

POLICY 2

QUALIFICATIONS FOR LISTING

2.1 This Policy sets out the minimum requirements that must be met as a pre- requisite to the Listing of securities on the Exchange, irrespective of Listing method.

(1) These minimum requirements are not exhaustive. The Exchange may impose additional requirements as it determines appropriate, including those taking into consideration the public interest.

The Exchange has discretion to accept or reject applications for Listing. Satisfaction of the applicable requirements may not result in approval of the Listing application.

(2) Where an application is made to list a security that is convertible into another security or backed by another security or asset, the Exchange must be satisfied that investors will be able to obtain the necessary information to form a reasoned opinion regarding the value of the underlying security or asset. This requirement may be met where the underlying security is listed on a stock exchange.

An issuer is eligible for Listing if is not in default of any requirements of securities law in any jurisdiction in Canada and:

(a) has filed and received a receipt for a preliminary prospectus and a prospectus in a jurisdiction in Canada;

(b) will only list debt securities issued or guaranteed by

(i) a government in Canada that are exempt from the prospectus requirements under paragraph 2.34(2)(a) of National Instrument 45-106 *Prospectus Exemptions* ("NI 45-106") or clause 73(1)(a) of the *Securities Act* (Ontario), or

(ii) a Financial Institution that are exempt from the prospectus requirements under paragraph 2.34(2)(c) of NI 45-106 or clause 73(1)(b) of the *Securities Act* (Ontario); or

(c) is a reporting issuer or the equivalent in a jurisdiction in Canada other than:

(i) solely as a result of Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets* or any similar rule that may be made by a Securities Regulatory Authority,

(ii) as a company with only a capital pool through the filing of a prospectus and has not completed a qualifying transaction as defined in the prospectus,

(iii) as a result of a business combination with a reporting issuer that was created, by way of a statutory plan of arrangement or other means, for the purpose of providing security holder distribution or reporting issuer status to the applicant, or

(iv) having a controlling interest of its principal assets or operations through

one or more special purpose entities or variable interest entities.

- (3) Each Issuer submitting a Listing application must:
- (a) prepare and file with the Exchange a Listing Statement and prescribed documentation;
 - (b) execute a Listing Agreement; and
 - (c) remit the applicable Listing fees, based on the type of securities to be listed, in accordance with the Exchange's fee schedule.

The Listing of the Issuer's securities will not be completed until the Listing fees in full have been received by the Exchange.

2.2 Eligibility for Listing

- (1) An issuer must meet the eligibility requirements set out in the appendices to this Policy, based on the type of securities to be listed, as follows:
- (a) Equity Securities – Appendix 2A: Part A;
 - (b) debt securities - Appendix 2B: Part A; and
 - (c) SPACs – Appendix 2C: Part A.
- (2) In addition, if the Listed Issuer's securities are held out as being in compliance with specific, non-exchange-mandated requirements, the Listed Issuer must also comply with the requirements of Policy 10.
- (3) Eligibility of a particular issuer can usually be confirmed through discussions with the Exchange prior to an application. An issuer intending to apply for Listing concurrently with or immediately following the filing of a preliminary prospectus with a Securities Regulatory Authority must first receive confirmation from the Exchange that the eligibility requirements have been met by providing the information described in s. 2.3(1).

2.3 Required Documentation

- (1) For the purpose of obtaining written confirmation of eligibility an issuer must submit a document with sufficient detail to determine that the eligibility requirements of the Exchange have been met or will be met prior to Listing. A draft prospectus will be accepted, provided the required information is included. For natural resource issuers, the relevant technical report is required. The Exchange will conduct a review ("Eligibility Review") and provide a confirmation of eligibility or identify any conditions to be met prior to Listing. The Eligibility Review is subject to a fee, which will be applied to the non-refundable portion of the Listing fee.
- (2) In connection with an initial application for Listing, an issuer must file with the Exchange the documents set out in the appendices to this Policy, based on the type of securities to be listed, as follows:
- (a) Equity Securities - Appendix 2A: Part B;

- (b) debt securities - Appendix 2B: Part B; and
- (c) SPACs – Appendix 2C: Part B

2.4 Limited Liability

All securities to be listed must be fully paid and non-assessable.

2.5 Responses and Additional Information and Documentation

The Listed Issuer must submit any additional information, documents or agreements requested by the Exchange.

2.6 Final Documentation

- (1) The Exchange must receive the following documents prior to qualification for Listing:
 - (a) one executed original of the Listing Statement dated within three Business Days of the date it is submitted to the Exchange, together with any additions or amendments to the supporting documentation previously provided as required by Appendix A to the Listing Application;
 - (b) one original Listing Summary dated within three Business Days of the date it is submitted to the Exchange and all documents set out in the Listing Summary;
 - (c) two executed originals of the applicable Listing Agreement;
 - (d) three choices for a stock symbol;
 - (e) a legal opinion that the Listed Issuer:
 - (i) is in good standing under and not in default of applicable corporate law or other applicable laws of establishment,
 - (ii) has the corporate power and capacity to own its properties and assets, to carry on its business as it is currently being conducted, and to enter into the Listing Agreement and to perform its obligations thereunder, and
 - (iii) has taken all necessary corporate action to authorize the execution, delivery and performance of the Listing Agreement and that the Listing Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Listed Issuer, enforceable against the Listed Issuer in accordance with its terms;
 - (iv) is a reporting issuer or equivalent under the securities law of [state applicable jurisdictions] and is not in default of any requirement of any jurisdiction in which it is a reporting issuer or equivalent; or
 - (v) if it is not a reporting issuer and is proposing to list debt securities that qualify under section 1.1 of this Policy, that the securities so qualify; and
 - (f) a legal opinion that all securities previously issued of the class of securities to

be listed or that may be issued upon conversion, exercise or exchange of other previously issued securities are or will be duly issued and are or will be outstanding as fully paid and non-assessable securities.

2.7 Postings

- (1) The Listed Issuer must Post the following:
 - (a) the Listing Statement, which must also be concurrently filed on SEDAR as a filing statement, including all reports and material contracts required to be filed therewith;
 - (b) the Listing Summary;
 - (c) the Listing Agreement;
 - (d) an executed Certificate of Compliance;
 - (e) an unqualified letter from the Clearing Corporation confirming the ISIN assigned to the securities;
 - (f) a letter from its duly appointed transfer agent indicating the date of appointment and stating that the transfer agent is ready to record security transfers and make prompt delivery of shares; and
 - (g) If the issuer completed a financing concurrently with Listing, or to qualify for Listing, a completed Notice of Proposed Issuance of Listed Securities.
- (2) All documents must be Posted in the format prescribed by the Exchange from time to time.

2.8 Posting Officer

- (1) A Listed Issuer must designate at least two individuals to act as the Issuer's Posting officers ("Posting Officers"). The Posting Officers will be responsible for Posting or arranging for the Posting of all of the documents required to be Posted by the Issuer.
- (2) A Listed Issuer may Post documents through the facilities of a third-party service provider.

