

## COMPREHENSIVE OVERVIEW OF THE AMENDED CPC POLICIES

Topic and Section Reference	New Policy	Former Policy
<b>Seed Capital &amp; Aggregate Funds:</b>		
Section 3.2(f)(i)	Maximum \$1,000,000 Seed Capital raised below IPO price	Maximum \$500,000 Seed Capital raised below IPO price
Section 3.2(k)	Maximum \$10,000,000 in aggregate funds raised by a CPC	Maximum \$5,000,000 in aggregate funds raised by a CPC
<b>No Transfer to NEX:</b>		
Removal of section 14.13 of the Former Policy	No transfer to NEX if Qualifying Transaction not completed within 24 months after listing	No transfer to NEX if Qualifying Transaction not completed within 24 months after listing
<b>Distribution:</b>		
Section 3.2(l)	150 Public Shareholders each owning at least 1,000 shares	200 Public Shareholders each owning at least 1,000 shares
Section 3.2(l)	Public Float per Policy 2.1 for Tier 2 - currently 500,000 shares	Public Float 1,000,000 shares
Section 3.2(l)	Public Shareholders collectively hold at least 20% of the outstanding shares	
Section 3.2(m)	2% and 4% limits do not apply to 25% of the IPO	2% and 4% limits apply to the entire IPO
Section 3.2(n)	No new Insider on closing of IPO if not disclosed in CPC Prospectus	

<b>Topic and Section Reference</b>	<b>New Policy</b>	<b>Former Policy</b>
<b>Directors and Officers:</b>		
Section 3.2(a)	CPC – Majority must be residents of Canada/USA or have public company experience (permits international directors)	CPC – All must be residents of Canada/USA or have public company experience
Removal of section 12.1(d) of the Former Policy	Resulting Issuer – No restrictions (rely on Policy 3.1)	Resulting Issuer – Majority must be residents of Canada/USA or have public company experience
Section 3.2(d)	CPC – one person can be CEO, CFO and secretary	CPC – one person cannot be CEO, CFO and secretary
<b>Agents &amp; Pro Group:</b>		
Section 5.1	IPO Agent need not be a Member of the Exchange	IPO Agent must be a Member of the Exchange
Section 5.2(c)(iv)	Agent’s Options maximum 5 year term	Agent’s Options maximum 2 year term
Removal of section 14.8 of the Former Policy	Shares acquired by the Pro Group at or above the IPO price are not subject to escrow	All shares acquired by the Pro Group are subject to escrow, regardless of the issue price
Removal of section 14.8 of the Former Policy	Shares issued to the Pro Group as part of the Qualifying Transaction are not subject to a four month hold period unless required by law	All shares issued to the Pro Group as part of the Qualifying Transaction are subject to a four month hold period

Topic and Section Reference	New Policy	Former Policy
<b>CPC Stock Options:</b>		
Section 6.1	Stock Option Plan – 10% rolling based on number of shares outstanding at the time of grant	Stock Option Plan – 10% fixed based on number of shares outstanding on closing of the IPO
Section 6.4	Minimum exercise price for CPC Stock Options granted before the IPO is lowest Seed Share issue price; after the IPO, price per Policy 4.4 – Incentive Stock Options	Minimum exercise price for CPC Stock Options is greater of IPO price and Discounted Market Price
Section 10.1	Escrow for all CPC Stock Options and all Option Shares issued at an exercise price that is less than the IPO price	
<b>Escrow:</b>		
Section 10.1	<p>Escrow applies to:</p> <ul style="list-style-type: none"> <li>– Seed Shares issued below IPO price;</li> <li>– Shares acquired from treasury by Non-Arm’s Length Parties to the CPC;</li> <li>– CPC Stock Options; and</li> <li>– Shares issued on exercise of CPC Stock Options at an exercise price that is less than the IPO price</li> </ul>	<p>Escrow applies to:</p> <ul style="list-style-type: none"> <li>– Seed Shares issued below IPO price;</li> <li>– Shares acquired from treasury by Non-Arm’s Length Parties to the CPC;</li> <li>– Shares acquired by a Control Person in the secondary market; and</li> <li>– All Seed Shares issued to a member of the Aggregate Pro Group, regardless of price</li> </ul>
<b>Escrow Release:</b>		
Section 10.2	<p>18 month escrow: Escrow Securities released as to 25% on Final QT Exchange Bulletin and 25% on each of 6, 12 and 18 months following that date</p>	<p>18 month escrow: If Resulting Issuer is listed on Tier 1, released as to 25% on Final QT Exchange Bulletin and 25% on each of 6, 12 and 18 months following that date  36 month escrow: If Resulting Issuer is listed on Tier 2, released as to 10% on Final QT</p>

