

TO : APPROVED PARTICIPANTS

August 14, 2001

NOTICE TO ALL APPROVED PARTICIPANTS

You will find attached, for your information, a notice informing you of the current status of the transfer of activities to CDNX, the projected timing and its effect on the approved participants.

For further information, please contact Louis Doyle, Director, Equities Division, at (514) 871-3536 or by e-mail at ldoyle@boursedemontreal.com.

Joëlle Saint-Arnault
General Counsel and Secretary

Bourse de Montréal Inc.

NOTICE TO ALL APPROVED PARTICIPANTS

August 14, 2001

As part of the realignment of the Canadian stock exchanges, it was agreed pursuant to a Memorandum of Agreement dated March 15, 1999, as amended, that the Montréal Exchange now known as Bourse de Montréal Inc. (the "Bourse") would exclusively provide trading facilities and services for all exchange-traded derivative products and that the Canadian Venture Exchange Inc. ("CDNX") would exclusively provide trading facilities and services for all junior securities. It was agreed that the Bourse would transfer its listed equity issuers to CDNX. CDNX and the Bourse have negotiated an agreement whereby, **subject to obtaining regulatory approval**, the Bourse will cease operations as an equity stock exchange and CDNX will commence operations as a stock exchange in Québec. Only those companies that as at August 31, 2001 are either Bourse listed companies or companies that have submitted a complete application to be listed on the Bourse ("Bourse Issuers") that is subsequently approved for listing (together, the "**Eligible Company**" or "**Eligible Companies**") are invited to list on CDNX.

This notice sets out the current status of the transfer, the projected timing, and its effect on the approved participants of the Bourse.

Projected Timing

In order to commence operations in Québec, CDNX will make formal application to the Commission des valeurs mobilières du Québec ("CVMQ") to be exempted from recognition as a stock exchange in Québec. The basis for the application for exemption from recognition is that CDNX is already recognized as an exchange in Alberta and British Columbia and is subject to joint oversight by the Alberta Securities Commission ("ASC") and the British Columbia Securities Commission ("BCSC"). CDNX requires the consent of the ASC and BCSC prior to transferring Eligible Companies to CDNX and has made application to the ASC and BCSC for approval in this regard. **The ability of CDNX to commence operations as a stock exchange in Québec is subject to the receipt of such regulatory approvals.**

With respect to the timing of listing and trading on CDNX, Eligible Companies should review "Commencement of Trading on CDNX" as set out below.

Office Location

CDNX intends to share office space with the Bourse whose offices are located at the following address:

800 Victoria Square, 4th Floor
Montréal (Québec)
H4Z 1A9

Telephone: (514) 871-2424
Fax: (514) 871-3579

CDNX Market Structure and Trading System

CDNX is structured as a three tier market.

Tiers 1 and 2

CDNX's company listings have been designated as either Tier 1 or Tier 2. Tiers 1 and 2 are distinguished by the financial status of the listed companies, with the more senior companies listed on Tier 1, and the remainder of the current CDNX listed companies on Tier 2. New listings on CDNX are allocated to Tiers 1 and 2 on the basis of CDNX's tier-specific minimum listing requirements, as applied at the time of listing.

Tier 3

In connection with the transfer of the activities of the Canadian Dealing Network Inc. ("CDN") to CDNX, CDNX introduced a third tier, "Tier 3", for the specific purpose of listing companies transferring from CDN's quoted market to CDNX. Tier 3 is limited to former CDN quoted companies that were previously invited by CDNX to list on Tier 3.

Information regarding CDNX's corporate finance policies, including tier maintenance requirements, may be viewed or obtained in the manner described below under "CDNX Corporate Finance Policies".

Trading System

All CDNX companies currently trade on TradeCDNX, CDNX's fully electronic auction trading system. Bourse Issuers currently trade on TradeCDNX on a partitioned basis. Bourse traders will not require additional training or support to accommodate the removal of the partition. The Bourse adopted CDNX Trader qualifications and requirements, including successful completion of the TradeCDNX examination. It is intended that CDNX will be transitioning trading on TradeCDNX to the Toronto Stock Exchange's trading platform. CDNX will provide further notice when the transitioning details have been finalized. All Bourse Issuers that commence trading on CDNX will continue to trade under the same stock symbol and with the same CUSIP number and ISM code as they currently utilize for trading on the Bourse.

