



# TSX and TSX Venture Mining Sector Overview

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# Outline

## Globally Competitive Exchanges

Mining Sector

Uniqueness of TSX and TSXV

# TMX: Record Breaking Year for Mining

Over **\$22 B** raised on TSX/TSXV in 2009 for mining  
Over **1900** financings  
**75** financings over \$50 M

North America:  
**\$4.3 B** financing by Barrick Gold Corporation (TSX:ABX) was the largest in Toronto Stock Exchange and Canadian history

Africa:  
**\$2.6 B** raised for projects

Australia:  
**\$2.2 B** raised by Australian Cos.

Latin America:  
**\$3.5 B** raised for projects

# Canada's Economy is Stable and TMX is Robust



## Canada

Currency - Increasing against USD

Strong Banking System

Resource-Rich

Crude Oil/Oil Sands, Natural Gas, Potash, Uranium,  
Nickel, Copper, Gold

Increased Investment from Asia

Access to Capital at Early Stage for Juniors

Balanced Corporate Governance Model

## TMX

1st in Mining and 1st in Energy for  
public companies

Record Year in Finance

Market Choice for Resource and SME  
Companies

Sustained Access to Capital

Strong Trading Liquidity

Access to U.S. capital without higher  
cost of regulatory compliance



# TMX Group is a Multi-Asset Class Market Leader



## Equities



## Derivatives



## Fixed Income



## Energy



## Data



# TMX Group Global Leadership Strengths

## Leading Growth Platform

Products and services tailored to small cap public companies

**3640** issuers

**301** going public events

**\$64.9 B** equity raised

**Average Financing:**

TSX \$73.7 M

TSXV \$2.2 M



## Mining

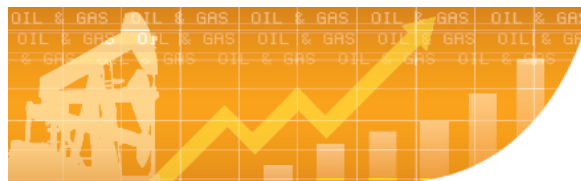
**1428** issuers

**55%** of the world's public mining companies

**104** going public events

**\$22 B** equity raised

**\$365 B** value traded



## Energy & Energy Services

**439** issuers

Over **35%** of the world's public oil and gas companies

**26** going public events

**\$9.2 B** equity raised

**\$272 B** value traded



## Clean Technology

**125** issuers

Number one in the world by number of public clean technology companies

**11** going public events

**\$1.5 B** equity raised

**\$6.5 B** value traded

# Access to Capital: All time record year for financing on TSX

Toronto Stock Exchange and TSX Venture Exchange  
Total Financings (C\$Billions) 1997 - 2009



