

POLICY 2.6

REACTIVATION OF NEX COMPANIES

Scope of Policy

The Exchange maintains a stock list of Issuers with an active business by continuous review of its Issuers to ensure they meet appropriate Continued Listing Requirements. Issuers that do not meet Tier 2 TMR and have no outstanding regulatory issues will have their listing transferred to NEX after the appropriate notice period. NEX provides a market for former Tier 1 or 2 Issuers that do not have a current active business to trade until such time that they complete a Reactivation.

When a NEX Company completes a Reactivation such that it meets the applicable Exchange Requirements, it may apply to graduate to Tier 1 or 2 of the Exchange.

This Policy describes the Exchange Requirements that NEX Companies must satisfy in order to graduate to Tier 1 or 2 of the Exchange.

The main headings in this Policy are:

1. Reactivation
2. Procedure for Effecting a Reactivation
3. Graduation from NEX to Tier 2

1. Reactivation

- 1.1 The Reactivation of a NEX Company generally will require a Reorganization of the Company's business affairs and usually will include a financing to raise sufficient funds for the Company's recommended work program or business plan. Given the nature of NEX Companies, a Reorganization will generally occur within the context of a COB or an RTO transaction.
- 1.2 NEX Companies that have completed a COB or an RTO are no longer eligible to remain listed on NEX and must either graduate to Tier 1 or 2 or delist from the Exchange.
- 1.3 NEX Companies undertaking a COB or an RTO and intending to graduate to Tier 1 or 2 of the Exchange must comply with Policy 5.2 - *Changes of Business and Reverse Takeovers*, and all other Exchange Requirements relating to those transactions.

- 1.4 If a NEX Company is reactivating in the same business with the same Principals, the Exchange may exercise its discretion to determine that the Reactivation does not constitute an RTO, provided that the NEX Company will be required, upon graduating to TSX Venture:
- (a) to meet applicable Continued Listing Requirements including shareholder distribution;
 - (b) to own a satisfactory interest in a property or business of merit satisfactory to the Exchange;
 - (c) to have an interest in a property or business, from which the NEX Company reasonably expects significant revenues or expects to incur significant expenditures directly related to the exploration and/or development of the NEX Company's assets; and
 - (d) to have adequate Working Capital and Financial Resources to carry out the NEX Company's business plan or recommended work program.

See Policy 2.1 – *Minimum Listing Requirements* for the definition of Working Capital and Financial Resources.

- 1.5 Additional Exchange Requirements can be triggered depending on the nature of the Reactivation and will be triggered in the event of a halt, suspension or cease trade of a NEX Company. See also the relevant policies of this Manual which discuss the specific transactions in detail.

See Policy 2.9 - *Trading Halts, Suspensions and Delistings*.

2. Procedure for Effecting a Reactivation

- 2.1 When a NEX Company is undertaking a Reactivation that involves a COB or an RTO, the procedures as set out in Policy 5.2 - *Changes of Business and Reverse Takeovers* apply.
- 2.2 Where a NEX Company proposes to undertake a Reactivation that does not involve a COB or an RTO, it may apply to the Exchange to graduate to Tier 1 or 2, and may satisfy the Exchange's requirements for a Reactivation provided that, upon graduation, it will meet the applicable requirements set forth in section 1.4.
- 2.3 The Exchange will examine all the transactions undertaken by the NEX Company while it was listed on NEX to determine if it is suitable for listing on Tier 1 or 2 of the Exchange. The Exchange may determine that transactions undertaken while the Company was listed on NEX make the applicant Issuer an unsuitable candidate for graduation to Tier 1 or 2 of the Exchange.

2.4 A re-listing application made pursuant to section 2.2 must include the following:

- (a) a covering letter containing a summary description of the industry category and how the NEX Company meets the applicable ILR or CLR for that industry and category in accordance with Policy 2.1 – *Initial Listing Requirements*, or Policy 2.5 - *Continued Listing Requirements*;
- (b) audited financial statements of the NEX Company for the most recent financial year;
- (c) a summary of all transactions undertaken while the NEX Company was listed on NEX;
- (d) a certificate of the applicable Securities Commission(s) or legal opinion to the effect that the NEX Company is a reporting issuer in good standing or not in default in each jurisdiction in which it is a reporting issuer;
- (e) any other documents as may be required by the Exchange including:
 - (i) relevant reports, valuation, or opinions; and
 - (ii) evidence that the NEX Company is in compliance with all Exchange Requirements; and
- (f) the fee prescribed by Policy 1.3 - *Schedule of Fees*.

2.5 The Exchange may refuse an application for graduation even if the NEX Company appears to satisfy the applicable listing requirements, where the Exchange determines that it is in the public interest to do so.

3. Graduation from NEX to Tier 2

3.1 Where the Reactivation involves a COB or an RTO, after closing of such transaction and the issuance of an applicable Exchange Bulletin, the NEX Company will have its listing transferred from NEX to Tier 1 or 2 of the Exchange.