

POLICY 3.2

FILING REQUIREMENTS AND CONTINUOUS DISCLOSURE

Scope of Policy

This Policy describes continuous disclosure requirements applicable to every Issuer and identifies filing requirements that can arise in connection with transactions not specifically dealt with by other Exchange policies. Unless specifically exempted or modified by another Policy, an Issuer must comply with this Policy.

The main headings in this Policy are:

1. Annual and Interim Financial Statements
2. Documents Required by Securities Laws
3. Shareholder Meetings
4. Security Issuances, Treasury Orders and Legending of Hold Periods
5. Change in Management or Control
6. Mergers, Amalgamations, Reorganizations and Take-Overs
7. Personal Information Forms
8. Material Agreements - Management Contracts and Escrow/Pooling Arrangements
9. Changes in Constating Documents and Security Reclassifications
10. Change of Auditor or Change of Year End
11. Dividends
12. Redemption, Cancellation or Retirement of Listed Shares
13. Corporate Information and Shareholder Communication
14. Filing of Documents through SEDAR
15. Trading in U.S. Dollars

1. Annual and Interim Financial Statements

1.1 Annual Financial Statements

Every Issuer must comply with the requirements of applicable Securities Laws for preparing, filing, mailing and disseminating annual financial statements. At the time it files annual financial statements with the applicable Securities Commission(s), each Issuer must file a copy of the annual financial statements with the Exchange.

1.2 Interim Financial Statements

Every Issuer must comply with the requirements of applicable Securities Laws for preparing, filing, mailing and disseminating interim quarterly financial statements. At the time it files interim quarterly financial statements with the applicable Securities Commission(s), each Issuer must file a copy of the interim financial statements with the Exchange.

- 1.3 An Issuer must deliver to all its shareholders, regardless of the jurisdictions in which they reside, financial statements or alternative documents required to be delivered in the jurisdiction in which the Issuer is a reporting Issuer.

2. Documents Required By Securities Laws

2.1 Every Issuer must file with the Exchange:

- (a) a copy of any other annual or interim financial statement required to be published or filed for inspection by the laws of the jurisdiction of its incorporation or by applicable Securities Laws;
- (b) a copy of any other document required to be mailed, published or disseminated under applicable Securities Laws; and
- (c) a copy of any document or agreement which pursuant to applicable Securities Laws, is filed with any Securities Commission or similar regulatory body or any other applicable stock exchange or market, including any material change report, notice of sale by a control person, early warning report, offering memorandum, take-over bid circular, director's circular or annual information form.

3. Shareholder Meetings

3.1 Every Issuer must hold an annual meeting of its shareholders by the earlier of the time required by applicable corporate or securities legislation and 18 months after:

- (a) the date of its incorporation; or
- (b) the date of its certificate of amalgamation, in the case of an amalgamated Issuer,

and subsequently thereafter in each year not more than 15 months after its last preceding annual meeting of shareholders or such earlier date as required by applicable corporate or Securities Laws.

3.2 Every Issuer must, concurrently with giving notice of a meeting of shareholders, send a form of proxy and an information circular in the manner prescribed by Securities Laws to each holder of a Listed Share and each other shareholder who is entitled to receive notice of the meeting whether or not they are resident in the jurisdiction in which the Issuer is a reporting Issuer. Every Issuer must comply with the requirements of applicable corporate and Securities Law governing proxies and shareholder meetings.