\*TSX Venture Exchange commenced operations on November 29 1999





# Outline

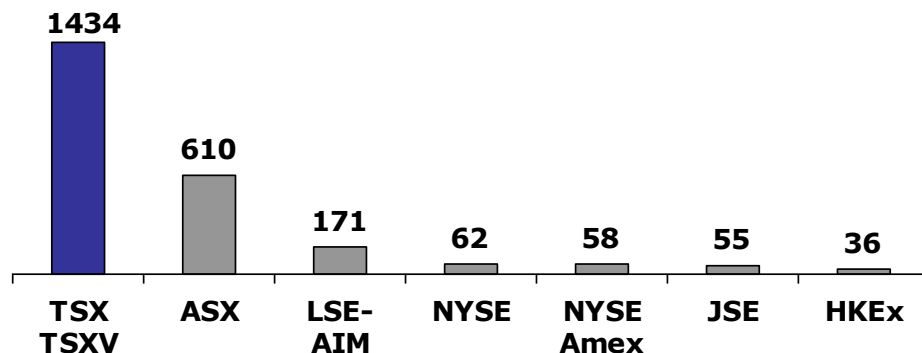
## Globally Competitive Exchanges

**Mining Sector**

## Uniqueness of TSX and TSXV

# New listings activity continues to shift to TMX Group equity exchanges

TOTAL NUMBER OF MINING ISSUERS



NUMBER OF NEW MINING LISTINGS 2005 to 2009

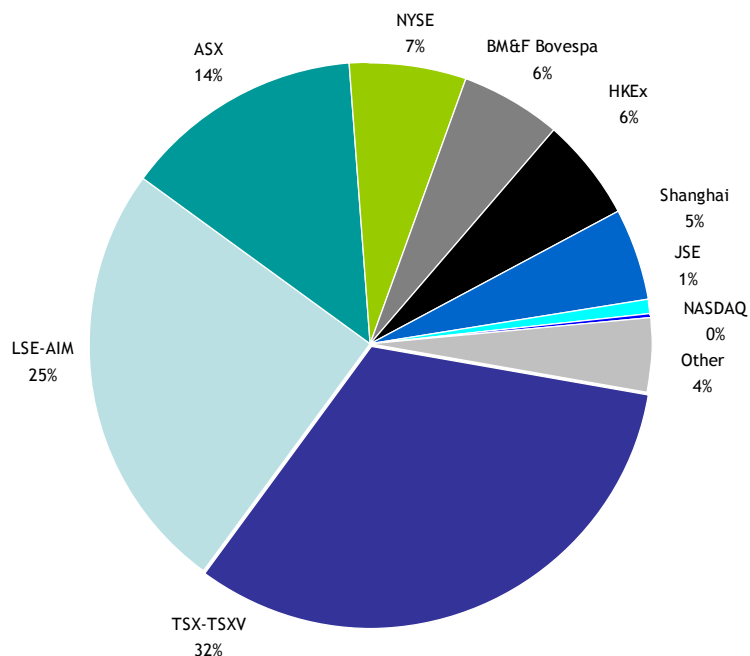
	TSX/TSXV	LSE/AIM	ASX	NYSE Amex	NYSE	HKEx	JSE
2009	104	4	22	1	1	1	0
2008	138	29	9	5	3	3	2
2007	186	142	33	13	3	n/a	4
2006	112	70	55	14	6	n/a	10
2005	86	53	67	17	3	n/a	6

# TMX Group is the Leading International Exchange Group for Mining Financing

## Value of Equity Financings

5-Year (2005 to 2009)

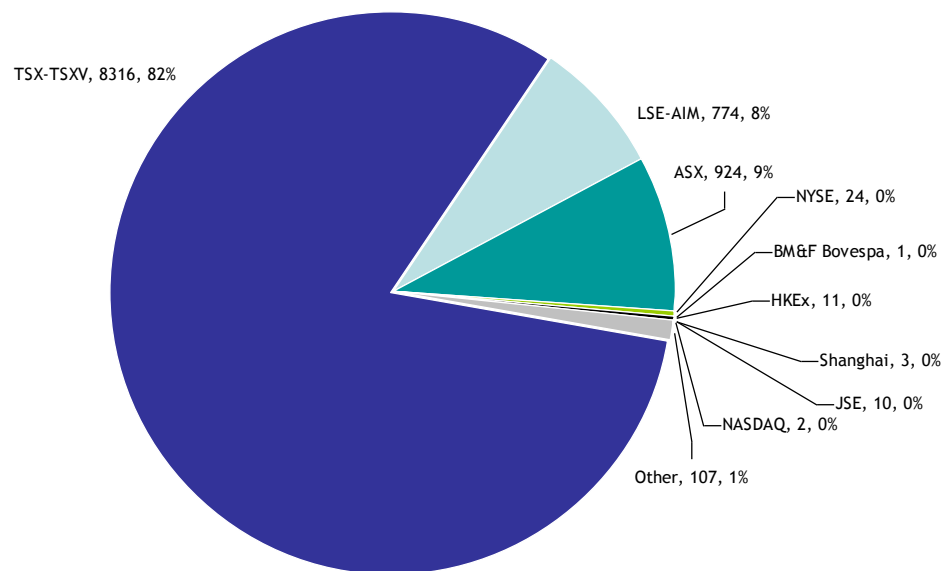
Total = \$200.3 Billion



## Number of Equity Financings

5-Year (2005 to 2009)

Total = 10,172 Deals



In the last 5 years:

- Global Equity Capital Raised has grown by over 450%
- Grown from \$11.7B to \$65.9B

