

| Market Integrity Notice |

Guidance

July 6, 2007

No. 2007-014

Suggested Routing

- Trading
- Legal and Compliance

Key Topics

- Last Sale Price
- “Short Exempt” Marker
- Short Sale

UMIR Provisions Referenced

- Rule 3.1 – Restrictions on Short Selling
- Rule 6.2 – Designations and Identifiers
- Rule 11.1 – General Exemptive Relief

EXEMPTION OF CERTAIN INTER- LISTED SECURITIES FROM PRICE RESTRICTIONS ON SHORT SALES

Summary

This Market Integrity Notice provides notice that Market Regulation Services Inc. has granted, effective July 6, 2007, an exemption from the price restrictions on a short sale for the purposes of the Universal Market Integrity Rules in the case of a short sale of a listed security that is also listed on an exchange in the United States.

Questions / Further Information

For further information or questions concerning this notice contact:

James E. Twiss
Chief Policy Counsel

Telephone: 416.646.7277

Fax: 416.646.7265

e-mail: james.twiss@rs.ca

EXEMPTION OF CERTAIN INTER-LISTED SECURITIES FROM PRICE RESTRICTIONS ON SHORT SALES

Summary

This Market Integrity Notice provides notice that Market Regulation Services Inc. (“RS”) has granted, effective July 6, 2007, an exemption from the price restrictions on a short sale for the purposes of the Universal Market Integrity Rules (“UMIR”) in the case of a short sale of a listed security that is also listed on an exchange in the United States.

Background

Section 3.1 of UMIR provides that a Participant or an Access Person may not make a short sale on a marketplace unless the price is at or above the last sale price for that security or certain exceptions apply.

On June 13, 2007, the SEC approved amendments to remove the price restrictions on short sales as set out in Rule 10a-1 as well as any short sale price test of any self-regulatory organization, including the requirements of the New York Stock Exchange and Nasdaq. In addition, the amendments prohibit any self-regulatory organization from having a price test. These amendments were effective July 3, 2007 with a compliance date indicated of July 6, 2007.

Based on trading statistics of Canadian marketplaces for April of 2007, securities which are inter-listed with an exchange in the United States account for approximately 55% of the value of securities traded and approximately 30% of the volume of securities traded. In addition, approximately 25% of trades on a Canadian marketplace involve a short sale (including sales which qualify as “short exempt” from the price restrictions under Rule 3.1 of UMIR). These numbers indicate the significant extent to which trading on Canadian marketplaces may be impacted by the decision of the SEC to repeal price restrictions on short sales. In the view of RS, to have a markedly different standard for short sales on a marketplace as compared to trades in the same security on an organized regulated market in the United States would put marketplaces at a competitive disadvantage.

Exemption from Price Restrictions on Short Sales of Certain Inter-listed Securities

In light of the decision of the SEC to remove price restrictions on short sales, RS granted, effective July 6, 2007, an exemption from the price restrictions on a short sale under Rule 3.1 of UMIR in respect of securities which are inter-listed on an exchange in the United States. For the purposes of UMIR, the Toronto Stock Exchange (“TSX”), TSX Venture Exchange (“TSXV”) and CNQ currently qualify as an “Exchange”. If a security is listed on an Exchange and is also listed on an exchange in the United States, a short sale of the security may be entered on any marketplace, including an alternative trading system, that trades the security and permits the

use of the “short exempt” marker. Securities which trade on an ECN in the United States but are not otherwise listed on an exchange¹ in the United States do not qualify for the exemption.

If a particular marketplace does not support the “short exempt” marker provided for under Rule 6.2 of UMIR, the order must be marked as “short”. In this circumstance, if the marketplace system enforces compliance with the price restrictions on short sales, the marketplace may suspend the automatic enforcement of the price restrictions on securities covered by the exemption. If a marketplace is unable to suspend the automatic enforcement of the price restrictions on securities covered by the exemption, short sales of exempt securities on that marketplace will continue to be executed at a price not less than the last sale price of the security.

In order to assist marketplaces, Participants, Access Persons and their respective service providers in giving effect to this exemption, a list of the securities which are inter-listed between the TSX and an exchange in the United States as of June 15, 2007 is attached as Appendix “A”.² A number of securities are presently inter-listed between the TSXV and an exchange in the United States. However, the TSXV does not support the “short exempt” marker and the securities are not otherwise traded on a marketplace that does support the “short exempt” marker.