Listing Invitation

Eligible Companies that meet Tier 1 minimum listing requirements, as assessed by CDNX, will be listed on Tier 1. Eligible Companies that meet Tier 2 minimum listing requirements or Tier 2 tier maintenance requirements, as assessed by CDNX, will be listed on Tier 2. Any Eligible Company that does not meet Tier 2 tier maintenance requirements will be listed on Tier 2 and immediately designated as "Inactive". Eligible Companies designated Inactive will be given 18 months to continue to trade on Tier 2 and to attempt to attain Tier 2 tier maintenance requirements. In the event that an Eligible Company designated as Inactive fails to meet Tier 2 tier maintenance requirements within the 18 month period, it will be suspended and then delisted.

Listing Requirements

Bourse Issuers accepting the invitation to list on CDNX will be required to submit the following:

1. an executed CDNX Listing Agreement (CDNX Form 2D);
2. an acknowledgement and certificate duly completed and executed by two authorized signing officers of the Eligible Company confirming that the Eligible Company has notified all directors, senior officers, control persons* and parties conducting investor relations activities on behalf of the Eligible Company of the review process (the "Bourse Acknowledgement and Certificate");
3. a duly completed and executed Personal Information Form ("PIF") (CDNX Form 2A) for each **director, senior officer, control person* and party conducting investor relations activities** on behalf of the Eligible Company; and
4. payment of the 2001 joint Bourse/CDNX sustaining fee in the amount of \$2,000.

(referred to as the "Complete CDNX Application").

- * Please note that CDNX defines a "control person" to include any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

Eligible Companies accepting the invitation will not be required, as a condition of listing on CDNX, to obtain sponsorship from a CDNX member or to enter into an escrow arrangement in accordance with CDNX's published policies.

The Complete CDNX Application should be submitted to:

**CDNX c/o
Bourse de Montréal Inc.**
Tour de la Bourse
800 Victoria Square, 4th Floor
Montréal (Québec)
H4Z 1A9

Attention: Louis Doyle

or

CDNX
10th Floor, 300 – 5th Avenue S.W.
Calgary, Alberta
T2P 3C4

Attention: Joanne Butz

Companies Seeking Listing on the Bourse – Application Deadline

The Bourse will continue to accept applications for listing on the Bourse until **August 31, 2001**.

Commencement of Trading on CDNX

Provided that CDNX receives a Complete CDNX Application by September 7, 2001 the Eligible Company will be listed and commence trading on CDNX on **October 1, 2001**.

Subject to the exception noted below, Bourse Issuers that have not filed their Complete CDNX Application by September 7, 2001 will no longer qualify as an Eligible Company. A Bourse Issuer that no longer qualifies as an Eligible Company, but wishes to list on CDNX, must make an application in accordance with CDNX's policies and procedures. Among other things, this will mean that such Bourse Issuer will be required to obtain sponsorship from a CDNX member, comply with CDNX minimum listing requirements and corporate governance policies and the securities of the Bourse Issuer will be subject to such escrow requirements as are prescribed by CDNX.

Any Bourse Issuer that has failed to submit a Complete CDNX Application by September 7, 2001 will not be listed or traded on CDNX and will cease to be listed or traded on the Bourse at the close of business on September 28, 2001.

Eligible Companies that meet Tier 1 minimum listing requirements, as assessed by CDNX, will be listed on Tier 1. Eligible Companies that fail to meet one of the Tier 1 maintenance requirements will be advised of this and given 6 months to meet the requirement. If, after 6 months the Eligible Company still does not meet all Tier 1 tier maintenance requirements, it will be downgraded to Tier 2. Eligible Companies that fail to meet more than one Tier 1 maintenance requirements will be advised of this and given 90 days to meet the requirements. If, after 90 days, the Eligible Company still does not meet all Tier 1 tier maintenance requirements, it will be downgraded to Tier 2.

Eligible Companies that meet Tier 2 minimum listing requirements or Tier 2 tier maintenance requirements, as assessed by CDNX, will be listed on Tier 2. Any Eligible Company that does not meet Tier 2 tier maintenance requirements will be listed on Tier 2 and immediately designated as "Inactive". Eligible Companies designated Inactive will be given 18 months to continue to trade on Tier 2 and to attempt to attain Tier 2 tier maintenance requirements. In the event that an Eligible Company designated as Inactive fails to meet Tier 2 tier maintenance requirements within the 18 month period, it will be suspended and then delisted.

