

REGULATION 45-108 RESPECTING CROWDFUNDING

Securities Act

(chapter V-1.1, s. 331.1, par. (1), (2), (3), (4.1), (5), (6.1.2.), (6.2), (8), (9), (11), (12), (14), (19), (20), (25), (26), (28) and (34))

PART 1 DEFINITIONS AND INTERPRETATION

Definitions

1. In this Regulation

“Canadian financial institution” has the same meaning as in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions (chapter V-1.1, r. 21);

“connected issuer” has the same meaning as in section 1.1 of Regulation 33-105 respecting Underwriting Conflicts (chapter V-1.1, r. 11);

“crowdfunding offering document” means the document referred to in section 15 and any document incorporated by reference in such document;

“crowdfunding prospectus exemption” means the exemption from the prospectus requirement in section 7;

“debt security” has the same meaning as in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions;

“director” has the same meaning as in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions;

“distribution period” means the period referred to in the crowdfunding offering document during which an issuer offers its securities to purchasers in reliance on the crowdfunding prospectus exemption and that ends no later than 90 days after the date the issuer first offers its securities to potential purchasers;

“eligible crowdfunding issuer” means an issuer referred to in section 8 ;

“eligible securities” means any of the following:

- (a) a common share;
- (b) a non-convertible preference share;
- (c) a security convertible into securities referred to paragraphs (a) and (b);
- (d) a non-convertible debt security linked to a fixed or floating interest rate;
- (e) a unit of a limited partnership;
- (f) a flow-through share under the ITA;

“executive officer” has the same meaning as in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions;

“interim financial report” means the interim financial report described in subsections 4.3(2) and (2.1) of Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24);

“interim period” has the same meaning as in section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations;

“investment fund” has the same meaning as in Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42);

“issuer access agreement” means an agreement entered into between an issuer and a registered funding portal containing all of the following:

(a) the terms and conditions under which the issuer proposes to offer securities through the registered funding portal;

(b) confirmation that the issuer will comply with the registered funding portal’s posting policies, including confirmation that the information that the issuer provides to the registered funding portal or posts on the registered funding portal’s website will

(i) comply with applicable securities legislation,

(ii) not contain unduly promotional statements or material that cannot be reasonably supported or any misrepresentation,

(iii) be presented in a fair and balanced manner, and

(iv) not be misleading;

(c) confirmation by the issuer that it is responsible for compliance with applicable securities laws, including those pertaining to reliance on prospectus exemptions, the drafting, delivery and filing of offering documents, the filing of reports of exempt distribution and the payment of filing fees;

(d) a requirement for the issuer to prepare and send to its security holders that invest through the registered funding portal’s website annual financial statements and a notice detailing the actual use of the gross proceeds received by the issuer under the crowdfunding prospectus exemption as required under sections 23 and 24;

(e) such other terms and conditions as may be required by the registered funding portal;

“issuer group” means:

(a) the issuer;

(b) an affiliate of the issuer; and

(c) any other issuer that is engaged in a common enterprise with the issuer or with an affiliate of the issuer;

“issuer’s GAAP” has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25);

“marketplace” has the same meaning as in Regulation 21-101 respecting Marketplace Operation (chapter V-1.1, r. 5);

“person” has the same meaning as in section 1.1 of Regulation 45-106 respecting Prospectus and Registration Exemptions;

“posting policies” means policies and procedures established by a registered funding portal governing the information that an issuer may post on the registered funding portal’s website;

“Principal Regulator” has the same meaning as in section 1.3 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10);

“private enterprise” has the same meaning as in section 3.1 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;

“publicly accountable enterprise” has the same meaning as in section 3.1 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;

“public accounting firm” has the same meaning as in section 1.1 of Regulation 52-108 respecting Auditor Oversight (chapter V-1.1, r. 26);

“real estate issuer” means an issuer that is

- (a) a real estate investment trust,
- (b) a mortgage investment entity, or
- (c) a person that primarily invests in, or develops, real estate, or derives its revenues primarily from investments in real estate;

“registered firm” means a registered dealer, a registered adviser, or a registered investment fund manager;

“registered individual” means an individual who is registered

- (a) in a category that authorizes the individual to act as a dealer or an adviser on behalf of a registered firm,
- (b) as an ultimate designated person, or
- (c) as a chief compliance officer;

“registered funding portal” means a person who

- (a) is registered in the category of restricted dealer,
- (b) acts or proposes to act as an intermediary in a distribution of securities made in reliance on the crowdfunding prospectus exemption, and
- (c) is in compliance with the restrictions and obligations imposed on a registered funding portal in Part 3 of this Regulation;

“related issuer” has the same meaning as in section 1.1 of Regulation 33-105 respecting Underwriting Conflicts;

“restricted dealer” means a person registered in the category of restricted dealer;

“restricted portfolio manager” means a person registered in the category of restricted portfolio manager;

“SEC issuer” has the same meaning as in section 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;

“subsidiary” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

“U.S. GAAP” has the same meaning as in section 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

Interpretation of affiliate

2. For the purpose of this Regulation, an issuer is an affiliate of another issuer if
 - (a) one of them is the subsidiary of the other, or
 - (b) each of them is controlled by the same person.

Control

3. For the purpose of this Regulation, a person (first person) is considered to control another person (second person) if
 - (a) the first person beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
 - (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
 - (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

Registration requirement

4. An exemption in this Regulation from the prospectus requirement that refers to a registered dealer is only available for a trade in a security if the dealer is registered in a category that permits the trade described in the exemption.

Definition of trade – Québec

5. For the purpose of this Regulation, in Québec, “trade” refers to any of the following activities:
 - (a) the activities described in the definition of “dealer” in section 5 of the Securities Act (chapter V-1.1), including the following activities:
 - (i) the sale or disposition of a security by onerous title, whether the terms of payment be on margin, installment or otherwise, but does not include a transfer or the giving in guarantee of securities in connection with a debt or the purchase of a security, except as provided in paragraph (b);
 - (ii) participation as a trader in any transaction in a security through the facilities of an exchange or a quotation and trade reporting system;
 - (iii) the receipt by a registrant of an order to buy or sell a security;
 - (b) a transfer or the giving in guarantee of securities of an issuer from the holdings of a control person in connection with a debt.

Language

6. In Québec, an issuer must file a crowdfunding offering document and any other document required to be delivered under this Regulation in French or in French and English.