Future Initiatives Regarding Regulation of Short Sales and Failed Trades

RS staff are participating in an informal working group comprised of staff from the Canadian Securities Administrators, Investment Dealers Association, Canadian Depository for Securities Limited, TSX and the Bourse de Montréal (the “Working Group”) that has been examining various issues related to failed trades and short sales, including the role that short sales play in the occurrence of failed trades. The Working Group, as part of its mandate, has been monitoring developments in the US, including the Pilot Project and the amendments by the SEC to Regulation SHO and Rule 10a-1. The Working Group has considered a number of options and proposals related to short sales and failed trades, including a series of proposals for the amendment of UMIR submitted by RS to the Working Group for its comment.

RS expects that this series of proposals regarding short sales and failed trades will be submitted to the Rules Advisory Committee of RS (“RAC”) for its consideration. RAC is an advisory committee comprised of representatives of each of: the marketplaces for which RS acts as a regulation services provider; Participants; institutional investors and subscribers; and the legal and compliance community.

The comments received from the Working Group and RAC will be considered by RS staff in the preparation of the amendments submitted to the Board of Directors for their approval. The amendments as approved by the Board of Directors (the “Proposed Amendments”) will be published in a Market Integrity Notice for public comment and submitted to the Alberta Securities Commission, British Columbia Securities Commission, Manitoba Securities

¹ An exchange is a market that is registered as an “exchange” under the *Exchange Act of 1933* (United States). In particular, it should be noted that an ECN, the Bulletin Board and the Pink Sheets are NOT an “exchange”

² The TSX publishes monthly a list of securities that are inter-listed with an exchange in the United States in the TSX Monthly Review.

Commission, Ontario Securities Commission and, in Quebec, by the Autorité des marchés financiers (the “Recognizing Regulators”) for their review and approval.

As the exemption from the price restrictions on a short sale in respect of securities which are inter-listed on an exchange in the United States is an exemption to a class of transactions, the concurrence of the Recognizing Regulators was obtained in accordance with Rule 11.1. The exemption will expire upon the Proposed Amendments becoming effective following approval by the Recognizing Regulators or upon the withdrawal of the Proposed Amendments from consideration by the Recognizing Regulators.

Questions / Further Information

For further information or questions concerning this notice contact:

James E. Twiss,
Chief Policy Counsel,
Market Policy and General Counsel's Office,
Market Regulation Services Inc.,
Suite 900,
145 King Street West,
Toronto, Ontario. M5H 1J8

Telephone: 416.646.7277
Fax: 416.646.7265
e-mail: james.twiss@rs.ca

ROSEMARY CHAN,
VICE PRESIDENT, MARKET POLICY AND GENERAL COUNSEL

APPENDIX “A”

