



CANADIAN NATIONAL STOCK EXCHANGE

President's Message

With summer gone what will the fall bring? Listing activity was strong from April through August with 17 new companies joining CNSX during that period. We're looking forward to a new round of financings for CNSX listed companies as the markets continue to return to normal, or post-recession normal. This will depend somewhat on investor confidence, a fickle phenomenon, but also a cyclical one so there is a measure of predictability to it. August financings were very encouraging with eleven companies raising a total of \$15,000,000.

Investor confidence is something we pay attention to and have developed our market with that in mind. Our philosophy is based on the pre-eminent value of continuous disclosure. Investors who are well informed are better equipped to make sound investment decisions. They also have more confidence in the decisions that they make.

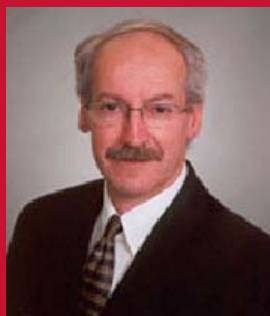
There is a lot of misinformation out there that investors must be wary of and there is no better source for this than on line. Stock market bulletin boards are full of people with strong opinions, strong language and no real information. This is where we encounter critics of all kinds who just can't wait to slag anyone and anything that crosses their minds. Most public companies know that they enter these chat rooms at their peril for their detractors are anonymous and unregulated, while the companies themselves must adhere to timely and continuous disclosure obligations imposed by securities commissions and stock exchanges. It's a fight you can't win when only one opponent has to play by the rules.

CNSX therefore encourages its listed companies to be forthright in all communications with the market and to take the initiative rather than be on the defensive by merely responding to inquiries. Telling the story is an essential ingredient of successful dealings with investors.

CNSX Listings

New Listing - God's Lake Resources Inc.	SYMBOL: GLR
Listing Date: August 10, 2009	
Activity: The Company is a junior natural resource company engaged in the business of exploring and developing mineral properties. The Company's business objective is to conduct further exploration on its Sherman Lake Gold Project property located in the Red Lake Mining District of Ontario.	
Outstanding Shares: 8,232,888 Million Common Shares	
Transfer Agent: : Capital Transfer Agency Inc.	

New Listing - Worldwide Promotional Management Inc.	SYMBOL: WRL
Listing Date: August 14, 2009	
Activity: Worldwide Promotional Management Inc. is engaged in the business of distributing promotional products and providing related promotional and marketing services. The Company distributes such products and provides such services to build brand awareness for its customers.	
Outstanding Shares: 5.5 Million Common Shares	
Transfer Agent: Olympia Trust Company	



Robert Cook
President

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CNSX Listings Cont'd

New Listing - The B.E.S.T. Discoveries Fund Inc. SYMBOL: VC

Listing Date: August 21, 2009

Activity: Pursuant to a reorganization effected by way of a plan of arrangement, B.E.S.T. Discoveries Fund has created two new classes of shares. The Fund's investment focus is primarily on companies capitalizing on the innovative uses of engineering, science and technology. The Fund invests in eligible companies that are in differing stages of development in a variety of high growth industries which may include telecommunications, information technology, computers and life sciences.

Transfer Agent: Equity Transfer & Trust Company

Name Change/Consolidation - CB Resources Ltd. Becomes Next Gen Metals Inc.

Announced shareholder approval to consolidate the issued and outstanding common shares of CB Resources on the basis of one (1) new post-consolidation common share for each seven and one half (7.5) pre-consolidation common shares. The shares begin trading on a consolidated basis under the new name Next Gen Metals Inc. on Tuesday, August 18, 2009. Where the exchange results in a fractional share, the number of Next Gen Metals common shares will be rounded to the nearest whole common share.

Next Gen Metals Inc. trades under the symbol "N".

Name Change/Consolidation - Pure Diamonds Exploration Inc. Becomes Burnstone Ventures Inc.

Announced shareholder approval to consolidate the issued and outstanding common shares of Pure Diamonds on the basis of one (1) new post-consolidation common share for each ten (10) pre-consolidation common shares. The shares begin trading on a consolidated basis under the new name Burnstone Ventures Inc. on Friday, August 14, 2009. Fractional shares remaining after giving effect to the consolidation will be cancelled, such that shareholdings of each shareholder will be rounded down to the nearest whole number of post-consolidation common shares. Burnstone Ventures Inc. trades under the symbol "BVE".

