

POLICY 3

SUSPENSIONS AND INACTIVE ISSUERS

1. Listing Agreement

- 1.1 The Listing Agreement authorizes the Exchange or the Market Regulator to halt and authorizes the Exchange to suspend trading in a Listed Issuer's securities without notice and at any time or to delist the securities of a Listed Issuer if the Exchange or the Market Regulator, as the case may be, believes it is in the public interest.

2. Halts

- 2.1 The Exchange or the Market Regulator can order a trading halt to allow for public dissemination of material news pursuant to Policy 5.

3. Suspensions

- 3.1 The Exchange may without any prior notice suspend trading in a Listed Issuer's securities if, at any time, the Listed Issuer fails to meet any of the requirements as set out in CSE Policies; or the Exchange considers it in the public interest to do so.
- 3.2 (a) Subject to section 5.3 for Inactive Issuers, if a Listed Issuer which has had its securities suspended pursuant to this Policy 3 or otherwise has, within 90 days from the date of such suspension,
- (i) cured the default or breach that gave rise to the suspension and
 - (ii) paid the reinstatement fee set out in fee schedule of the Exchange,

the Listed Issuer's securities may resume trading.

(b) The Exchange will extend the period of suspension for an additional 90 days if the Exchange is satisfied that the Listed Issuer has made progress towards curing the default or breach that gave rise to the suspension.

- 3.3 Throughout the period during which a Listed Issuer's securities are suspended, the Exchange will not allow quotation or trading by Dealers in the securities of the Listed Issuer; the Exchange website will indicate that the Issuer's securities have been suspended. Dealers may quote or trade the securities of the Listed Issuer on other marketplaces or over-the-counter unless prohibited under securities legislation or UMIR.
- 3.4 Throughout the period during which a Listed Issuer's securities are suspended, the Listed Issuer must continue to comply with all applicable Exchange Requirements.

4. Delisting

- 4.1 Following a 90 day suspension the Exchange will, without any prior notice, delist a Listed Issuer's securities unless the period of suspension has been extended in accordance with Section 3.2(b) of this Policy.

- 4.2 A Listed Issuer may at any time request that all or any class of its securities be delisted. Any such request must be made in writing and must identify the securities that will be the subject of the delisting. Pursuant to Policy 1 Section 2.1, the Exchange may, in its sole discretion, deny such request for any of the following reasons:
- (a) outstanding fees are owed to the Exchange;
 - (b) the request is made in order to proceed with a transaction that is unacceptable to the Exchange or that the Exchange finds objectionable;
 - (c) the Exchange believes it is in the public interest to deny such a request.

5. Application of Continued Listing Requirements

A Listed Issuer must meet the Continued Listing Requirements to remain listed in good standing. The Exchange may designate an issuer as inactive, assign it to a different industry segment, suspend trading or delist an issuer that does not meet Continued Listing Requirements.

5.1 Notification

An Issuer, upon receiving notice from the Exchange that it does not meet a continued listing requirement, will have nine months from the date of the notice to meet the requirement(s). If, after the nine-month period, the Issuer has not demonstrated to the Exchange that it has met the requirements, the Exchange will:

- a) suspend the Issuer pending delisting in 90 days;
- b) assign the Issuer to a different industry classification; or
- c) designate the Issuer as inactive, with relevant disclosure on the Exchange website and a designation on the trading symbol of the issuer.

5.2 Restrictions

The following restrictions apply to any Issuer that has been designated inactive and received such notice from the Exchange:

- (a) an Inactive Issuer may not enter into a contract or agreement with any person to provide investor relations services for the issuer.
- (b) an Inactive Issuer is not eligible for confidential price protection as per Policy 6 section 2.4. An Inactive Issuer with an intention to complete a private placement must issue a news release.
- (c) in addition to the procedures set out in Policy 6, any private placement proposed by an Inactive Issuer must be approved by the Exchange prior to closing.

The Exchange may impose additional requirements or restrictions as it determines appropriate.

5.3 Suspensions – Inactive Issuers

Section 3.2 does not apply for suspended Inactive issuers or Issuers suspended pursuant to s. 5.1(a). Such Issuers will be delisted in 90 days unless an

application is made to requalify for listing pursuant to Policy 2 Qualification for Listing or Policy 8 Fundamental Changes and Changes of Business. If the Issuer's requalification application is approved, the Issuer will not be delisted and for Inactive Issuers, the inactive designation will be removed upon the approval. If the Issuer's requalification application is not approved, the Issuer will be delisted at the later of the expiry of the 90 day suspension or the date of disapproval.

5.4 Removal of the Inactive Designation

An issuer that has, pursuant to section 5.1, received notice or been designated as inactive, will be considered inactive until:

- a) there is evidence in the Issuer's interim or audited financial statements, updated listing statement or other continuous disclosure document that confirms the Issuer meets the CLR;
- b) the Issuer requalifies for listing pursuant to Policy 2 or Policy 8; or
- c) the Exchange is otherwise satisfied that the issuer has met the CLR.