Exception

Eligible Companies that have filed the executed Listing Agreement, the Acknowledgement and Certificate and the 2001 joint Bourse/CDNX sustaining fee by September 7, 2001 but have failed to provide all of the required PIFs will not be considered to have filed a Complete CDNX Application. In such circumstances, Eligible Companies will not be listed on CDNX until such time as CDNX has received all outstanding PIFs and any other documentation that may then be required by CDNX. The deadline for receipt of all outstanding PIFs is October 31, 2001. After October 31, 2001 the invitation to list will expire and the Eligible Companies will no longer be entitled to list on CDNX under the modified listing process applicable solely to Bourse Issuers. Such other documentation may include a certificate executed by two authorized signing officers of the Eligible Company stating that all PIFs have been provided and that there has been no Material Change (as defined in CDNX Corporate Finance Policy 1.1) between September 7, 2001 and the date of the certificate. If there has been a Material Change, CDNX reserves the right to request further documentation, decline the application for listing on CDNX or impose such terms and conditions as CDNX, in its sole discretion, may require.

Tier Maintenance for CDNX Companies

Eligible Companies listed on Tier 1 of CDNX will be required to meet the tier maintenance requirements of Tier 1 on an ongoing basis in order to maintain a listing on CDNX Tier 1. Eligible Companies listed on Tier 2 of CDNX will be required to meet the tier maintenance requirements of Tier 2 on an ongoing basis in order to maintain a listing on CDNX Tier 2. Eligible Companies that do not meet Tier 2 maintenance requirements will be advised of this and will be immediately designated "Inactive". CDNX companies designated "Inactive" will be given 18 months to continue to trade on CDNX and to attempt to reach Tier 2 tier maintenance requirements. In the event that an Eligible Company designated as Inactive fails to meet Tier 2 tier maintenance requirements within the 18 month period, it will be suspended and then delisted.

Transition - Policies and Procedures***Review***

CDNX will review the directors, senior officers, control persons and parties conducting investor relations activities on behalf of all Eligible Companies by November 30, 2001 to assess their suitability. Where CDNX has concerns regarding the suitability of such parties, it will notify the applicable Eligible Company of its concerns. Subject to any right of review, CDNX will require the resignation of any directors, senior officers, and parties conducting investor relations activities on behalf of the Eligible Company who are deemed by CDNX to be unsuitable. Eligible Companies who fail to comply will be subject to suspension.

Corporate Finance Filing Policies**Prior to Listing on CDNX**

Prior to the Eligible Company listing on CDNX, Eligible Companies that have filed or made an application to the Bourse in respect of financing and transactional activities such as private placements, options, acquisitions and changes of business will comply with and complete the financing and transactional activities in accordance with Bourse policies and procedures. Eligible Companies will be required to make all such filings with the Bourse. The Complete CDNX Application may be filed either with the Bourse or CDNX.

Prior to listing on CDNX, Eligible Companies may, however, elect to comply with CDNX policies and procedures applicable to Tier 1 or Tier 2 companies. Bourse policies will no longer apply to any Eligible Company electing to comply with CDNX policies and procedures. Eligible Companies electing to comply with CDNX policies and procedures may choose a filing office in accordance with CDNX policies (including the Montréal office).

After Listing on CDNX

After listing on CDNX, Eligible Companies may start using CDNX policies and procedures immediately. However, Eligible Companies also have the option, until December 31, 2001 and subject to the matters noted below, to continue to use those Bourse policies and procedures that were in effect as at October 1, 2001. However, once an Eligible Company elects to comply with CDNX corporate finance policies and procedures, they will be required to continue to use CDNX policies and procedures and Bourse policies will no longer apply. After December 31, 2001 and subject to the matters noted below, Eligible Companies are required to comply with all CDNX corporate finance policies applicable to Tier 1 or Tier 2 companies (including CDNX tier maintenance requirements) and may choose a filing office in accordance with CDNX policies.

As a term and condition of its exemption from recognition order in Ontario, CDNX has implemented CDNX Policy 5.9 - *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions* ("Policy 5.9"), which policy incorporates OSC Rule 61-501 with certain modifications as a CDNX policy, and various other policy amendments requiring CDNX issuers having a "Significant Connection to Ontario" to make application to the OSC to be deemed a reporting issuer in Ontario. Provided that an Eligible Company complies with the CVMQ's Policy Statement Q-27, (and OSC Rule 61-501 if the Eligible Company is a reporting issuer in Ontario), such Eligible Company will be deemed by CDNX to have complied with Policy 5.9.

Reporting Issuer Status

By application of law, companies listing on CDNX automatically become "reporting issuers" in each of Alberta and British Columbia. As reporting issuers, companies are required to file electronically via SEDAR, various prescribed continuous disclosure documents, including annual audited financial statements, interim financial statements, material change reports, press releases and information circulars. Such companies are also required to pay certain filing fees to each of the ASC and the BCSC. Insiders and control persons of these reporting issuers are also required to report their trades in accordance with Alberta and British Columbia securities laws.