- 3.3 Every Issuer must comply in all respects with the provisions of National Policy 41 (Shareholder Communication) or any successor instrument, including all filing and notice deadlines therein.
- 3.4 Every Issuer must file with the Exchange a copy of each notice of meeting, form of proxy, information circular, annual report or other document provided to its shareholders.
- 3.5 If a proposed transaction to be submitted to shareholders for approval also requires the acceptance of the Exchange, the Issuer must obtain this acceptance before mailing the meeting materials to the shareholders. If this is impracticable due to unavoidable time restrictions, the Exchange must be advised in advance of the proposed mailing, and the information circular must clearly state that the proposed transaction is subject to the acceptance of the Exchange (or regulatory approval), and that the Issuer will not proceed with the transaction if regulatory acceptance or approval is not obtained.
- 3.6 An Issuer which has adopted or proposes to adopt procedures which may have the effect of entrenching management should consult with the Exchange in advance and obtain prior Exchange Acceptance. *See Policy 3.1 - Directors, Officers and Corporate Governance.*

4. Security Issuances, Treasury Orders and Legending of Hold Periods

4.1 Security Issuances

Unless specifically provided for in Exchange Requirements, an Issuer must not issue securities without the prior acceptance of the Exchange.

4.2 Treasury Orders - General

- (a) Every Issuer must require that its transfer agent provide to the Exchange, within five business days following the issuance of any securities, a copy of the applicable treasury order.
- (b) Each treasury order and reservation order submitted to the Issuer's transfer agent must contain the following information:
- (i) the date of the treasury order;
 - (ii) the name and municipality of the transfer agent;
 - (iii) full particulars of the number and type of securities being issued or reserved for issuance;
 - (iv) the issue price per security or the deemed issue price;
 - (v) the balance of issued securities of the Issuer following the issuance;

- (vi) the names and addresses of all parties to whom the securities are being issued or are reserved for issuance;
 - (vii) the date of the applicable Exchange Acceptance of the application for issuance of such securities and, if applicable, the Exchange application/file number;
 - (viii) for a treasury order, confirmation that the Issuer has received full payment for the securities and that the securities are validly issued as fully paid and non-assessable;
 - (ix) instructions that the wording of any legend required by applicable Securities Law or by section 4.3 of this Policy be imprinted on the face of the certificate (or if the face of the certificate has insufficient space, on the back of the certificate with a reference on the face of the certificate to the legend); and
 - (x) the legend required by section 4.3.
- (c) Every treasury order must be signed by at least two directors or senior officers of the Issuer. The names and titles of each signatory must be printed beneath their respective signatures.

4.3 Hold Period Legends

- (a) The Exchange legend requirement applies except in the case of securities issued in a prospectus offering, qualified by prospectus, issued under a securities exchange take-over bid circular or pursuant to an amalgamation or statutory arrangement. Each Issuer must ensure that all other securities issued from treasury are represented by a certificate, which must bear an Exchange legend stating:
- “Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Canadian Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date].”
- (b) The date to be inserted in the legend will be the date following the fourth month after the securities were issued from treasury, except in the case of stock options granted pursuant to Policy 4.4, where the date will be the date following the fourth month after the grant of the option.
- (c) For securities which are convertible, exercisable or exchangeable into Listed Shares, the legend must be modified to indicate that the resale restriction also applies to the underlying Listed Shares and that the hold period will continue, in either case, until the date following the fourth month after the convertible, exercisable or exchangeable security was issued from treasury.

- (d) The Exchange will only waive the legending requirement prescribed by this section if the securities will be legended with a resale restriction which applies in all Canadian jurisdictions which is longer than the hold period prescribed by this section.
- (e) The Exchange legending requirement is in addition to, and does not replace any Resale Restrictions imposed by Securities Law, including any legending of the security certificate. The Exchange hold period will run concurrently with a hold period under Securities Law.

4.4 Trading of Legended Shares

Legended shares are generally not permitted to trade, however the Exchange may consider applications to trade legended shares where Listed Shares bearing a legend trade as a separately listed class of shares with a special symbol to identify the shares as legended (e.g. “ABC.S” for Regulation S legended shares). Legended Listed Shares may trade separately under the special symbol from Listed Shares of the same class of the Issuer that are not legended, or legended Listed Shares may be the only shares of the Issuer listed on the Exchange. The number of legended shares in a class of shares and the nature of the legend will determine whether the legended shares will be listed. If legended shares are not listed, then they are not good settlement for trades of unlegended Listed Shares until the legend is removed.