EVENTS

September 24th

CNSX will be a sponsor at the TechRev Innovators of 2009. This event will take place at the SMART Technologies Corporate Headquarters, 3636 Research Road, NW, Calgary, AB. For more information, please visit www.sepac.ca/events

September 26th - 27th

Join us at the Metro Toronto Convention Centre North Building for the Toronto Resource Investment Conference. **Over 25 resource market analysts** and renowned economic experts will be participating directly in Panels, Workshops and Keynote presentations. For more information visit www.cambridgehouse.ca

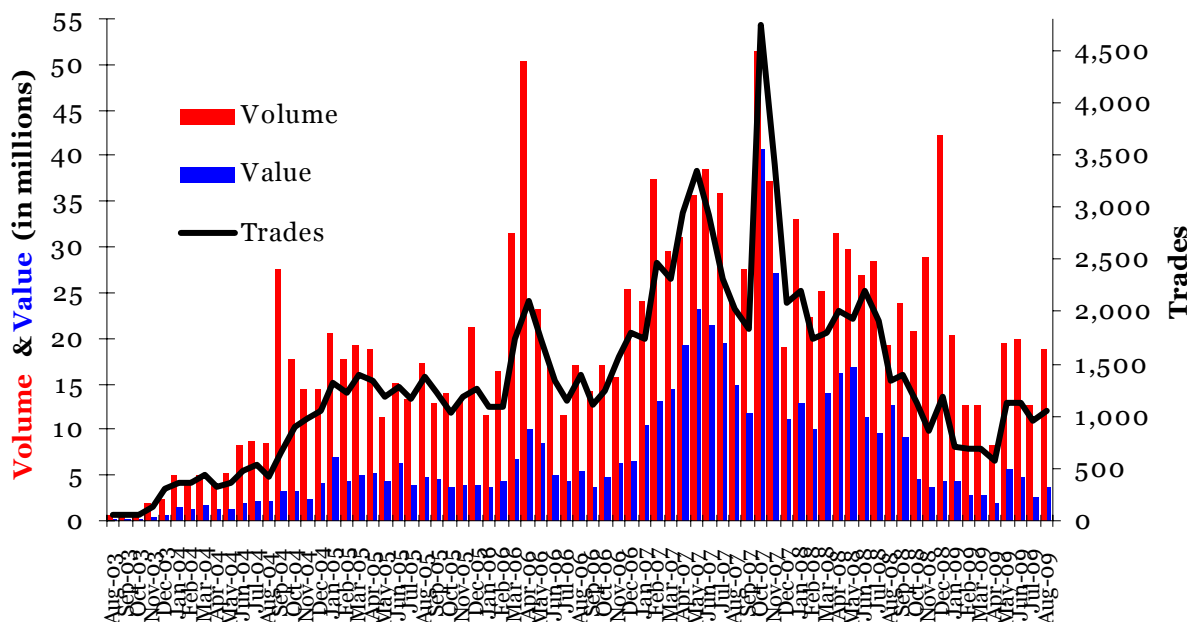
Disclosure regarding all listed companies is available in the [CNSX Listings Disclosure Hall](#)

To become a CNSX listed company, contact:
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Total Market Activity August 2009

Total Volume Traded.....	18,774,621	Avg Volume per Trade.....	17,949
Value Traded.....	\$3,687,501	Avg Value per Trade.....	\$3,525
Total Trades.....	1,046	Avg Price per Share.....	\$0.20

CNSX Trading Activity Through August 2009



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www.cnsx.ca

Market Data

Data Vendors authorised to distribute real-time market data for CNSX appear below. For more information on Market Data please visit the CNSX service directory page at www.cnsx.ca. Delayed quotes and market activity summaries are also provided on www.cnsx.ca.

<u>CNSX Data Vendor</u>	<u>Contact Tel.</u>	<u>Website URL</u>
Alpha Trade	604-681-7503	www.alphatrade.com
Bloomberg	212-617-2000	www.bloomberg.com
Belzberg	416-360-1812	www.belzberg.com
Canjex Publishing (Stockwatch)	604-687-1500	www.stockwatch.com
IRESS Canada	416-907-9221	www.iress.ca
PC Quote Canada	416-214-5700	www.pcquote.ca
QuoteMedia, Inc.	877-311-9911 Ext 0	www.quotemedia.com
Reuters – U.S.	800-738-8377	www.reuters.com
Reuters – Canada	416-941-8000	www.reuters.com
Telekurs	203-353-8100	www.tkusa.com
Thomson Financial	416-956-1077	www.thomson.com