PART 2 CROWDFUNDING PROSPECTUS EXEMPTION

Division 1 Offering requirements

Crowdfunding prospectus exemption

7. The prospectus requirement does not apply to a distribution by an issuer of securities of its own issue to a purchaser if all of the following apply:

- (a) the securities are eligible securities of an eligible crowdfunding issuer;
- (b) the sum of the following does not exceed \$1,500,000:
 - (i) the aggregate proceeds to be raised under the distribution;
 - (ii) the aggregate proceeds to be raised under a concurrent distribution under the crowdfunding prospectus exemption by any issuer in the issuer group;
 - (iii) the aggregate proceeds received by the issuer group under distributions made in reliance on the crowdfunding prospectus exemption during the 12-month period immediately preceding the beginning of the distribution period;
- (c) the distribution is conducted through a registered funding portal;
- (d) the distribution is made during the distribution period;
- (e) the purchaser purchases the securities as principal;
- (f) at or before the time that the purchaser enters into an agreement to purchase the security,
 - (i) the issuer makes available to the purchaser the crowdfunding offering document through the registered funding portal in compliance with section 15, and
 - (ii) the issuer obtains a signed risk acknowledgement from the purchaser in compliance with section 20.

Availability of crowdfunding prospectus exemption to issuers

8. (1) For the purposes of section 7, an eligible crowdfunding issuer means an issuer if all of the following apply:

- (a) the issuer, and if applicable, the parent and the principal operating subsidiary of the issuer, are incorporated or organized under the laws of Canada or a jurisdiction of Canada;
- (b) the head office of the issuer is situated in Canada;
- (c) a majority of the directors of the issuer are resident in Canada.

(2) Despite subsection (1), a real estate issuer that is not a reporting issuer is not an eligible crowdfunding issuer.

(3) Despite subsection (1), an investment fund is not an eligible crowdfunding issuer.

(4) Despite section 7, the crowdfunding prospectus exemption does not apply to a distribution of an issuer in a distribution period if:

(a) the issuer does not have a written business plan setting out its business or proposed business, its goals or milestones and the plan for reaching those goals or milestones; or

(b) the proceeds of the distribution will be used primarily by the issuer to invest in, merge with or acquire another unspecified business.

(5) Despite section 7, the crowdfunding prospectus exemption does not apply to a distribution of an issuer in a distribution period if the issuer has previously distributed securities in reliance on the crowdfunding prospectus exemption and the issuer is not in compliance with sections 23, 24, 25, 26 and 27 with respect to that distribution.

Investment limits

9. Despite section 7, a distribution of securities to a purchaser may not be made in reliance of the crowdfunding prospectus exemption if

(a) the acquisition cost to the purchaser of securities distributed under the crowdfunding prospectus exemption exceeds \$2,500, or

(b) the sum of the following exceeds \$10,000:

(i) the acquisition cost referred to in paragraph (a);

(ii) the acquisition cost of all other securities previously distributed to the purchaser in the same calendar year in reliance on the crowdfunding prospectus exemption.

Restriction on lending

10. An issuer, or a director or executive officer of the issuer, must not lend or finance, or arrange lending or financing, for a purchaser to purchase securities of the issuer under the crowdfunding prospectus exemption.

Prohibition on distributions through multiple registered funding portals

11. For the purposes of paragraph 7(c), during the distribution period, an issuer must not use more than one registered funding portal to conduct a distribution of securities under the crowdfunding prospectus exemption.

Terms and conditions of securities to be distributed

12. Despite section 7, all securities distributed under the crowdfunding prospectus exemption during a distribution period must have the same price, terms and conditions.

Full subscription of distribution and financial resources available

13. (1) Despite section 7, a distribution in reliance on the crowdfunding prospectus exemption must not be completed by the issuer unless

(a) the minimum amount of funds to be raised under the crowdfunding prospectus exemption, as specified in the crowdfunding offering document, has been subscribed for, and

- (b) at the time of completion of the distribution, the issuer has
 - (i) financial resources sufficient to achieve the next milestone set out in the issuer’s written business plan, or
 - (ii) if the issuer does not have any milestones set out in the issuer’s written business plan, financial resources sufficient to carry out the activities set out in the written business plan.
- (2) For the purposes of subsection (1), the issuer’s financial resources include
 - (a) the net proceeds of the distribution under the crowdfunding prospectus exemption;
 - (b) the net proceeds of any distribution under a prospectus exemption, other than the crowdfunding prospectus exemption; and
 - (c) any other financial resources of the issuer.
- (3) Prior to proceeds being transferred to the issuer, the issuer must confirm to the registered funding portal that the conditions in subsection (1) have been satisfied.

Concurrent distributions under other prospectus exemptions

14. If an issuer distributes a security under a prospectus exemption other than the crowdfunding prospectus exemption during the period beginning on the first day of the distribution period and ending one month after the end of the distribution period, the security must have the same price, terms and conditions as the security distributed under the crowdfunding prospectus exemption.

Disclosure at time of distribution – crowdfunding offering document

- 15.** (1) For the purposes of subparagraph 7(f)(i), a crowdfunding offering document must contain
- (a) the disclosure required by Form 45-108F1, and
 - (b) a certificate signed by the issuer in accordance with the applicable provision of Appendix A, stating: “This offering document does not contain a misrepresentation. Purchasers of securities have rights of action and withdrawal in the case of a misrepresentation.”
- (2) A certificate under paragraph 1(b) must be true as at the date the certificate is signed and as of the date the crowdfunding offering document is made available to a potential purchaser.
- (3) Despite section 7, if a certificate under paragraph (1)(b) ceases to be true after it is made available to a potential purchaser, the issuer must not accept an offer to purchase the security from the purchaser unless
- (a) an amended and restated crowdfunding offering document is posted on the website of the registered funding portal and is made available to the purchaser,
 - (b) the amended and restated crowdfunding offering document contains a newly dated certificate signed by the issuer in accordance with the provisions of Appendix A, and
 - (c) the purchaser reconfirms its offer, or does not withdraw its offer, to purchase the security prior to the end of the distribution period.

(4) A crowdfunding offering document cannot be posted on any website other than the website of the registered funding portal through which the distribution is being conducted.

Disclosure at time of distribution – marketing materials

16. (1) The only materials that may be made available to potential purchasers by an issuer during a distribution period in connection with a distribution under the crowdfunding prospectus exemption are

- (a) the crowdfunding offering document,
- (b) a document that is described in the crowdfunding offering document, and
- (c) a term sheet or other summary, including a video, of the information that is included in the crowdfunding offering document.

(2) The documents referred to in subsection (1) must be made available to potential purchasers through the website of the registered funding portal through which the distribution will be made.

Delivery of distribution materials

17. The issuer must deliver a copy of the documents referred to in subsection 16(1) to the securities regulatory authority at the time that they are posted on the website of the registered funding portal.

