

POLICY 3.2

FILING REQUIREMENTS AND CONTINUOUS DISCLOSURE

Scope of Policy

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

The main headings in this Policy are:

1. Continuous Disclosure and Filing Requirements Under Securities Laws
2. Documents Required by Securities Laws
3. Corporate Information and Shareholder Communication
4. Shareholder Meetings
5. Security Issuances, Treasury Orders and Legending of Hold Periods
6. Change in Management or Control
7. Personal Information Forms and Declarations
8. Material Agreements - Escrow/Pooling Arrangements
9. Changes in Constating Documents and Security Reclassifications (other than Name Changes, Stock Splits and Consolidations)
10. Dividends
11. Redemption, Cancellation or Retirement of Listed Shares
12. Trading in U.S. Dollars
13. Due Bill Trading

1. Continuous Disclosure and Filing Requirements Under Securities Laws

- 1.1 All Issuers are subject to continuous disclosure and other filing requirements under Securities Laws including, without limitation, the Securities Laws of British Columbia and Alberta. Issuers must ensure compliance with the applicable continuous disclosure and

other filing requirements prescribed by Securities Laws. It should be noted that these requirements are in addition to any disclosure and filing requirements prescribed by the Exchange.

2. Documents Required By Securities Laws

- 2.1** Every Issuer must file with the Exchange a copy of any document or agreement which pursuant to applicable Securities Laws, is filed with any Securities Commission or similar regulatory body or any other applicable stock exchange or market. Where such document or agreement is made publicly available by the Issuer on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) in conjunction with its filing with any Securities Commission or similar regulatory body or any other applicable stock exchange or market, the Issuer will not be required to separately file that document or agreement with the Exchange except as may be required pursuant to another Policy.

3. Corporate Information and Shareholder Communication

- 3.1** While listed on the Exchange, an Issuer must maintain and ensure that the Exchange is provided with a current address, telephone number, contact person’s name and if applicable, facsimile number, e-mail address and internet website to which all Shareholder and public inquiries and Exchange communication can be directed.
- 3.2** An Issuer must file with the Exchange a copy of any materials sent or provided to the Issuer’s Shareholders or the public at the same time those materials are delivered to the Shareholders or the public if those materials have not also been filed on SEDAR.

4. Shareholder Meetings

- 4.1** Every Issuer must hold an annual meeting of its Shareholders by the earlier of the time required by applicable corporate or securities legislation and 18 months after:
- (a) the date of its incorporation; or
 - (b) the date of its certificate of amalgamation, in the case of an amalgamated Issuer,
- and subsequently thereafter in each year not more than 15 months after its last preceding annual meeting of Shareholders or such earlier date as required by applicable corporate or Securities Laws.

- 4.2** Every Issuer must, concurrently with giving notice of a meeting of Shareholders, send a form of proxy and an information circular in the manner prescribed by Securities Laws to each holder of a Listed Share and each other Shareholder who is entitled to receive notice of the meeting whether or not they are resident in the jurisdiction in which the Issuer is a reporting issuer. Every Issuer must comply with the requirements of applicable corporate and Securities Laws governing proxies and Shareholder meetings.
- 4.3** If a proposed transaction to be submitted to Shareholders for approval also requires the acceptance of the Exchange, the Issuer must obtain this acceptance (or conditional acceptance, as the case may be) before mailing the meeting materials to the Shareholders. If this is impracticable due to unavoidable time restrictions, the Exchange must be advised in advance of the proposed mailing, and the information circular must clearly state that the proposed transaction is subject to the acceptance of the Exchange (or regulatory approval), and that the Issuer will not proceed with the transaction if regulatory acceptance or approval is not obtained.
- 4.4** For any transaction requiring Shareholder approval, whether pursuant to an Exchange Requirement or otherwise, the meeting materials must describe the substance of the transaction and all related matters in sufficient detail to enable a reasonable Shareholder to form a reasoned judgment concerning the transaction and all related matters.
- 4.5** An Issuer which has adopted or proposes to adopt procedures which may have the effect of entrenching management should consult with the Exchange in advance and obtain prior Exchange acceptance. See Policy 3.1 - *Directors, Officers, Other Insiders & Personnel and Corporate Governance*.