Source: Gamah International, 2005-2009  
Compiled by TMX Group

# Mining Stock Exchange Comparison for 2009

	Mining Market Comparison for 2009				
	No. of Issuers Listed	Quoted Market Value (C\$)	Equity Capital Raised (C\$)	No. of Financings	No. of New Listings
TSX	331	\$347B	\$19.4B <sup>1</sup>	395	18
LSE	37	\$420B	\$20.8B <sup>2</sup>	4	2
ASX	610	\$300B	\$13.5B <sup>3</sup>	186	22
TSXV	1103	\$20B	\$2.8B	1567	86
AIM	134	\$15B	\$1.5B	162	2

<sup>1</sup> Includes \$4.3B Barrick Gold financing

<sup>2</sup> Includes \$12.4B Rio Tinto and \$7.2B Xstrata financings

<sup>3</sup> Includes \$4.2B Rio Tinto financing

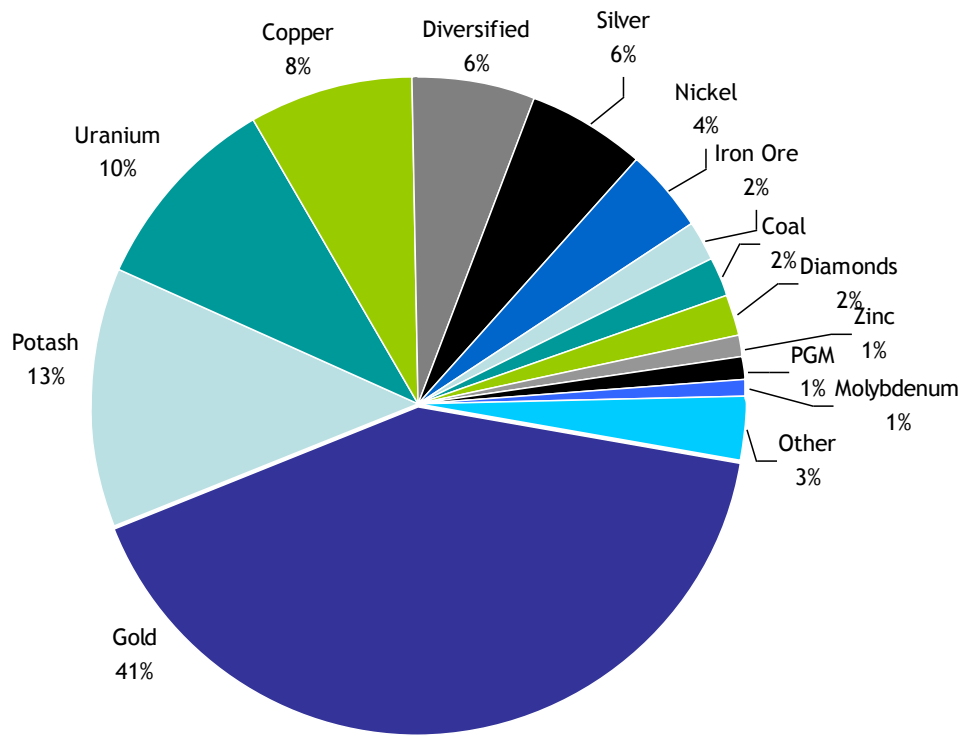


# Mining Dealflow on TMX in 2009

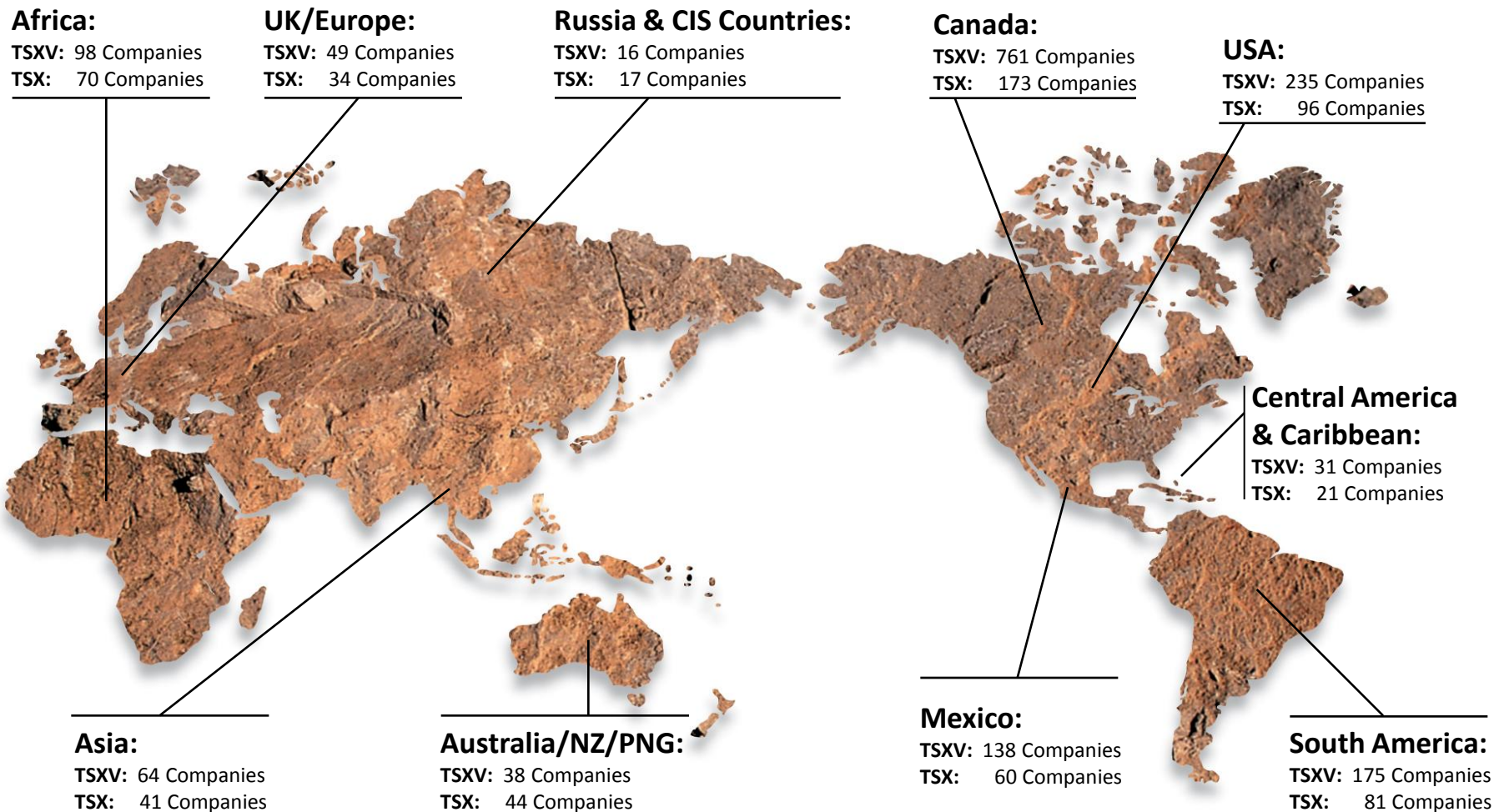
- Increase in mining financings
  - \$22 billion raised across all commodities in 2009 (including TSXV)
  - Producers and developers accessing most of the capital until second half of 2009
  - Significant capital raised for projects in Africa and by TSX listed international mining companies
  - As the year progressed, interest and financings in rare earth metals, industrial metals and bulk commodities increased
- Increase in consolidations and takeover bids between TSX and TSXV miners and with International miners including recent examples - Goldcorp and Canplats, First Quantum and Kiwara Plc, Randgold and Moto, Cliffs and Freewest
- New players coming to our markets - investors, senior management and foreign mining companies
  - Shift of activity to traditional mining exchanges both management and capital
- Significant improvement in valuations on both TSX and TSXV
  - S&P/TSX Metals and Mining Index, TSX Mining Sector and TSXV mining sector valuations bouncing back
- Earlier stage capital returning to TSX Venture Exchange
  - Exploration financings returned to historical levels in June 2009
  - \$2.8 Billion raised in over 1,500 + financings this year and new listings are active
- Strong Activity is Continuing in Q1 2010:
  - 43 new mining listings - 34 on TSXV and 9 on TSX
  - Increase in interlisted mining companies
  - \$3.1 Billion raised through 500+ financings

# The Sector is also diverse by Commodity

**Breakdown of TMX\* Mining Issuers by Primary Metal**



# Our mining companies have operations around the world



# Our Companies Continue to Expand in South America

256

Number of Mining Companies in South America

1015

Number of S. American Mining Properties

\$3.0B

Amount of Equity Capital Raised in 2009 for S. American Mining Projects Through 125 Financings

59

Number of Mining Companies in Chile (137 Mining Properties)



