

LISTING REQUIREMENTS FOR EXPLORATION & MINING COMPANIES



	TSX Venture Tier 1	TSX Venture Tier 2	TSX Non-exempt Exploration and Development Stage	TSX Non-exempt Producer	TSX Exempt
<b>Property Requirements</b>	Material interest in a Tier 1 property <sup>4</sup>	Significant interest <sup>5</sup> in a qualifying property or, at discretion of the Exchange, a right to earn a significant interest <sup>5</sup> in a qualifying property; sufficient evidence of no less than \$100,000 of exploration expenditures on the qualifying property in the past three years	Advanced Exploration Property <sup>2</sup> Minimum 50% ownership in the property <sup>3</sup>	Three years proven and probable reserves as estimated by an independent qualified person (if not in production, a production decision made)	Three years proven and probable reserves as estimated by an independent qualified person
<b>Recommended Work Program</b>	\$500,000 on the Tier 1 property <sup>4</sup> as recommended by geological report	\$200,000 on the qualifying property as recommended by geological report <sup>6</sup>	\$750,000 on advanced exploration property <sup>2</sup> as recommended in independent technical report <sup>6</sup>	Bringing the mine into commercial production	Commercial level mining operations
<b>Working Capital and Financial Resources</b>	Adequate working capital and financial resources to carry out stated work program or execute business plan for 18 months following listing; \$200,000 in unallocated funds	Adequate working capital and financial resources to carry out stated work program or execute business plan for 12 months following listing; \$100,000 in unallocated funds	Minimum \$2.0 million working capital, but sufficient to complete recommended programs, plus 18 months G&A, anticipated property payments and capital expenditures. Appropriate capital structure	Adequate funds to bring the property into commercial production; plus adequate working capital for all budgeted capital expenditures and to carry on the business. Appropriate capital structure	Adequate working capital to carry on the business. Appropriate capital structure.
<b>Net Tangible Assets, Earnings or Revenue</b>	\$2,000,000 net tangible assets	No requirement	\$3,000,000 net tangible assets	\$4,000,000 net tangible assets; evidence indicating a reasonable likelihood of future profitability supported by a feasibility study or historical production and financial performance	\$7,500,000 net tangible assets; pre-tax profitability from ongoing operations in last fiscal year; pre-tax cash flow of \$700,000 in last fiscal year and average of \$500,000 for past two fiscal years
<b>Other Criteria</b>	Geological report <sup>6</sup> recommending completion of work program		Up-to-date, comprehensive technical report <sup>6</sup> prepared by independent qualified person and 18 month projection (by quarter) of sources and uses of funds, signed by CFO	Up-to-date, comprehensive technical report <sup>6</sup> prepared by independent qualified person	
<b>Management and Board of Directors</b>	Management, including board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience. Companies are required to have at least two independent directors.				
<b>Distribution, Market Capitalization and Public Float</b>	Public float of 1,000,000 shares; 250 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders	Public float of 500,000 shares; 200 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders	\$4,000,000 publicly held 1,000,000 free trading public shares; 300 public holders with board lots		
<b>Sponsorship</b>	Sponsor report may be required		Required (may be waived if sufficient previous 3 <sup>rd</sup> party due diligence)		Not required

- (1) "G&A" means general and administrative expenses.
- (2) "advanced exploration property" refers to one on which a zone of mineralization has been demonstrated in three dimensions with reasonable continuity indicated. The mineralization identified has economically interesting grades.
- (3) A company must hold or have the right to earn and maintain a 50% interest in the property. Companies holding less than a 50% interest will be considered on a case-by-case basis looking at program size stage of advancement of the property and strategic alliances.
- (4) "Tier 1 property" means a property that has substantial geological merit and is:
  - (a) a property in which the Issuer holds a material interest; and
  - (b) a property on which previous exploration, including detailed surface geological, geophysical and/or geochemical surveying and at least an initial phase of drilling or other detailed sampling (such as trench or underground opening sampling), has been completed;
  - (c) a property on which drilling or other detailed sampling on the property has identified potentially economic or economic materialization; and
  - (d) an independent geological report recommends a minimum \$500,000 Phase 1 drilling (or other form of detailed sampling) program based on the merits of previous exploration results; or an independent, positive, feasibility study demonstrates that the property is capable of generating positive cash flow from ongoing operations.
- (5) "significant interest" means at least 50% interest
- (6) "geological report" or "technical report", in the case of a mining property, is a report prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects or any successor instrument.

**\*Mining Disclosure Standards**

National Instrument 43-101 is the Canadian Securities Administrators' ("CSA") policy that governs the scientific and technical disclosure for mineral projects made by mineral exploration and mining companies, including the preparation of technical reports. The instrument covers oral statements as well as written documents and websites. NI 43-101 requires that all technical disclosure be prepared by or under the supervision of a "qualified person." Issuers are required to make disclosure of reserves and resources using definitions approved by the Canadian Institute of Mining, Metallurgy and Petroleum.

**NI 43-101 is available at:**

[http://www.osc.gov.on.ca/en/SecuritiesLaw\\_rule\\_20051223\\_43-101\\_mineral-projects.jsp](http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20051223_43-101_mineral-projects.jsp)

**Frequently Asked Questions at**

[http://www.osc.gov.on.ca/en/Regulation/Rulemaking/Notices/csanotices/2003/csan\\_43-302\\_faq-43\\_101\\_20030124.htm#faq](http://www.osc.gov.on.ca/en/Regulation/Rulemaking/Notices/csanotices/2003/csan_43-302_faq-43_101_20030124.htm#faq)

All amounts are expressed in Canadian dollars.

The foregoing is a summary of the applicable listing requirements only. For detailed listing requirements, refer to the TSX Venture Exchange Corporate Finance Manual and the Toronto Stock Exchange Manual, both of which are available at [go to www.tmx.com](http://www.tmx.com)