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

5.1 Security Issuances

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

5.2 Treasury Orders - General

- (a) Every Issuer must require that its transfer agent provide to the Exchange, within five business days following the issuance of any securities, a copy of the applicable treasury order.
- (b) Each treasury order and reservation order submitted to the Issuer's transfer agent must contain the following information:
- (i) the date of the treasury order;
 - (ii) the name and municipality of the transfer agent;

- (iii) full particulars of the number and type of securities being issued or reserved for issuance;
 - (iv) the issue price per security or the deemed issue price;
 - (v) the balance of issued shares of the Issuer following the issuance;
 - (vi) the names and addresses of all parties to whom the securities are being issued or are reserved for issuance;
 - (vii) the date of the applicable Exchange acceptance of the application for issuance of such securities and, if applicable, the Exchange application/file number;
 - (viii) for a treasury order, confirmation that the Issuer has received full payment for the securities and that the securities are validly issued as fully paid and non-assessable;
 - (ix) instructions that the wording of any legend required by applicable Securities Laws or by section 5.3 be imprinted on the face of the certificate (or if the face of the certificate has insufficient space, on the back of the certificate with a reference on the face of the certificate to the legend); and
 - (x) the legend required by section 5.3.
- (c) Every treasury order must be signed by at least two directors or senior officers of the Issuer. The names and titles of each signatory must be printed beneath their respective signatures.

5.3 Hold Period Legends

- (a) Securities subject to an Exchange Hold Period must be legended. Each Issuer must ensure that securities issued from treasury that are represented by a certificate must bear an Exchange legend stating:

“Without prior written approval of TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date].”

If the securities are entered into a direct registration or other electronic book-entry system, or if the purchaser of the securities does not directly receive a certificate representing the securities, the Issuer must ensure that the purchaser of the securities receives written notice containing the legend set out above.

- (b) The date to be inserted in any Exchange Hold Period legend will be the date that is four months and a day after the distribution date of the security.

- (c) For securities which are convertible, exercisable or exchangeable into Listed Shares, the legend must be modified to indicate that the remaining portion of the Exchange Hold Period will continue to apply to the underlying Listed Shares if the original security is converted, exercised or exchanged into the underlying Listed Share within four months of the distribution date of the original security. If the Exchange Hold Period on the original security has not expired at the time the original security is converted, exercised or exchange into the underlying Listed Share, the certificate representing the underlying Listed Share must bear the legend prescribed by section 5.3(a) with the applicable date to be inserted in the legend being the date that is four months and a day after the distribution date of the original security.
- (d) The Exchange legending requirement is in addition to, and does not replace any Resale Restrictions imposed by Securities Laws, including any legending of the security certificate. The Exchange Hold Period will run concurrently with a hold period under Securities Laws but may commence at a different time than under Securities Laws.

5.4 Trading of Legended Shares

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

6. Change in Management or Control

- 6.1** An Issuer must not agree to be party to a Change of Control or any transactions that may reasonably be expected to result in a Change of Control unless the agreement is made subject to Exchange acceptance.
- 6.2** In certain circumstances, a Change of Control may form part of a Reactivation, Reorganization, Change of Business or Reverse Takeover, in which case the Issuer must comply with all of the requirements of the applicable policies. See Policy 2.6 – *Reactivation of NEX Companies* and Policy 5.2 - *Changes of Business and Reverse Takeovers*.
- 6.3** When an agreement in principle is reached (or as soon as the Issuer becomes aware that an agreement in principle reasonably appears to have been reached) which will result or may reasonably be expected to result in a Change of Control of the Issuer, or when any event occurs which will result in the addition to or removal from the board of directors or

management of any individuals, the Issuer must issue a news release, which complies in all respects with Policy 3.3 - *Timely Disclosure*, describing:

- (a) the transaction(s) resulting in the Change of Control; or
- (b) the transactions resulting in any Change of Management and identifying each Person who has ceased to act as director or senior officer, including the position previously held by that Person and identifying any Person who will be appointed or elected to a new position as a director or senior officer of the Issuer, including the position to be held and a brief description of such Person's background and experience; and

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

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

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

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

7. Personal Information Forms and Declarations

7.1 Subject to section 7.7, a duly completed Personal Information Form ("**PIF**") (Form 2A), must be submitted to the Exchange before:

- (a) any Person can be involved with an Issuer in the capacity of an Insider; or
- (b) any Person can perform Investor Relations Activities for an Issuer.