5. Change in Management or Control

- 5.1 An Issuer must not agree to be party to a Change of Control or any transactions which may reasonably be expected to result in a Change of Control unless and until the Exchange has accepted notice of the transaction(s).
- 5.2 In certain circumstances, a Change of Control may form part of a Reactivation, Change of Business or Reverse Take-Over, in which case the Issuer must comply with all of the requirements of the applicable policies. *See Policy 2.6 - Inactive Issuers and Reactivation and Policy 5.2 - Changes of Business and Reverse Take-Overs.*
- 5.3 When an agreement in principle is reached (or as soon as the Issuer becomes aware that an agreement in principle reasonably appears to have been reached) which will result or may reasonably be expected to result in a Change of Control of the Issuer, or when any event occurs which will result in the addition to or removal from the board of directors or management of any individuals, the Issuer must issue a news release, which complies in all respects with Policy 3.3 - Timely Disclosure, describing:
 - (a) the transaction(s) resulting in the Change of Control; or
 - (b) the transactions resulting in any Change of Management and identifying each person who has ceased to act as director or senior officer, including the position previously held by that person and identifying any person who will be appointed or elected to a new position as a director or senior officer of the Issuer, including the position to be held and a brief description of such person’s background and experience; and

file with the Exchange a letter notice describing the proposed transaction.

5.4 Before the Exchange will accept any Change of Control or a Change of Management, the Exchange can require certain supporting documents to be filed, including any or all of the following:

- (a) evidence of (disinterested) shareholder approval;
- (b) a Sponsor Report;
- (c) a disclosure document such as an Information Circular, Filing Statement or any other document prescribed by the Exchange; and
- (d) Personal Information Forms.

5.5 The Exchange can also require a trading halt to provide time for dissemination of information. See section 7 for the requirement to submit Personal Information Forms.

6. Mergers, Amalgamations, Reorganizations and Take-Overs

6.1 An Issuer must not proceed with a merger, amalgamation, reorganization or the making of a take-over bid (a "Reorganization") whether exempt or otherwise, until the Exchange has accepted notice of the Reorganization.

6.2 In certain circumstances, a Reorganization may form part of a Reactivation, Change of Business or Reverse Take-Over, in which case the Issuer must comply with all of the requirements of the applicable policies. *See Policy 2.6 - Inactive Issuers and Reactivation and Policy 5.2 - Changes of Business and Reverse Take-Overs.*

6.3 When an agreement in principle is reached which results or may reasonably be expected to result in a Reorganization, the Issuer must:

- (a) file with the Exchange, Attention: Corporate Finance Department, a letter notice describing the proposed transaction, together with a draft copy of any Information Circular or other disclosure document to be provided to the Issuer's shareholders; and
- (b) if the Reorganization constitutes a Material Change requiring disclosure under applicable Securities Laws or Policy 3.3 - Timely Disclosure, immediately issue the required news release.

6.4 Before the Exchange will accept any Reorganization, the Exchange can require certain supporting documents to be filed, including:

- (a) evidence of (disinterested) shareholder approval;
- (b) a Sponsor Report;

- (c) a business plan, valuation, Geological Report or other expert report or opinion;
 - (d) a disclosure document, such as an Information Circular, Filing Statement or any other document prescribed by the Exchange; and
 - (e) Personal Information Forms.
- 6.5 The Exchange can also require a trading halt to provide time for dissemination of information. See section 7 for the requirement to submit Personal Information Forms.

