



November 26, 2010

John McCoach
President
TSX Venture Exchange
650 West Georgia Street, 27th Floor
Vancouver, BC V6B 4N9
T (604) 643-6507
F (604) 488-3121
john.mccoach@tsx.com

Mr. David McKellar
Director, Market Regulation
Alberta Securities Commission
4th Floor, 300 – 5th Avenue S.W.
Calgary, Alberta
T2P 3C4

Dear David,

Re: 2010 Oversight Review of TSX Venture Exchange Inc. (the “Exchange”)

Thank you for your letter of November 9, 2010 with enclosed Alberta Securities Commission (ASC) 2010 Oversight Review Report (the “Oversight Review”). We are very pleased to see your conclusion that the Exchange has in all material respects met the appropriate standards for market operation and regulation; and we thank you for your considered recommendations for improvement in certain areas. In respect of the specific findings and recommendations contained in the Oversight Review we have the following comments:

2.1 Corporate Finance
2.1.1 Waivers to Corporate Finance Policies

For the sake of clarity, we note that our Executive Listings Committee (“ELC”) makes the final decision to list an issuer. And as has been noted in the Oversight Review, for all listing applications an ELC memo is prepared by the reviewing staff, and ultimately presented to ELC for consideration.

We have developed templates for these ELC memos that guide staff in the inclusion of all information that is likely to be relevant in ELC’s decision making process. These templates provide for disclosure in the memo of all significant, or reportable, waivers as well as all non-reportable (or less significant) waivers. We acknowledge that through the course of its review ASC staff identified instances where certain insignificant waivers were not identified in the ELC memo. It is our practice and intention that all waivers relating to a listing application, regardless of significance, are to be disclosed in the ELC memo, and we will ensure that our staff adheres to this process.

2.1.2 Review Process

(a) Filing Applications

First, we would like to thank the ASC for identifying the one point of inconsistency regarding stock option plan filings. With a broad and diverse client base, and multiple service offices, consistency in our review process is very important to us. Although we note that Exchange staff has the discretion to request additional material where warranted, such discretion is to be exercised with care. We can confirm that this particular inconsistency has been corrected, and our Analysts will not be requiring the additional information, unless warranted due to the unique facts of a particular submission.

As noted in the Oversight Review, we acknowledge that there exists no formalized standard internal review process for filing applications. However, the Exchange's Corporate Finance Policies provide detailed guidance for both issuers and staff regarding the requirements for filing and approval of all filing transactions. Through diligent review and application of the policies, and frequent internal communication both within and among our four service offices, we are confident in the quality of the review processes being carried out. Such internal communication includes an Analyst's review of any unique or contentious issues with their Team Manager or Director, discussion of specific transactions with staff in other offices, periodic 'all staff' meetings to discuss policy issues, and if necessary, review of an application with ELC. We do acknowledge the ASC's finding regarding two instances of insufficient documentation of staff's analysis, and we will remind and emphasize to all staff the importance of proper documentation of review.

We note also that the Exchange is currently pursuing the automation of certain application review processes. We believe that this initiative – if successfully implemented – will add a meaningful additional level of quality assurance measures.

(b) Listing Applications

As noted above, an ELC memo is prepared for all listing applications. And the templates for these memos dictate that all waivers be identified, including any waiver of required documentation. However, at the time of preparation of an ELC memo, and review by ELC, not all of the required documentation will have been received. Thus any instances of modification or waiver of the subsequent documentation could not be identified in the ELC memo.

We do note, however, that such instances are not common, and if material in nature would warrant additional consideration by ELC. Further, we acknowledge the comments in the Oversight Review regarding our internal checklists and we will ensure that these checklists are updated and maintained to ensure currency.

The Exchange's listing application approval process assigns responsibility for the preparation of the ELC memo to the Manager or Analyst assigned to the particular application. Prior to the presentation of the memo to ELC, it is reviewed by the regional Team Manager or Director. As part of this review, there may be additional internal

discussion of the application, additional information added to the ELC memo, or further information requested from the applicant issuer. It is not until the reviewing staff, as well as the regional Team Manager or Director, are satisfied with the memo that it is presented to ELC for review. This process is designed to promote the quality and consistency of the presentations made to ELC, as well as ensure that the ELC memo contains all information relevant to the listing decision.

2.2 Business Continuity and Risk Management

2.2.1 Local Servers

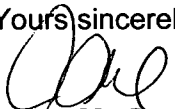
We will review our server back-up process to determine whether the current processes are satisfactory, and consider whether there is a need for consistency between local offices. We will document the server back-up process at each location.

2.2.2 Business continuity processes and documentation

We acknowledge the findings in the Oversight Review regarding the minor deficiencies in our business continuity processes and documentation. We wish to thank the ASC for identifying these deficiencies, but are happy to advise that they did not impact on the effectiveness of the business continuity plan; and that both matters have since been corrected. Further, we note that testing of our business continuity plans in all offices began in June 2010 and will be complete by year-end. To date, the results of this testing have all been positive.

We appreciate your comments and suggestions and we are pleased that the Oversight Review went well.

Yours sincerely,



John McCoach

President

TSX Venture Exchange

Phone: 604-643-6507

Phone: 403-218-2834

Email: john.mccoach@tsx.com

Web Site: www.tsx.com