- 7.2 An Issuer must immediately advise the Exchange when any director or senior officer of the Issuer or any Person engaging in Investor Relations Activities on its behalf is added or removed.
- 7.3 A new PIF must be filed where a material change has occurred in respect of sections 6, 7, 8, 9 or 10 of the PIF.
- 7.4 In its discretion and at any time, the Exchange can require an updated duly completed PIF for any Person involved with an Issuer.
- 7.5 If a PIF is required or requested by the Exchange from a Person who is not an individual, a PIF must be submitted for each Insider of that non-individual entity.
- 7.6 Acceptance for filing by the Exchange of a PIF does not constitute Exchange acceptance of the proposed Person.
- 7.7 A duly completed Declaration (Form 2C1) may be submitted to the Exchange, in lieu of a PIF, where:
- (a) a Person has filed a PIF within the 60 month period prior to the filing of the Declaration, with either the Exchange or the Toronto Stock Exchange, and
 - (b) the information in that PIF has not changed.

8. Material Agreements - Escrow/Pooling Arrangements

8.1 General – Material Agreements

- (a) Each Issuer must promptly provide written notice to the Exchange of any material agreement and, if requested by the Exchange, must provide a copy of the agreement and other requested documents or information. To the extent practicable, the Issuer should provide written notice of any material agreement to the Exchange prior to the agreement being entered into. As applicable, the Issuer should ensure that the material agreement provides that the agreement is subject to Exchange acceptance.
 - (b) Where the transaction that is the subject of a material agreement requires Exchange acceptance pursuant to the requirements of another Policy and the material agreement (or the particulars thereof) is provided to the Exchange in conjunction with an Issuer's application for acceptance of such transaction, the Issuer will be deemed to have complied with the foregoing notice requirement set forth in section 8.1(a).
 - (c) If the material agreement constitutes a Material Change, the Issuer must issue a news release pursuant to applicable Securities Laws and Policy 3.3 - *Timely Disclosure*.
- 8.2 For the purposes of this Policy, a material agreement means any agreement, commitment, contract or understanding, written or otherwise, that an Issuer or any of its subsidiaries is a

party to that is material to the Issuer. Without limitation, the Exchange deems any agreement, commitment, contract or understanding that an Issuer or any of its subsidiaries is directly or indirectly a party to that relates to any of the following matters to be a material agreement:

- (a) any issuance of shares or other securities of the Issuer or any of its subsidiaries;
- (b) management services, investor relations services, fiscal agency or financial advisory services, other services outside the normal or ordinary course of the Issuer's business, and any transaction with a Non-Arm's Length Party of the Issuer;
- (c) any capital reorganization of the Issuer;
- (d) any acquisition or disposition of the Issuer's own securities;
- (e) any change in the beneficial ownership of the shares or other securities of the Issuer which may materially affect the control of the Issuer;
- (f) any loan or advance of funds by the Issuer to any Person;
- (g) any change in the undertaking of the Issuer;
- (h) any mortgaging, hypothecating or charging in any way of the Issuer's assets; and
- (i) the establishment of a special relationship between the Issuer and a registrant.

In addition, any amendment, termination or extension of a material agreement shall also constitute a material agreement.

8.3 Escrow or Pooling Agreements

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

8.4 Receipt of Notice by Exchange

Upon receiving notice from the Issuer, the Exchange may accept the terms of the material agreement or require that they be amended prior to acceptance.