Trading Activity

Stock	Symbol	Volume	Value	Trds	High	Low	Close
ACFAW.com	ACW	87,500	8,807	22	0.145	0.06	0.1
Acorn Income Corp.	ACI	1,457	158	12	0.2	0.2	0.2
Aerocast Inc.	A	238,000	44,050	18	0.2	0.16	0.165
Alliance Mining Corp.	ALM	66,000	3,555	3	0.055	0.05	0.05
American Insulock Inc.	INS.U	212,000	1,560	5	0.01	0.005	0.005
Armada Mercantile Ltd.	ARM	8,200	805	4	0.1	0.085	0.1
Ateba Resources Inc.	ATR	43,598	3,045	9	0.09	0.06	0.07
Biosign Technologies Inc.	BIO	195,300	38,637	23	0.22	0.105	0.2
Bryant Resources Inc	BYR	100,000	31,500	2	0.32	0.31	0.32
Burnstone Ventures Inc.	BVE	16,081	1,252	15	0.11	0.07	0.1
Canadian Intl. Minerals Inc.	CIN	522,000	73,735	27	0.16	0.105	0.16
Cancor Mines Inc.	KCR	541,000	14,275	15	0.03	0.02	0.025
CB Resources Ltd.	ICD	100,000	1,500	1	0.015	0.015	0.015
CCR Technologies Ltd.	CRL	83,300	666	2	0.01	0.005	0.01
Chai Cha Na Mining Inc.	CNN	145,000	19,950	9	0.18	0.08	0.15
Chava Resources Ltd.	CHA	50,000	12,500	1	0.25	0.25	0.25
Colt Resources Inc.	GTP	11,800	1,153	4	0.1	0.07	0.1
Continent Resources Inc.	CTT	897,090	647,988	129	0.85	0.6	0.7
Copper Reef Mining Corp.	CZC	65,000	2,900	6	0.07	0.03	0.07
Cougar Minerals Corp.	COU	2,129,000	221,127	120	0.14	0.065	0.13
Covenant Resources Ltd	CVA	30,000	800	2	0.03	0.02	0.03
Cuervo Resources Inc.	FE	215,000	71,827	11	0.35	0.32	0.335
Dynamic Resources Corp.	DYR	37,600	1,078	7	0.03	0.01	0.015
ESI Entertainment Systms Inc.	ESY	3,000	250	3	0.1	0.05	0.05
Eurogas International Inc.	EI	2,250	18	4	0.01	0.01	0.01
Excalibur Resources Ltd.	XBR	362,000	3,870	3	0.015	0.01	0.015
Fire River Gold Corp.	FAU	3,500	1,150	2	0.4	0.3	0.3
First Choice Products Inc.	FCI	18,000	2,270	3	0.24	0.1	0.24
Fort Chimo Minerals Inc.	FCM	50,000	2,000	1	0.04	0.04	0.04
Gamecorp Ltd.	GGG	14,270	706	7	0.05	0.05	0.05
Great Bear Uranium Corp.	GBR	1,201	21	3	0.02	0.02	0.02
HiHo Silver Resources Inc.	HHS	762,050	44,914	14	0.08	0.03	0.04
Hy Lake Gold Inc.	HYL	285,000	52,857	35	0.25	0.07	0.15
Immunall Science Inc.	GNS	61,010	6,100	2	0.1	0.1	0.1
Magna Resources Ltd.	MNA	1,000	160	1	0.16	0.16	0.16
Mantis Minerals Corp.	MYN	611,000	32,660	22	0.06	0.04	0.045
Mavrix Fund Mngmnt Inc. 8.0%	MVX.DB	4,000	3,960	1	99	99	99
MB Bldr Bnds IX - 5yr AF	BIA.DB.B	36,000	36,036	1	100.1	100.1	100.1
MB Bldr X Jun 15/13 AF	BJF.DB	269,000	269,000	2			
MB Hydro Bnds 10 - 3yr AF	HJA.DB.A	17,400	17,573	3	101	100.25	100.25
MB Hydro Bnds 10 - 5yr CF	HJC.DB	2,600	2,601	1	100.05	100.05	100.05
Micromem Technologies Inc.	MRM	16,100	16,563	9	1.23	0.82	0.82
Nass Valley Gateway Ltd.	NVG	57,500	1,857	3	0.035	0.015	0.035
Nexia Biotechnologies Ltd.	NBL	67,900	924	7	0.015	0.01	0.015
Next Gen Metals Inc.	N	673	6	2			
Ona Power Corporation	OPO	64,100	39,225	12	0.75	0.37	0.37
OnePak, Inc.	OPK	10,000	4,000	1	0.4	0.4	0.4
Orca Power Corp.	OP	456,640	10,651	12	0.04	0.01	0.02

For information on each company listed on CNSX please visit the Listings Disclosure Hall, which can be found from our home page at www.cnsx.ca