\$800M

Amount of Equity Capital Raised in 2009 for Chilean Mining Projects Through 26 Financings



# Top 10 Financings for South American Projects in 2009



1. Kinross Gold Corp.: \$516 million raised for gold in Chile and Ecuador
2. Mirabela Nickel Ltd.: \$267 million raised for nickel and copper in Brazil
3. Silver Standard Resources Inc.: \$170 million raised for gold and silver in Argentina
4. Medoro Resources Ltd.: \$102 million raised for gold in Colombia
5. Andean Resources Ltd.: \$90 million raised for gold in Argentina
6. Jaguar Mining Inc.: \$86 million raised for gold in Brazil
7. Rusoro Mining Ltd.: \$80 million raised for gold and copper in Venezuela and Chile
8. Quadra Mining Ltd.: \$78 million raised for gold and copper in Chile
9. Colossus Minerals Inc.: \$72 million raised for gold and platinum group elements in Brazil
10. MBAC Fertilizer Corp.: \$57 million raised for phosphate and potash in Brazil



# Outline

**Globally Competitive Exchanges**

**Mining Sector**

**Uniqueness of TSX and TSXV**

# Differentiating ourselves from other marketplaces



Grow. Expand. Develop. Leverage. Build. Enhance. Succeed.

## Uniqueness

- Market structure facilitates graduation from junior market (TSXV) to senior market (TSX)
- Strong feeder system
- Market of choice for Resource and small and mid-cap companies

## Access to Capital

- Steady growth of capital investment over past 5 years
- Record breaking year in 2009 -- \$64.9 billion raised
- Access to North American capital

## Liquidity

- Value traded has more than doubled over the past 5 years
- Record breaking year in 2009 for trading volumes and transactions

## Issuer Services

- Unparalleled product and service support for our issuers



# Regulating Canada's Mining Sector

## Understanding the Regulatory Landscape in Canada

- TMX has supervision of new listings and matters pertaining to continued listing requirements.
- IIROC - National self-regulatory organization which oversees all investment dealers and trading activity in Canada.
- Securities Commission - Regulates investment funds and is responsible for overseeing capital markets and certain provisions of the Business Corporations Act.

## Standards-based exchanges that promote integrity for public SMEs

- Access to specialized products for TSX/TSXV listing.
- Policies for different size companies related to financial reporting, corporate governance and financing methods.

## Regulations to encourage develop of the mining sector

- Tailored listing requirements for mining sector.
- Regulations such as TMX's Timely Disclosure Policy, National Instrument 43-101 and the Qualified Person requirement.

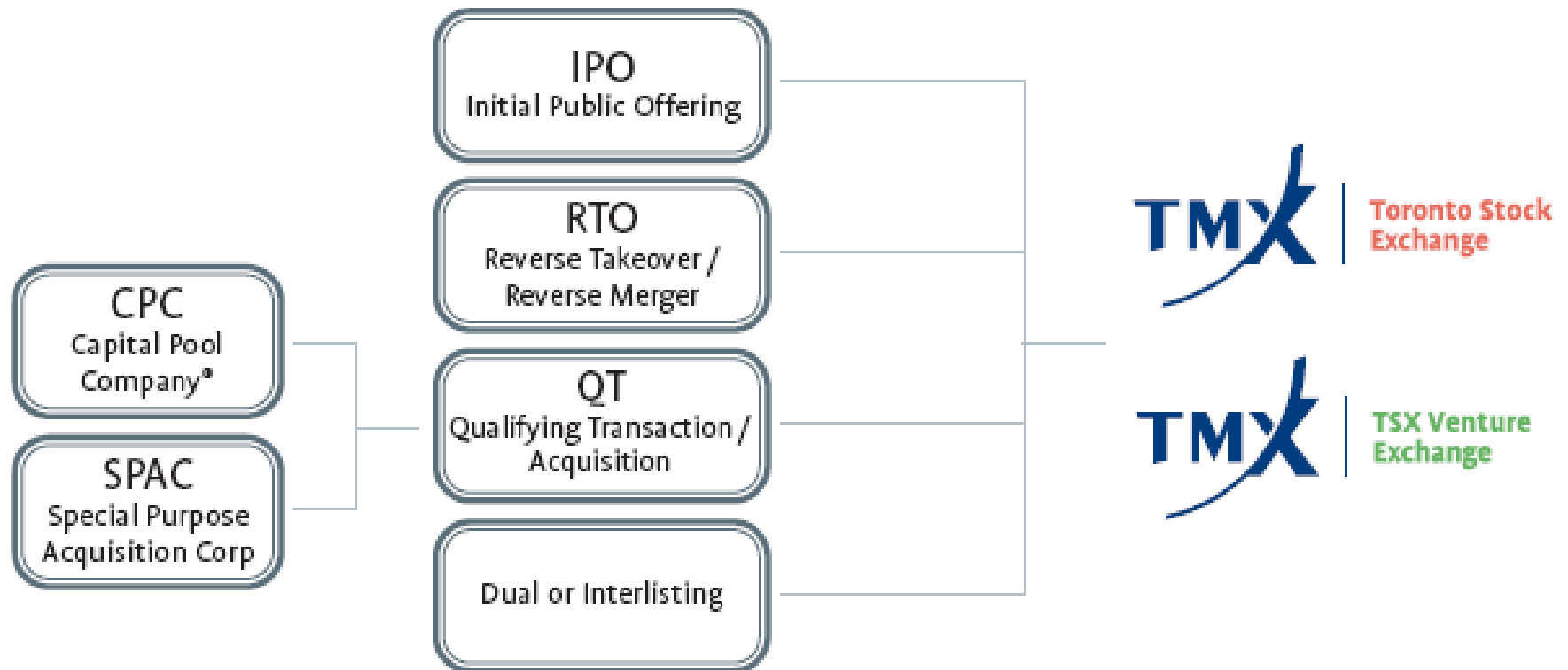
## Mining focused economy supported by capital markets