Advertising and general solicitation

18. (1) An issuer, the registered funding portal through which a distribution is being made and any other person involved with a distribution under the crowdfunding prospectus exemption must not advertise the distribution or solicit potential purchasers.

- (2) Despite subsection (1), a person referred to in subsection (1) may
 - (a) make the materials referred to in section 16 available to potential purchasers, and
 - (b) advise potential purchasers, including customers and clients of the issuer, that the issuer is proposing to distribute securities under the crowdfunding prospectus exemption and refer the potential purchasers to the website of the registered funding portal through which the distribution will be made.

(3) Despite subsection (1), a registered funding portal may advertise the fact that a distribution in reliance on the crowdfunding prospectus exemption is being made to potential purchasers through the registered funding portal and may carry on the activities contemplated by this Regulation.

Commissions or fees

19. An issuer may not, directly or indirectly, pay a commission, finder's fee, referral fee or similar payment to any person in connection with a distribution in reliance on the crowdfunding prospectus exemption, other than to a registered funding portal.

Risk acknowledgement

20. (1) A risk acknowledgement under paragraph 7(f)(ii) must be in Form 45-108F2.

(2) An issuer must retain the signed risk acknowledgment for 8 years after the distribution.

Division 2 Rights of security holders

Right of withdrawal

21. If the securities legislation of the jurisdiction in which the purchaser resides does not provide a comparable right, an issuer of securities under the crowdfunding prospectus exemption that makes a crowdfunding offering document available to a purchaser must provide the purchaser with a contractual right to withdraw any offer or agreement to purchase the security by delivering a notice to the issuer within at least 48 hours prior to the date of completion of the distribution disclosed in the crowdfunding offering document.

Liability for misrepresentation

22. (1) If the securities legislation of the jurisdiction in which the purchaser resides does not provide a comparable right, an issuer of securities under the crowdfunding prospectus exemption that makes a crowdfunding offering document or any other document or video available to potential purchasers must provide a contractual right of action against the issuer for rescission or damages that

(a) is available to the purchaser if the crowdfunding offering document, other document or video made available to the purchaser contains a misrepresentation, without regard to whether the purchaser relied on the misrepresentation,

(b) is enforceable by the purchaser delivering a notice to the issuer

(i) in the case of an action for rescission, within 180 days after the purchaser agrees to purchase the security, or

(ii) in the case of an action for damages, before the earlier of

(A) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action, or

(B) 3 years after the date the purchaser agrees to purchase the security,

(c) is subject to the defence that the purchaser had knowledge of the misrepresentation,

(d) in the case of an action for damages, provides that the amount recoverable

(i) does not exceed the price at which the security was offered, and

(ii) does not include all or any part of the damages that the issuer proves does not represent the depreciation in value of the security resulting from the misrepresentation, and

(e) is in addition to, and does not detract from, any other right of the purchaser.

(2) In addition to subsection (1), in Québec:

(a) the crowdfunding offering document and any other document or videos that are made available to potential purchasers are documents authorized by the Autorité des marchés financiers for use in lieu of a prospectus;

(b) a crowdfunding offering is considered to be a securities distribution to which a special disclosure scheme is established by regulation under section 64 of the Securities Act.

Division 3 Ongoing disclosure requirements for issuers that have relied on the crowdfunding prospectus exemption

Annual financial statements

23. (1) A reporting issuer that distributes securities under the crowdfunding prospectus exemption must comply with its disclosure obligations under securities legislation, including the requirement to file annual financial statements as and when required under sections 4.1 and 4.2 of Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24).

(2) An issuer that is not a reporting issuer that distributes securities under the crowdfunding prospectus exemption must deliver to the securities regulatory authority and make available to each purchaser, within 120 days after the end of its most recently completed financial year

(a) annual financial statements reviewed by an independent public accounting firm, if the issuer has incurred any expenditures and has

(i) raised an aggregate of \$500,000 or less under the crowdfunding prospectus exemption or any other prospectus exemption since its formation, or

(ii) expended \$150,000 or less since its formation,

(b) annual financial statements audited by an independent public accounting firm, if the issuer has

(i) raised an aggregate of more than \$500,000 under the crowdfunding prospectus exemption or any other prospectus exemption since its formation, and

(ii) expended more than \$150,000 since its formation.

(3) The financial statements referred to in subsection (2) must be prepared in accordance with paragraph (a) of subsection 3.2(1) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25) and include the disclosure required by paragraph (b)(i) of subsection 3.2(1) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

(4) Despite subsection (3), the financial statements of an SEC issuer may be prepared in accordance with U.S. GAAP.

(5) Despite subsection (3), the financial statements of an issuer that is not a publicly accountable enterprise may be prepared in accordance with Canadian GAAP for private enterprises.

(6) The financial statements referred to in paragraph (2)(a) must be reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by a public accounting firm.

(7) The financial statements referred to in paragraph (2)(b) must be audited in compliance with section 3.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards by an auditor that complies with section 3.4 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

(8) Despite paragraph 2(a) and subsections (6) and (7), the financial statements of an SEC issuer may be audited in accordance with section 3.8 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

Annual disclosure of use of proceeds

24. (1) The financial statements of an issuer referred to in section 23 must be accompanied by a notice of the issuer disclosing in reasonable detail the actual use of the gross proceeds received by the issuer under the distribution made under the crowdfunding prospectus exemption.

(2) An issuer is not required to provide a notice referred to in subsection (1) if

(a) it has disclosed in one or more prior notices the actual use of the entire gross proceeds from the distribution under the crowdfunding prospectus exemption, or

(b) it is no longer required to deliver and make available annual financial statements.

Notice of specified events

25. (1) An issuer that is not a reporting issuer that distributes securities in reliance on the crowdfunding prospectus exemption must make available to each holder of a security acquired under the crowdfunding prospectus exemption within 10 days of their occurrence a notice of each of the following events:

(a) a fundamental change in the nature, or a discontinuation, of the issuer's business;

(b) a material change to the issuer's capital structure;

(c) a major reorganization, amalgamation or merger involving the issuer;

(d) a take-over bid, issuer bid or insider bid involving the issuer;

(e) a significant acquisition or disposition of assets, property or joint venture interests;

(f) changes to the issuer's board of directors or executive officers, including the departure of the issuer's chief executive officer, chief financial officer, chief operating officer or president or persons acting in similar capacities.

