



October 18, 2006

VIA EMAIL AND COURIER

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Attention: Mr. Mark Wang

Dear Mr. Wang:

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

Further to the ongoing discussions between Staff at the British Columbia Securities Commission (the “BCSC”) and TSX Venture Exchange (“TSXV”) regarding the Report, we are pleased to confirm that the following matters are targeted for completion by December 31, 2006:

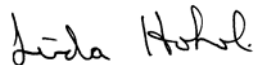
- (i) the review of TSXV’s current processes to determine which additional procedures can be implemented to provide assurance that TMR reviews are in general being conducted properly *(as referenced in TSXV’s Response to the BCSC Staff Recommendations in “3(b). Tier maintenance reviews/inter-tier movement” in the “Compliance and Disclosure Processes” section of the Report)*;
- (ii) the review of TSXV’s standards for granting access to trading, including the standards for imposing conditions on members, and the applicant’s right to be heard, with a view to harmonizing, where appropriate, the TSXV and TSX standards *(as referenced in TSXV’s response to the BCSC Staff Recommendations in “4(a). Written standards for granting access and an opportunity to be heard” in the “Access to Trading” section of the Report)*;
- (iii) the review of TSXV’s current written procedures regarding the process to grant, deny, or limit access to trading, to require that each file contains adequate documentation, including approval dates and access activation dates *(as referenced in TSXV’s response to the BCSC Staff Recommendations in “4(b). Membership or participating organization application review and approval process” in the “Access to Trading” section of the Report)*; and

- (iv) the formalization and documentation of the process by which TSXV monitors the ongoing performance of regulatory functions by RS (as referenced in TSXV's response to the BCSC Staff Recommendations in "3. Oversight of regulatory services provided by RS" in the "Outsourcing of Regulatory Services" section of the Report).

With respect to the findings and recommendations of BCSC Staff in connection with the offering of Direct Market Access by TSXV, TSXV Staff will continue to dialogue with BCSC Staff in order to better understand the issues of concern to the BCSC and explore potential solutions to those issues. With respect to the BCSC Staff Recommendations in "5(f)(i). DMA client listing provided to RS for market surveillance and enforcement" in the "Direct Market Access" portion in the "Access to Trading" section of the Report, TSXV confirms that TSXV sends a copy of its internally generated change request concurrently to RS.

If you have any questions, please do not hesitate to contact me.

Yours truly,
TSX VENTURE EXCHANGE INC.



Linda Hohol
President

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