SECURITIES INTER-LISTED BETWEEN THE TORONTO STOCK EXCHANGE AND US EXCHANGES

As of June 15, 2007

TSX Symbol	US Exchange	US Symbol	Name of Issuer
A	NYSE	ABY	Abitibi Consolidated Inc.
ABX	NYSE	ABX	Barrick Gold Corporation
ABZ	NASDAQ	ABER	Aber Diamond Corporation
AEZ	NASDAQ	AEZS	Aeterna Zentaris Inc.
AEM	NYSE	AEM	Agnico Eagle Mines Ltd.
AGU	NYSE	AGU	Agrium Inc.
AHX	AMEX	ADH	Adherex Technologies Inc. J
AL	NYSE	AL	Alcan Inc.
AMM	AMEX	AAU	Almaden Minerals Ltd.
ANP	NASDAQ	ANPI	Angiotech Pharmaceuticals Inc.
ANV	AMEX	ANV	Allied Nevada Gold Corp.
APG	AMEX	AGT	Apollo Gold Corporation
ARZ	AMEX	AZK	Aurizon Mines Ltd. J
ASV	NASDAQ	ASPV	Aspreva Pharmaceuticals Corporation
AVN.UN	NYSE	AAV	Advantage Energy Income Fund Trust Units
AXP	NASDAQ	AXCA	Axcan Pharma Inc
AZC	AMEX	AZC	Augusta Resource Corporation J
BAA	AMEX	BAA	Banro Corporation J
BCB	NYSE	COT	Cott Corporation
BCE	NYSE	BCE	BCE Inc.
BLD	NASDAQ	BLDP	Ballard Power Systems Inc.
BMD	AMEX	BMD	Birch Mountain Resources Ltd. J
BMO	NYSE	BMO	Bank of Montreal
BAM.A	NYSE	BAM	Brookfield Asset Management Inc. CI A LV
BNS	NYSE	BNS	Bank of Nova Scotia (The)
BP.U	NYSE	BP	BP plc ADS US Funds
BPO	NYSE	BPO	Brookfield Properties Corporation
BRA	NASDAQ	BIOM	Biomira Inc.
BTE.UN	NYSE	BTE	Baytex Energy Trust Units
BVF	NYSE	BVF	Biovail Corporation
CAE	NYSE	CGT	CAE Inc.
CCO	NYSE	CCJ	Cameco Corporation
CDM	NYSE	CDE	Coeur d'Alene Mines Corporation
CDU	AMEX	CDY	Cardero Resource Corp. J
CEF.A	AMEX	CEF	Central Fund of Canada Ltd. CI A NV
CFT	AMEX	CFK	CE Franklin Ltd.
CGS.A	NYSE	CWG	Canwest Global Communications Corp. NV
CJR.B	NYSE	CJR	Corus Entertainment Inc. CI B NV
CLG	AMEX	CLG	Cumberland Resources Ltd. J
CLS	NYSE	CLS	Celestica Inc. SV
CM	NYSE	CM	Canadian Imperial Bank of Commerce

TSX Symbol	US Exchange	US Symbol	Name of Issuer
CMC	NASDAQ	CSLMF	Consolidated Mercantile Incorporated
CMT	NYSE	CMT	Compton Petroleum Corp.
CNE.UN	NYSE	CNE	Canetic Resources Trust Units
CNQ	NYSE	CNQ	Canadian Natural Resources Limited
CNR	NYSE	CNI	Canadian National Railway Co.
COM	NASDAQ	CRME	Cardiome Pharma Corp.
CP	NYSE	CP	Canadian Pacific Railway Ltd.
CRE	NASDAQ	CREL	Corel Corporation J
CRJ	AMEX	CGR	Claude Resources Inc.
CRY	NASDAQ	CRYP	Cryptologic Ltd. Ordinary
CSN	NASDAQ	COGN	Cognos Inc.
CTQ	AMEX	ETQ	Corriente Resources Inc. J
DAX	NASDAQ	DRAX	Draxis Health Inc.
DDS	NASDAQ	DDSS	Labopharm Inc.
DML	AMEX	DNN	Denison Mines Corp.
DSG	NASDAQ	DSGX	Descartes Systems Group Inc. (The)
ECA	NYSE	ECA	Encana Corporation
ECG	NASDAQ	ECGI	Envoy Capital Group Inc.
EDR	AMEX	EXK	Endeavour Silver Corp. J
ELD	AMEX	EGO	Eldorado Gold Corporation
EMC	NYSE	EMU	Energy Metals Corporation J
ENB	NYSE	ENB	Enbridge Inc.
ENT.UN	NYSE	EENC	Enterra Energy Trust Units
ERF.UN	NYSE	ERF	Enerplus Resources Fund Trust Units
ETG	AMEX	EGI	Entrée Gold Inc. J
EXF	NASDAQ	EXFO	EXFO Electro-Optical Engineering Inc. SV
FDG.UN	NYSE	FDG	Fording Canadian Coal Trust Units
FFH	NYSE	FFH	Fairfax Financial Holdings Ltd. SV
FLY.A	NYSE	FLI	CHC Helicopter Corp. CI A SV
FMI	NASDAQ	FMTI	Forbes Medi-Tech Inc.
FRG	AMEX	FRG	Fronteer Development Group Inc. J
FSV	NASDAQ	FSRV	FirstService Corporation SV
G	NYSE	GG	Goldcorp Inc.
GAM	AMEX	GRS	Gammon Lake Resources Inc. J
GBG	AMEX	GBN	Great Basin Gold Ltd. J
GGG	AMEX	GLE	Glencairn Gold Corporation J
GIB.A	NYSE	GIB	CGI Group Inc. CI A SV
GIL	NYSE	GIL	Gildan Activewear Inc.
GNA	NYSE	GNA	Gerdau Ameristeel Corporation
GRZ	AMEX	GRZ	Gold Reserve Inc. CI A J
GSC	AMEX	GSS	Golden Star Resources Ltd.
GTU.UN	AMEX	GTU	Central Gold Trust Units
HCH	NYSE	HCH	CP HOLDERS
H TE.UN	NYSE	H TE	Harvest Energy Trust Units
HYG	NASDAQ	HYGS	Hydrogenics Corporation
IE	NASDAQ	IVAN	Ivanhoe Energy Inc.
IMG	NYSE	IAG	Iamgold Corporation
IMO	AMEX	IMO	Imperial Oil Limited