2.9 Continuing to Qualify for Listing

- (1) A Listed Issuer must meet all of the following requirements, failing which the Listed Issuer may be subject to suspension, delisting, or such other action as the Exchange may determine appropriate for the situation:
 - (a) the Listed Issuer must be in good standing under and not in default of applicable corporate law or other applicable laws of establishment;
 - (b) in each jurisdiction in which the Listed Issuer is a reporting issuer or equivalent, it must remain in good standing and not be in default of any requirement of any such jurisdiction;

- (c) the Listed Issuer must be in compliance with Exchange Requirements, and the terms of the Listing Agreement;
 - (d) the Listed Issuer must Post all required documents and information required under the Policies of the Exchange;
 - (e) the Listed Issuer must concurrently Post all public documents submitted to SEDAR (unless identical disclosure has not already been Posted in an Exchange-specific Form);
 - (f) if the Issuer is required to submit PIFs for each Related Person at the time of Listing then the Listed Issuer must submit a PIF for any new Related Person of the Listed Issuer (and if any of these Persons is not an individual, a PIF for each director, officer and each Person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting rights of such non-individual);
 - (g) the Listed Issuer must take all reasonable care to ensure that any statement, document or other information which is provided to or made available to the Exchange or Posted by the Listed Issuer is not misleading, false or deceptive and does not omit anything likely to affect the import of such statement, document or other information.
 - (h) a Listed Issuer with Equity Securities listed must meet the continued Listing requirements described in section 2A.6 of Appendix 2A of this Policy.
- (2) Each Listed Issuer that is not a reporting issuer in Alberta must:
- (a) assess whether it has a Significant Connection to Alberta;
 - (b) upon becoming aware that it has a Significant Connection to Alberta, immediately notify the Exchange and promptly make a *bona fide* application to the Alberta Securities Commission to be deemed to be a reporting issuer in Alberta (a Listed Issuer must become a reporting issuer in Alberta within six months of becoming aware that it has a Significant Connection to Alberta);
 - (c) assess, on an annual basis, in connection with the delivery of its annual financial statements to security holders, whether it has a Significant Connection to Alberta;
 - (d) obtain and maintain for a period of three years after each annual review referenced in this section, evidence of residency of their Registered Holders and Beneficial Holders; and
 - (e) if requested, provide to the Exchange evidence of the residency of its non-objecting beneficial owners (as defined in National Policy 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*).
- (3) Where it appears to the Exchange that a Listed Issuer making an application for Listing has a Significant Connection to Alberta, the Exchange will, as a condition of its acceptance or approval of the Listing application, require the Listed Issuer to provide evidence that it has made a *bona fide* application to the Alberta Securities Commission to become a reporting issuer in Alberta.

2.10 Suspensions

The Exchange may suspend from trading the securities of a Listed Issuer if the Exchange or the Market Regulator determines that the Listed Issuer fails to meet any requirement, or it is otherwise in the public interest to suspend trading of the securities of the Listed Issuer.

2.11 Listing in US Dollars

Securities may be traded and quoted in US dollars.

2.12 Transfer and Registration of Securities

(1) The Listed Issuer must maintain transfer and registration facilities in good standing where the securities of the Listed Issuer are directly transferable. Where certificates are issued, they must name the cities where they are transferable and must be interchangeably transferable and identical in colour and form with each other.

(2) Treasury Orders

(a) Every Listed 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 Listed 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 Listed 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 Exchange acceptance, if applicable, of the issuance of such securities;
- (viii) 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 laws or by s. 6.1(4) of Policy 6 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) a legend describing the hold period required by s 6.1(4) of Policy 6.

- (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.

2.13 Share Certificates

- (1) Certificates must bear a valid ISIN number.
- (2) Certificates must conform with the requirements of the corporate and securities law applicable to the Listed Issuer.
- (3) The foregoing requirements, except for a valid ISIN, do not apply to a completely uncertificated issue that complies with the requirements of the Clearing Corporation.

2.14 Book-Based System

The securities to be listed must be eligible for and deposited into the book-based system maintained by the Clearing Corporation.

2.15 Full, True & Plain Disclosure

As an overriding principle, the Listing Statement must contain full, true and plain disclosure of all material facts regarding the securities issued or proposed to be issued by the Listed Issuer. Disclosure must include such particulars and information which, according to the particular nature of the Listed Issuer and the securities for which Listing is sought, are necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Listed Issuer and of its profits and losses (and of any guarantee) and of the rights attaching to such securities and must set out such information accurately and in plain language.

2.16 Prior Violations

The Exchange will not approve a Listed Issuer for Listing if any Related Persons, or investor relations Persons associated with the Listed Issuer have been convicted of fraud, been found liable of a breach of fiduciary duty, been sanctioned pursuant to violations of securities laws (other than a minor violation that does not necessarily give rise to investor protection or market integrity concerns) or any other activity that concerns integrity of conduct unless the Listed Issuer severs relations with such Person(s) to the satisfaction of the Exchange.

2.17 The Exchange may not approve a Listed Issuer for Listing if any Related Persons, or investor relations Person(s) associated with the Listed Issuer:

- (a) have entered into a settlement agreement with a Securities Regulatory Authority or other authority;
- (b) are known to be associated with other offenders depending on the nature and

extent of the relationship and the seriousness of the offence committed; or

- (c) have a consistent record of business failures, particularly failures involving public companies,

unless the Listed Issuer first severs relations with such Person(s) to the satisfaction of the Exchange.

2.18 The Exchange may deem any Person to be unacceptable to be associated in any manner with a Listed Issuer if the Exchange reasonably believes such association will give rise to investor protection concerns, could bring the Exchange into disrepute, or it is in the public interest to do so.

2.19 ISIN Eligibility

A Listed Issuer must confirm in writing to the Exchange that its securities to be listed have been made eligible in the Clearing Corporation prior to the start of trading of such securities.

APPENDIX 2A: Equity Securities

For the purposes of this Appendix, Equity Securities include any securities that are convertible into Equity Securities. Appendix 2A does not apply to Special Purpose Acquisition Corporations

PART A: Eligibility for Listing

2A.1 GENERAL

In addition to meeting the minimum Listing requirements at the time of Listing, an issuer meeting the NV Issuer requirements set out in this Appendix 2A may be considered by the Exchange to be an NV Issuer.

(1) Business Development Prior to Listing

The qualifications for Listing are intended to allow for early-stage businesses that are well managed and are adequately financed with clearly stated objectives. An issuer that appears to be a shell company or a blind pool company with little or no operating history, a limited history of financing, or minimal expenditures to develop the business or proposed business in which it operates or intends to operate may be considered ineligible for Listing. In such cases the Exchange will also consider the relevant experience of the Board and senior management of the issuer. Listing expenses or fees for professional services associated with Listing do not qualify as business development expenditures.