7. Personal Information Forms

- 7.1 A duly completed Personal Information Form (“PIF”) (Form 2A), must be submitted to the Exchange before:
- (a) the Exchange will accept the involvement of any Person with an Issuer in the capacity of an Insider; or
 - (b) any Person can perform Investor Relations Activities for an Issuer.
- 7.2 An Issuer must immediately advise the Exchange when any director or senior officer of the Issuer or any Person engaging in Investor Relations Activities on its behalf is added or removed.
- 7.3 In its discretion and at any time, the Exchange can require an updated duly completed PIF for any Person involved with an Issuer.
- 7.4 If a PIF is requested by the Exchange from a Person who is not an individual, a PIF must be submitted for each Insider of that non-individual entity.
- 7.5 Acceptance for filing by the Exchange of a PIF does not constitute Exchange Acceptance of the proposed Person.

8. Material Agreements - Management Contracts and Escrow/Pooling Arrangements

8.1 General

Each Issuer must promptly notify the Exchange by letter notice of any material agreement to be entered into or terminated and, if requested by the Exchange, must provide a copy of the agreement and other requested documents or information. If the agreement or termination of the agreement constitutes a Material Change, the Issuer must issue a news release pursuant to applicable Securities Laws and Policy 3.3 - Timely Disclosure.

8.2 Management Contracts

- (a) Every agreement (a “**Management Contract**”) entered into by an Issuer (other than a Tier 1 Issuer) providing for remuneration, directly or indirectly to a director or senior officer or their Associates or Affiliates (a “**Management Consultant**”) in amounts, which in the aggregate taken together with any other Management Contract with the same Management Consultant:
 - (i) provides for compensation payable by the Issuer or its subsidiaries to the Management Consultant of more than \$5,000 per month; or
 - (ii) in the case of an Issuer designated as Inactive, provides for compensation payable by the Issuer or its subsidiaries to the Management Consultant of more than \$2,500 per month,

must set out the responsibilities and specific services to be provided by the Management Consultant and must be in writing.

- (b) The maximum aggregate monthly compensation which can be paid to all Management Consultants of an Inactive Issuer is \$2,500.
- (c) An Issuer (including its subsidiaries) must not pay Management Consultant remuneration if the Issuer (or its subsidiaries) is not solvent or will cease to be solvent if it pays the remuneration to a Management Consultant.

8.3 Management Contracts - Filing Requirements

Every Management Contract described in section 8.2 requires prior Exchange Acceptance. The Issuer must file the following with the Exchange:

- (a) a copy of the Management Contract; and
- (b) a copy of the directors’ resolution or minutes of the directors’ meeting approving the Management Contract, including a notation which confirms that the interested director or senior officer declared his or her conflict of interest and abstained from voting in respect thereof.

8.4 Exchange Refusal of Management Contracts

The Exchange will refuse to accept any Management Contract it considers to be contrary to Exchange Requirements, unreasonable or not in the best interests of the Issuer’s shareholders, taking into consideration the financial situation and resources of the Issuer. Factors the Exchange may consider include:

- (a) The compensation package should be affordable given the Issuer's financial situation. A plan to accrue as a liability remuneration which exceeds an Issuer's current financial means could adversely affect an Issuer's financial condition. The Exchange can refuse such an agreement or, as an alternative, the Exchange can require that the liability have no specific terms of repayment and be deferred until the Issuer demonstrates the ability to pay. The Exchange will not normally accept shares for debt settlements for Management Contracts if the remuneration payable is in excess of \$2,500 per month.
- (b) Golden parachutes, retirement bonuses and similar cash payments (other than reasonable severance payments) in the event of a take-over, change of control or simple change in management may deter a take-over bid or other beneficial change of control in the Issuer. The Exchange considers these mechanisms to be generally inappropriate for Tier 2 Issuers.
- (c) A remuneration package based on an executive's position at some other Company or prior employment is only relevant if the other Company and the Issuer are comparable, the Issuer can demonstrate the ability to pay, and the Person is likely to succeed in an entrepreneurial position with an Issuer (usually relatively smaller than the previous employer) listed on the Exchange. The Exchange expects that potential new executives and existing management will participate in the risks of a junior enterprise by having a flexible remuneration package that fits the Issuer's circumstances and will not rely on waiver of Exchange Requirements in order to devise an attractive benefit plan.
- (d) Any Management Contract should specify the performance expected of the Person and contain a provision for periodic review and adjustment of compensation based on performance.

