

# FORM 2H

## SPONSOR REPORT

**To: The TSX Venture Exchange, Attention: Listed Issuer Services**

We \_\_\_\_\_ [insert name of Sponsor] (the “Sponsor”) pursuant to an agreement dated \_\_\_\_\_ [insert date] with \_\_\_\_\_ [insert name of Issuer] (the “Issuer”) have agreed to sponsor the Issuer pursuant to Policy \_\_\_\_\_ [insert applicable Policy] in connection with the \_\_\_\_\_ (the “Transaction”). [Insert a description of the transaction in respect of which this report relates, including reference to any financing, Qualifying Transaction, Reverse Takeover, Change of Business or Change of Management or Change of Control]. Unless, otherwise defined herein, capitalized terms will have the same meanings, as defined in Exchange Policies.

We advise as follows:

- [(a) identify any information or facts which the Sponsor is aware or has become aware in the course of conducting its Due Diligence which might reasonably impact upon the Exchange’s determination of the suitability for listing of the Issuer or the suitability of the directors and officers to act in such a capacity;
- (b) state the qualifications and experience of the person(s) primarily responsible for the investigation and preparation of this Sponsor Report, including knowledge of the proposed industry and/or business of the Issuer, and without limitation, such person’s;
  - (i) name, address and occupation;
  - (ii) relevant educational background, including areas of principal studies;
  - (iii) relevant employment history, including a description as to how it relates to the material aspects of the principal business of the listed Issuer;
  - (iv) experience in the areas of corporate planning and financial analysis;
  - (v) membership in any professional organization; and
  - (vi) the period during which the Due Diligence and Review Procedures were carried out;

- (c) state any conflicts of interest, including:
  - (i) that the person referred to in section (b) has no material conflicts of interest as a result of his or her relationship with the Issuer, and the Issuer's Insiders, Associates and Affiliates;
  - (ii) that the person referred to in section (b) does not own any direct, indirect or contingent interest in any of the securities or assets of the Issuer, or of any Associates or Affiliates of the Issuer or disclosure of any such interest, which interest must not be material;
  - (iii) full particulars of any material past dealings between the Sponsor and any current or proposed Non Arm's Length Party of the Issuer; and
  - (iv) full particulars of any direct, indirect or contingent interest in any of the securities or assets of the Issuer or of any Associates or Affiliates of the Issuer beneficially owned or controlled by the Pro Group;
- (d) if the Sponsor, in preparing the Sponsor Report, has retained the services of an Expert, or otherwise relied upon the services of an Expert, state, in respect of each Expert upon whom the Sponsor has relied, the information described in subparagraphs (i), (ii), (iii), (v) and (vi) of subsection (b);
- (e) state any other facts or information considered to be material by the Sponsor that could reasonably be expected to significantly affect the value of the securities of the Issuer to be listed.]

We confirm that we have complied with sections 4 and 5 of Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

We further confirm that we have completed applicable Due Diligence.

Based upon our Due Diligence review, we confirm that:

- (a) the directors and management of the Issuer, both on an individual and on a collective basis, comply with Exchange Requirements and are knowledgeable about their ongoing continuous disclosure responsibilities pursuant to applicable Securities Laws and Exchange Requirements;
- (b) the consideration and share structure, upon completion of the Transaction, will not be unreasonable;
- (c) the Working Capital of the Issuer is adequate to carry out stated purposes and it appears reasonable that the Issuer will have sufficient funds available for 12 months of operations;

- (d) the Issuer meets the Initial Listing Requirements under Policy 2.1 - *Initial Listing Requirements* as applicable; and
- (e) we have concluded that the Issuer is suitable for listing on the Exchange.

[Insert any limitations or qualifications on the foregoing statement.]

In the event the Exchange has any questions or concerns in respect of this report, the principal contact of the Sponsor is \_\_\_\_\_

\_\_\_\_\_  
[Insert name, office and telephone number of the person who will be the primary contact in respect of the sponsorship.]

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
[Insert name of Sponsor]

By: \_\_\_\_\_

[Insert name and title of authorized signatory]

By: \_\_\_\_\_

[Insert name and title of authorized signatory]

**INSTRUCTIONS:**

- 1) *In the case of a Change of Business, where there is no Change of Management or Change of Control or in connection with a Transaction that involves solely a Change of Management or Change of Control, the Due Diligence confirmations at subsections (a), (b) or (c) above, may be omitted from the Sponsor Report, where such confirmations are inapplicable to the Transaction.*
- 2) *The Sponsor Report must be signed by two duly authorized officers and/or directors of the Sponsor, one of who must be a person that would otherwise be eligible to execute a Prospectus on behalf of the Sponsor.*