On behalf of Eligible Companies that are reporting issuers in Québec or Ontario but not in either or both of Alberta or British Columbia, CDNX is making an application for transitional relief from certain reporting issuer obligations and exchange issuer obligations prescribed by British Columbia and Alberta securities law. Discussions with the ASC and BCSC are ongoing and further notice will be provided when the nature and extent of such transitional relief has been finalized.

Pursuant to CDNX's policies, CDNX issuers that have a "Significant Connection to Ontario" are required to make application to the OSC to be deemed a reporting issuer in Ontario. CDNX will be making an application to the OSC for consent for CDNX to provide transitional relief from the application of this requirement to Eligible Companies. CDNX will provide further notice when the nature and extent of such transitional relief has been finalized.

Listing, Sustaining Transaction and Filing Fees

There will be no listing fee applicable to Bourse listed companies accepting CDNX's invitation to list on CDNX. As part of the Complete Listing Application, Eligible Companies must submit an annual joint Bourse/CDNX sustaining fee for 2001 in the amount of \$2,000. This 2001 sustaining fee will be allocated between CDNX and the Bourse. Commencing January, 2002 all Eligible Companies that are listed on CDNX will be subject to the standard CDNX annual sustaining fee.

Eligible Companies listed on CDNX will be subject to CDNX's corporate finance policies and procedures and accordingly, will be required to pay such fees as are applicable to all CDNX listed companies in connection with listed company filings from December 31, 2001 or such earlier date that the company starts complying with CDNX policies. Fees are required to be paid by CDNX listed companies at the time of the filing of an application for review by exchange staff.

Attached as Schedule "A" is the current CDNX Corporate Finance Fee Schedule.

SEDAR Filing Fees

Eligible Companies listed on CDNX will also be subject to applicable SEDAR filing fees associated with multi-jurisdictional filings.

Further Information

CDNX Corporate Finance Policies

CDNX's corporate finance policies, including CDNX Forms and its policies governing financing and transactional activities, (published as the CDNX "Corporate Finance Manual") are available for review and free downloading on the CDNX website at www.cdnx.com. Alternatively, the Corporate Finance Manual may be purchased in hard copy at a cost of \$135 per copy by contacting Market Information Services at 1-800-206-7242. Bourse Issuers accepting the invitation to list on CDNX may obtain one hard copy of the manual free of charge by contacting Market Information Services. The Corporate Finance Manual is currently only available in English.

Bourse / CDNX Listing Matters

If you have any questions regarding the Bourse or CDNX listing matters, please contact one of the following:

Gerry Romanzin
CDNX, Executive Vice-President, Corporate Finance
(403) 974-7407

Louis Doyle
Bourse de Montréal Inc., Director, Equities Division
(514) 871-3536

Trading Matters

If you have any questions regarding network upgrades, Bourse trading or CDNX trader registration, please contact one of the following:

Dale Boyd
CDNX Manager, Trading Services
(604) 602-6921

Marc Foreman
CDNX Vice President, Trading Services
(604) 602-6920

Louis Doyle
Bourse de Montréal Inc., Director, Equities Division
(514) 871-3536

CDNX Membership

Members of the Bourse that are not already members or participating organizations of CDNX may make application for membership in CDNX. Application requires approval of the board of directors of CDNX. A letter will be provided to member firms providing details of the application process.

If you have any questions regarding membership in CDNX, please contact:

Angela Huxham
CDNX Vice President, Market Regulation
(604) 643-6529

Louis Doyle
Bourse de Montréal Inc., Director, Equities Division
(514) 871-3536

SCHEDULE "A"**Current CDNX Corporate Finance Fee Schedule as at April 2000**

Annual Sustaining Fees	
Per Issuer	\$1,500
Each Additional Class of Securities	\$150
New Listings	
	\$0.001 per share
	Min \$4,000 - Max \$12,000
Capital Pool Companies	\$4,000
RTO/Qualifying Transaction	Min \$2,000 - Max \$12,000
Additional Listing	
	\$0.001 per share
	Min \$1,000 - Max \$10,000
Change of Business	Min \$2,000 - Max \$12,000
Amalgamation, Merger, Take-Over Bid	Min \$2,000 - Max \$12,000
Public Offerings	
(including by prospectus, rights offering and short form offering)	\$0.001 per share Min \$1,000 - Max \$4,000
Amendments	\$500
Private Placements and Shares for Debt	
	\$0.001 per share Min \$500 - Max \$2,500
Share Splits	Apply Additional Listing Fee
Consolidation	\$1,000
Property Transaction	
Greater than 1 million shares issued	Apply Additional Listing Fee
Major Acquisition / Reviewable Disposition	\$750
Minor (including Expedited)	\$300
Stock Options - Tier 2	
(also for Tier 1 if no plan)	\$150 per optionee Max \$600
Stock Options - Tier 1 (with any plan)	Apply Additional Listing Fee
Escrow Shares	
Cancellation, Amendment or a Contested Release or Transfer	\$1,000
Reinstatement of Suspended Issuers	\$500
Processing	\$300 minimum
Engineering Reports:	CDNX may request a fee to cover the costs of the review of engineering/geological reports
Note:	Processing fees may also be assessed for unusually time consuming or poorly prepared filings.
Note:	TSE Interlisted companies filing fees are discounted 33% from the schedule, except annual Sustaining Fees and minimum charges.
Note:	The calculation of fees assumes all warrants or other convertible securities have been exercised or converted.
Note:	7% GST to be added to all fees.