Period of time for providing ongoing disclosure

26. An issuer that is not a reporting issuer must continue to provide the disclosure required by sections 23 and 25 until the earliest of the following events:

(a) the issuer becomes a reporting issuer;

(b) the issuer ceases to carry on business;

(c) securities of the issuer are beneficially owned, directly or indirectly, by fewer than 51 security holders worldwide that acquired such securities under the crowdfunding prospectus exemption.

Books and records

27. An issuer that is not a reporting issuer that distributes securities under the crowdfunding prospectus exemption must maintain the following books and records

(a) the crowdfunding offering document and the other documents and things described in section 16;

(b) the risk acknowledgement form described in section 20;

(c) the ongoing disclosure documents described in Division 3;

(d) the number of securities issued by the issuer under the crowdfunding prospectus exemption, and the date of issuance and the price per security; and

(e) the names of all security holders of the issuer together with the number and the type of securities held by each security holder.

Market participant

28. In Ontario, a non-reporting issuer that distributes securities in reliance on the crowdfunding prospectus exemption is designated a market participant under the Securities Act.

PART 3

REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING OBLIGATIONS FOR REGISTERED FUNDING PORTALS

Division 1 Obligations of a registered funding portal and its registered individuals

General

29. (1) A registered funding portal and a registered individual of a registered funding portal must comply with the terms, conditions, restrictions or requirements applicable to an exempt market dealer under Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10) except for the following requirements:

(a) section 12.3;

(b) paragraph 13.2(2)(c) ;

(c) section 13.3;

(d) paragraphs 14.2(2)(i), (j), (k) and (m) ;

(e) division 3 of Part 14;

(f) division 4 of Part 14, except for:

(i) section 14.10;

(ii) section 14.11;

(g) division 5 of Part 14, except for section 14.12.

(2) Subsection (1) only applies to a registered funding portal and a registered individual of a registered funding portal if the registered funding portal and the registered individual comply with the terms, conditions, restrictions and requirements in this Regulation.

(3) A registered funding portal and every registered individual of a registered funding portal must deal fairly, honestly and in good faith with purchasers.

Proficiency

30. (1) A registered individual of a registered funding portal must not perform an activity in connection with a distribution of securities made through the registered funding portal unless the individual has the education, training and experience that a reasonable person would consider necessary to perform the activity competently, including understanding the structure, features and risks of each security distributed.

(2) For the purposes of subsection (1), the obligation to understand the structure, features and risks of each security does not include any obligation to assess

- (a) the merits or expected returns of an investment to purchasers, or
- (b) the commercial viability of a proposed business or offering.

Division 2 Permitted and restricted dealing activities

Permitted dealing activities

31. A registered funding portal and every registered individual of the registered funding portal may only act as an intermediary in connection with a distribution of securities made in reliance on the crowdfunding prospectus exemption.

Restricted dealing activities

32. A registered funding portal and its registered individuals must not act as an intermediary in connection with a distribution of or trade in securities of an issuer that is a related issuer of the registered funding portal.

Prohibition on providing recommendations or advice

33. (1) A registered funding portal and its registered individuals must not provide a recommendation or advice to a potential purchaser to purchase securities under the crowdfunding prospectus exemption or in connection with any other trade in a security.

(2) Despite subsection (1), and provided that the following would not be viewed by a reasonable person as an assessment of the quality or commercial viability of a crowdfunding offering, a portal may

- (a) present or display information about an issuer or a crowdfunding offering on its website, if the information is presented or displayed in a fair, balanced and reasonable manner,
- (b) use objective criteria to limit the crowdfunding offerings on its website, provided the objective criteria are disclosed on the website and applied consistently to all offerings on the website,
- (c) prohibit crowdfunding offerings on its website based on a good faith determination that an issuer is not complying with securities law, including the provisions of this Regulation,

(d) assist an issuer in the preparation of an offering document, business plan or other document contemplated by this Regulation, provided that the service is limited to assisting the issuer comply with its disclosure obligations and to ensure the information is presented in a fair, balanced and reasonable manner,

(e) provide general information and educational materials to potential purchasers about crowdfunding offerings, provided that the information and materials is presented in a fair, balanced and reasonable manner,

(f) provide on its website search functions or other tools for potential purchasers to search, sort or categorize crowdfunding offerings available on the funding portal's website according to objective criteria, and

(g) provide communication channels or discussion boards to enable potential purchasers pursuant to a crowdfunding offering, to communicate with one another and with representatives of the issuer about a crowdfunding offering displayed on the funding portal's website provided that communication by a person can be traced back to its author.

Division 3 Portal obligations – issuer access

Issuer access agreement

34. Prior to allowing an issuer to access the registered funding portal's website, the registered funding portal must enter into an issuer access agreement with that issuer.

Personal information forms and background checks

35. (1) Prior to allowing an issuer to access the registered funding portal's website, the registered funding portal must require directors, executive officers and promoters of the issuer

(a) to complete a personal information form that contains substantially the same information as set out in Appendix A to Regulation 41-101 respecting General Prospectus Requirements (chapter V-1.1, r. 14), and

(b) to consent to criminal record and other background checks and the collection of personal information in accordance with applicable privacy legislation.

(2) For the purposes of paragraph (1)(b), the form containing the consent referred to in that paragraph must acknowledge that

(a) the registered funding portal will file, as agent of the issuer, a copy of the completed personal information form and the results of any criminal record or other background checks with the Principal Regulator, and

(b) it is an offence to make a statement in any document required to be filed with the Principal Regulator that, in a material respect, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading.

Criminal record and background checks

36. The registered funding portal must arrange for criminal record and background checks to be conducted on

(a) each individual who is, at the time of application for access, a director, executive officer or promoter of an issuer, and

(b) each individual who subsequently becomes a director, executive officer or promoter of an issuer, in which case section 35 and paragraph (a) apply to in respect of the individual with necessary modifications during the distribution period.

Issuers' access refusal – general

37. Prior to allowing an issuer to access the registered funding portal's website, a registered funding portal must

- (a) review the information referred to in sections 35 and 36;
- (b) make a good faith determination that it does not appear that
 - (i) the issuer or the offering is a fraud,
 - (ii) the issuer's offering documents or other materials contain a statement or information that is false, deceptive, misleading or that constitutes a misrepresentation,
 - (iii) the business of the issuer may not be conducted with integrity and in the best interests of security holders because of the past conduct of
 - (A) the issuer, or
 - (B) any of the issuer's executive officers, directors or promoters,
 - (iv) the issuer is not complying with this Regulation; and
- (c) if it appears to the portal that, based upon its review of the issuer's application for access, completed personal information forms and the results of the criminal records and background checks, any of the following is true, ensure that such information is disclosed in the issuer's crowdfunding offering document:
 - (i) a director or executive officer of the issuer is or has been, within 10 years before the date of the personal information form, a director or executive officer of an issuer that is or has been
 - (A) subject to a cease trade order or similar order, or
 - (B) bankrupt or subject to a similar insolvency proceeding;
 - (ii) a director or executive officer of the issuer is or has been, within 10 years before the date of such personal information form, bankrupt or subject to a similar insolvency proceeding;
 - (iii) a director or executive officer of the issuer is or has been subject to
 - (A) penalties or sanctions imposed by a court relating to contraventions of securities legislation or by a securities regulatory authority or who entered into a settlement agreement with a securities regulatory authority, or
 - (B) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable purchaser in making an investment decision.

