

POLICY 3.3

TIMELY DISCLOSURE

Scope of Policy

Public confidence in the integrity of the Exchange as a securities market requires timely disclosure of Material Information concerning the business and affairs of Issuers, thereby placing all participants in the market on an equal footing.

Accordingly, ensuring complete, accurate and timely disclosure of Material Information is an integral part of an Issuer's proper corporate governance procedures. This Policy sets out the general disclosure requirements for all Material Information. This Policy is not intended to be an exhaustive statement of timely and continuous disclosure obligations. It is intended to supplement the timely disclosure requirements under Securities Laws. National Policy 51-201 - *Disclosure Standards* provides guidance to issuers to assist them in meeting their legislative disclosure requirements. While legislative disclosure requirements differ somewhat from the disclosure requirements imposed by the Exchange, National Policy 51-201 clearly states that listed issuers must comply with the requirements of the exchange on which they are listed. Accordingly, this Policy must be read in conjunction with Securities Laws, National Policy 51-201 and all other Exchange Requirements.

In addition to the foregoing, Issuers who engage in mineral exploration, development and/or production must follow the Mining Standard Guidelines as outlined in Appendix 3F of this Manual for both their timely and continuous disclosure obligations.

The main headings in this Policy are:

1. Introduction
2. Material Information
3. Timing of Disclosure
4. Filing – Pre-Notification to the Regulation Services Provider
5. Disclosure of Earnings and Financial Forecasts
6. Rumours and Unusual Market Activity
7. Dissemination
8. Content of News Releases
9. Resource Issuers
10. Trading Halts
11. Confidential Information
12. Breach of Policy

1. Introduction

- 1.1 One of the underlying principles of this Exchange policy and Securities Laws is that all investors must have equal access to Material Information about an Issuer in order to make informed and reasoned investment decisions, and that such information should not be released on a selective basis, subject to very limited exceptions, as permitted by Securities Laws, including National Policy 51-201. See also National Instrument 71-102–Continuous Disclosure and Other Exemptions Relating to Foreign Issuers.
- 1.2 In order to minimize the number of regulatory authorities that must be consulted in a particular matter, with respect to timely disclosure, the Exchange is the relevant contact for issuers with respect to Exchange Requirements. Issuers should, however, consult with the applicable Securities Commission of the particular jurisdiction in respect of matters respecting requirements under Securities Laws. In the case of securities listed on more than one stock exchange, Issuers should deal with each exchange.
- 1.3 In order to maintain a listing on the Exchange, every Issuer must make ongoing timely and continuous disclosure and keep the Exchange informed of both routine and unusual events and information regarding its business, operations and affairs. The Exchange has retained the Regulation Services Provider to administer the relevant Exchange Requirements related to this Policy. Issuers should contact the Regulation Services Provider with questions they have about meeting their timely disclosure responsibilities.

2. Material Information

2.1 Definitions:

“Material Information” is any information relating to the business and affairs of an Issuer that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Issuer’s Listed Shares, and includes Material Facts and Material Changes.

“Material Fact” has the same meaning as found in applicable Securities Laws.

“Material Change” has the same meaning as found in applicable Securities Laws.

- 2.2 It is the responsibility of each Issuer to determine what information is material in the context of its own affairs. The materiality of information may vary from one Issuer to another according to the size of its profits, assets and capitalization, the nature of its operations and many other factors. An event that is significant or major in the context of a smaller Issuer’s business and affairs may not be material to a larger Issuer. The Issuer itself is in the best position to apply the concept of Material Information to its own unique circumstances. The Exchange recognizes that decisions on disclosure require careful subjective judgments and encourages Issuers to consult with the Regulation Services Provider when in doubt as to whether disclosure should be made.