(2) Pursuit of Objectives and Milestones

The comprehensive disclosure provided in a Listing Statement describes the business objectives and milestones of a Listed Issuer and how available funds and management effort will be spent to achieve those objectives or reach those milestones. An issuer that has applied and been granted a Listing based on the disclosure in a Listing Statement should diligently pursue those objectives or engage in the business activities described in that disclosure.

2A.2 Float and Distribution

For the purposes of Policy 2, a “Public Holder” is any security holder other than: a Related Person, an employee of a Related Person of a Listed Issuer or any Person or group of Persons acting jointly or in concert holding:

- (a) more than 10% of the issued and outstanding securities of the class to be listed;
or
- (b) securities convertible or exchangeable into the listed Equity Security and would, on conversion or exchange, hold more than 10% of the issued and

outstanding securities of the class to be listed.

- (1) Minimum Float
 - (a) An issuer of Equity Securities must have a Public Float of at least 1,000,000 Freely Tradeable shares and consisting of at least 150 Public Holders holding at least a Board Lot each of the security. The Public Float must constitute at least 20% of the total issued and outstanding of that security.
 - (b) NV Issuer - A Listed Issuer must have: (i) a Public Float of at least 1,000,000 Freely Tradeable securities and (ii) at least 300 Public Holders each holding at least a Board Lot.
 - (c) Closed End Funds, ETFs and Structured Products must meet the minimum float requirements for an NV Issuer.
- (2) The Exchange may not consider as part of the Public Float any shares that were obtained in a distribution that was primarily effected as a gift or through an arrangement primarily designed for the purpose of meeting the minimum float distribution requirement. The minimum float distribution requirement will not be met if a significant number of the public security holders:
 - (a) did not purchase the shares directly or received or will receive the shares in exchange for previously purchased shares of another issuer; or
 - (b) hold the minimum number of shares described in s. 2A.2(1) above.

2A.3 Restricted Securities

This section is applicable to Listed Issuers with outstanding listed Restricted Securities or those intending to list Restricted Securities. Restricted share structures may not be appropriate for all Listed Issuers. Details of a proposed issuance of Superior Voting Securities should be provided to the Exchange in advance of the Listed Issuer seeking security-holder approval.

- (1) Restricted Securities
 - (a) A Listed Issuer's constating documents must clearly designate and identify any securities that are Restricted Securities. Such securities will be identified by the Exchange as Restricted Securities in market data displays prepared for the financial media.
 - (b) A class of shares may not be designated or identified in any Listed Issuer's constating documents or other communication as 'common' unless the shares are Common Shares and there are no Superior Voting Securities.
 - (c) A class of shares may not be designated or identified in any Listed Issuer's constating documents or other communication as 'preference' or 'preferred' securities unless the shares are Preference Shares.
 - (d) A Listed Issuer's constating documents must provide Restricted Security holders the same right to receive notice of, attend and speak at all shareholder meetings as holders of any Superior Voting Securities and to receive all disclosure documents and other information sent to holders of any Superior Voting Securities.

- (e) A Listed Issuer with outstanding listed Restricted Securities or those intending to list Restricted Securities must include in its Listing Statement the disclosure required by Part 2 of OSC Rule 56-501 *Restricted Shares*.

(2) Coattail Provisions

- (a) Coattail provisions are intended to ensure that holders of Restricted Securities are able to participate in a Take-Over Bid together with holders of Superior Voting Securities, proportionate to their equity interests in the Listed Issuer. The Exchange may intervene in a transaction that has been structured to circumvent the coattail provisions.
- (b) Subject to s. 2A.3(2)(c), the Exchange will not list Restricted Securities unless the Listed Issuer's constating documents or an agreement provide that if a Take-Over Bid is made for Superior Voting Securities, whether or not the Superior Voting Securities are listed, all Restricted Securities will automatically convert to Superior Voting Securities unless an identical offer (in terms of price per share, percentage of shares to be taken up exclusive of shares already owned by the offeror and its associates and all other material terms) is concurrently made to Restricted Security holders.
- (c) If the class or classes of Superior Voting Securities are not publicly traded, the Exchange may accept a coattail agreement executed by all holders of those shares that stipulates that they will not tender to a Take-Over Bid unless an identical offer as described in s. 2A.3(2)(b) is also made to the holders of the Restricted Securities.
- (d) The conversion right or identical offer described in subsection s. 2A.3(2)(b) and (c) may contain appropriate modifications to account for any material difference between the equity interests of the Restricted Securities and Superior Voting Securities.

(3) Issuance of Restricted and Superior Voting Securities

- (a) A Listed Issuer may not distribute any Superior Voting Securities unless the distribution has been approved by the holders, that do not or would not have an interest in the Superior Voting Securities, of the Restricted Securities.
- (b) For the purpose of the approval described in 2A.3(3)(a), security holders that have or would have an interest in the Superior Voting Shares after the distribution may not vote.
- (c) The Exchange will consider an exemption from the security holder approval requirement in 2A.3(3)(a) where the Listed Issuer demonstrates that the proposed distribution of Superior Voting Securities would not reduce the voting power of the holders of Restricted Securities.
- (d) Notwithstanding the security holder approval requirements, the Exchange will generally object to the distribution of Superior Voting Securities of a Listed Issuer that is not an NV Issuer.

2A.4 Basic Qualifications

- (1) To qualify for Listing an issuer must be:
 - (a) an operating company with revenue from the sale of goods or services;
 - (b) a non-operating company with financial resources to carry out a proposed work plan or achieve stated objectives for 12 months following Listing, subject to a minimum of \$200,000 in working capital at the time of Listing, and have advanced to a stage of development at which additional financing is typically available to the companies in the industry;
 - (c) a company that is listed on an exchange in Canada and is not proposing a transaction or change that would be considered a Fundamental Change or Change of Business, provided that the Company has the financial resources to achieve stated objectives for 12 months following Listing. This qualification will not be met by an issuer that is only listed on a board or tier of a stock exchange that is designated for issuers that do not meet the ongoing requirements of that exchange or
 - (d) an ETF or CEF
- (2) An NV Issuer must also meet at least one of the four standards set out in this section. The Exchange may, in its sole discretion, designate a Listed Issuer as a NV Issuer if the Listed Issuer is sufficiently advanced in capitalization or operations that it is near the thresholds of at least two of the four tests or the Exchange determines it would be in the public interest to do so. The standards are as follows, with market value being based on the number of outstanding securities and the IPO price or concurrent financing price:
 - (a) Equity Standard:
 - (i) Shareholders' equity of at least \$5,000,000, and
 - (ii) Expected market value of Public Float of at least \$10,000,000; or
 - (b) Net Income Standard:
 - (i) Net income of at least \$400,000 from continuing operations in the most recent fiscal year or in two of three of the most recent fiscal years,
 - (ii) Shareholders' equity of at least \$2,500,000, and
 - (iii) Expected market value of Public Float of at least \$5,000,000; or
 - (c) Market Value Standard:
 - (i) Market value of all securities, including the class(es) to be listed and any class convertible into the class(es) to be listed, but excluding warrants and options, of at least \$50,000,000,
 - (ii) Shareholders' equity of at least \$2,500,000 including the value of any offering concurrent with Listing, and
 - (iii) Expected market value of Public Float of at least \$10,000,000; or

(d) Assets and Revenue Standard:

- (i) Total assets and total revenues of at least \$50,000,000 each in the most recent fiscal year or in two of three of the most recent fiscal years, and
- (ii) Expected market value of Public Float of at least \$5,000,000.