- Milestones such as a Canada's Mineral Exploration Tax Credit and Mining Standards Task Force.
- Expertise in mining across the capital markets, legal community and stock exchanges.
- An increase in investment funds focused on mining sector.

## Canadian regulatory commissions and exchanges are customer-focused

- Access to U.S. capital without the higher cost of regulatory compliance
- Exemptions available for certain markets and dual listed companies
- Right balance of regulatory oversight and timely disclosure compared with other markets.

# Methods for Going Public on Toronto Stock Exchange or TSX Venture Exchange



# Capital Pool Company™ (CPC) Program has a Strong Track Record

## Anatomy of a Qualifying Transaction



## Since inception:

- Over 2050 CPCs were created
- 80% have completed their QT - over 1600 companies

## Currently:

- 329 Graduates now trade on TSX
- 96 of the grads were CPCs
- 47 of 82 QTs in 2009 were mining



# Dual Listing Market Continues to Evolve on TSX

## Key Trends

- Growing number of dual listed success stories
- Dual listed cos. have steadily built profile
- Greater interaction between key mining exchanges
- Dual list process continues to improve

## Dual Listed Companies:

- Accessed significant capital and trading on TMX
- Improvements in home market valuations and trading liquidity
- More mines put into production

# TSX and TSXV have listing criteria specifically for the mining sector

Minimum Listing Requirements	LISTING REQUIREMENTS FOR EXPLORATION & MINING COMPANIES				
	TSX Venture Tier 1	TSX Venture Tier 2	TSX Non-exempt Exploration and Development Stage	TSX Non-exempt Producer	TSX Exempt
Property Requirements	Material interest in a Tier 1 property <sup>1</sup>	Significant interest in qualifying property or at discretion of Exchange, hold rights to earn a significant interest in qualifying property with \$100,000 expenditures in the past three years by applicant issuer or sufficient expenditures incurred such that the property is a Tier 1 property	Advanced Exploration Property <sup>3</sup> Minimum 50% ownership in the property <sup>4</sup>	Three years proven and probable reserves as estimated by an independent qualified person (if not in production, a production decision made)	Three years proven and probable reserves as estimated by an independent qualified person
Recommended Work Program	\$500,000 on the Tier 1 property <sup>1</sup> as recommended by geological report	\$200,000 on the qualifying property as recommended by geological report	\$750,000 on advanced exploration property as recommended in independent technical report	Bringing the mine into commercial production	Commercial level mining operations
Working Capital and Financial Resources	Adequate for work program + 18 mos. G&A + 18 mos. Property payments to keep Tier 1 property <sup>1</sup> and principal properties <sup>2</sup> in good standing +\$100,000 unallocated	Adequate working capital and financial resources including: work program +12 mos. G&A +12 mos. Property payments to keep qualifying property and principal properties <sup>2</sup> in good standing +\$100,000 unallocated	Minimum \$2.0 million working capital, but sufficient to complete recommended programs, plus 18 months G&A, anticipated property payments and capital expenditures. Appropriate capital structure	Adequate funds to bring the property into commercial production; plus adequate working capital for all budgeted capital expenditures and to carry on the business. Appropriate capital structure	Adequate working capital to carry on the business. Appropriate capital structure.
Net Tangible Assets, Earnings or Revenue	\$2,000,000 net tangible assets	No requirement	\$3,000,000 net tangible assets	\$4,000,000 net tangible assets; evidence indicating a reasonable likelihood of future profitability supported by a feasibility study or historical production and financial performance	\$7500,000 net tangible assets; pre-tax profitability from ongoing operations in last fiscal year; pre-tax cash flow of \$700,000 in last fiscal year and average of \$500,000 for past two fiscal years