3. Timing of Disclosure

- 3.1 An Issuer must disclose Material Information concerning its business and affairs immediately after management of the Issuer becomes aware of the existence of Material Information, or in the case of information previously known, upon it becoming apparent that the information is material.
- 3.2 While the policy of the Exchange is that all Material Information must be released immediately, subject to pre-notification of the Regulation Services Provider as outlined in section 4 below and certain confidentiality exceptions as outlined in section 11 below, the Issuer must exercise judgment as to the timing, propriety and content of any news release concerning corporate developments.
- 3.3 Many developments must be disclosed at the proposal stage, or before an event actually occurs, if the proposal gives rise to Material Information.
- 3.4 An announcement regarding a proposed development or an intention to proceed with a transaction or activity should not be made unless the Issuer has the ability to carry out the intent (although proceeding may be subject to contingencies) and a decision has been made to proceed with the transaction or activity by the board of directors of the Issuer, or by senior management of the Issuer with the expectation of concurrence from the board of directors. Disclosure of corporate developments must be handled carefully and requires the exercise of judgment by the Issuer and its management as to the timing of an announcement of Material Information, since either premature or late disclosure may result in damage to the reputation of the Issuer and/or the market.
- 3.5 Unless an original announcement of Material Information indicates that an update will be disclosed on another indicated date, the Exchange generally requires that the Issuer issue a further news release dealing with the status of a previously announced transaction if the update has not been made or if the Exchange has not received the required documentation from the Issuer within 30 days after the announcement, or if the transaction has not closed within 90 days after the announcement. In addition, immediate disclosure is required to be made by the Issuer of any new Material Information related to the proposed transaction or to the previously disclosed information.
- 3.6 Issuers are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development can reasonably be expected to have or has had a direct effect on their business and affairs that is both material in the sense outlined above and uncharacteristic of the effect generally experienced as a result of that development by other issuers engaged in the same business or industry, Issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most issuers in a particular industry does not require an announcement, but if it affects only one or a few issuers in a material way, an announcement should be made.

- 3.7 The market price of an Issuer's securities may be affected not only by information concerning the Issuer's business and affairs, but also by factors directly relating to the securities themselves. For example, changes in an Issuer's issued capital, stock splits, redemptions and dividend decisions may all affect the market price of its securities and thus may constitute Material Information.
- 3.8 Without limiting the concept of Material Information, the following events are deemed to be material in nature and require immediate disclosure in accordance with this Policy:
- (a) any issuance of securities by way of statutory exemption or Prospectus;
 - (b) any change in the beneficial ownership of the Issuer's securities that affects or is likely to affect the control of the Issuer;
 - (c) any change of name;
 - (d) a take-over bid, issuer bid or insider bid;
 - (e) any significant acquisition or disposition including a disposition of assets, property or joint venture interests;
 - (f) any stock split, stock consolidation, stock dividend, exchange, call of securities for redemption, redemption, capital reorganization or other change in capital structure;
 - (g) the borrowing or lending of a significant amount of funds or any mortgaging, hypothecating or encumbering in any way of any of the Issuer's assets, or an event of default under a financing or other agreement;
 - (h) any acquisition or disposition of the Issuer's own securities;
 - (i) the development of a new product or any development which affects the Issuer's resources, technology, products or markets;
 - (j) the entering into or loss of a material contract;
 - (k) firm evidence of a material increase or decrease in near-term earnings prospects;
 - (l) a significant change in capital investment plans or corporate objectives;
 - (m) any change in the board of directors or senior officers;
 - (n) significant litigation;
 - (o) a material labour dispute or a dispute with a major contractor or supplier;

- (p) a Reverse Takeover, Change of Business of an Issuer, Merger, Amalgamation or other Material Information relating to the business, operations or assets of an Issuer;
- (q) a declaration or omission of dividends (either securities or cash);
- (r) the results of any asset or property development, discovery or exploration by a Mining or Oil and Gas Issuer, whether positive or negative;
- (s) any oral or written employment, consulting or other compensation arrangements between the Issuer or any subsidiary of the Issuer and any director or officer of the Issuer, or their associates, for their services as directors or officers, or in any other capacity;
- (t) any oral or written management contract, any agreement to provide any Investor Relations, Promotional or Market Making activities, any service agreement not in the normal course of business or any Related Party Transaction, including a transaction involving Non-Arm's Length Parties;
- (u) any amendment, termination, extension or failure to renew any agreement where disclosure of the original agreement or transaction was required pursuant to this Policy;
- (v) the establishment of any special relationship or arrangement with a Participating Organization or Member or other registrant;
- (w) any change in listing classification, including any movement by an Issuer between Tiers or NEX;
- (x) notice of suspension review or suspension of trading of an Issuer's securities; and
- (y) any other developments relating to the business and affairs of the Issuer that would reasonably be expected to significantly affect the market price or value of any of the Issuer's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

4. Filing – Pre-Notification to the Regulation Services Provider

- 4.1 As part of administering this Policy, the Regulation Services Provider receives material news releases from Issuers. The overriding rule is that significant announcements are required to be released immediately. Issuers are encouraged to seek assistance and direction from the Regulation Services Provider as to whether an announcement should be released and whether trading in the Issuers' securities should be halted for the dissemination of an announcement.