(3) **Closed End Funds and ETFs**

- (a) Closed End Funds must have a Minimum Net Asset Value of \$10,000,000;
- (b) ETFs must have a Minimum Net Asset Value of \$1,000,000;
- (c) An ETF or CEF must confirm to the Exchange that the net asset value will be published each Trading Day.

(4) An operating company must have achieved revenue from the sale of goods or the delivery of services to customers and these revenues must appear on its audited financial statements or on an interim financial statement supported by a comfort letter from the company's auditor. Such companies must have financial resources and a business plan that demonstrate a reasonable likelihood that the company can sustain its operations and achieve its objectives for 12 months following Listing.

(5) A non-operating company must have

- (a) a significant interest in its primary business or asset,
- (b) a history of development of the business or asset, and
- (c) specific objectives and milestones and the financial resources necessary to achieve them.

In determining whether the company has met requirements (b) and (c) above, the Exchange will consider the capital invested in the development of the business or asset and evidence of testing, development or manufacturing of the product or service, including prototypes, clinical trials or sponsorships.

(6) **Industry-specific Requirements for Natural Resource Companies**

The following industry criteria apply:

(a) A mineral exploration company:

- (i) must have title to a property that is prospective for minerals and on which there has been exploration previously conducted including qualifying expenditures of at least \$150,000 by the Listed Issuer during the most recent 36 months (if the company does not have title to the property, it must have the means and ability to acquire an interest in the property upon completion of specific objectives or milestones within a defined period);
- (ii) must have obtained an independent report that meets the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and that recommends further exploration on the property, with a budget for the first phase of at least \$250,000; and,

- (iii) if meeting the minimum Listing requirements with a single exploration project, include disclosure of its objectives to pursue additional exploration projects or opportunities or to otherwise remain in the mineral exploration business.

Qualifying expenditures include exploration expenditures related to geological and scientific surveys to advance mineral project but do not include general and administrative, land maintenance, property acquisition or payments, staking, investor or public relations, non-domestic flight expenditures or taxes.

(b) Additional Considerations for Mineral Exploration

Notwithstanding the minimum requirements set out in 2A.4(6)(a), an issuer may be approved for listing with:

- (i) qualifying exploration expenditures as described in 2A.4(6)(a)(i) of at least \$75,000; and
- (ii) A first phase budget as described in 2A.4(6)(a)(ii) of at least \$100,000; and
- (iii) An escrow agreement as described in 2A.5(8)(e).

(c) An energy resource company must have:

- (i) title to a property on which measurable quantities of conventional energy resources have been identified or the means and ability to acquire an interest in the property upon meeting specific objectives or milestones within a defined period; or
- (ii) title to an unproven property with prospects or the means and ability to acquire a significant interest in the property upon completion of a fully financed exploration program. The company must also submit a qualifying report on the property in accordance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

(7) Industry Specific Requirements for Investment or Real Estate Companies

An investment or real estate company must have an appropriate balance between income and activity depending on the nature of its investments. A holding company that is not active in the management of investee companies should own majority interests or have effective control in businesses that can generate returns that will flow to the shareholders through distributions, or have prospects for growth through the reinvestment of earnings. Such companies must have:

- (a) minimum net assets of:
 - (i) \$2 million, at least 50% of which has been allocated to at least 2 specific investments; or
 - (ii) \$4 million; and
- (b) management with a track record of acquiring and divesting interests in arm's-length enterprises in a manner that can be characterized as conducting

- an active business.
- (c) a clearly defined investment policy disclosed in the Listing Statement.

2A.5 CAPITAL STRUCTURE, BUILDER SHARES AND ESCROW

(1) Capital Structure

A Listed Issuer's capital structure must be acceptable to the Exchange.

(2) Builder Shares & Low-Priced Shares

Notwithstanding the specific restrictions set out in 2A.5(4), the Exchange may determine that the number of Builder Shares combined with shares issued at or near the Builder Share threshold price appears to be excessively dilutive or imbalanced. In such cases the Exchange may object unless adjustments are made.

(3) Pricing

A Listed Issuer may not sell securities pursuant to an IPO for less than

- (a) \$0.10 per share or unit; or
- (b) For an NV Issuer, \$2.00 per share or unit.

For Listed Issuers not yet generating revenue from business activity, the Exchange will not consider an application where Builder Shares have been issued for less than \$0.005 in the previous 24-month period.

(4) Specific Restrictions

At the time of Listing, or re-qualifying following a Fundamental Change:

- (a) The ratio of shares in the post-offering or reverse takeover capital structure must not exceed one Builder Share for every three non-Builder Shares.
- (b) Where there is no concurrent financing, the minimum permitted price at which securities can be exercisable or convertible into the listed security and not be subject to escrow is \$0.10.
- (c) The Exchange will not permit the exercise, conversion or exchange price of any exercisable, convertible or exchangeable security to be fixed until the security has been granted or issued to a particular Person.

(5) Substantial Float

The Exchange may consider exercising discretion to amend or waive the requirements of paragraphs (3) and (4) of section 2A.5 if a Listed Issuer has a "Substantial Float". The Exchange will generally consider a Listed Issuer that meets all the following

criteria to have a Substantial Float:

- (a) \$2,000,000 in capital raised, excluding funds from Related Persons;
 - (b) 2,000,000 Free Trading shares;
 - (c) 200 public shareholders with a minimum of one Board Lot each with no resale restrictions
- (6) Acceptance of an alternative proposed structure is contingent upon an evaluation by the Exchange using the following criteria:
- (a) track record, quality and experience of management and Board;
 - (b) percentage of time devoted by management to the Listed Issuer;
 - (c) capital contribution (cash paid in, reasonable value of assets and reasonable value of services performed, less any cash payments) by Related Persons;
 - (d) relationship of capital contribution to ownership by Related Persons; and
 - (e) relationship of share price in pre-IPO financing rounds to the IPO price.
- (7) All issuances prior to Listing will be reviewed *seriatim* to determine suitability taking into account management activity, significant Developments, and elapsed time as well as arm's-length party participation.

