



## NASDAQ STATEMENT OF GOVERNANCE DIFFERENCES

As a Canadian corporation listed on the Nasdaq Capital Market (“**Nasdaq**”), we are not required to comply with certain Nasdaq corporate governance standards. Section 5615(a)(3) of the Nasdaq Stock Market Rules permits a foreign private issuer to follow its home country practice in lieu of the requirements of the Rule 5600 series, Rule 5250(b)(3) and Rule 5250(d) (subject to certain exceptions). We are organized under the laws of Canada and our common shares are listed for trading on the TSX Venture Exchange. We comply with the applicable laws of Canada and rules and regulations of the TSX Venture Exchange, including rules related to corporate governance practices. A description of the significant ways in which our corporate governance practices differ from those followed by U.S. domestic companies pursuant to the Nasdaq Stock Market Rules is as follows:

### **Shareholder Meeting Quorum Requirement**

The Nasdaq minimum quorum requirement for a shareholder meeting under Section 5620(c) of the Nasdaq Stock Market Rules is one-third of the outstanding shares of common voting stock. A quorum for our shareholder meeting is at least two shareholders, who, in the aggregate, hold at least 10% of the shares entitled to vote at the meeting of shareholders, present in person or represented by proxy.

---

### **Shareholder Approval Exemption**

Rule 5635 of the Nasdaq Stock Market Rules sets forth circumstances under which shareholder approval is required prior to certain types of security issuances. Pursuant to the Nasdaq Stock Market Rules, a company must receive prior shareholder approval for non-public offerings involving the sale, issuance or potential issuance by a listed company of its common stock (or securities convertible into or exercisable for its common stock), which alone or together with sales by officers, directors, or substantial shareholders, is equal to 20% or more of the company’s shares of common stock or 20% or more of the voting power outstanding before the issuance, at less than the price that is the lower of: (i) the Nasdaq official closing price immediately preceding the signing of the binding agreement; or (ii) the average Nasdaq official closing price of the common stock for the five trading days immediately preceding the signing of the binding agreement. In the event of an issuance meeting the criteria set forth above, we may not be required to seek prior shareholder approval under applicable Canadian law and the rules of the TSX Venture Exchange. We have relied upon this home country accommodation for a number of securities issuances since the listing of our common shares on Nasdaq.

---

The foregoing is consistent with the applicable laws in Canada and the rules of the TSX Venture Exchange.