Trading Activity Cont'd

Stock	Symbol	Volume	Value	Trds	High	Low	Close
Park Lawn Company Limited	PRL	2,500	5,000	1	2	2	2
PetroWorth Resources Inc.	PTW	550,500	108,122	46	0.23	0.15	0.18
Plaintree Systems Inc.	NPT	22,918	4,630	31	0.3	0.2	0.2
Platoro West Holdings Inc.	PWH	2,422,746	104,117	33	0.05	0.035	0.04
Preo Software Inc.	PKM	27,500	1,925	1	0.07	0.07	0.07
Pure Diamonds Exploration Inc.	PUG	44,012	498	13	0.015	0.01	0.015
Quinsam Capital Corporation	QCA	80,000	1,600	1	0.02	0.02	0.02
Range Metals Inc.	RGO	27,000	6,550	5	0.3	0.2	0.2
Redzone Resources Ltd.	REZ	77,000	37,500	8	0.5	0.4	0.5
Regal Resources Inc.	RGR	5,000	575	1	0.115	0.115	0.115
RT Minerals Corp.	RTM	2,684,000	425,335	62	0.22	0.07	0.19
RX Exploration	RXE	196,200	41,252	24	0.24	0.175	0.175
Scarlet Resources Ltd.	SCT	252,000	61,410	19	0.33	0.19	0.19
Stealth Energy Inc	SLH	276,000	23,530	13	0.095	0.07	0.07
Sunorca Development Corp.	SUN	48,000	240	3	0.005	0.005	0.005
Trevali Resources Corp.	TV	1,089,925	722,366	78	0.8	0.61	0.61
Triple Dragon Resources Inc.	TDN	165,000	36,025	8	0.23	0.205	0.23
Valterra Resource Corp.	VTA	110,200	10,798	11	0.1	0.085	0.085
Veraz Petroleum Ltd.	VRZ	166,000	96,735	24	0.7	0.5	0.6
Wintercrest Resources Ltd.	HIP	200,000	3,000	2	0.02	0.01	0.02
Worldwide Prmtl Mngmnt Inc.	WRL	1,357,000	243,877	61	0.3	0.11	0.3

Most Active by Volume

Stock	Symbol	Volume	Value	Trds	High	Low	Close
RT Minerals Corp.	RTM	2,684,000	425,335	62	0.22	0.07	0.19
Platoro West Holdings Inc.	PWH	2,422,746	104,117	33	0.05	0.035	0.04
Cougar Minerals Corp.	COU	2,129,000	221,127	120	0.14	0.065	0.13
Worldwide Prmtl Mngmnt Inc.	WRL	1,357,000	243,877	61	0.3	0.11	0.3
Trevali Resources Corp.	TV	1,089,925	722,366	78	0.8	0.61	0.61
Continent Resources Inc.	CTT	897,090	647,988	129	0.85	0.6	0.7
HiHo Silver Resources Inc.	HHS	762,050	44,914	14	0.08	0.03	0.04
Mantis Minerals Corp.	MYN	611,000	32,660	22	0.06	0.04	0.045
PetroWorth Resources Inc.	PTW	550,500	108,122	46	0.23	0.15	0.18
Cancor Mines Inc.	KCR	541,000	14,275	15	0.03	0.02	0.025

Most Active by Value

Stock	Symbol	Volume	Value	Trds	High	Low	Close
Trevali Resources Corp.	TV	1,089,925	722,366	78	0.8	0.61	0.61
Continent Resources Inc.	CTT	897,090	647,988	129	0.85	0.6	0.7
RT Minerals Corp.	RTM	2,684,000	425,335	62	0.22	0.07	0.19
MB Builder X Jun 15/13 AF	BJF.DB	269,000	269,000	2			
Worldwide Prmtnl Mngmnt Inc.	WRL	1,357,000	243,877	61	0.3	0.11	0.3
Cougar Minerals Corp.	COU	2,129,000	221,127	120	0.14	0.065	0.13
PetroWorth Resources Inc.	PTW	550,500	108,122	46	0.23	0.15	0.18
Platoro West Holdings Inc.	PWH	2,422,746	104,117	33	0.05	0.035	0.04
Veraz Petroleum Ltd.	VRZ	166,000	96,735	24	0.7	0.5	0.6
Canadian Intl. Minerals Inc.	CIN	522,000	73,735	27	0.16	0.105	0.16