(8) **Escrow**

Prior to Listing, all securities issued to Related Persons are generally required to be subject to an escrow agreement pursuant to National Policy 46-201 *Escrow for Initial Public Offerings* ("NP 46-201").

- (a) In addition, where convertible securities (such as Stock Options, common share purchase warrants, special warrants, convertible debentures or notes) are issued less than 18 months before Listing and are exercisable or convertible into listed securities at a price that is less than the issuance price per security under a prospectus offering or other financing or acquisition made contemporaneously with the Listing application, then the underlying security will be subject to escrow with releases scheduled at periods specified under NP 46-201.
- (b) A Listed Issuer that has, within the six months prior to applying to list on the Exchange, completed a transaction that would have been considered a Fundamental Change, must enter into escrow agreements with the Related Persons as if the Listed Issuer were subject to the requirements of NP 46-201 and the provisions of section 8.8 of Policy 8 shall apply in all respects to the Listed Issuer.
- (c) Related Persons with securities that have been previously subject to a required escrow agreement will not generally be required to enter a new escrow agreement.
- (d) The Exchange, in its sole discretion, may impose escrow arrangements that are in addition to those required by NP 46-201, or consider different proposals

such as an “earn-out” escrow, on a case-by-case basis.

- (e) For a Listed Issuer approved pursuant to 2A.4(6)(b) *Additional Considerations for Mineral Exploration* the following additional escrow requirements apply:
- (i) All Builder Shares are subject to escrow, regardless of the holder of such shares
 - (ii) The initial release from escrow is subject to Exchange approval and must be no earlier than 10 days following public announcement of the results of the first phase program described in the Listing Statement.
 - (iii) Transfer of shares within escrow as described in NP46-201 s. 6.3(1)(a), (b), or (c) is not permitted without Exchange approval. The Exchange will generally not approve transfers associated with incoming or outgoing officers or directors of a Listed Issuer
 - (iv) The terms of the escrow agreement must irrevocably authorize and direct the escrow agent to immediately cancel all remaining escrowed securities upon delisting from the Exchange or the announcement of a change of business or a definitive agreement for a transaction that would constitute a Fundamental Change.

2A.6 Continued Listing Requirements

(1) Minimum

In addition to the general requirements in section 2.9, a Listed Issuer with Equity Securities listed must meet the specific criteria set out below on an annual basis:

(a) Public distribution

- (i) minimum of 250,000 shares in the Public Float;
- (ii) 10% or more of listed shares in the Public Float;
- (iii) at least 150 public security holders each holding one Board Lot of freely trading shares, subject to the exemption provided in Policy 9 that would permit no less than 100 public security holders immediately following a consolidation;

(b) Financial resources

Adequate working capital or financial resources to maintain operations for a period of 6 months.

(c) Assets

No specific value, however, the Exchange may determine that a Listed Issuer no longer meets the continued Listing requirements if the Listed Issuer:

- (i) reduces or impairs its principal operating assets; or
- (ii) ceases or substantively reduces its business operations.

(d) Activity for a mining or oil and gas Listed Issuer, either:

- (i) For the most recent fiscal year, positive cash flow, significant revenue from operations, or \$50,000 in exploration or development expenditures; or
 - (ii) For the three most recent fiscal years, an aggregate of \$100,000 in exploration or development expenditures.
- (e) Activity for industry segments other than mining or oil & gas, either:
- (i) For the most recent fiscal year, positive cash flow, or \$100,000 in revenue from operations or \$100,000 in development expenditures; or
 - (ii) For the three most recent fiscal years, either \$200,000 in operating revenues or \$200,000 in expenditures directly related to the development of the business.

(2) NV Issuers

In addition to the general requirements in section 2.9, an NV Issuer with Equity Securities listed must meet the specific criteria set out below on an annual basis:

- (a) Public Distribution
 - (i) 500,000 shares in the Public Float; and
 - (ii) Public Float value of \$2,000,000.
- (b) Standards
 - (i) Net income from continuing operations of \$100,000; or
 - (ii) Market value of listed securities of at least \$3,000,000.

In determining whether the standards of 2A.6(2)(b) have been met, the Exchange may exercise discretion in consideration of general economic conditions and the economic conditions affecting the industry of the Issuer.

(3) Closed End Funds

In addition to the general requirements in s. 2.9 a Closed End Fund must continue to meet the following criteria:

- (a) Public Distribution
 - (i) 500,000 securities in the Public Float;
 - (ii) Net asset value of \$3,000,000;
 - (iii) 150 public holders holding at least one Board Lot;
- (b) The net asset value is published each Trading Day.

(4) Exchange Traded Funds

In addition to the general requirements in section 2.9 an Exchange Traded Fund must

continue to meet the following criteria:

- (a) Net Asset Value of \$500,000;
- (b) The net asset value is published each Trading Day.

(5) Structured Products

In addition to the general requirements in section 2.9 a Structured Product must continue to meet the following criteria:

- (a) Net Asset Value of \$500,000.

PART B: Documents required with application

2A.7 Application

- (1) The application for Listing must include the following:
 - (a) an Application Letter for Listing one or more specific classes of Equity Securities of the Listed Issuer, indicating the number and class of the Listed Issuer's securities issued and outstanding and, if convertible or exchangeable securities are issued and outstanding, the number and type of securities reserved for issuance;
 - (b) a completed Listing Application together with the supporting documentation set out in Appendix A to the Listing Application;
 - (c) a draft Listing Statement including financial statements approved by the Listed Issuer's Board or its audit committee;
 - (d) a duly executed PIF from
 - (i) each Related Person of the Listed Issuer and, 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, controls or exercises direction over 20% or more of the voting rights of such non-individual;
 - (ii) each Person performing Investor Relations Activities for the Listed Issuer;
 - (e) current insider reports from each Person required to file a PIF, as filed with the applicable Securities Regulatory Authority; or confirmation that a SEDI profile has been created or an undertaking to create such profile;
 - (f) if applicable, the escrow agreement required under s. 2A.5(8); and
 - (g) the relevant portion of the listing fees, plus applicable taxes.

APPENDIX 2B: Debt Securities

For the purposes of this Appendix, “debt securities” includes bonds, debentures, notes, Eurobonds, medium term notes, Sukuk (Islamic bonds) and any other fixed income security that the Exchange deems to be a debt security.

