

NASDAQ STATEMENT OF GOVERNANCE DIFFERENCES

As a British Columbia 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) (the requirement to disclose third party director and nominee compensation) and Rule 5250(d) (the requirement to distribute annual and interim reports), subject to certain exceptions. We are organized under the laws of British Columbia, Canada and our common shares are listed for trading on the Toronto Stock Exchange (the “**TSX**”). We comply with the applicable laws of Canada and rules and regulations of the TSX, 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:

<p>Shareholder Meeting Quorum Requirement</p>	<p>The Nasdaq minimum quorum requirement for a shareholder meeting under Section 5620(c) of the Nasdaq Stock Market Rules is at least one-third of the outstanding shares of common voting stock. A quorum for our shareholder meeting is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of our issued shares entitled to be voted at the meeting. In addition, a company listed on Nasdaq is required to state its quorum requirement in its by-laws. The Business Corporations Act (British Columbia) (the “BCBCA”) defers to the quorum requirements in a corporation’s articles. The primary market for our common shares in Canada is the TSX. The rules of the TSX do not contain quorum requirements. As a result, our quorum requirements in respect of shareholder meetings are not prohibited by the BCBCA or the rules of the TSX.</p>
<p>Shareholder Approval Exemption</p>	<p>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 shares (or securities convertible into or exercisable for its common shares), which alone or together with sales by officers, directors, or substantial shareholders, is equal to 20% or more of the company’s common shares 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 shares 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.</p>

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