - Directors, Officers and Corporate Governance; however, the loss of that Insider would have a material adverse effect on the business of the Issuer; or
 - (iii) listing of the Issuer would require waiver of a significant policy provision of the Exchange.

1.3 Effect of Not Having a Pre-Filing Conference

If an Issuer chooses not to request a pre-filing conference in circumstances where it was highly recommended, the Exchange will require additional time to review the Issuer's application for listing or acceptance of a transaction and therefore may not respond within the normal time limits.

2. Purpose of a Pre-Filing Conference

- 2.1 A pre-filing conference gives the Issuer and the Sponsor an opportunity to canvass and address with the Exchange, issues relating to the Issuer's application for listing or acceptance of certain types of transactions. The pre-filing conference is not intended to replace careful consideration of Exchange Requirements and Securities Laws by the Issuer and the Sponsor, or to replace the due diligence required by the parties.
- 2.2 A pre-filing conference does not guarantee that the Exchange will accept the transaction or accept the Issuer for listing. The usefulness of the pre-filing conference in canvassing and assessing issues and determining how best to address them will depend, to a large degree, on the quality of the information provided to the Exchange by the Issuer and the Sponsor.

3. Scheduling a Pre-Filing Conference

- 3.1 The Issuer, the Sponsor or their respective legal counsel can schedule a pre-filing conference. An authorized representative of the Issuer must attend the pre-filing conference. The authorized corporate finance officer of the Sponsor and legal counsel to the Issuer should also attend.
- 3.2 To arrange a pre-filing conference, contact either the Vice-President, Corporate Finance or the applicable Corporate Finance Manager. Generally a pre-filing conference will be held in person; however, a pre-filing conference can be held by telephone conference call, if necessary.
- 3.3 Unless otherwise specified by the Exchange, a pre-filing conference can be arranged with any Exchange office; however, it is recommended that the conference be held with the office through which the Issuer has conducted or intends to conduct the majority of its Exchange filings. If a pre-filing conference is scheduled with an Exchange office other than the office through which the Issuer has conducted or intends to conduct the majority of its Exchange filings, the Issuer must ensure that both offices are advised of this fact when it schedules the pre-filing conference.

4. Filing Requirements

- 4.1 Documents to be submitted to the Exchange should be submitted as soon as possible once a pre-filing conference has been scheduled and should generally be provided at least three business days before the conference.

- 4.2 In order to allow the Exchange to make an informed assessment, to the extent possible, all the applicable documents described below should be submitted:
- (a) a letter identifying the issues to be considered at the pre-filing conference and a summary of the proposed transaction being conducted in connection with the application for listing, including the following information:
 - (i) the number and type of Listed Shares of the Issuer currently outstanding;
 - (ii) the number and type of Listed Shares of the Issuer to be outstanding upon completion of the transaction;
 - (iii) a description of any acquisition to be conducted, including the names of all parties to the acquisition and the proposed consideration;
 - (iv) a description of any financing to be conducted, including the type and number of securities to be issued and the proposed issue price; and
 - (v) a description of any material changes or material facts in the business and affairs of the Issuer or any target business during the previous 12 months;
 - (b) a copy of any draft proposed news release for the transaction;
 - (c) a copy of the most recent audited annual financial statements of the Issuer with comparatives for the previous fiscal year and monthly unaudited financial statements for the period since the audited statements;
 - (d) a copy of the most recent audited annual financial statements of any proposed target business to be acquired by the Issuer with comparatives for the previous fiscal period and monthly unaudited financial statements for the period since the audited statements;
 - (e) the Sponsorship Acknowledgement Form (Appendix 2A);
 - (f) a business plan in respect of the proposed business of the Issuer, or a Geological Report for the Issuer's resource properties, as applicable;
 - (g) Personal Information Forms (Form 2A) for each individual who will be an Insider of the Issuer or Resulting Issuer and for each Insider of a Company who will be an Insider of the Issuer or Resulting Issuer at the time of listing and a resume for each of these persons; and
 - (h) a list of shareholders;

- (i) in the case of an Issuer conducting an IPO, if the Issuer has 50 or fewer holders of its securities (including unlisted securities) before the IPO, setting out all of the current holders of the Issuer's securities, including the number and type of securities held by each person and the number and type of securities to be held by each person upon completion of the IPO; or
- (ii) in the case of an Issuer conducting an IPO, if the Issuer has more than 50 shareholders before the IPO, setting out the number and type of securities held both before and after giving effect to the IPO, by each person who currently directly or indirectly beneficially owns or controls 5% or more of any class of the Issuer's securities (including unlisted securities) or after giving effect to the transaction, will directly or indirectly beneficially own or control 5% or more of any class of the Issuer's securities (including unlisted securities) and any other person who is an Insider of the Issuer; or
- (iii) in the case of an Issuer applying for a listing, other than in connection with an IPO:
 - (A) setting out all of the persons who currently directly or indirectly beneficially own or control the proposed target business or asset, including the number and type of securities held (or percentage ownership) by each person and the number and type of securities of the Issuer to be held by each of those persons following completion of the transaction; and
 - (B) setting out the securities directly or indirectly beneficially owned or controlled by the Insiders of the Issuer currently and after giving effect to the transaction. If the target business or asset is owned by more than 50 persons, the list may be limited to all persons who directly or indirectly beneficially own or control 5% or more of the target business or asset before giving effect to the transaction, if the list provides full details of the nature and extent of any non-arm's length relationship between the Issuer, its Insiders and the target asset or business or the owners or Insiders of the target business.

If any Company directly or indirectly beneficially owns or controls 10% or more of any class of securities of the Issuer or any target business or asset, the names of all Insiders of that Company must be provided to the Exchange, as well as the number and type of securities held by each of those Insiders.