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

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

10. Dividends

- 10.1 For the purposes of Exchange requirements, “dividends” includes any dividend or similar distribution by an Issuer to its Shareholders whether in the form of cash, securities or other property.
- 10.2 All Issuers declaring a dividend on Listed Shares must promptly issue the news release described in section 10.5 and notify the Exchange as soon as the dividend is declared, and at least five trading days in advance of the dividend record date, by filing a Dividend/Distribution Declaration (Form 3E) ~~or a news release containing the same information that is prescribed by Form 3E,~~ with the Exchange via fax [TMX LINX](#) or e-mail, ~~at least five trading days in advance of the dividend record date.~~ For contact information respecting the filing of Form 3E ~~or the equivalent press release,~~ Issuers are referred to Form 3E.
- 10.3 Listed Shares will commence trading on an ex-dividend basis at the opening of trading on ~~the date which is one trading day prior to~~ the record date for the dividend. This timing for the ex-dividend date is based on the premise that the Shareholders of record as of close of business on the record date (and not some earlier point in time) will be entitled to receive the dividend. For example, if the record date for a dividend is a Friday (i.e. shareholders of record as of the close of business on the Friday will be entitled to receive the dividend), the shares will commence trading on an ex-dividend basis at the opening of trading on ~~the preceding Thursday~~ that Friday (in the absence of statutory holidays). ~~If the record date is a Monday, the shares will commence trading on an ex-dividend basis at the opening of trading on the Friday of the previous week (in the absence of statutory holidays).~~
- 10.4 Where Issuers fail to follow the above noted procedure, and as a result, a dispute arises over who is entitled to the payment of the dividend, the Issuer will be liable for the dividend claims made by both the buyers and the sellers of the shares involved.
- 10.5 The declaration of a dividend for any class of Listed Shares is a Material Change in the affairs of the Issuer and requires the issuance of a news release in accordance with the provisions of Policy 3.3 - *Timely Disclosure*: which must set out, at a minimum, the following information:
- ~~10.6 A news release issued with respect to a dividend declaration must set out, at a minimum, the following information:~~
- (a) the Issuer’s name;
 - (b) the class of securities on which the dividend is to be paid;
 - (c) the amount payable per security;
 - (d) the record date; and

(e) the dividend period (such as quarterly, semi-annually or special).

10.6 ~~10.7~~ If a dividend involves the issuance of securities (such as a stock dividend), the Issuer must apply to list any additional securities issued by way of dividend and must provide for any fractional securities resulting from the dividend.

11. Redemption, Cancellation or Retirement of Listed Shares

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

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

12. Trading in U.S. Dollars

12.1 In order to list a security to trade in US dollars or to switch a class of Listed Shares trading in Canadian dollars to trade in US dollars, an Issuer must apply to the Exchange and provide a description of the Issuer and its US operations, a description of how it has been complying with US securities laws (for example, registration status under the Securities Act of 1933, Regulation S and the Securities and Exchange Act of 1934, the name of its US securities counsel and information about his or her firm) and an estimate of the percentage of US Shareholders. Applications will be considered on a case by case basis by the Exchange.

12.2 If the Issuer is accepted for US dollar trading, the Exchange will assign a .U suffix to the trading symbol of the Listed Shares that will trade in US dollars. There is no requirement to change the ISIN or CUSIP number, as applicable, or the security code.

12.3 The Exchange must give at least three weeks' notice to the clearing and settlement agency before the effective date to switch Listed Shares trading in Canadian dollars to US dollars. The Exchange will also issue an Exchange Bulletin 11 trading days before the effective date, announcing a cash trade period of 10 trading days before the switch to US dollar trading. The Exchange will issue a second Exchange Bulletin on the trading day before the effective date.

12.4 For new listings, the 10 trading day cash trade period is not required; however, the applicant Issuer should request trading in US dollars early in the listing application process so consideration of this matter does not delay listing.

13. Due Bill Trading

13.1 For the purposes of this Policy:

“**distribution**” means any dividend, distribution, interest, security or right to which holders of listed securities have an entitlement, based on a specific record date.

“**Due Bill**” means an instrument used to evidence the transfer of title to any dividend, distribution, interest, security or right to a listed security contracted for, or evidencing, the obligation of a seller to deliver such dividend, distribution, interest, security or right to a subsequent purchaser.

13.2 Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per Listed Share represents 25% or more of the value of the Listed Share on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence at the opening of trading ~~one trading day prior to~~on the record date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the Listed Shares during this period can realize the full value of the Listed Shares they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the Listed Shares.

13.3 When Due Bills are used, ex-distribution trading usually commences at the opening on the first trading day after the payment date. In the event that the Exchange receives late notification of the payment date and the payment date has passed, ex-distribution trading will generally commence on the first trading day following such notification.

13.4 The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., ~~one trading day before~~on the record date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.

13.5 Issuers should contact the Exchange to discuss the use of Due Bills well in advance of any contemplated record date for a distribution.

13.6 Due Bill trading will not be implemented for special distributions of additional Listed Shares where such securities are immediately consolidated following the distribution.