Other Criteria	Geological report recommending completion of work program or positive feasibility study or production levels exhibiting a likelihood of positive cash flow	Geological report recommending completion of work program	Up-to-date, comprehensive technical report prepared by independent qualified person and 18 month projection (by quarter) of sources and uses of funds, signed by CFO	Up-to-date, comprehensive Technical Report prepared by independent qualified person	
Management and Board of Directors	Management, including the board of directors, should have adequate experience and technical expertise relevant to the company's business and industry as well as adequate public company experience. Companies are required to have at least two independent directors.				
Distribution, Market Capitalization and Public Float	\$1,000,000 held by Public Shareholders; 1,000,000 free trading public shares; 200 Public Shareholders with a Board Lot and no Resale Restrictions; 10% Public Float; 20% of issued and outstanding shares in the hands of Public Shareholders	\$500,000 held by Public Shareholders; 500,000 free trading public shares; 200 Public Shareholders with a Board Lot and no Resale Restrictions; 10% Public Float; 20% of issued and outstanding shares in the hands of Public Shareholders	\$4,000,000 publicly held; 1,000,000 free trading public shares; 300 public holders with board lots		
Sponsorship	Sponsor report may be required (not required for IPOs or certain other exemptions for North American properties)		Required (may be waived if sufficient previous 3 <sup>rd</sup> party due diligence)	Not required	

(1) "G&A" means general and administrative expenses.  
 (2) "principal properties" means any other properties of the issuer in respect of which 20% or more of the available funds will be spent in the next 18 months.  
 (3) "advanced exploration property" refers to one on which a zone of mineralization has been demonstrated in three dimensions with reasonable continuity indicated. The mineralization identified has economically interesting grades.  
 (4) A company must hold or have the right to earn and maintain a 50% interest in the qualifying property. Companies holding less than a 50% interest will be considered on a case-by-case basis looking at program size, stage of advancement of the property and strategic alliances.  
 (5) "Tier 1 property" means a property that has substantial geological merit and is:  
 (i) a property in which the issuer holds a material interest; and  
 (ii) a property on which previous exploration, including detailed surface geological, geophysical and/or geochemical surveying and at least an initial phase of drilling or other detailed sampling (such as trench or underground opening sampling), has been completed; and  
 (iii) an independent geological report recommends a minimum \$500,000 Phase 1 drilling (or other form of detailed sampling) program based on the merits of previous exploration results; or an independent, positive, feasibility study demonstrates that the property is capable of generating positive cash flow from ongoing operations.

**Mining Disclosure Standards**  
 National Instrument 43-101 is the Canadian Securities Administrators' ("CSA") policy that governs the scientific and technical disclosure by mining companies and the preparation of technical reports. It covers oral statements as well as written documents and websites. NI 43-101 requires that all technical disclosure be based on advice by a "qualified person." Issuers are required to make disclosure of reserves and resources using definitions approved by the Canadian Institute of Mining, Metallurgy and Petroleum, except for disclosure pertaining to coal.

**Foreign Scientific and Technical Reports**  
 NI 43-101 permits issuers to report resources and reserves under three foreign codes: the JORC Code, USGS Circular 831 and the IMMAM system. To report using another foreign code, such as the South African Code for Reporting of Mineral Resources and Mineral Reserves (the "SAMREC Code"), currently the issuer must apply to securities regulators for exemptive relief.