- 4.2 Regardless of when an announcement involving Material Information is released, subject to section 11 below, news releases must be pre-filed with the Regulation Services Provider prior to dissemination to the public where the news release contains information relating to the following:
- (a) Reverse Takeovers, Changes of Business or other reorganizations;
 - (b) Qualifying Transactions, Reviewable Transactions, including corporate acquisitions or dispositions;
 - (c) Change of control;
 - (d) Future oriented financial information or other operating projections; and
 - (e) Disclosure of mineral reserves/resources or oil and gas reserves.
- 4.3 **The Regulation Services Provider** must be advised of any news release that contains the above information and must be supplied with a copy of any news release relating to these matters in advance of its release. **The Regulation Services Provider** must also be advised of the proposed method and timing of dissemination. Issuers may also be required to submit supporting documents to the Regulation Services Provider together with any news release. Materials must be faxed to the Regulation Services Provider or electronically mailed as attachments in accordance with the information set out on the Regulation Service Provider's website.
- 4.4 Further to the requirements under section 4.3, if an announcement is ready to be made between 8am and 4pm EST, the Regulation Services Provider must be advised in advance, by telephone, in accordance with the instructions set out on the Regulation Service Provider's website, or in accordance with any information contained in any bulletin published by the Exchange from time to time. Where an announcement is to be released after 4pm EST, or before 8am EST, Issuers must leave the Regulation Services Provider a message summarizing the pending announcement, at the time the announcement is ready to be made.
- 4.5 While the Regulation Services Provider may permit certain news releases to be issued after the close of trading (4pm EST), the policy of immediate disclosure of Material Information frequently requires that news releases be issued during trading hours, especially when an important development has occurred. If this is the case, it is absolutely essential that management of the Issuer notify the Regulation Services Provider prior to the issuance of a news release and provide it with a copy of the news release. The Regulation Services Provider will then be in a position to determine whether trading in any of the Issuer's securities should be temporarily halted. If the Regulation Services Provider is not advised of news releases in advance, any subsequent unusual trading activity may generate enquiries, a halt in trading without notice and cancellation of trades.

- 4.6 Where the Regulation Services Provider or the Exchange have had concerns respecting an Issuer's previous disclosure practices, the Exchange may require an Issuer to submit all news releases to the Regulation Services Provider for review prior to public dissemination.

5. Disclosure of Earnings and Financial Forecasts

- 5.1 Subject to section 5.2, forecasts of earnings and other financial forecasts need not be disclosed. However, where a significant increase or decrease in earnings is expected with reasonable certainty in the near future, this fact must be disclosed.
- 5.2 As is the case with all Material Information, selective release of earnings forecasts or others financial forecasts must not be made except as may be permitted pursuant to Securities Laws, including any guidelines or requirements, as the case may be, set out in National Policy 51-201 and Parts 4A and 4B of National Instrument 51-102.

6. Rumours and Unusual Market Activity

- 6.1 Where unusual trading activity takes place in securities, the Regulation Services Provider attempts to monitor and determine the specific cause of that activity. The Regulation Services Provider maintains a continuous stock watch program designed to highlight unusual market activity, such as unusual price and volume changes in a security relative to its historic pattern of trading.
- 6.2 If the specific cause for the unusual trading activity cannot be determined immediately, the Issuer's management will be contacted. If this contact results in a determination by the Regulation Services Provider that a news release is required, the Issuer will be required to make an immediate announcement. If the Issuer is unaware of any undisclosed development, the Regulation Services Provider will continue to monitor trading and may request the Issuer to issue a statement that it is not aware of any undisclosed developments that would account for the unusual trading pattern or activity.
- 6.3 Issuers are expected to co-operate with the Regulation Services Provider to protect the integrity of the market. Actions such as withholding or concealing information from the Regulation Services Provider, or failing to return telephone calls from the Regulation Services Provider staff will be regarded as a breach of this Policy.
- 6.4 Unusual market activity is often caused by the presence of rumours. The Exchange recognizes that it is impractical to expect management to be aware of, and comment on all rumours, but when market activity indicates that trading is being unduly influenced by rumours, the Regulation Services Provider will require that a clarifying statement be made by the Issuer. A trading halt may be instituted pending a "no corporate developments" statement from the Issuer. If a rumour is correct in whole or in part, immediate disclosure of the relevant Material Information must be made by the Issuer and a trading halt will be instituted pending release and dissemination of the information.