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		Exchange Bulletin and 15% on each of 6, 12, 18, 24, 30 and 36 months following that date
Section 10.2	CPC Stock Options and Option Shares released on Final QT Exchange Bulletin unless granted before the IPO with exercise price less than IPO price	
Removal of section 14.13 of the Former Policy	No requirement to cancel any Seed Shares if the Qualifying Transaction is not completed within 24 months after listing	Certain Seed Shares must be cancelled if the Qualifying Transaction is not completed within 24 months after listing and the CPC is being transferred to NEX
<b>Use of Proceeds:</b>		
Section 7.1	G&A expenses limited to \$3,000 per month	Non-QT expenses (e.g. G&A) limited to lesser of 30% of gross proceeds raised by CPC and \$210,000 over life of CPC
Sections 7.1 and 7.2	Expanded guidance on permitted uses of proceeds and payments to NonArm's Length Parties	
Section 7.4	to those in Policy 5.2 – Changes of Business and Reverse Takeovers	
<b>Private Placements:</b>		
Section 9.3	<p>Only Common Shares prior to Completion of the Qualifying Transaction, but a Concurrent</p> <p>Financing may in certain circumstances involve the issuance of Subscription Receipts or Special Warrants that convert into Listed Shares, or Listed Shares and Warrants, on Completion of the Qualifying Transaction</p>	Only Common Shares prior to Completion of the Qualifying Transaction

<b>Topic and Section Reference</b>	<b>New Policy</b>	<b>Former Policy</b>
Section 9.7	Pre-Qualifying Transaction – compensation up to 10% cash plus 10% Warrants permitted	
Sections 9.4, 9.5 and 9.6 and section 7.4	Bridge Financing and Concurrent Financing provisions similar to those in Policy 5.2 – Changes of Business and Reverse Takeovers	
<b>QT Finder's Fees:</b>		
Section 7.3(a)	Finder's fee may be paid to Person that is not a Non-Arm's Length Party to the CPC	Finder's fee may be paid to Person that is not a Non-Arm's Length Party to the CPC
Section 7.3(b)	<p>Finder's fee may be paid to a NonArm's Length Party to the CPC if:- Qualifying Transaction is not a NonArm's Length Qualifying Transaction; – Qualifying Transaction is not a transaction between the CPC and an existing public company;</p> <p>– Finder's fee is payable in cash, Listed Shares and/or Warrants; – The amount of any Concurrent Financing is not included in the value of the measurable benefit; and – Disinterested Shareholder approval is obtained</p>	Finder's fee may not be paid to a NonArm's Length Party to the CPC
<b>Financial Statements:</b>		
Form 3B1/3B2	<p>CPC:</p> <p>– Annual Financial Statements 120 days</p> <p>– Interim Financial Statements 60 days</p>	<p>CPC:</p> <p>– Annual Financial Statements 120 days</p> <p>– Interim Financial Statements 60 days</p>
Form 3B1/3B2	<p>Target Company:</p> <p>– Annual Financial Statements 90 days</p> <p>– Interim Financial Statements 45 days</p>	<p>Target Company:</p> <p>– Annual Financial Statements 90 days</p> <p>– Interim Financial Statements 60 days</p>

Topic and Section Reference	New Policy	Former Policy
<b>Other Points:</b>		
Section 1.1	CPC can be a trust	Trust structure not expressly permitted
Section 1.1	Majority of the Minority Approval may be obtained at a meeting of Shareholders <b>OR</b> by written consent	Majority of the Minority Approval required to be obtained at a meeting of Shareholders
Removal of section 14.9 of the Former Policy	No restriction on RTO within first year after Qualifying Transaction	Restriction on RTO within first year after Qualifying Transaction
Section 11.1(e)	Resulting Issuer may be a finance issuer (still cannot be a mutual fund)	Resulting Issuer could not be a finance issuer