This Policy is not intended to prevent payment of a fair and competitive salary or remuneration to full-time Management Consultants. Limitations usually apply to an Issuer which is not in a position to pay cash compensation to its management and/or has management personnel who are involved in one or more ventures and whose time commitment to the Issuer is not full time, clearly defined or readily ascertained.

8.5 Escrow or Pooling Agreements

Each Issuer which is or becomes aware of any private agreement(s) by any one or more of its shareholder(s) to voluntarily escrow or pool any of the Issuer's securities must promptly disclose to the Exchange the existence of the agreement and if material to investors, must disclose the existence of such an agreement to its shareholders as required by applicable Securities Laws.

9. Changes in Constatng Documents and Security Reclassifications (Other than Name Changes, Stock Splits and Consolidations)

- 9.1 An Issuer must not implement a security reclassification or an amendment to its articles, by-laws, memorandum or other constating documents until it has received conditional acceptance.
- 9.2 The Issuer must file all documents requested by the Exchange, before or in connection with granting conditional acceptance, including:
- (a) one copy of the applicable provisions of the information circular (draft or final) which has been or will be sent to the Issuer's shareholders in connection with the approval of the reclassification or amendment; and
 - (b) a draft copy of the revised articles, by laws, memorandum or constating documents.
- 9.3 As soon as possible after effecting the amendment, the Issuer must file:
- (a) an opinion of counsel that all the necessary steps have been taken to validly effect the amendment or security reclassification in accordance with applicable law;
 - (b) a new definitive specimen(s) or over-printed share certificate(s) with the CUSIP number imprinted thereon;
 - (c) a copy of the letter of transmittal to be sent to shareholders, if applicable; and
 - (d) the fee prescribed by Policy 1.3 - Schedule of Fees.

10. Change of Auditor or Change of Year End

- 10.1 An Issuer must not change its fiscal year end or its auditors without prior notification to the Exchange. In addition, Issuers must comply in all respects with National Policy No. 31 (Change of Auditor of a Reporting Issuer) and National Policy 51 (Changes in the Ending Date of a Financial Year End and in Reporting Status) or any successor Instruments. This includes complying with all notification requirements and all applicable filing and notification deadlines prescribed therein.

11. Dividends

- 11.1 The declaration of a dividend for any class of Listed Shares is a Material Change in the affairs of the Issuer and requires the issuance of a news release in accordance with the provisions of Policy 3.3 - Timely Disclosure.
- 11.2 A news release issued with respect to a dividend declaration must set out, at a minimum, the following information:

- (a) the Issuer's name;
- (b) the class of securities on which the dividend is to be paid;
- (c) the amount payable per security;
- (d) the record date; and
- (e) the dividend period (e.g. quarterly, semi-annually, special).

11.3 If a dividend involves the issuance of securities (i.e., a stock dividend), the Issuer must apply to list any additional securities issued by way of dividend and must provide for any fractional securities resulting from the dividend.

12. Redemption, Cancellation or Retirement of Listed Shares

12.1 An Issuer must notify the Exchange promptly of any corporate or other action which results or may result in the redemption, cancellation or retirement, in whole or in part, of any of its Listed Shares or any security convertible into Listed Shares.

12.2 The redemption, cancellation or retirement of any Listed Shares is a Material Change and requires the issuance of a news release in accordance with Policy 3.3 - Timely Disclosure.

13. Corporate Information and Shareholder Communication

13.1 While listed on the Exchange, an Issuer must maintain and ensure that the Exchange is provided with a current address, telephone number, contact person's name and if applicable, facsimile or telecopier number, e-mail address and internet website to which all shareholder and public inquiries and Exchange communication can be directed.