SCHEDULE "B"**THE CANADIAN VENTURE EXCHANGE (CDNX)*****TRADING SERVICES FEE SCHEDULE*****EFFECTIVE January 2, 2001**

<u>A) Order Fees</u>	<u>Amount</u>	<u>Effective</u>
<ul style="list-style-type: none"> • Outstanding Orders held in excess of 90 days On the TradeCDNX order book* <p>(* Official CDNX Odd Lot Traders exempt)</p>	\$0.50/order /month	Nov. 26, 1999
<u>B) Trade Execution Fees (per side)</u>		
<ul style="list-style-type: none"> • Trade Value up to \$250,000: 	\$0.21/ 1000 shares Plus \$0.21/ \$1000 value (maximum \$31.25 per ticket)	Febr. 1, 2000
<ul style="list-style-type: none"> • Trade Value over \$250,000: 	\$0.115/ \$1000 value (maximum per ticket: \$100 for non- crosses; \$50 for cross trades)	Nov. 26, 1999
<u>C) Trade Reports</u>		
<ul style="list-style-type: none"> • Hardcopy- daily • Electronic- daily * 	\$300/month \$100/month	Nov. 26, 1999 Nov. 26, 1999
<p>(*Note: Development set-up costs may be levied and will vary according to nature of transmission)</p>		
<u>D) STAMP Gateway Access to TradeCDNX</u>		
TradeCDNX system access via Third Party Vendor Using CDNX/STAMP gateway	\$500/Member Site /month	Nov. 26, 1999

<u>E) TradeCDNX Trader Workstation</u>	<u>Amount</u>	<u>Effective</u>
<ul style="list-style-type: none"> • Members must purchase; CDNX will order, Configure, deliver & install. 	Vendor Pass Through + Shipping **	Nov. 26, 1999
**Current TWS Configuration:		
HP Vectra VL400 PIII 866MHz (specs & price varies depending on availability)		
15 GB Hard Drive		
128MB RAM		
19" HP Monitor		
Okidata 320 Turbo Printer		
Custom Keyboard	\$4,100 (+ taxes)	Jan. 2, 2001
Shipping per workstation;		
- Calgary	\$200	
- Montréal/ Toronto	\$300	
<ul style="list-style-type: none"> • Maintenance of Trader Workstation & TradeCDNX Systems 	\$267 per TWS / Month	Febr. 1, 2000

F) TradeCDNX Sprint Network – Member Site Fees (Required for TradeCDNX workstations)

1) One Time Fee *

• Initial Circuit Install	\$2,500	Nov. 26, 1999
• All Circuit Upgrades	\$1,550	Nov. 26, 1999
• Circuit Relocation (new address)		
• 64K	\$750	July 1, 2000
• > 64K	\$1,500	July 1, 2000
• Removal - Requires 60 Days written notice	N/C	July 1, 2000
• Cancellation Penalty:		July 1, 2000
• 50% current monthly fee until earlier date of end of term or June 30, 2001		

(*Note: Sprint requires 25 business days notice to install or move up to a 64K network circuit connection and 30 days for anything larger (45 in the USA). Delivery expedition requests are accepted on a “best efforts” basis and will be subject to \$1000 non-refundable charge.)

<u>F) TradeCDNX Network – Member Site Fees cont’d</u>	<u>Amount</u>	<u>Effective</u>
<u>2) Network Site Management Fee</u>		
• 1-7 Workstations at same site	\$1,350/mo.	Febr. 1, 2000
• 8-13 Workstations at same site	\$2,550/mo.	Febr.1, 2000
• 14-24 Workstations at same site	\$3,150/mo	Febr.1, 2000
• 25+ Workstations at same site	\$3,650./mo	Febr.1, 2000
<u>G) Trader Application Fee</u>		
• Trader Application / TradeCDNX exam	\$ 75	Jan. 2 , 2001