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Financings Completed

Company	Symbol	Amount Raised	Date
Wedge Energy International Inc.	WEG	\$50,000	Aug. 5/09
Ona Power Corporation	OPO	\$1,549,995	Aug. 11/09
Golden Cross Resources Inc.	GOX	\$50,000	Aug. 12/09
RT Minerals Corp.	RTM	\$250,000	Aug. 13/09
Worldwide Promotional Management Inc.	WRL	\$550,000	Aug. 13/09
Cougar Minerals Corp. (IPO)	COU	\$1,284,500	Aug. 18/09
Far City Mining Limited	FCH	\$2,138,885	Aug. 20/09
HY Lake Gold Inc.	HYL	\$310,000	Aug. 24/09
Trevali Resources Corp.	TV	\$2,000,000	Aug. 25/09
Continent Resources Inc.	CTT	\$6,000,000	Aug. 27/09
Micromem Technologies Inc.	MRM	USD\$380,000	Aug. 28/09
RX Exploration Inc.	RXE	\$1,679,700	Jul. 2/09
Kokomo Enterprises Inc.	KKO	\$300,000	Jul. 3/09
Cuervo Resources Inc.	FE	\$1,135,400	Jul. 6/09
Redzone Resources Ltd.	REZ	\$2,000,100	Jul. 14/09
RX Exploration Inc.	RXE	\$783,000	Jul. 14/09
Colt Resources Inc.	GTP	\$367,300	Jul. 15/09
Valterra Resource Corporation	VTA	\$117,500	Jul. 20/09

Law & Accounting Matters

Writing MD&A for Venture Issuers

By Clive Forth, Venex Law

Writing a company's MD&A four times a year can be a daunting task. Here are a few tips for writing effective MD&A that I presented at a seminar sponsored by the Canadian Listed Company Association on April 8, 2009.

Always work with the MD&A instruction form

The disclosure required in your MD&A is prescribed in Form 51-102F1. When you first sit down to write your MD&A, get a hard copy of the current version of the form to work with. The form changes from time to time and was last updated in December 2008. There's a direct link to the current version of the form on this page of my website http://www.venexlaw.com/vxl_site/clive_comments_detail/4.

There are items that can be missed if you don't review the form instructions each quarter. For example, paragraph (i) of the "Results of Operations" section requires you to compare how you actually spent the proceeds of a prior financing with how you said you were going to spend them in your original disclosure. If no prior financings were under discussion in the previous quarter, this disclosure could easily be missed in the current quarter. Similarly, the "Proposed Transactions" section will only occasionally be applicable.

Interest rates and Canada/U.S. exchange rates were stable not that long ago. Now, these items can have a material impact on your operating results. If you simply update disclosure from old versions of your MD&A, these emerging trends could be missed as important disclosure items.

Don't create this quarter's MD&A by taking last quarter's and changing the numbers.

Treat each MD&A as a new disclosure document, working with the current financial statements and a hard copy of Form 51-102F1. Just changing the numbers from previous quarters can have unintended results. I know of a case where a company, in a recent quarter, reported that profits from operations were an important source of new capital and then stated the profit for the quarter. The next quarter, they used exactly the same language and then inserted the profit number, but for that quarter it was a loss. Not only did the disclosure make no sense, it didn't respond to the form requirement to disclose the company's actual capital resources for the period under review.

Use clear language

Your MD&A should be written in clear, easy-to-understand language, it should be organized and the disclosure should follow logically from item to item.

One of the difficulties with the MD&A requirement for venture issuers is that the writing skills of a typical venture issuer's management may not be up to the task of explaining complex concepts in easy to understand language. This is not as big a problem for larger companies because they have the financial resources to attract qualified of the management team or can outsource the job. But for some venture issuers, this can be a real challenge. One answer is to have the company lawyer or accountant write the MD&A, or least review and edit it. This may cost money, but so does responding to a compliance review by your local Securities Commission.

Give equal emphasis to bad news

This is advice common to most corporate disclosure, and it applies to MD&A as well. Things don't go well sometimes, and when they don't, that fact will be reflected in your financial statements. The purpose of the MD&A is to expand on all of the relevant events of the quarter, not just the favourable ones.

Law and Accounting Matters is a series of articles on topics of interest to public companies and investors written by practicing lawyers and accountants from across Canada.

The articles are also published on line at GoPublicInCanada.com

Writing MD&A for Venture Issuers

The MD&A form also contains some specific instructions for disclosing negative news. For example, the “Liquidity” section specifically requires you to discuss any working capital deficiency and defaults or anticipated defaults under lease obligations, interest or principal payments on debt, and debt covenants.

Tell the story of the quarter under review

In my experience every set of financial statements tells a unique story. Three months is a sufficient period of time for one or more things to have occurred that create an impact. Think about a typical three-month period in the life of your family. Perhaps a child won a basketball championship or you bought a new car.

The same can be true in the life of a company. If you’re in the mining industry, you may have completed a financing or received the results of a drilling program; perhaps you acquired or abandoned a property. That financing will increase cash and your issued share capital, the drill results will be relevant in your property descriptions and the cost incurred will be added to deferred exploration expense; property transactions will affect the balance sheet value of your assets.