Issuers' access refusal – misleading disclosure

38. A registered funding portal must not include on its website any offering document or information that appears to be false, deceptive, misleading or contains a

misrepresentation and must terminate any offering and report immediately to the Principal Regulator if fraud is discovered during the distribution period.

Restriction on cross ownership

39. A registered funding portal must not allow an issuer access to the funding portal's website if the registered funding portal, or any officer, director or significant shareholder of the registered funding portal or of any affiliate of the registered funding portal

(a) has beneficial ownership of, or control or direction over, more than 10% of the issued and outstanding securities of the issuer, or securities convertible into securities of the issuer, or

(b) except as permitted under clause (a), otherwise has an economic interest in the issuer.

Division 4 General portal obligations and prohibited activities

Required website disclosure

40. A registered funding portal must

(a) take reasonable steps to ensure that potential purchaser accessing the registered funding portal's website understands the high risk nature of any investment made under the crowdfunding prospectus exemption,

(b) include on its website prominent disclosure that discloses

(i) no securities regulatory authority or regulator has approved or expressed an opinion about the securities offered on the registered funding portal's website,

(ii) "A crowdfunding investment is highly risky. You may lose all your investment and you may not be able to sell any securities you purchase.",

(iii) all compensation, including fees, costs and other expenses that the registered funding portal may charge to, or impose on, an issuer or purchaser.

Monitoring purchaser communications

41. If a registered funding portal establishes on its website a communication channel by which potential purchasers may communicate with one another and with representatives of the issuer about offerings of securities displayed on the website, the registered funding portal must monitor postings to confirm that the issuer is not making any statement or providing information that is inconsistent with the crowdfunding offering document or is not in compliance with this Regulation and remove any material that it deems inappropriate, or that raises investor protection concerns.

Prohibition on holding, handling or having access to purchaser funds or assets

42. A registered funding portal and every registered individual of the registered funding portal must not hold, handle or have access to purchaser funds or assets.

Custodial arrangements

43. (1) The portal must arrange for a Canadian financial institution

(a) to hold in trust all funds or consideration received from a potential purchaser in connection with a distribution of a security under the crowdfunding prospectus exemption until midnight on the second business day after the purchaser agrees to purchase the security, and

(b) to return all funds or consideration to the purchaser promptly if the purchaser exercises the right to cancel the agreement to purchase the security described under section 21.

(2) The registered funding portal must confirm that the conditions in section 13 have been satisfied.

Insurance

44. The registered funding portal must maintain fidelity bonding or insurance of

(a) \$50,000 per employee, agent and dealing representative or \$200,000, whichever is less, and

(b) such other amount as may be determined by the regulator.

Restriction on lending

45. A registered funding portal, or a director or executive officer of the registered funding portal, must not lend or finance, or arrange lending or financing, for a purchaser to purchase securities of an issuer under the crowdfunding prospectus exemption.

Restrictions on referral agreements

46. A registered funding portal must not participate in a “referral arrangement” as such term is defined in section 13.7 of Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10), except that a registered funding portal may compensate a third party for referring an issuer to the registered funding portal.

PART 4 REPORTING REQUIREMENTS

Report of exempt distribution

47. (1) An issuer that distributes securities under section 7 must file a report within 10 days of completion of the distribution.

(2) The required form of report under subsection (1) is

(a) in Saskatchewan, Ontario and New Brunswick, Form 45-106F11;

(b) in Manitoba, Nova Scotia and Québec, Form 45-106F1.

Registered funding portal reporting requirement

48. A registered funding portal must provide within 30 days of the end of each quarter of its financial year to the Principal Regulator a report on

(a) the amounts raised through offerings on the portal that were successfully completed within the quarter based on information received from issuers, on a per offering basis, including the name of the issuer, details on the type and amount of the offering, the industry of the issuer and the number of purchasers participating in each such offering,

(b) the names and types of issuers given access to the portal and the types of offerings posted on the portal,

(c) the names and types of issuers denied access to the portal at the time of initial application and the reasons for denial of access,

(d) the names and types of issuers granted access to the portal at the time of initial application that were subsequently removed from the portal and the reasons for removal,

(e) the names of issuers who have not complied with ongoing disclosure obligations to purchasers, and

(f) such other information as the Principal Regulator may reasonably request.

PART 5 EXEMPTION

Exemption

49. (1) Subject to subsection (2), the regulator or the securities regulatory authority may grant an exemption to this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) In Ontario, only the regulator may grant an exemption and only from Part 3 and Part 4, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of Regulation 14-101 respecting Definitions (chapter V-1.1, r. 3) opposite the name of the local jurisdiction.

PART 6 COMING INTO FORCE

Effective date

50. This Regulation comes into force on •.

APPENDIX A
SIGNING REQUIREMENTS FOR CERTIFICATE OF A CROWDFUNDING OFFERING DOCUMENT REFERRED TO IN SECTION 15

1. If the issuer is a company, a certificate under paragraph 15(1)(b) of the Regulation complies with this section if it is signed

(a) by the issuer's chief executive officer and chief financial officer or, if the issuer does not have a chief executive officer or chief financial officer, an individual acting in that capacity,

(b) on behalf of the directors of the issuer, by

(i) any 2 directors who are authorized to sign, other than the persons referred to in paragraph (a), or

(ii) all the directors of the issuer, and

(c) by each promoter of the issuer.

2. If the issuer is a trust, a certificate under paragraph 15(1)(b) of the Regulation complies with this section if it is signed by

(a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company, and

(b) each trustee and the manager of the issuer.