PART A: Eligibility for Listing

2B.1 General

- (1) A Listed Issuer must have net assets of at least \$1 million or where the Listed Issuer is a special purpose vehicle, or a holding company that does not meet this requirement itself, the Exchange may consider the assets of an underlying entity.
- (2) In the case of asset-backed securities, a trustee or other independent representative must be appointed to represent the interests of the holders of the asset-backed securities and the trustee or an independent custodian must hold the underlying assets and all money and benefits flowing from the assets to the Listed Issuer or the holder of the asset-backed securities.
- (3) In the case of asset-backed securities that are secured on debt obligations or other receivables from a managed pool of assets, the entity appointed to manage the pool of assets must have adequate experience and expertise and such entity must be required to provide periodic financial reports on the performance and credit quality of the pool, for the benefit of the trustee.
- (4) In the case of asset-backed securities that are secured by Equity Securities, the Equity Securities must represent minority interests in, and must not carry legal or management control of, the underlying entities and must be listed on the Exchange or listed on another exchange recognized for this purpose by the Exchange.
- (5) The Listed Issuer must appoint and maintain a payment agent acceptable to the Exchange.

PART B: Documents required with application

2B.2 Application

- (1) The application for Listing must include the following:
 - (a) an Application Letter for Listing one or more specific classes of securities of the Listed Issuer;
 - (b) a completed Listing Application together with the supporting documentation set out below;
 - (c) a draft Listing Statement including financial statements approved by the Listed Issuer's Board or its audit committee;
 - (d) a duly executed PIF from
 - (i) each Related Person of the Listed Issuer and, 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, controls or exercises direction over 20% or more of the voting rights of such non-individual;
 - (ii) each Person performing Investor Relations Activities for the Listed Issuer;
 - (e) current insider reports from each Person required to file a PIF, as filed with the Securities Regulatory Authority; and
 - (f) the relevant portion of the Listing fees, plus applicable taxes.

The Exchange may, at its sole discretion, determine that items (d) and (e) do not apply to an application to list a debt security that is exempt from prospectus requirements under applicable securities law.

(2) Listing Statement

The Listing Statement is required to be submitted to the Exchange or in the case of a tranche issued pursuant to a programme, a term sheet shall be submitted.

(3) Supporting Documents

In addition to the Listing Application the Issuer must submit:

- (a) the participation agreement; and
- (b) the declaration of trust or other document constituting the securities.

The Exchange may also require a legal opinion that confirms that the debt securities have been duly constituted.

(4) Pre-approval of Issuance Programmes

- (a) Where a Listed Issuer issues debt securities of the same class on a regular basis under an issuance programme a Listed Issuer may make an application

for the pre-approval of the Listing of a specified number of securities which may be issued in a particular case.

- (b) Where debt securities are to be issued under an issuance programme, the initial application must cover the maximum number of securities that may be in issue at any one time under the programme. If the Exchange approves the application, it will grant pre-approval for the Listing of all the securities that may be issued under the programme within twelve (12) months after the approval, subject to the Exchange receiving:
 - (i) advice of the final terms of each issue,
 - (ii) copies of any supplementary document or pricing supplement issued in support of the tranche or series,
 - (d) confirmation that the Issuer is still in full compliance with Exchange Policy and that the issue falls within the terms and conditions of the issuance programme, and
 - (iv) confirmation that the securities in question have been issued.
 - (c) The debt securities to be issued under an issuance programme must be identical, except in respect of their designation (i.e., they can be different series), the term of the securities (i.e., the maturity date may vary), the amount of the tranche (within the overall maximum amount of the programme), and the yield (e.g., the coupon rate may vary). Securities that are not identical may not be issued under a programme and will require a separate application.
- (5) The final terms of each issue which is intended to be listed must be submitted in writing to the Exchange as soon as possible after they have been agreed and, in any event, no later than two (2) Business Days before the Listing is required to become effective. The Exchange reserves the right to impose additional requirements on an issue made under an issuance programme, including imposing a requirement to make a new application in respect of that issue, if it considers that the issue does not fall within the scope of the programme.

APPENDIX 2C: Special Purpose Acquisition Corporations

All securities are subject to the requirements of the “General” section of Policy 2

In this Appendix:

PART A: Eligibility for Listing

2C.1 General Listing Matters

Securities to be Listed

- (d) A SPAC must submit a Listing Application sufficient to demonstrate that it is able to meet the Exchange’s original Listing requirements for SPACs, as detailed in Policy 2.

Exchange Discretion

- (2) Pursuant to Section 2.1(1), the Exchange may grant or deny the application notwithstanding the prescribed original Listing requirements. In exercising its discretion, the Exchange must be satisfied that public interest considerations are satisfied. In addition, the Exchange will consider:
 - (a) The experience and track record of the officers and directors of the SPAC;
 - (b) The nature and extent of officers’ and directors’ compensation; and
 - (c) The extent of the Founding Security Holders’ equity ownership in the SPAC, which is generally expected to be an aggregate equity interest of: (i) not less than 10% of the SPAC immediately following closing of the IPO; and (ii) not more than 20% of the SPAC immediately following closing of the IPO, taking into account the price at which the founding securities are purchased and the resulting economic dilution.

2C.2 Original Listing Requirements

IPO

- (1) A SPAC must raise a minimum of \$30,000,000 through the sale of shares or units by way of a prospectus offering. A unit may contain no more than one share, and no more than two warrants.
- (2) Builder Shares and Resale Restrictions
 - (a) The terms of purchase of SPAC Builder Shares must be disclosed in the IPO prospectus.
 - (b) The founding shareholders must agree not to transfer any of their SPAC Builder Shares prior to the completion of a Qualifying Acquisition and that in the event of liquidation and delisting, SPAC Builder Shares will not participate in the

liquidation distribution.

- (3) The shares, warrants, rights, units or other securities to be listed on the Exchange must be qualified by a prospectus received by the Listed Issuer's principal regulator.

No Operating Business

- (4) An issuer is not eligible for Listing as a SPAC if it is carrying on an active business, or if has entered into a binding acquisition agreement for a Qualifying Acquisition. A statement that the issuer has not entered into such an agreement must be included in the IPO prospectus. The SPAC may have identified a target business sector or geographic area in which to make a Qualifying Acquisition, provided that it discloses this information in its IPO prospectus.

Jurisdiction of Incorporation

- (5) The jurisdiction of incorporation must be acceptable to the Exchange. Where the Listed Issuer is incorporated in a jurisdiction outside of Canada, the Listed Issuer should first consult with the Exchange to determine acceptability.

(6) Capital Structure

The capital structure of a SPAC must be acceptable to the Exchange.

(a) Except for the SPAC Builder Shares, listed securities must have:

- (i) A redemption feature or similar feature that will permit holders, in the event that a Qualifying Acquisition is completed within the permitted time as set out in section 2C.4(1), to elect that each share held be redeemed for an amount at least equal to the aggregate amount remaining in the escrow account (net of applicable taxes and expenses related to redemption) divided by the number of shares outstanding, excluding SPAC Builder Shares; and
- (ii) A liquidation distribution or similar feature that will provide holders, for each share held, if the qualifying transaction is not completed within the permitted time as set out in section 2C.4(1), an amount equal to the aggregate amount remaining in the escrow account (net of applicable taxes and expenses related to liquidation distribution) divided by the number of shares outstanding, excluding SPAC Builder Shares.