TSX Symbol	US Exchange	US Symbol	Name of Issuer
IMX	NASDAQ	IMAX	Imax Corporation
IOL	AMEX	IOC	InterOil Corporation J
IPS	NYSE	IPS	IPSCO Inc.
IQW	NYSE	IQW	Quebecor World Inc. SV
ITP	NYSE	ITP	Intertape Polymer Group Inc.
IVN	NYSE	IVN	Ivanhoe Mines Ltd.
JCT	NASDAQ	JCTCF	Jewett-Cameron Trading Company Ltd.
K	NYSE	KGC	Kinross Gold Corporation
KBR	AMEX	KBX	Kimber Resources Inc. J
KFS	NYSE	KFS	Kingsway Financial Services Inc.
KRY	AMEX	KRY	Crystallex International Corporation J
LMZ	AMEX	LMZ	LMS Medical Systems Inc. J
LOR	AMEX	LRP	Lorus Therapeutics Inc.
LUN	AMEX	LMC	Lundin Mining Corporation
MAE	AMEX	MNG	Miramar Mining Corporation
MCZ	AMEX	MCZ	Mad Catz Interactive, Inc. J
MDS	NYSE	MDZ	MDS Inc.
MDZ.A	NASDAQ	MDCA	MDC Partners Inc. CI A SV
MEC.A	NASDAQ	MECA	Magna Entertainment Corp. CI A SV
MFC	NYSE	MFC	Manulife Financial Corporation
MFL	AMEX	MFN	Minefinders Corporation Ltd. J
MG.A	NYSE	MGA	Magna International Inc. CI A SV
MGT	AMEX	MGN	Mines Management, Inc. J
MIM.A	NYSE	MIM	MI Developments Inc. CI A SV
MMM	AMEX	MMK	Minco Gold Corporation J
MNG	NYSE	MDG	Meridian Gold Inc.
MPH	AMEX	MCU	Medicure Inc. J
MPV	AMEX	MDM	Mountain Province Diamonds Inc. J
MR	AMEX	MRB	Metallica Resources Inc. J
MRI.U	NASDAQ	MERC	Mercer International Inc. US
MX	NASDAQ	MEOH	Methanex Corporation
NCS	NASDAQ	NCST	NUCRYST Pharmaceuticals Corp. J
NCX	NYSE	NCX	Nova Chemicals Corporation
NG	AMEX	NG	Novagold Resources Inc. J
NGD	AMEX	NGD	New Gold Inc. J
NGX	AMEX	NXG	Northgate Minerals Corporation
NNO	AMEX	NTO	Northern Orion Resources Inc. J
NOA	NYSE	NOA	North American Energy Partners Inc.
NRM	NASDAQ	NRMX	Neurochem Inc.
NSU	AMEX	NSU	Nevsun Resources Ltd. J
NT	NYSE	NT	Nortel Networks Corporation
NXY	NYSE	NXY	Nexen Inc.
ONC	NASDAQ	ONCY	Oncolytics Biotech Inc.
OPY	NYSE	OPY	Oppenheimer Holdings Inc. CI A NV
OTC	NASDAQ	OTEX	Open Text Corporation
OTT.UN	AMEX	OTT	Otelco Inc. Income Deposit Securities
OZN	AMEX	OZN	Orezone Resources Inc. J
PAA	NASDAQ	PAAS	Pan American Silver Corp.