3. A certificate under paragraph 15(1)(b) of the Regulation complies with this section

(a) if a trustee or manager signing the certificate is an individual, the individual signs the certificate,

(b) if a trustee or manager signing the certificate is a company, the certificate is signed

(i) by the chief executive officer and the chief financial officer of the trustee or the manager, and

(ii) on behalf of the board of directors of the trustee or the manager, by

(A) any 2 directors of the trustee or the manager, other than the persons referred to in subparagraph (i), or

(B) all of the directors of the trustee or the manager,

(c) if a trustee or manager signing the certificate is a limited partnership, the certificate is signed by each general partner of the limited partnership as described in section 5 in relation to an issuer that is a limited partnership, or

(d) in any other case, the certificate is signed by any person with authority to act on behalf of the trustee or the manager.

4. Despite sections 2 and 3, if the trustees of an issuer, do not perform functions for the issuer similar to those performed by the directors of a company, the trustees are not required to sign the certificate of the issuer if at least 2 functions for the issuer similar to those performed by the directors of a company sign the certificate.

5. If the issuer is a limited partnership, a certificate under paragraph 15(1)(b) of the Regulation complies with this section if it is signed by

(a) each individual who performs a function for the issuer similar to any of those performed by the chief executive officer or the chief financial officer of a company, and

(b) each general partner of the issuer.

6. A certificate under paragraph 15(1)(b) of the Regulation complies with this section

(a) if a general partner of the issuer is an individual, the individual signs the certificate,

(b) if a general partner of the issuer is a company, the certificate is signed

(i) by the chief executive officer and the chief financial officer of the general partner, and

(ii) on behalf of the board of directors of the general partner, by

(A) any 2 directors of the general partner, other than the persons referred to in subparagraph (i), or

(B) all of the directors of the general partner,

(c) if a general partner of the issuer is a limited partnership, the certificate is signed by each general partner of the limited partnership and, for greater certainty, this section applies to each general partner required to sign,

(d) if a general partner of the issuer is a trust, the certificate is signed by the trustees of the general partner as described in section 7 in relation to an issuer that is a trust, or

(e) in any other case where there is a general partner of the issuer, the certificate is signed by any person with authority to act on behalf of the general partner.

7. If an issuer is not a company, trust or limited partnership, a certificate under paragraph 15(1)(b) of the Regulation complies with this section if it is signed by the persons that, in relation to the issuer, are in a similar position or perform a similar function to any of the persons referred to in section 1, 2, 3, 4, 5 or 6.

FORM 45-108F1 CROWDFUNDING OFFERING DOCUMENT

Instructions

This Form contains the disclosure items that an entity distributing securities under the crowdfunding prospectus exemption (the **issuer** or **you**) must include in a crowdfunding offering document. If any disclosure item is not applicable, include the relevant heading and state “Not applicable” under it.

Use plain language and focus on relevant information that would assist investors in making an investment decision. Use tables, charts and other graphic methods of presenting information if this will make information easier to understand. A longer document is not necessarily a better document.

ITEM 1 REQUIRED STATEMENTS

1.1 Warning

Include the following text at the top of this crowdfunding offering document.

“WARNING TO INVESTORS

This document is intended to help you decide whether or not to make a crowdfunding investment in this issuer. **Read this document carefully before making any investment decision.**

You should understand the following before you make an investment:

- **Many start-ups and small businesses fail.** Investing in these entities through crowdfunding involves a high degree of risk, and you should not invest in this offering unless you can afford to lose your entire investment.
- **You may not be able to resell your securities.** Securities of start-ups and small businesses are difficult to sell. The securities are subject to resale restrictions under securities legislation.
- **You may receive limited ongoing information about the issuer’s performance.** Unless the issuer is a reporting issuer, you will receive limited ongoing information about how the issuer’s business is performing.
- **No securities regulatory authority has reviewed this offering.** No securities regulatory authority has reviewed this crowdfunding offering document for its truth or accuracy. No securities regulatory authority has reviewed the business or management of the issuer, the securities being offered or any other aspect of this offering.”

ITEM 2 FINANCING FACTS

2.1 Offering summary

Provide the following information in the format set out below:

Offering Details

Issuer information	
Full legal name of issuer	
Legal status (form of entity and jurisdiction of organization)	
Date of organization	
Reporting issuer (yes/no)	
Offering information	
Type of securities being offered	
Additional rewards or benefits that are not securities	
Offering start date	
Offering closing date	
Name of any person promoting or marketing this offering	
Registered funding portal	
Name of registered funding portal	
Full website address of registered funding portal	

Amount of offering

Number or principal amount of securities being offered⁽¹⁾ \$ _____

Offering price per security \$ _____

Total amount of offering \$ _____

Estimated expenses of offering

Fees to be paid to registered funding portal⁽²⁾ \$ _____

Other expenses of offering, if any⁽³⁾ \$ _____

Total estimated expenses of offering \$ _____

Estimated net proceeds of offering \$ _____

(1) This information relates to the minimum number or principal amount of securities being offered. Disclose whether there is a maximum number or principal amount of securities being offered.

(2) Disclose the estimated number and value of the issuer's securities to be issued, if any, in consideration for all or a portion of the portal's fees.

(3) State the nature of each expense, the estimated amount of the expense and to whom it is being paid.

2.2 Description of securities offered and relevant rights

Basic information about securities

Provide basic information about the rights and characteristics of the securities being offered, including:

- (a) dividend rights,
- (b) voting rights,
- (c) interest rates (if applicable), and
- (d) conversion rights (if applicable).

Other rights or obligations

State whether investors will have protections such as tag-along or pre-emptive rights. If no such rights will be provided or are minimal in nature, explain:

- (a) the risks associated with being a minority security holder, and
- (b) that the absence of such rights affects the value of the securities.

Dilution

Include the following statement:

“The rights of purchasers of the securities under this offering may be diluted or negatively affected as a result of a number of factors, including the rights and characteristics of other securities already issued by the issuer, future issuances of securities by the issuer, and potential changes to the capital structure and/or control of the issuer.”

2.3 Ability to resell securities

Disclose:

- (a) whether there is any market for the securities and the impact on an investor’s ability to resell the securities, and
- (b) the applicable resale restrictions under securities legislation.

2.4 Rights of action for misrepresentation and right of withdrawal

State that an investor has the following contractual rights:

- (a) a right of action for damages or rescission if this crowdfunding offering document, or any document or video made available to a purchaser in addition to this crowdfunding offering document, contains a misrepresentation, and
- (b) a right to withdraw from a purchase of securities offered by this crowdfunding offering document.

Explain how an investor can exercise each of the above rights, including who an investor needs to contact, how an investor can contact such person and the deadline for an investor to do so. You may choose to include a link to the relevant portion of the registered funding portal’s website.

