

Section 1

Identification questions submitted via e-form through the CSA website

October 8, 2026 - Delivered via e-form through the CSA website

Publication title

CSA Consultation Paper 51-406 Modernizing the Regulation of Public Companies

Comment addressed to participating jurisdictions:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Nunavut

Identification

Submitter requested to remain anonymous

Instrument Number:

51-406

Publication Date:

07/17/2026

Are you commenting on behalf of an organization?

No



October 8th, 2026

CSA: Canadian Securities Administrators

Tour de la Bourse
2010-800, Square Victoria
Montreal, Quebec H3C0 B4

Dear Administrator:

RE: CSA Consultation Paper 51-406 Modernizing the Regulation of Public Companies

In response to your request for comments I provide the following responses to your questions. I have tried to use your numbering system for my answers:

A: Proportional regulation

A1: I think the venture issuer designation should remain and not be changed

A2: The motivating factor of which exchange to be listed on is often determined by the stage of growth of the company. For a quickly growing company with several expected transactions being acquisitions or financings the TSXV offers more flexibility. Once an issuer has achieved a certain stage of growth it would graduate to the TSX for greater status and hopeful inclusion in indexes.

The less stringent requirements on filing deadlines and other filings does allow a growing company to meet all of its obligations in a timely manner.

A3: Given I support the status quo I do not see the need to be moving back and forth between obligation requirements.

A4: Again, I do not think that the tests should be measured individually as markets change quickly as do results of companies development.

A5: Issuers should be allowed to choose their place of listing assuming they meet the listing requirements.

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A6: Not to my knowledge.

B: Alternative Financial Reporting Requirements

B1: I think it is a good idea to lessen some of the more onerous requirements which can cost a lot of money to comply with but are mostly irrelevant to the business or value of the Issuer.

B2: If the Issuer has not achieved meaningful revenue and is predominately in the development stage, the requirement to apply complicated valuation techniques is costly and not relevant to the status of the company.

B3: The treatment of certain financing mechanisms like convertible securities and warrants that then are treated as derivatives and need to be marked to market is a major disconnect from reality. Also, functional currency valuations requirement is also a waste of money and results. The valuation of stock options is a major problem as the Black Scholes Model is not meant to be used with a volatility of more than 40%. The accounting firms have not found a more reasonable model. The venture issuers are by definition volatile especially as they become more active but applying a 275% volatility is ridiculous. As an example, in one such calculation of a warrant value the warrant attached to a \$0.20 unit was valued at \$0.22, therefore implying the shares were worth negative \$0.02.

B4: Cash, liabilities and amount spent on development. Also, the capital table with issued capital, options and warrants. Once revenue is established then the revenue versus cost of goods and depreciation become important.

C: Hold Periods for Private Placements by Reporting Issuers

C1: I agree with the analysis of the evolution of the private placement market and agree a review is beneficial. The LIFE financing is a classic example of good evolution.

C2: I was supportive of the 2004 proposal and given the development since then it should work now. LIFE and ATM's are in essence the same result as the 2004 proposal.

C3: The advantage is the shares don't enter the market right away. A downside is 4 months later shareholders wonder why the stock is down on good news or no news. The market is not always aware that the hold periods expiring is about to happen.

C4: I think easier to continue to expand the ways LIFE can be used.

C5: They would lose their appeal and the only real due diligence would come from the Agents. Of course, the BCSC conducts spot audits of disclosure which also helps.



C6: The civil liability regime is seldom used except by law firms who specialized in ambulance chasing to extract fees. It is often cheaper to pay them off than engage in a legal battle. To my knowledge very few cases get recognized by the courts.

C7: It might help but I think it should be a level playing field for all investors.

C9: It is true some can't do subscription receipts or other alternative measures.

C10: Yes.

C11: That should apply to all financings.

C12: Yes, that would not be a true purchase for investment purposes.

C13: It should not be a requirement to use a dealer.

C14: Yes.

D: Material Change Reporting

D1: No, get rid of MCR's.

D2: No, news release does the job.

D3: Yes, news release only.

D4: Yes, removes redundancy and trying to determine whether one is necessary.

D5: No.

D6: No.

D7: News release is sufficient.

E: Development's in the US

E1: No, I think it is beneficial for Issuers to remain current and the investors have access to key information like cash and liabilities.

E2: Less work for the issuers, however they then have to "catch up" and may not have the bandwidth. Investors would be left in the dark with significant time between reports.

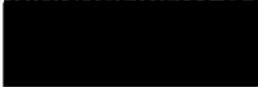


F: Feedback

F1: B and C would provide the most positive effect.

Yours truly,

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Gordon Keep
President & CEO

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