7. Dissemination

- 7.1 News releases must be transmitted to the media by the quickest possible method and in a manner that provides for wide and simultaneous dissemination. Each news release must be distributed to a news dissemination service (or combination of services) that disseminate the full text of news releases without editing, and that distribute financial news nationally, to the financial press and to daily newspapers that provide regular coverage of financial news and events. See Appendix 3C for an informational list of commercial news disseminators in the marketplace).
- 7.2 The Exchange accepts the use of any news services that meet the following criteria:
- (a) dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;
 - (b) dissemination to all Participating Organizations; and
 - (c) dissemination to all relevant regulatory bodies.
- 7.3 The onus is on the Issuer to ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this Policy and shall be grounds for halting, suspension of trading or delisting of the Issuer's securities or such other action as the Exchange may deem appropriate. In particular, the Exchange will not consider relieving an Issuer from its obligation to disseminate news properly because of cost factors.
- 7.4 For consistency of exposure, when an Issuer releases follow-up information relevant to an earlier news release, either the same or greater (but not lesser) coverage must be employed.
- 7.5 Issuers should be aware that there is a delay from the time a news release is delivered to a news dissemination service to the time it is actually disseminated. Issuers should therefore refrain from faxing or e-mailing news releases or otherwise disclosing Material Information to others until they have ensured that the news release has been properly disseminated. For example, a news release should not be faxed to a contact list at the same time that it is being faxed to the news dissemination service or posted on SEDAR before the news release has crossed the wire.
- 7.6 Initial disclosure of Material Information must always be accomplished by the issuance of a news release. Issuers that distribute brochures, pamphlets, etc., which contain Material Information that has been previously disclosed should ensure that the content of these documents conforms to the disclosure principles established in this Policy.

- 7.7 An Issuer that wishes to disclose Material Information during a news conference should ensure that a news release is issued prior to the news conference so as to ensure that all investors have equal access to this Material Information. Issuers should also be guided by applicable best disclosure practices, as set out in Part VI of National Policy 51-201.
- 7.8 Issuers should be aware that the filing and disclosure of Material Information on SEDAR alone is not satisfactory compliance with this Policy.

8. Content of News Releases

- 8.1 Announcements of Material Information should be factual and balanced, neither over-emphasizing favourable news nor under-emphasizing unfavourable news. Material unfavourable news must be disclosed just as promptly and completely as material favourable news.
- 8.2 It is appreciated that it may not be practical to include in a news release the level of detail that would be included in a prospectus or similar disclosure document. However, news releases must contain sufficient detail to enable investors and media personnel to appreciate the true substance and importance of the information so that investors may make informed investment decisions. The guiding principle should be to communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community's perception of the announcement one way or another. Additional guidelines for news releases are set out in Appendix 3E to this Policy.
- 8.3 The responsibility for the adequacy and accuracy of the content of news releases rests with the directors of an Issuer.
- 8.4 All news releases must include the name of an officer or director of the Issuer who is responsible for the announcement, together with the Issuer's telephone number. The Issuer may also include the name and telephone number of an additional contact person.
- 8.5 The Issuer should be prepared to provide further information, if required by the Exchange.
- 8.6 All news releases must contain the following statement in a prominent location: "*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*"

9. Resource Issuers

- 9.1 All mining Issuers must comply with National Instrument 43-101 - *Standards of Disclosure for Mineral Exploration and Development and Mining Properties* and the Exchange standards that are set out in Appendix 3F - *Mining Standard Guidelines*.

- 9.2 All oil and gas Issuers must comply with the applicable disclosure requirements set forth in National Instrument 51-101 – *Standards of Disclosure For Oil and Gas Activities*.
- 9.3 News releases must not contain estimates of potential reserves of oil and gas nor disclose mineral reserves without the prior consent of the Regulation Services Provider.