2.5 Concurrent offerings

Provide the following information about each concurrent offering by the issuer during the period beginning on the first day of the distribution period of this offering and ending one month after the end of the distribution period of this offering:

Type of securities being offered	
Proposed size of concurrent offering	
Proposed closing date of concurrent offering	
Price of securities offered in concurrent offering	

2.6 Use of proceeds

Minimum subscription

State the minimum funds to be raised in this offering.

Use of proceeds

State in a table how you intend to spend the net proceeds to be raised from this offering, including the principal purposes to which proceeds will be allocated, for both of the following circumstances:

- (a) if you raise the minimum funds to be raised in this offering, and
- (b) if you raise more than the minimum funds.

Proceeds for insiders and related parties

Disclose if any of the following persons will receive any proceeds from this offering, directly or indirectly and, if so, the amount each person will receive:

- (a) any of your executive officers, directors or founders,
- (b) a person promoting or marketing this offering,
- (c) a person who owns 20% or more of your voting securities, or
- (d) any other person that is a related party to you.

2.7 Ability to achieve next milestone or business plan

State your current financial resources (not including the proceeds from this offering). Explain how the net proceeds of this offering, the net proceeds of any concurrent offering, and your current financial resources will enable you to achieve the next milestone in your business plan or, if there are no milestones in your business plan, to carry out the activities that are set out in the plan as disclosed in Item 3 – Issuer Facts.

2.8 Other crowdfunding offerings

Provide the following information for all previous crowdfunding offerings (both completed offerings and offerings that were commenced but were not completed) made by you, your affiliate or any other entity that is engaged in common enterprise with you or your affiliate:

For crowdfunding offerings that were commenced but not completed:

- (a) the date that each offering was discontinued,

For completed crowdfunding offerings:

- (b) the date that each offering commenced and the date each offering was completed,
- (c) the registered funding portal through which the offering was made,
- (d) the offering amount stated in the relevant crowdfunding offering document and the actual amount raised, and
- (e) the intended use of proceeds stated in the relevant crowdfunding offering document and the actual use of proceeds.

2.9 Persons promoting and marketing this offering

State the name of each person promoting and marketing this offering. Include a link to any other crowdfunding offerings that the person has been involved with in a similar capacity within the past 2 years.

ITEM 3 ISSUER FACTS

3.1 Business of the issuer

Briefly describe:

- (a) your business or proposed business,
- (b) your business plan, including any goals or milestones in your business plan,
- (c) how your business has evolved over the last 2 years (or, if you were founded less than 2 years ago, since your formation), including your activities over that period of time, advancements in achieving your business plan and the current status of your business relative to your business plan, and
- (d) if applicable, the next milestone in your business plan, the anticipated length of time to achieve the milestone and the total cost and a breakdown of the key expenditures to achieve the milestone.

3.2 Principal risks facing the business

State no more than the 6 most important risks facing your business that could result in an investor losing the value of the investor's investment. The risks should be disclosed in order of most to least significant. These risks should exclude the general risks identified under "Warning to Investors" on the first page of this crowdfunding offering document.

In addition to discussing the principal risks in this crowdfunding offering document, reporting issuers may refer to the risk disclosure in their continuous disclosure documents (for example, their annual information form or MD&A).

3.3 Financial information

Reporting issuer

If you are a reporting issuer, attach as an appendix to this crowdfunding offering document:

(a) the most recent annual financial statements you have filed with the securities regulatory authority, and

(b) each of the most recent interim financial reports you have filed with the securities regulatory authority for an interim period that is subsequent to the financial year covered by the annual financial statements referred to in paragraph (a).

Non-reporting issuer

If you are not a reporting issuer, attach as an appendix to this crowdfunding offering document:

(a) if you have not yet incurred any expenditures and your only asset is cash, disclosure of the amount of cash you have, together with a third party confirmation of your cash in a bank account or held in trust,

(b) annual financial statements reviewed by an independent public accounting firm, if you have incurred any expenditures and have either:

(i) raised \$500,000 or less under the crowdfunding prospectus exemption or any other prospectus exemption since your formation, or

(ii) expended \$150,000 or less since your formation, or

(c) annual financial statements audited by an independent public accounting firm, if you have

(i) raised more than \$500,000 under the crowdfunding prospectus exemption or any other prospectus exemption since your formation, and

(ii) expended more than \$150,000 since your formation.

Accounting principles

The financial statements referred to in paragraphs (b) and (c) must be prepared in accordance with paragraph (a) of subsection 3.2(1) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25) and include the disclosure required by paragraph (b)(i) of subsection 3.2(1) of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards, subject to the following two exceptions:

(a) the financial statements of an SEC issuer may be prepared in accordance with U.S. GAAP, and

(b) the financial statements of an issuer that is not a publicly accountable enterprise may be prepared in accordance with Canadian GAAP for private enterprises.

Review and auditing standards

The financial statements referred to in paragraph (b) must be reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by a public accounting firm.

The financial statements referred to in paragraph (c) must be audited in compliance with section 3.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards by an auditor that complies with section 3.4 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

Despite the above, the financial statements of an SEC issuer that are otherwise required to be reviewed or audited by an independent public accounting firm as set out above, may be audited in accordance with section 3.8 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

3.4 Ongoing disclosure

Reporting issuer

If you are a reporting issuer, state that you are subject to reporting obligations under securities legislation and explain how an investor can access your continuous disclosure documents.

Non-reporting issuer

If you are not a reporting issuer:

(a) state that you have limited disclosure obligations under securities legislation and that you are required to provide only annual financial statements, annual disclosure regarding use of proceeds and notice of certain specified events,

(b) state the nature and frequency of any other disclosure you intend to provide to investors, and

(c) explain how investors can access the disclosure documents referred to in paragraphs (a) and (b).

3.5 Mining issuer disclosure

If you are a mining issuer, state that you are subject to the requirements of Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (chapter V-1.1, r. 15).

3.6 Capital structure

Disclose your capital structure, including the terms and conditions of any other securities that are issued and outstanding as of the date of this crowdfunding offering document.

3.7 Executive officers, directors and other principals

Background of executive officers and directors

Provide the following information in the format set out below for each of your executive officers and directors:

Name and position at issuer	Principal occupation for the last 2 years	Any expertise, education and/or experience that will contribute to the issuer achieving its business objectives, including the next milestone (if the issuer has one)

Cease trade orders, bankruptcies and insolvencies, penalties and sanctions

For each of your executive officers and directors, state whether he or she is or has been:

(a) within the last 10 years, a director or executive officer of an issuer that is or has been subject to a cease trade order or similar order, or bankrupt or subject to a similar insolvency proceeding,

(b) within the last 10 years, bankrupt or subject to a similar insolvency proceeding, or

(c) at any time subject to

(i) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or who entered into a settlement agreement with a securities regulatory authority, or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Investment by executive officers, directors and principals

Provide the following information in the format set out below for each of the following persons:

(a) each of your executive officers, directors and founders,

(b) any person promoting or marketing this offering,

(c) any person who owns more than 20% of your voting securities, and

(d) any other person that is related to you.