If you are an established industrial company, perhaps you lost a major client. That will have an impact on your earnings. And perhaps this is part of a trend of increased competition or an economic downturn. The MD&A instructions contain a number of requirements to disclose emerging trends.

Before you start writing, take a few minutes to think about what happened during the quarter and how those events are reflected in your financial statements. That will be the basis of the story you tell in your MD&A.

Put yourself in the shoes of the reader

The purpose of MD&A is to explain the financial statements to an average shareholder and investor. Look at the statements under discussion and ask yourself what would an average person find mysterious about them? Those are the items to highlight in your MD&A.

A good example is the requirement to include stock-based compensation as an expense item on your earnings statement. An average investor may find this difficult to understand, as there’s no readily apparent cost in granting stock options. Explaining the rationale for the charge in the MD&A and disclosing what the income or loss would have been without it, and perhaps other non-cash items like depreciation, will help the reader to better understand the company’s actual financial condition.

Take advantage of the exemptions in the form

The MD&A form provides that certain disclosure is not required to be made by venture issuers. Venture issuers are overregulated as it is, so if you are offered an exemption, take it. The primary exemptions relate to disclosure of critical accounting estimates in section 1.12 and the summary of contractual obligations in section 1.6, instruction (iv).

Don’t just repeat the numbers from the statements

In many cases I’ve seen MD&A that just says, “earnings for the quarter were \$x”; “general and administrative expense totalled \$y”, and so on, simply repeating numbers that are already in the financial statements. This provides no useful information that can’t already be found in the statements. The point of the MD&A is to expand on the financial statements, not repeat them. Take a look at instruction (a), Part I “What is MD&A” in Form 51-102F1 for a good summary of what the MD&A is intended to achieve and the sorts of disclosure that should be included.

That said, there’s nothing wrong with repeating numbers from the financial statements to introduce a topic. This is a convenient way to start the discussion on a particular matter and avoids the necessity for the reader to keep flipping back and forth between the MD&A and the financial statements.

Writing MD&A for Venture Issuers

Comparables in Interim Statements

This is a common mistake in interim MD&A: knowing which periods to compare with which periods.

Generally balance sheet items should be compared with the balance sheet for the immediately preceding year-end. Operational items should be compared with the same quarter in the previous year.

Although not specifically referred to in the instructions, for businesses that are not materially affected by seasonal or similar influences it can be useful to compare the current quarter results to those of the previous quarter, to demonstrate a pattern of growth or decline.

Additional disclosure

The MD&A instructions set out required disclosure, but there's nothing in the form that prevents you from providing additional disclosure that you believe may be helpful.

I always start any MD&A that I write with a brief description of the business. It's not required, but I find it a helpful jumping off point for the disclosure that's to follow. In many cases your audience may include first time readers who have only recently invested in your company or are still thinking about investing. This type of discussion can help these readers better understand your business model and the subsequent disclosure.

Having said that, don't take the "kitchen sink" approach and throw in reams of irrelevant disclosure. I've seen MD&A where every press release, material change report or other disclosure made during the quarter (or year) is cut and pasted into the MD&A. In many cases, this is just added to the same type of disclosure from previous periods that is no longer relevant to the quarter under review. I recently came across a current MD&A that contained references to property transactions that were completed in 2006. This approach overwhelms the reader with disclosure that doesn't relate to current financial results, and conveys that whoever wrote the MD&A doesn't really understand the requirements. This can reflect poorly on management and discourage potential investors.

Don't leave it to the last minute

This advice is easy to understand but sometimes difficult to employ. One of the most common reasons for badly written MD&A is that the author simply didn't have enough time to rationally absorb the information in the financial statements and then write a considered and meaningful discussion. Ideally, you should be in possession of your completed financial statements at least two weeks before the filing deadline to provide enough time to write the first draft of the MD&A, circulate the draft to the appropriate members of your management and other advisors, have them provide feedback, and make the required revisions. We've all been in situations where for one reason or another the financial statements arrived at the last minute. This happens, and when it does we have to adapt. But if your statements are consistently late, identify the source of the problem and fix it.

And be wary of basing your MD&A on draft financials when you're running out of time. The final version of the statements can vary materially from earlier drafts, and if you don't pick up all the changes the results can be disastrous.

Conclusion

Well-written and instructive MD&A can provide useful information to your shareholders and potential investors. It can also serve as an advertisement for your business, how it's run and the quality of your management. Badly written MD&A has the opposite effect.

