



**TO: Approved Participants
Chief Financial Officers
External Auditors
Holders of the Rules and Policies Manual**

September 16, 2002

**MARGIN REQUIREMENTS FOR TSX VENTURE EXCHANGE
TIER 3 SECURITIES AND INACTIVE TIER 2 SECURITIES**

The Executive Committee of Bourse de Montréal Inc. (the "Bourse") approved amendments to article 7202 of the Rules of the Bourse regarding margin requirements on listed securities. These amendments are effective immediately.

The purpose of these amendments is to exclude TSX Venture Exchange's (formerly CDNX) Tier 3 securities and Inactive Tier 2 securities from securities that can be carried on margin.

Currently, only securities listed on any recognized stock exchange meeting minimum listing requirements and trading at \$1.50 or over can be carried on margin. Tier 3 was established to facilitate the initial listing of Canadian Dealing Network (CDN) quoted companies on TSX Venture Exchange. Tier 3 is a temporary category of securities of companies that do not meet minimum listing requirements. Inactive Tier 2 securities represent securities of listed companies that do not satisfy all the listing maintenance requirements of Tier 2 and that are considered illiquid. Consequently, from a risk perspective, it is not appropriate for these securities to be considered eligible for margin or to be given a loan value.

In addition, the Bourse corrected the references to "Development Companies on the Vancouver Stock Exchange" which are now traded on the TSX Venture Exchange and withdrew all references to "Junior Capital Pool Companies" given that this concept is no longer valid since the introduction of Tier 2 and Tier 3 securities on the TSX Venture Exchange.

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