



Canadian Application Process

Action	Comment
<p><u>Step One</u></p> <p>Issuer Appoints a Principal American Liaison (PAL)</p> <p>PAL can be either:</p> <ol style="list-style-type: none">1. Qualified Investment Bank; or2. Qualified Attorney	<p>For a list of qualified PALs click on link below: http://www.otcqx.com/otcqx/dad-pal/list</p>
<p><u>Step Two</u></p> <p>Determine Issuer's Eligibility for OTCQX</p> <ol style="list-style-type: none">1. Confirm that Issuer has proprietary market maker quotations on OTC Markets' system. To check if quoted within OTC Markets by market-makers, visit www.otcmarkets.com and lookup Issuer's symbol, or send an email to dbrasier@pinkotc.com to confirm.2. Check if Issuer is listed on a qualified stock exchange and has been on such exchange for the last 40 days. A list of qualified stock exchanges can be found at www.otcqx.com/otcqx/int/qfe.3. Verify that the Issuer is current and fully compliant in its obligations under Exchange Act Rule 12g3-2(b) or has a security registered under section 12(g).4. Check if Issuer is included in a Recognized Securities Manual.	<p>The process to obtain a market-maker and for that market-maker to receive FINRA, the Financial Industry Regulatory Authority (formerly NASD) approval to post a quote can take 6 – 8 weeks.</p> <p>Issuer is listed on home market exchange and complies with local securities regulations.</p>

<p><u>Step Three</u></p> <p>Market Maker Quotes</p> <p>Does Issuer have a market-maker quote within OTC Markets?</p> <p>If no, PAL can assist in filing a Form 211 with FINRA.</p>	<p>The Form 211 process can take from 6 – 8 weeks for clearance from FINRA.</p>
<p><u>Step Four</u></p> <p>Determine Issuer’s Eligibility for OTCQX International or OTCQX International Premier market tier.</p> <p>OTCQX International</p> <ul style="list-style-type: none"> ✓ Issuer listed on a Qualifying Foreign Exchange for at least 40 days ✓ Market-Maker is providing a priced proprietary quotation within OTC Markets. ✓ Issuer is current or working to become current in its obligations under Exchange Act Rule 12g3-2(b); or, Issuer has a class of its securities registered under Section 12(g) of the Exchange Act and is current; ✓ Is included in a Recognized Securities Manual ✓ \$2 million in total assets and one of the following: (i) \$2 million in revenues; (ii) \$1 million in net tangible assets; (iii) \$500,000 in net income; or (iv) \$5 million in global market capitalization <p>OTCQX International Premier (highest tier)</p> <ul style="list-style-type: none"> ✓ Meets OTCQX International requirements above, plus ✓ Meets the following financial requirements: <p>1). have (a) revenue of \$100 million, (b) market value of Listed Securities of \$500 million, (c) aggregate cash flow for the three preceding years of \$100 million, and (d) minimum cash flow in each of the two preceding years of \$25 million;</p> <p>OR</p> <p>2). have (a) revenue of \$75 million and (b) global market capitalization of \$750 million.</p>	<p>Determination of tier must be made by the Issuer and PAL.</p> <p>Proof of eligibility to OTCQX International Premier may be requested by OTC Markets.</p>
<p><u>Step Five</u></p> <p>Complete Application Forms and Submit to OTC Markets.</p> <ul style="list-style-type: none"> ✓ OTCQX International Listing Application ✓ OTCQX Agreement for International Companies ✓ Issuer Appointment of PAL <p>Forms are available at: www.otcqx.com/otcqx/int/forms</p>	<p>Application Fee – US \$5,000</p> <p>Annual Listing Fee – US \$15,000</p>
<p><u>Step Six</u></p>	

<p>Within 5 days of receipt of application, OTC Markets will send access codes and instructions to Issuer to allow posting of disclosure on the OTC Disclosure and News Service (otcqx.com and otcmarkets.com).</p>	
<p><u>Step Seven</u></p> <p>Initial Disclosure Obligations - Issuer to Upload Financials to OTC Markets' website</p> <p>Either (i) provide all information required under Exchange Act Rule 12g3-2(b), which shall be published in English on the OTC Disclosure and News Service and which shall cover the preceding 24 months; or (ii) be current and fully compliant in its SEC reporting obligations, in the event that a class of the Company's securities is registered under Section 12(g)</p>	<p>Issuer to coordinate documentation uploads procedure with OTC Markets. Upload may begin once OTC Markets issues proprietary ID and password.</p>
<p><u>Step Eight</u></p> <p>Issuer Listed in Recognized Securities Manual</p> <p>Issuer is included in a recognized securities manual such as Standard & Poor's (S&P) or Mergent (formerly known as Moody's), which gives companies Blue Sky compliance in two thirds of U.S. states.</p> <p><u>Contacts:</u></p> <p>Standard & Poors Darrell Stone, +1.212.438.3680 darrell_stone@sandp.com</p> <p>Mergent Joan Felder, +1.212.413.7747 joan.felder@mergent.com</p>	<p><u>S&P Fees (2010):</u> Standard first year fee: US \$4,870 On-going annual fee: US \$1,465 or Full Equity Coverage Package \$12,900 annual fee</p> <p><u>Mergent Fee (2010):</u> Initial first year fee US \$3,600 Annual Renewal Fee US \$1,250</p>
<p><u>Step Nine</u></p>	

<p>Submission of Letter of Introduction to OTC Markets</p> <p>In summary, the PAL certifies to OTC Markets that all Eligibility requirements and filings have been made for Issuer to list on OTCQX. These include but are limited to statements discussing:</p> <ul style="list-style-type: none"> ✓ PAL Qualifications ✓ Appointment as a PAL ✓ Company's Formal compliance ✓ No disqualifying Events <p>The letter shall state that it may be relied upon only by OTC Markets for purposes of listing the Company's securities on OTCQX but may not be relied upon only by any other person or for any other reason.</p>	<p>See OTCQX Rule 4.4 – 4.6 in link below.</p> <p>www.otcqx.com/otcqx/int/rules</p> <p>PAL is required to provide annual letter to OTC Markets confirming that Issuers is in compliance with aforementioned rules.</p>
<p><u>Step Ten</u></p> <p>OTC Markets approves Issuer for listing on either OTCQX International Premier or OTCQX International and notifies Issuer and PAL.</p>	<p>Application Fee – US \$5,000</p> <p>Annual Listing Fee – US \$15,000</p>
<p><u>Optional Blue Sky Exemption</u></p> <p>If Issuer seeks to be Blue Sky exempt in all 50 US States, Blue Sky Data can provide information for filing in those jurisdictions. Neither, Blue Sky Data, S&P or Mergent will make the filings with states that do not accept the manual exemption. Blue Sky MLS, a separate third-party company, can do the actual paralegal filling work if a company chooses to file for exemption in all 50 states.</p>	

Please note that many of these tasks occur simultaneously. Completion and entry into quotation system largely depends on application legal review timing, approval of market maker by FINRA and entry into S&P/Mergent Manual.

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