Cont. on page 11

Pure Trading

Judging by the lack of traffic on the Don Valley Parkway this past month, a great many people working in the financial services industry in downtown Toronto stuck to their vacation plans after the market upheavals of August 2007 and 2008. Work did continue on a number of fronts, however, including a major project that will involve a tremendous amount of effort on the part of the industry in the coming months. To assist with the introduction of the proposed new trade-through avoidance (now referred to as “order protection”) and related rules, the Canadian Securities Administrators have assembled an informal “Implementation Committee” representing marketplaces, dealers, buy side clients, technology vendors and regulators to review and consider issues arising from the proposals. Although the work of the committee continues on a number of specific issues, staff of the CSA is in the process of preparing the final amendments for publication later in September or October, subject to ministerial approval which is expected towards year end. Concurrent changes to UMIR are expected from IIROC.

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The principal impact of the review, as outlined by CSA staff, will be:

- The responsibility for reasonably avoiding the trade through of better priced bids and offers will shift from the dealers to the marketplaces. Marketplaces will have to have policies and procedures in place to “reasonably” provide order protection to participants.
- Order protection will continue to extend to the full depth of market. Some parties had asked that protection be limited to top of book or an arbitrary 5 or 10 tick level.
- Exceptions to the order protection rules will remain essentially unchanged, with efforts made to ensure that the CSA and IIROC rules are integrated.

In addition, the Committee considered proposals to introduce fee caps on the marketplaces for trading, market data and access fees on the basis that marketplaces could implement abusive pricing practices because dealers are “forced” to lift better priced bids and offers. CSA staff has indicated that, in response:

- The current position is that the limitation on trading fees will remain at a level less than the minimum trading increment for a particular security; consideration is being given, as suggested by some committee members, to adopting a principles-based approach to the setting of fees by marketplaces.
- Staff will be following up with the various marketplaces to better understand the basis upon which the different fees are established, keeping in mind that all markets are required to have fees that are fair and reasonable, and not intended to limit access in any way.

The most challenging part of the exercise will be implementing the shift in trade-through avoidance from the dealers to the marketplaces. It appears that the marketplaces (and by extension, the vendors and dealers with proprietary systems) will have to implement new order types/markers to support the trading activity of dealers who are prepared to manage the obligation themselves. Most, if not all, of the large dealers are in the process of delivering sophisticated execution management systems to optimize their trading activity from a cost, best execution and trade-through avoidance standpoint. In addition, the industry is going to have to come to grips with issues around access: if Pure Trading has an order from a dealer that is executable on another venue, but the dealer is not a participant/subscriber of the other market...how do you ensure that the order can be properly executed, cleared and settled in a timely manner? Is it acceptable for the router used by Pure Trading to return a “reject” message back to the original dealer if they are not a participant at the destination venue? All of these issues will be considered in the coming months as we wait for the publication and ministerial approval of the new rules.

Pure Trading

In anticipation of the changing environment, CNSX Markets (in collaboration with ITS Online Inc.) has arranged to offer "Pure Compass", a high capacity/low latency order router that offers access to all of the existing "visible" markets and one of the "dark pools" currently operating in Canada. The technology underlying Pure Compass currently provides order protection for a significant percentage of the order flow being posted into the Canadian markets at this time. For further information, please contact Pina De Santis at CNSX Markets. Pina can be reached at pina.desantis@cnsx.ca or 416-572-2000 ext 2289.

For the month, the top 20 issues on Pure Trading were:

Name	Stock	Volume	MK Share
BOMBARDIER INC. CL B, SV	BBD.B	4,267,400	1.92%
BREAKWATER RESOURCES LTD.	BWR	2,493,200	3.62%
EQUINOX MINERALS LIMITED	EQN	2,382,300	1.18%
URANIUM ONE INC.	UUU	2,031,200	2.99%
ISHARES™ CDN LARGCAP 60 INDEX FUND	XIU	2,007,400	0.46%
ROCKWELL DIAMONDS INC	RDI	1,914,000	6.73%
NUVO RESEARCH INC.	NRI	1,858,900	2.05%
HORIZONS BETAPRO NYMEX NAT GAS	HNU	1,849,900	0.23%
LUNDIN MINING CORPORATION	LUN	1,587,800	1.17%
VICTORY NICKEL INC.	NI	1,401,000	2.09%
MERCATOR MINERALS LTD.	ML	1,386,400	0.66%
NEW GOLD INC.	NGD	1,278,900	1.96%
WESTERN CANADIAN COAL CORP	WTN	1,114,500	0.56%
SILVER WHEATON CORP.	SLW	1,109,100	3.14%
MINERA ANDES INC.	MAI	968,000	6.81%
OSISKO EXPLORATION LTEE	OSK	938,600	1.47%
OPTI CANADA INC.	OPC	836,300	1.13%
EASTERN PLATINUM LIMITED	ELR	794,500	1.00%
CANWEST GLOBAL COMMUNICATIONS	CGS	776,100	11.24%
GRANDE CACHE COAL CORP.	GCE	734,778	0.57%

Writing MD&A for Venture Issuers Cont'd

When I'm making an investment decision, I routinely refer to the company's disclosure record to assess whether the company's management understands what is required of it and is capable of delivering what is required. If the record is poor, I wonder what other deficiencies may exist, and how those deficiencies may impact the day-to-day operation of the business. It's reasonable to expect that other potential investors take the same approach.