A Listed Issuer may establish a maximum number of shares to which an individual, with affiliates or Persons acting jointly or in concert, may exercise a redemption right, provided that such limit is not lower than 15% of the shares sold in the IPO and the limit is disclosed in the prospectus.

Exchange discretion with respect to the requirements of this subsection may only be exercised after discussions with, and the concurrence of, the OSC and BCSC.

- (b) In addition to Section 2C.2(6)(a), if share purchase warrants are issued in the IPO:
 - (i) the share purchase warrants must not be exercisable prior to the completion of the Qualifying Acquisition;
 - (ii) the share purchase warrants must expire on the earlier of: a date specified in the IPO prospectus, and the date on which the SPAC fails to complete a Qualifying Acquisition within the permitted time set out in s. 2C.4; and
- (d) share purchase warrants will not have an entitlement to the escrowed funds upon liquidation of the SPAC.

Prohibition of Debt Financing

- (7) A SPAC shall not be permitted to obtain any form of debt financing (excluding ordinary course short term trade or accounts payables) other than contemporaneous with, or after, completion of its Qualifying Acquisition. A credit facility may be entered into prior to completion of a Qualifying Acquisition, but may only be drawn down contemporaneous with, or after, completion of a Qualifying Acquisition. The Listed Issuer must include a statement in its IPO prospectus that it will not obtain any form of debt financing other than in accordance with this Section 2C.2(7).

Despite the foregoing, a SPAC may obtain unsecured loans on reasonable commercial terms, including from Founding Security Holders or their affiliates, up to a maximum aggregate principal amount no greater than 10% of the funds escrowed under Section 2C.2(8), repayable in cash no earlier than the closing of the Qualifying Acquisition, provided that (1) such limit is disclosed in the IPO prospectus and the prospectus of the resulting issuer; and (2) any such debt financing obtained by the SPAC shall not have recourse against the escrowed funds.

Use of Proceeds Raised in the IPO and Escrow Requirements

- (8) Concurrent with Listing, 90% of the gross proceeds raised in the IPO, and the underwriter's deferred commissions (in accordance with Section 2C.2(11)), must be placed in escrow with an escrow agent acceptable to the Exchange.
- (9) The escrow agent must invest the escrowed funds in Permitted Investments. The SPAC must disclose the proposed nature of this investment in its IPO prospectus, as well as any intended use of the interest or other proceeds earned on the escrowed funds from the Permitted Investments.
- (10) The escrow agreement governing the escrowed funds must provide for:
 - (a) the termination of the escrow and release of the escrowed funds on a pro rata basis to shareholders who exercise their redemption rights in accordance with

Section 2C.2(6)(a)(i) and the remaining escrowed funds to the Listed Issuer if the Listed Issuer completes a Qualifying Acquisition within the permitted time set out in Section 2C.4(1); and

- (b) the termination of the escrow and the distribution of the escrowed funds to shareholders (other than for SPAC Builder Shares) in accordance with s. 2C.2(6)(a)(ii) and the terms of s. 2C.5 if the Listed Issuer fails to complete a Qualifying Acquisition within the permitted time set out in Section 2C.4(1).
- (11) The underwriters must agree to defer and deposit a minimum of 50% of their commissions from the IPO as part of the escrowed funds. The deferred commissions will only be released to the underwriters upon completion of a Qualifying Acquisition within the permitted time set out in Section 2C.4(1). If the SPAC fails to complete a Qualifying Acquisition within the permitted time set out in Section 2C.4(1), the deferred commissions placed in escrow will be distributed to the holders of the applicable shares as part of the liquidation distribution. Shareholders exercising their redemption rights will be entitled to their pro rata portion of the escrowed funds including any deferred commissions.
 - (12) The proceeds from the IPO that are not placed in escrow, if any, and interest or other proceeds earned on the escrowed funds from Permitted Investments may be applied as payment for administrative expenses incurred by the SPAC in connection with the IPO, for general working capital expenses and for the identification and completion of a Qualifying Acquisition.

Float and Distribution

- (13) The Listed Issuer must satisfy all of the criteria below:
 - (a) at least 1,000,000 Freely Tradeable securities are held by public holders;
 - (b) the aggregate market value of the securities held by public holders is at least \$30,000,000; and
 - (c) at least 150 public holders of securities, holding at least one Board Lot each.

Pricing

- (14) The minimum IPO price is \$2.00 per share or unit.

Other Requirements

- (15) A SPAC will not be permitted to adopt a Security Based Compensation Arrangement prior to the completion of a Qualifying Acquisition.

2C.3 Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

Additional Equity by way of Rights Offering Only

- (1) Prior to completion of a Qualifying Acquisition, a SPAC may only raise additional capital by way of a rights offering in accordance with the requirements in Policy 6 and at least 90% of the funds raised must be placed in escrow in accordance with the provisions of Sections 2C.2(8) to (12) Contemporaneous with or following completion of a Qualifying Acquisition, the Listed Issuer may raise additional funds in accordance with Policy 6 of the Policies.
- (2) A SPAC may only raise additional funds pursuant to the issuance or potential issuance of Equity Securities from treasury pursuant to Section 2C.3(1) of this Appendix to fund a Qualifying Acquisition and/or administrative expenses of the Listed Issuer.

Other Requirements

- (3) Prior to completion of its Qualifying Acquisition, in addition to this Appendix, the Listed Issuer will be subject to the following CSE Policies:
 - (a) Sections 2.6 to 2.18 of Policy 2;
 - (b) Policy 3;
 - (c) Policy 4;
 - (d) Policy 5;
 - (e) Policy 6;
 - (f) Policy 9; and
 - (g) Applicable listing fees and forms.

Until completion of a Qualifying Acquisition, a SPAC may only issue and make Equity Securities issuable in accordance with Sections 2C.3(1) and (2) of this Appendix.

2C.4 Completion of a Qualifying Acquisition

Permitted Time for Completion of a Qualifying Acquisition

- (d) A SPAC must complete a Qualifying Acquisition within 36 months of the date of closing of the distribution under its IPO prospectus or complete a liquidation distribution pursuant to 2C.5. Where the Qualifying Acquisition is comprised of more than one acquisition, the SPAC must complete each of the acquisitions comprising the Qualifying Acquisition within 36 months of the date of closing of the distribution under its IPO prospectus, in addition to meeting the requirements of Section 2C.4(2).

Value of a Qualifying Acquisition

- (2) The businesses or assets forming the Qualifying Acquisition must have an aggregate

fair market value equal to at least 80% of the aggregate amount then on deposit in the escrow account, excluding deferred underwriting commissions held in escrow and any taxes payable on the income earned on the escrowed funds. Where the Qualifying Acquisition is comprised of more than one acquisition, and the multiple acquisitions are required to satisfy the aggregate fair market value of a Qualifying Acquisition, these acquisitions must close concurrently and within the time frame in Section 2C.4(1).