Name and relationship to issuer	Number and type of securities owned	Date securities were acquired and price of securities	Percentage of the issuer's securities held as of the date of this crowdfunding offering document (on a fully diluted basis)

3.8 Management compensation

Reporting issuer

If you are a reporting issuer, provide a cross reference to the disclosure provided for purposes of Item 3 of Form 51-102F6 Statement of Executive Compensation (Form 51-102F6) and also any other cross-references to other information disclosed in the issuer’s Form 51-102F6 as needed.

Non-reporting issuer

If you are a non-reporting issuer, provide the following information for each director and the 3 most highly compensated executive officers (or all executive officers if you have fewer than 3) in the format set out below:

Name of person and position at issuer	Total amount of compensation paid to that person during the 12 month period preceding commencement of this offering	Total amount of compensation expected to be paid to that person during the 12 month period following closing of this offering

3.9 Related party transactions

Describe any significant transactions that have occurred between you and any of the following persons during the 12 months preceding the date of this crowdfunding offering document:

- (a) any of your executive officers, directors or founders,
- (b) a person promoting or marketing this offering,
- (c) a person who owns 20% of more of your voting securities, or
- (d) any other person that is a related party to you.

For each transaction, include details of the transaction including the nature of the goods, services or other consideration that were exchanged and how they were valued.

3.10 Other relevant information

State any other facts that would likely be important to an investor purchasing securities under this crowdfunding offering document.

**ITEM 4
REGISTRANT FACTS**

4.1 Registered funding portal

State that you are using the services of a registered funding portal to offer your securities and provide the following information about the registered funding portal:

- (a) its full legal name, and
- (b) all compensation that the registered funding portal is receiving in connection with this offering.

Include the following statement:

“An investor can check the registered funding portal’s registration status and history at the following website: www.aretheyregistered.ca”

**ITEM 5
CONTACT INFORMATION**

5.1 Contact information for the issuer

Provide your contact information in the format set out below:

Full name of contact person	
Street address	
City	
Province or territory	
Canada	
Postal code	
Business telephone number	
Business email address of issuer	

5.2 Contact information for the registered funding portal

Provide the contact information of the registered funding portal in the format set out below:

Full name of contact person	
Street address	
City	
Province, territory, state or other equivalent	
Country	
Postal/zip code	
Business telephone number	
Business email address of registered funding portal	

CERTIFICATE

Insert the date of this crowdfunding offering document and include the following statement:

“This crowdfunding offering document does not contain a misrepresentation.”

Sign this crowdfunding offering document in accordance with section 15 and Appendix A to Regulation 45-108 respecting Crowdfunding.

**FORM 45-108F2
RISK ACKNOWLEDGEMENT FORM FOR CROWDFUNDING INVESTORS**

WARNING TO INVESTORS

TO BE COMPLETED BY THE PURCHASER:

1. Acknowledgement of risk	
I acknowledge that this is a very risky investment. I could lose all of the \$ _____ <i>[insert amount being invested, including any amounts you have agreed to pay in the future]</i> I invest.	
I understand that I may never be able to sell these securities and I will be provided with less disclosure than public companies are required to provide to their investors. <i>[Instruction: Delete if issuer is a reporting issuer.]</i>	
I acknowledge that, because I am purchasing this investment under a prospectus exemption, I will not have the benefit of protections under securities law for investments made under a prospectus.	
I understand that borrowing money to invest increases the risk of my investment because I will be responsible for repaying the borrowed money and any interest owing even if I lose all of the money I invest.	
The portal is not allowed to recommend or provide me with investment advice about any offering that is posted on its website. I understand that the portal will not be responsible if I lose all or part of the money I invest.	
First and last name (please print):	
Signature: By clicking the [I confirm] button, I acknowledge that I am signing this form electronically and agree that this is the legal equivalent of my handwritten signature. I will not at any time in the future claim that my electronic signature is not legally binding.	
Date:	

2. What I am buying	
Number and type of securities:	
Name of issuer:	
I understand that \$ _____ of my total investment is being paid to the registered funding portal as a fee or commission.	
Initial by the purchaser: By clicking the [I confirm] button, I acknowledge that I am initialling this form electronically and agree that this is the legal equivalent of my handwritten initials. I will not at any time in the future claim that my electronic initials are not legally binding.	

3. Investment limits that I am subject to	
	Purchaser's initials*
I acknowledge that my investment of \$ _____ today in this issuer, is not more than \$2,500.	
I acknowledge that I cannot invest more than \$10,000 during this calendar year in investments made under the crowdfunding exemption. I confirm that, after taking into account my investment of \$ _____ today in this issuer, I have not exceeded my investment limit.	

** By clicking the [I confirm] button, I acknowledge that I am initialling this form electronically and agree that this is the legal equivalent of my handwritten initials.*

TO BE COMPLETED BY THE REGISTERED FUNDING PORTAL: *[Instruction: The registered funding portal must complete this section before delivering this form to the purchaser. An executive officer acting on behalf of the registered funding portal must sign below.]*

4. How to contact the registered funding portal
Name and address of portal*:
First and last name of contact person:
Phone number:
Email address:
Signature of executive officer of registered funding portal: By clicking the [I confirm] button, I acknowledge that I am signing this form electronically and agree that this is the legal equivalent of my handwritten signature. I will not at any time in the future claim that my electronic signature is not legally binding.

**A purchaser can check the portal's registration status and history at the following website: www.aretheyregistered.ca*

TO BE COMPLETED BY THE ISSUER: *[Instruction: The issuer must complete this section before delivering this form to the purchaser. An executive officer acting on behalf of the issuer must sign below.]*

5. How to contact the issuer
Name and address of issuer:
First and last name of contact person:
Phone number:
Email address:
Signature of executive officer of issuer: By clicking the [I confirm] button, I acknowledge that I am signing this form electronically and agree that this is the legal equivalent of my handwritten signature. I will not at any time in the future claim that my electronic signature is not legally binding.

Form Instructions:

- 1. This form may be presented to purchasers online through the registered funding portal.*
- 2. The purchaser, issuer and registered funding portal must electronically sign this form. Each of the purchaser, issuer and registered funding portal must receive a signed copy of this form. The issuer and the registered funding portal are required to keep a completed signed copy of this form for 8 years after the distribution.*