Hopefully, the foregoing discussion will assist your company in improving the quality of its MD&A, with beneficial results.

Clive Forth is the principal of Venex Law which is a Vancouver-based boutique law firm that restricts its practice to "venture exchange law", the various areas of legal service required by a typical venture company: securities law, corporate finance, mineral resource law, business and industry law and related corporate and commercial matters. You can contact Clive at (604) 605-5444 or by email at cforth@venexlaw.com.

CNSX Dealers

- ❖ Acker Finley Inc.
- ❖ Barclays Corporation Limited.
- ❖ BBS Securities Inc.
- ❖ Berkshire Securities
- ❖ Blackmont Capital Inc.
- ❖ Blackwatch Capital Corp.
- ❖ BMO Nesbitt Burns Inc.
- ❖ Bolder Investment Partners Ltd.
- ❖ Brant Securities Limited
- ❖ Brockhouse & Cooper
- ❖ Byron Securities Limited
- ❖ Caldwell Securities Ltd.
- ❖ CIBC World Markets Inc.
- ❖ Canaccord Capital Corporation
- ❖ Citigroup Global Markets Canada Inc.
- ❖ Clarus Securities
- ❖ Commission Direct Inc.
- ❖ Credit Suisse Securities
- ❖ D&D Securities Company
- ❖ Desjardins Securities
- ❖ Dundee Securities Corporation
- ❖ e3m Investments Inc.
- ❖ Edward Jones
- ❖ Fimat Canada Inc.
- ❖ First Energy Capital Corp.
- ❖ Gateway Securities Inc.
- ❖ Genuity Capital Markets
- ❖ Global Securities Corporation
- ❖ GMP Securities LP
- ❖ Goldman Sachs Canada Inc.
- ❖ Haywood Securities Inc.
- ❖ HSBC Securities (Canada) Inc.
- ❖ ITG Canada Corp.
- ❖ Independent Trading Group
- ❖ Infinium Capital Corp.
- ❖ Instinet Canada Ltd.
- ❖ Integral Wealth Securities Limited
- ❖ Interactive Brokers Canada Inc.
- ❖ International Advisory Services Group
- ❖ Jitney Group Inc.
- ❖ J.P. Morgan Securities Canada Inc.
- ❖ Jordan Capital Markets Inc.
- ❖ Jones, Gable & Company Limited
- ❖ Jones Trading Canada Inc.
- ❖ Leede Financial Markets Inc.
- ❖ Loewen Ondaatje McCutcheon Ltd.
- ❖ MF Global Canada Co.
- ❖ MGI Securities Inc
- ❖ MacDougall, MacDougall & MacTier Inc.
- ❖ Merrill Lynch Canada Inc.
- ❖ Morgan Stanley Canada Ltd.
- ❖ National Bank Financial
- ❖ Norstar Securities International Inc.
- ❖ Northern Securities Inc.
- ❖ Octagon Capital Corporation
- ❖ Odium Brown Limited
- ❖ Orion Financial Corp.
- ❖ PI Financial Corp.
- ❖ Paradigm Capital Inc.
- ❖ Penson Financial Services Canada
- ❖ Peters & Co. Limited
- ❖ Pictet Canada LP
- ❖ Pollitt & Co. Inc.
- ❖ Qtrade Securities Inc.
- ❖ Questrade Inc.
- ❖ Raymond James Ltd.
- ❖ RBC Dominion Securities Inc.
- ❖ Research Capital Corporation
- ❖ Salman Partners Inc.
- ❖ Sandfire Securities Inc.
- ❖ Scotia Capital Inc.
- ❖ Scotia iTrade Corp.
- ❖ State Street Global Markets Canada Inc.
- ❖ Cormark Securities Inc.
- ❖ TD Securities Inc.
- ❖ Toll Cross Securities Inc.
- ❖ Tristone Capital
- ❖ UBS Securities Canada Inc.
- ❖ Union Securities Ltd.
- ❖ W.D. Latimer Co. Limited
- ❖ Wellington West Capital Markets Inc.
- ❖ Westwind Partners Inc.

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EVENTS Cont'd

September 30th

CNSX is pleased to be a Sponsor of the London Cross Border Co-Investment Summit which will be held at Canada House, Trafalgar Square in London, UK. The event will bring together 25 growth oriented Canadian based companies with over 150 UK angel investors.