Approvals

- (3) The Qualifying Acquisition must be approved by:
 - (a) a majority of directors unrelated to the Qualifying Acquisition; and
 - (b) a majority of the votes cast by shareholders of the SPAC at a meeting duly called for that purpose.

Shareholder approval of the Qualifying Acquisition is not required where the Listed Issuer has placed 100% of the gross proceeds raised in its IPO and any additional equity raised pursuant to Section 2C.3(1) in escrow in accordance with Section 2C.2(8). The shareholder approval requirements set out in Sections 8.6 and 8.9 of Policy 8 will not apply to transactions concurrently effected with the Qualifying Acquisition, provided that they are disclosed in the prospectus for the resulting issuer and shareholder approval is not otherwise required for the Qualifying Acquisition. Where the Qualifying Acquisition is comprised of more than one acquisition, each acquisition must be approved.

- (4) The IPO prospectus must disclose whether shareholder approval will be required as a condition of the completion of the Qualifying Acquisition and the shareholders entitled to vote upon the matter. If a Qualifying Acquisition is subject to shareholder approval, the Listed Issuer must prepare an information circular containing disclosure of the resulting issuer assuming completion of the Qualifying Acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.
- (5) The Listed Issuer may impose additional conditions on the completion of a Qualifying Acquisition, provided that the conditions are described in the prospectus or information circular describing the Qualifying Acquisition. For example, a SPAC may impose a condition not to proceed with a proposed Qualifying Acquisition if more than a pre-determined percentage of public shareholders exercise their redemption rights.
- (6) In accordance with Section C2.6, holders of shares other than SPAC Builder Shares must be entitled to redeem their shares for their pro rata portion of the escrowed funds in the event that the Qualifying Acquisition is completed. Subject to applicable laws, shareholders who exercise their redemption rights shall be paid within 30 calendar days of completion of the Qualifying Acquisition and such redeemed shares shall be cancelled.

Prospectus Requirement for Qualifying Acquisition

- (7) A prospectus must be filed containing disclosure regarding the SPAC and its proposed Qualifying Acquisition with the Securities Regulatory Authority in each jurisdiction in which the SPAC and the resulting issuer is, and will be, a reporting issuer assuming completion of the Qualifying Acquisition and, if applicable, in the jurisdiction in which the head office of the resulting issuer assuming completion of the Qualifying Acquisition is located in Canada. Completion of the Qualifying Acquisition without a receipt for the final prospectus will result in the delisting from the Exchange.

If a Qualifying Acquisition is subject to shareholder approval, the SPAC must obtain a receipt for its final prospectus from the applicable Securities Regulatory Authorities prior to mailing the information circular described in Section 2C.4(4).

If a Qualifying Acquisition is not subject to shareholder approval, the SPAC must: (i) mail a notice of redemption to shareholders and make its final prospectus publicly available on its website at least 21 days prior to the deadline for redemption; and (ii) send by prepaid mail or otherwise physically deliver the prospectus to shareholders no later than midnight (Toronto time) on the second Business Day prior to the deadline for redemption. The notice of redemption must be pre-cleared by CSE prior to mailing.

Exchange discretion with respect to the requirements of this Section may only be exercised after discussions with, and the concurrence of, the OSC and BCSC.

Exchange Approval

- (8) The Listed Issuer resulting from the completion of the Qualifying Acquisition by the SPAC must meet the Exchange's original Listing requirements for an NV Issuer set out in Policy 2. The Exchange will provide the Listed Issuer with up to 90 days from the completion of the Qualifying Acquisition to provide evidence that it meets the requirements set out in s. 2A.1(1), failing which the Listed Issuer will generally be subject to Policy 3.

Failure to obtain the Exchange's approval of the Listing of the resulting Listed Issuer prior to the completion of the Qualifying Acquisition will result in delisting. For greater certainty, a Qualifying Acquisition may include a merger or other reorganization or an acquisition of the Listed Issuer by a third party.

Escrow Requirements

- (9) Upon completion of the Qualifying Acquisition, the resulting Listed Issuer shall be subject to the Exchange's escrow requirements outlined in s. 2A.5(8) and s. 8.8.

2C.5 Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

- (1) If a SPAC fails to complete a Qualifying Acquisition within the permitted time set out

in Section 2C.4(1), subject to applicable laws, it must complete a liquidation distribution within 30 calendar days of the end of such permitted time, pursuant to which the escrowed funds must be distributed to the holders of shares other than SPAC Builder Shares on a pro rata basis, and in accordance with Section 2C.5(2).

- (2) In accordance with Section 2C.2(2), the Founding Security Holders may not participate in any liquidation (or redemption) distribution with respect to any of their SPAC Builder Shares. In addition, in accordance with Section 2C.2(11), all deferred underwriter commissions held in escrow will be part of the liquidation (or redemption) distribution. A liquidation (or redemption) distribution therefore includes the minimum of 90% of the gross proceeds raised in the Listed Issuer's IPO, as required under Section 2C.2(8) and 50% of the underwriters' commissions as described in this Section. Any interest or other proceeds earned through Permitted Investments that remains in escrow shall also be part of the liquidation (or redemption) distribution. The amount distributed on a liquidation distribution shall however be net of any applicable taxes and direct expenses related to the liquidation distribution.
- (3) If the Listed Issuer fails to complete a Qualifying Acquisition within the permitted time set out in Section 2C.4(1), the Exchange will delist the securities on or about the date on which the liquidation distribution is completed.

2C.6 Continued Listing Requirements Following Completion of a Qualifying Acquisition

Upon completion of a Qualifying Acquisition pursuant to these requirements, the resulting Listed Issuer will be subject to all continued listing requirements in the Policies except where otherwise provided in Section 2C.4(8).

PART B: Documents required with application

2C.7 Application

- (1) The application for Listing must include the following:
 - (a) an Application Letter for Listing one or more specific classes of Equity Securities of the Listed Issuer and indicating the number and class of the Listed Issuer's securities issued and outstanding and, if convertible or exchangeable securities are issued and outstanding, the number and type of securities reserved for issuance;
 - (b) a completed Listing Application together with the supporting documentation set out in Appendix A to the Listing Application;
 - (c) a draft Listing Statement including financial statements approved by the Listed Issuer's Board or its audit committee;
 - (d) a duly executed PIF from
 - (i) each Related Person of the Issuer and, 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, controls or exercises direction over 20% or more of the voting rights of such non-individual;
 - (ii) each Person performing Investor Relations Activities for the Listed Issuer;
 - (e) current insider reports from each Person required to file a PIF, as filed on SEDI; or confirmation that a SEDI profile has been created; or an undertaking to create such profile;
 - (f) if applicable, the escrow agreement required under paragraph 2.8 of Part A of this Appendix; and
 - (g) the relevant portion of the Listing Fees, plus applicable taxes.