13.2 An Issuer must file with the Exchange a copy of any materials of any kind which are sent or provided to the Issuer's shareholders or the public at the same time those materials are delivered to the shareholders or the public.

14. Filing of Documents through SEDAR

14.1 In this section, "common filings" means any documents which must be filed by an Issuer with both the Exchange and the applicable Securities Commission(s) and includes:

- Prospectuses;
- Exchange Vetted Prospectuses;
- Short Form Offering Documents;
- financial statements;
- notices of shareholder meetings and all related materials;
- management proxy circulars;
- information circulars;

issuer bid and take-over bid circulars;
rights offering circulars;
Material Change Reports
annual reports; and
all supporting materials submitted with or in connection with the above documents.

- 14.2 An Issuer can submit any common filing by the System for Electronic Document Analysis and Retrieval (“SEDAR”). The Exchange will publish advance notice before requiring that all documents filed with the Exchange must be filed by SEDAR.
- 14.3 All filings done by SEDAR must comply in all respects with National Instrument 13-101 and the SEDAR Filers Manual. Copies of the SEDAR Filers Manual can be obtained by contacting the SEDAR Helpdesk at 1-800-219-5381 or by downloading from the SEDAR Rules and Forms page of the About SEDAR section of the SEDAR internet website (www.sedar.com).
- 14.4 For certain common filings, such as prospectuses, an individual must manually execute a Certificate of Authentication (SEDAR Form 6) to verify his or her electronic signature. Every Certificate of Authentication must be filed with CDS Inc. within three days after the date the electronic filing of the document was made through SEDAR.
- 14.5 All documents filed through SEDAR must use the SEDAR software and be in the appropriate electronic format, which currently is limited to Adobe Acrobat PDF.
- 14.6 Exchange fees for SEDAR filings may be paid electronically through SEDAR, although payment in this form is not mandatory.
- 14.7 Correspondence from the Exchange to the Issuer will not be sent through SEDAR. The current system of fax and/or mail delivery directly to the Issuer or its counsel will continue for any applications filed by SEDAR.
- 14.8 Further information regarding SEDAR may be obtained:

by contacting the SEDAR helpdesk at 1-800-219-5381;
by accessing the SEDAR web site (www.sedar.com); and
by accessing the Exchange’s website under “Filers Frequently Asked Questions” (www.cdnx.ca).
- 14.9 All public information filed and stored on SEDAR can be accessed:

directly through the SEDAR interface by becoming a SEDAR subscriber;
via the SEDAR website (www.sedar.com) on the next business day; or
through traditional data vendors.

15. Trading in U.S. Dollars

- 15.1 In order to list a security to trade in US dollars or to switch a class of Listed Shares trading in Canadian dollars to trade in US dollars, an Issuer must apply to the Exchange and provide a description of the Issuer and its US operations, a description of how it has been complying with US securities laws (for example, registration status under the Securities Act of 1933, Regulation S and the Securities and Exchange Act of 1934, the name of its US securities counsel and information about his or her firm) and an estimate of the percentage of US shareholders. Applications will be considered on a case by case basis by the Exchange.
- 15.2 If the Issuer is accepted for US dollar trading, the Exchange will assign a .U suffix to the trading symbol of the Listed Shares which will trade in US dollars. There is no requirement to change the CUSIP number or the security code.
- 15.3 The Exchange must give at least three weeks' notice to the clearing and settlement agency before the effective date to switch Listed Shares trading in Canadian dollars to US dollars. The Exchange will also issue an Exchange Notice 11 trading days before the effective date, announcing a cash trade period of 10 trading days before the switch to US dollar trading. The Exchange will issue a second Exchange Notice on the trading day before the effective date.
- 15.4 For new listings, the 10 trading day cash trade period is not required; however, the applicant Issuer should request trading in US dollars early in the listing application process so consideration of this matter does not delay listing.
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