



Capital Pool Company® Program

As the public venture capital marketplace in Canada, TSX Venture Exchange provides growth capital companies with access to capital and offers investors a venture investment market with comprehensive compliance standards.

A unique listing vehicle, the Capital Pool Company (CPC) program provides an alternative, two-step introduction to the capital markets. The CPC program introduces investors with financial market experience to entrepreneurs whose growth and development-stage companies require capital and public company management expertise. Unlike a traditional IPO, the CPC program enables seasoned directors and officers to form a “Capital Pool Company” with no assets other than cash and no commercial operations, list it on TSX Venture Exchange, and raise a pool of capital.

The CPC then uses these funds to seek out an investment opportunity in a growing business. Once the CPC has completed its “qualifying transaction” and acquired an operating company that meets Exchange listing requirements, its shares continue trading as a regular listing on TSX Venture Exchange.

Wanted: Experienced Investors

Are you a private investor with significant experience working with junior public companies as a director or officer? Are you prepared to commit capital to a venture that enables you to ride the growth curve with a promising privately-held company as it enters the public company world? Have you assembled a team of like-minded investors with the qualifications necessary to identify, investigate and acquire a privatelyheld business?

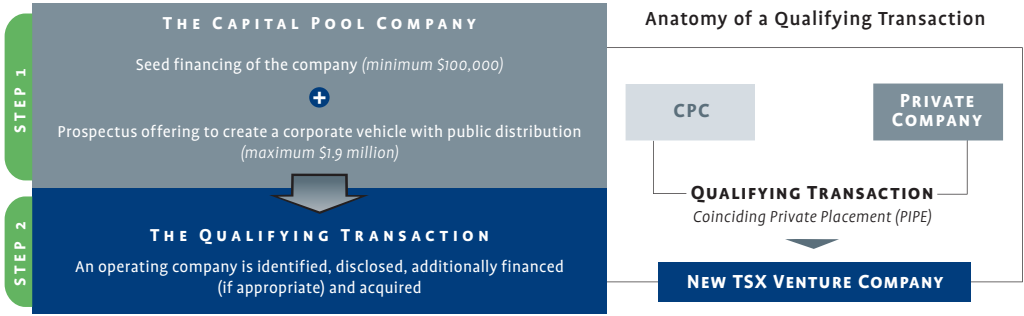
Then you may be an ideal CPC candidate.

Wanted: Ambitious Entrepreneurs

Are you an entrepreneur with proven business acumen and a solid management team? Is your company looking for an experienced independent financier to take an equity stake in your company and lead you towards a successful public listing? Would you benefit from a proven process and program framework that provides an alternative to the conventional IPO route?

Then the CPC program could be right for you and your business.

The CPC Process





How the CPC Program Works

PHASE 1 – THE CAPITAL POOL COMPANY

CREATING THE CPC

Three to six individuals with an appropriate combination of business and public company experience put up a minimum of \$100,000 in seed capital.

These founders incorporate a shell company – the Capital Pool Company (CPC) – and issue shares in exchange for seed capital at a minimum price between the greater of \$0.05 and 50% of the price at which subsequent shares are to be sold via prospectus.

SELLING THE SHARES

The CPC and its advisors prepare a prospectus that outlines management’s intention to raise between \$200,000 and \$1,900,000 by selling CPC shares at typically twice the issuance price of the seed shares, and to use the proceeds to identify and evaluate potential acquisitions.

The CPC files the prospectus with the appropriate securities commission(s), and applies for listing on TSX Venture Exchange.

The broker sells the CPC shares, pursuant to the prospectus, to at least 200 arm’s length shareholders, each of whom buys at least 1,000 shares. No one purchaser can purchase more than 2% of the offering, and no one purchaser together with his, her, or its associates or affiliates can purchase more than 4% of the offering.

Once the distribution has been completed and closed, the CPC is listed for trading on TSX Venture Exchange. The symbol includes a .P to identify the company as a CPC.

PHASE 2 – THE QUALIFYING TRANSACTION

ANNOUNCING THE ACQUISITION

Within 24 months, the CPC identifies an appropriate business as its “qualifying transaction” and issues a news release to announce that it has entered an agreement in principle to acquire the business.

The CPC prepares a draft filing statement or information circular providing prospectus-level disclosure on the business that is to be acquired.

TSX Venture reviews the disclosure document and evaluates the business to ensure that it meets minimum listing requirements.

CLOSING THE DEAL

As shareholder approval is typically not required for an arms length qualifying transaction, the filing statement is posted on SEDAR for at least seven business days, after which, the qualifying transaction closes and the business is acquired.

Additional components of the deal often include the following: name change and private placement coinciding with the closing of the qualifying transaction.

The .P from the ticker symbol is removed and the company now trades as a regular TSX Venture listed company.

Contact [TSX Venture Exchange](http://www.tmx.com)

For more information, visit our website at www.tmx.com or contact us at 1 (888) 873-8392.