TSX Symbol	US Exchange	US Symbol	Name of Issuer
PAE	AMEX	PAE	Peace Arch Entertainment Group Inc. J
PCA	NYSE	PCZ	Petro-Canada
PCR	AMEX	CUP	Peru Copper Inc. J
PD.UN	NYSE	PDS	Precision Drilling Trust Units
PDL	AMEX	PAL	North American Palladium Ltd.
PGF.UN	NYSE	PGH	Pengrowth Energy Trust Units
PMD	AMEX	PME	PreMD Inc. J
PMU	AMEX	PMU	Pacific Rim Mining Corp. J
POM	AMEX	PLM	Polymet Mining Corp. J
POT	NYSE	POT	Potash Corporation of Saskatchewan Inc.
PVE.UN	NYSE	PVX	Provident Energy Trust Units
PWI.UN	NYSE	PWI	PrimeWest Energy Trust Units
PWT.UN	NYSE	PWE	Penn West Energy Trust Units
QC	AMEX	QCC	Quest Capital Corp.
QLT	NASDAQ	QLTI	QLT Inc.
QRL	AMEX	QEE	Queenstake Resources Ltd.
RBA	NYSE	RBA	Ritchie Bros. Auctioneers Incorporated
RMX	AMEX	RBV	Rubicon Minerals Corporation J
RCI.B	NYSE	RG	Rogers Communications Inc. CI B NV
RGL	NYSE	RGLD	Royal Gold, Inc.
OC	NASDAQ	OCCX	OccuLogix, Inc. J
RIC	AMEX	RIC	Richmont Mines Inc.
RIM	NASDAQ	RIMM	Research In Motion Limited
RMX	AMEX	RBV	Rubicon Minerals Corporation J
RNG	AMEX	RNO	Rio Narcea Gold Mines Ltd.
RY	NYSE	RY	Royal Bank of Canada
SJR.B	NYSE	SJR	Shaw Communications Inc. CI B NV
SLF	NYSE	SLF	Sun Life Financial Inc.
SLR	AMEX	XPL	Solitario Resources Corporation J
SLW	NYSE	SLW	Silver Wheaton Corp.
SME	AMEX	SCU	Storm Cat Energy Corporation J
SNG	AMEX	SNG	Canadian Superior Energy Inc. J
SOY	NASDAQ	STKL	SunOpta, Inc.
SSO	NASDAQ	SSRI	Silver Standard Resources Inc.
STN	NYSE	SXC	Stantec Inc.
SU	NYSE	SU	Suncor Energy Inc.
SW	NASDAQ	SWIR	Sierra Wireless, Inc.
SXC	NASDAQ	SXCI	Systems Xcellence Inc.
T.A	NYSE	TU	TELUS Corporation NV
TA	NYSE	TAC	TransAlta Corporation
TAP.A	NYSE	TAP.A	Molson Coors Brewing Company CI A
TAP.B	NYSE	TAP	Molson Coors Brewing Company CI B
TC	AMEX	TCX	Tucows Inc.
TCK.B	NYSE	TCK	Teck Cominco Ltd. CI B SV
TD	NYSE	TD	Toronto Dominion Bank (The)
TEO	NASDAQ	TESOF	Tesco Corporation
TGL	AMEX	TGA	TransGlobe Energy Corporation J
THI	NYSE	THI	Tim Hortons Inc.

TSX Symbol	US Exchange	US Symbol	Name of Issuer
TLC	NASDAQ	TLCV	TLC Vision Corporation
TLM	NYSE	TLM	Talisman Energy Inc.
TNX	AMEX	TRE	Tanzanian Royalty Exploration Corporation J
TOC	NYSE	TOC	Thomson Corporation (The)
TRP	NYSE	TRP	TransCanada Corporation
TKO	AMEX	TGB	Taseko Mines Limited
UFS	NYSE	UFS	Domtar Corporation
UXG	AMEX	UXG	U.S. Gold Corporation J
VAS	NASDAQ	VSGN	Vasogen Inc.
VGZ	AMEX	VGZ	Vista Gold Corp.
VIR	AMEX	REX	ViRexx Medical Corp. J
VTN	NASDAQ	VTNC	Vitran Corporation Inc.
WED	NASDAQ	WEDX	Westaim Corporation (The)
WHT	NASDAQ	WHRT	World Heart Corporation
YGA	AMEX	GST	Gastar Exploration Ltd.
YM	AMEX	YMI	YM Biosciences Inc. J
YRI	NYSE	AUY	Yamana Gold Inc. J
ZIC	NASDAQ	ZICA	Zi Corporation
ZL	NYSE	ZL	Zarlink Semiconductor Inc.