**Technical Reports by Foreign Qualified Authors**  
 Technical reports that accompany a listing application must be prepared by a qualified person who is a member of an approved professional association. Licenses, certification or membership in the ASBCG, AIPC, AusIMM, IMMAM, SAMREC, SACNASP, or ICI will normally be acceptable. CSA has published an FAQ that provides details on the "qualified person" equivalents from other jurisdictions and other resources and reserve definitions that are acceptable with a brief reconciliation.

**NI 43-101 is available at:**  
[http://www.osc.gov.on.ca/en/Regulation/Rulemaking/Rules/noticeRule\\_43101.pdf](http://www.osc.gov.on.ca/en/Regulation/Rulemaking/Rules/noticeRule_43101.pdf) and the Frequently Asked Questions at [http://www.osc.gov.on.ca/en/Regulation/Rulemaking/Notices/csanotices/2003/csan\\_43\\_302...faq-43-101\\_20030204.htm#faq](http://www.osc.gov.on.ca/en/Regulation/Rulemaking/Notices/csanotices/2003/csan_43_302...faq-43-101_20030204.htm#faq).

All amounts are expressed in Canadian dollars.  
 For detailed listing requirements, go to [www.tsx.com](http://www.tsx.com).





# Technical Listing Requirements

- Minimum Property Ownership
- Management Track Record and Experience
- Sufficient Working Capital and/or Mine Life
- NI 43-101 Report
- Exploration & Development or Producing Requirements



# News Release Disclosure

- Timely and Balanced
- Technical and scientific
- QCQA
- Mineral Resources Mineral Reserves ala Canadian Institute Mining and Metallurgy definitions and good practices
- Name of Qualified Person - individual accountability



# Making a dual listing work between two mining markets

	<b>TSX</b>	<b>Chile</b>
<b>Mutual Understanding of Mining and Related Economies</b>	Yes	Yes
<b>Mining and Public Company Experience</b>	Yes	Yes
<b>Dual Listing Success Requires Unique Offering</b>	Yes	Yes
<b>Strong Technical Standards</b>	NI 43-101 and QP	In progress
<b>Timely Disclosure/Marketing</b>	Market Leader with a very transparent and defined policy	Need to further develop
<b>Similar Accounting Standards</b>	Yes	Yes
<b>Ability to Move Securities Between Markets</b>	No	No
<b>Relationship between Stock Exchanges</b>	No	No
<b>Similar Regulations and Corporate Governance</b>	Available to select countries	No

# Recent International Listings are Diverse

## Argonaut Gold Ltd. (TSX:AR)

- QT and Direct Graduation
- \$150 M Private Placement
- Gold Assets in Mexico
- Reno Based Management Team

## MBAC Fertilizer Corp. (TSX:MBC)

- RTO on Venture and Direct Graduation
- Phosphate and Potash in Brazil
- \$60 M Financing
- Canadian and Brazilian Management Team

## Continental Gold Limited (TSX:CNL)

- RTO and Direct Graduation
- \$28 M Financing
- Colombian based gold company

## Golden Minerals Company (TSX:AUM)

- Engaged in the Advancement of Exploration Projects in Latin America and in Providing Mine Management Services
- Experienced Management Team Based in Golden, Colorado
- Completing Offering Post-Listing

## Medusa Mining Limited (TSX:MLL)

- Australian based management team
- Gold Producer in The Philippines

## Mantra Resources Limited (TSX:MRL)

- Direct Dual List from ASX on TSX
- Emerging Uranium Company in Tanzania
- \$52 M Offering Post-Listing

## Rio Novo Gold Inc. (TSX:RN)

- \$40 M IPO
- Lead by Brazilian based group
- Gold Developer in Brazil

## Allied Gold Limited (TSX:ALG)

- ASX Dual List with Takeover Bid
- Gold Producer in PNG
- \$145 M Offering Post-Listing

## Graduations from TSX Venture Exchange

- Exeter Resources Corporation (TSX:XRC)
- SouthGobi Energy Resources Ltd. (TSX:SGQ)



Toronto Stock  
Exchange

TSX Venture  
Exchange

[www.tmx.com/mining](http://www.tmx.com/mining)

## Business Development Contacts

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