10. Trading Halts

- 10.1 This section deals with trading halts in relation to timely disclosure in general. The process and duration of halts for specific transactions are dealt with in the policies dealing with those transactions. In addition, Policy 2.9 - *Trading Halts, Suspensions and Delisting* provides a detailed discussion of trading halts.
- 10.2 A halt in trading does not reflect on the reputation of management of an Issuer or the quality of its securities. Trading halts for announcements of Material Information by the Issuer are considered a normal occurrence and for the benefit of the public.
- 10.3 The determination that trading should be halted is made by the Regulation Services Provider. The Regulation Services Provider normally attempts to contact an Issuer before imposing a halt in trading, when the Regulation Services Provider notices unusual trading. The Regulation Services Provider co-ordinates halts with other North American marketplaces when an Issuer is interlisted. A convention exists among stock exchanges other markets and Nasdaq that trading in an interlisted security will be halted and resumed at the same time in each market. Failure to notify the Regulation Services Provider in advance of an announcement could disrupt this system.
- 10.4 The Regulation Services Provider determines the amount of time necessary for dissemination in any particular case. Such determination is dependent upon the significance and complexity of the announcement.
- 10.5 Trading will normally be halted if:
- (a) depending on the nature and timing of the news release, the Regulation Services Provider may determine to halt trading until the news release is reviewed and disseminated appropriately. If an announcement is to be made during trading hours, trading in the securities of an Issuer may be halted until the announcement is properly disseminated;
 - (b) the Issuer requests a halt during trading hours before dissemination of a news release announcing Material Information that may immediately affect the value or price of the Issuer's securities. The Regulation Services Provider must be advised of the Material Information and halt request as soon as possible, by telephone, so that it can consider whether to halt trading pending receipt and dissemination of the news release. Management of the Issuer should consult with the Regulation Services Provider in order to assess the expected impact of any announcement that might justify a temporary halt in trading; and

- (c) unusual trading suggests that important information regarding Material Information is selectively available. The Regulation Services Provider may require that the Issuer either disseminate an initial news release if it has not yet done so, or issue a further news release to rectify the situation.
- 10.6 It is not appropriate for an Issuer to request a trading halt if a material announcement is not going to be made promptly. When an Issuer (or its advisers) requests a trading halt pending an announcement, the Issuer must assure the Regulation Services Provider that an announcement is imminent. The nature of this announcement and the current status of events must be disclosed to the Regulation Services Provider, so that the Regulation Services Provider may assess the need for and appropriate duration of a trading halt.
 - 10.7 When a halt in trading is necessary, trading is normally interrupted for a period of less than two hours. In the normal course, the announcement should be made immediately after the halt is imposed and trading will resume within approximately one hour of the dissemination of the announcement through major news services.
 - 10.8 A trading halt may be changed to a suspension if over a reasonable period of time, (usually ten trading days) the circumstances resulting in the imposition of the halt have not been addressed to the satisfaction of the Exchange.
 - 10.9 If trading is halted but an announcement is not immediately forthcoming as expected, the Regulation Services Provider will establish a resumption time, which shall not be later than 24 hours after the time that the halt was imposed (excluding non-business days). If the Issuer fails to make an announcement, the Regulation Services Provider will issue a notice stating that trading was halted for dissemination of news or for clarification of abnormal trading activity, that an announcement was not immediately forthcoming, and that trading will therefore resume at a specific time.
 - 10.10 When the Regulation Services Provider advises an Issuer that it will announce the resumption of trading, the Issuer must reconsider, in light of its responsibility to make timely disclosure of all Material Information, whether it should issue a statement prior to the resumption becoming effective to clarify why it requested a trading halt (if this is the case) and why it is not able to make an announcement prior to the resumption of trading.

11. Confidential Information

- 11.1 In isolated and restricted circumstances, and in accordance with applicable Securities Laws, disclosure of Material Information concerning the business and affairs of an Issuer may be delayed and kept confidential temporarily if immediate release of the information would be unduly detrimental to the interests of the Issuer.

11.2 The following are examples of certain instances in which disclosure may be unduly detrimental to the Issuer's interests:

- (a) release of the information would prejudice the ability of the Issuer to pursue specific and limited objectives or to complete a transaction or series of transactions that are under way. For example, premature disclosure of the fact that an Issuer intends to purchase a significant asset may increase the cost of making the acquisition;
- (b) disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them. Such information may be kept confidential if the Issuer is of the opinion that the detriment to it resulting from disclosure would outweigh the detriment to the market in not having access to the information. A decision to release a new product, or details on the features of a new product, may be withheld for competitive reasons. Such information should not be withheld if it is available to competitors from other sources; or
- (c) disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations. It is unnecessary to make a series of announcements concerning the status of negotiations with another party concerning a particular transaction. If it seems that the situation is going to stabilize within a short period, public disclosure may be delayed until a definitive announcement can be made. Disclosure should be made once "concrete information" is available, such as a final decision to proceed with the transaction or, at a later point in time, finalization of the terms of the transaction.

11.3 It is the policy of the Exchange that the withholding of Material Information on the basis that disclosure would be unduly detrimental to the Issuer must be infrequent and can only be justified where the potential harm to the Issuer or investors caused by immediate disclosure can reasonably be considered to outweigh the undesirable consequences of delaying disclosure. While recognizing that there must be a trade-off between the legitimate interest of an Issuer in maintaining confidentiality and the right of the investing public to disclosure of Material Information, the Exchange discourages any delays in disclosure for a lengthy period of time, since it is unlikely that confidentiality can be maintained beyond the short term.

11.4 Issuers that wish to keep Material Information confidential must also comply in all respects with relevant Securities Laws, which includes the filing of a confidential material change report with the applicable Securities Commission, if the Material Information constitutes a Material Change.

- 11.5 The Exchange requires copies of confidential material change reports filed by an Issuer with applicable Securities Commissions to also be filed with the Exchange and the Regulation Services Provider. The Exchange and the Regulation Services Provider must be advised of the Material Information on a confidential basis so that trading in the Issuer's securities may be monitored by the Regulation Services Provider. If the trading of the Issuer's securities suggests or indicates that the confidential information may have been "leaked", the Regulation Services Provider will normally require the Issuer to disseminate a news release immediately. The Regulation Services Provider will halt trading in the Issuer's securities until the information has been properly disseminated.
- 11.6 At any time when Material Information is being withheld from the public in accordance with this section, the Issuer must ensure that such Material Information is kept completely confidential and that persons in possession of such undisclosed Material Information are prohibited from purchasing or selling securities of the Issuer or "tipping" such information until the Material Information is publicly disclosed.
- 11.7 The Issuer has a duty to take precautions to keep such undisclosed Material Information confidential. Such information should not be disclosed to any officers or employees of the Issuer, or to the Issuer's advisors, except in the necessary course of business. The directors, officers and employees of an Issuer should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed.
- 11.8 In the event that such confidential information, or rumours respecting the same, is divulged in any manner (other than in the course of ordinary business), the Issuer must make an immediate announcement of the Material Information. The Exchange and the Regulation Services Provider must be notified prior to the announcement in order that trading can be halted as described in section 11.5 above.
- 11.9 During the period before such Material Information is publicly disclosed, market activity in the Issuer's securities will be closely monitored. Any unusual market activity suggesting that the undisclosed Material Information is being selectively disclosed or that persons are taking advantage of it will result in a halt in trading until the information has been properly disseminated.
- 11.10 Issuers should advise the Regulation Services Provider when they are working on potential material developments that may not be sufficiently advanced to require public disclosure and do not trigger the filing of confidential material change reports. In such circumstances, the Regulation Services Provider will generally closely monitor the Issuers' securities for unusual trading patterns. When the Regulation Services Provider contacts an Issuer upon noting an unexplained change in the price or volume of the security the Issuer must disclose to the Regulation Services Provider the existence, nature and status of any potentially material development so that the Regulation Services Provider can monitor the market with that knowledge. If it appears that the news has leaked into the marketplace, the Regulation Services Provider will advise the Issuer and halt trading until the Issuer can make a suitable announcement.

12. Breach of Policy

- 12.1 Any Issuer which fails to comply with any provision of this Policy may be subject to a trading halt of its securities without prior notice to the Issuer until the Issuer has complied with all Exchange Requirements.
- 12.2 The directors of any Issuer which fails to comply with any provision of this Policy, together with any officer, employee, agent and consultant of the Issuer who is responsible for the Issuer's failure to comply with any provision of this Policy, may be prohibited by the Exchange from serving as a director or officer of an Issuer, or be prohibited from being an employee, agent or consultant of an Issuer.
-