

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

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chapter V-1.1, r. 21

REGULATION 45-106 RESPECTING PROSPECTUS EXEMPTIONS

M.O. 2009-05, Title; M.O. 2015-05, s. 1.

Securities Act

(chapter V-1.1, s. 331.1)

Text boxes in this Regulation located above sections 2.1 to 2.5, 2.7 to 2.21, 2.24, 2.26, 2.27, and 2.30 to 2.43 refer to Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These text boxes do not form part of this Regulation and have no official status.

PART 1 **DEFINITIONS AND INTERPRETATION**

1.1. Definitions

In this Regulation

“accredited investor” means

- (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;*
- (b) except in Ontario, the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (S.C., 1995, c. 28);*
- (c) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;*
- (d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;*
- (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);*
 - (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the Securities Act (R.S.O., 1990, chapter S.5) of Ontario or the Securities Act (R.S.N.L., 1990, chapter S-13) of Newfoundland and Labrador,*

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(f) *except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;*

(g) *except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;*

(h) *except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;*

(i) *except in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;*

(j) *an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000;*

(j.1) *an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5 000 000;*

(k) *an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;*

(l) *an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;*

(m) *a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;*

(n) *an investment fund that distributes or has distributed its securities only to*

(i) *a person that is or was an accredited investor at the time of the distribution,*

(ii) *a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds], or*

(iii) *a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment];*

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(o) *an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;*

(p) *a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (S.C. 1991, c. 45) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;*

(q) *a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;*

(r) *a registered charity under the Income Tax Act (R.S.C. 1985, c. 1 (5th Supp.)) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;*

(s) *an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;*

(t) *a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;*

(u) *an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser, or*

(v) *a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor;*

(w) *a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse;*

"acquisition date" has the same meaning as in the issuer's GAAP;

"AIF" means

(a) *an AIF as defined in Regulation 51-102 respecting Continuous Obligations (chapter V-1.1, r. 24);*

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(b) a prospectus filed in a jurisdiction, other than a prospectus filed under a CPC instrument, if the issuer has not filed or been required to file an AIF or annual financial statements under Regulation 51-102 respecting Continuous Disclosure Obligations, or

(c) a QT circular if the issuer has not filed or been required to file annual financial statements under Regulation 51-102 respecting Continuous Disclosure Obligations subsequent to filing a QT circular;

“asset pool” means a pool of cash-flow generating assets in which an issuer of a securitized product has a direct or indirect ownership or security interest;

“asset transaction” means a transaction or series of transactions in which a conduit acquires a direct or indirect ownership or security interest in an asset pool in connection with issuing a short-term securitized product;

“bank” means a bank named in Schedule I or II of the Bank Act (S.C. 1991, c. 46);

“Canadian financial institution” means

(a) an association governed by the Cooperative Credit Associations Act (S.C. 1991, c. 48) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

“collective investment vehicle” means either of the following:

(a) an investment fund;

(b) any other issuer the primary purpose of which is to invest money provided by its security holders in a portfolio of securities other than securities of subsidiaries of the issuer;

“conduit” means an issuer of a short-term securitized product

(a) created to conduct one or more asset transactions, and

(b) in respect of which it is reasonable for the issuer to expect that, in the event of a bankruptcy or insolvency proceeding under the Bankruptcy and Insolvency Act (R.S.C. 1985, c. B-3), the Companies Creditors’ Arrangement Act (R.S.C. 1985, c. C-36) or a proceeding under similar legislation in Canada, a jurisdiction of Canada or a foreign jurisdiction,

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(i) none of the assets in an asset pool of the issuer in which the issuer has an ownership interest will be consolidated with the assets of a third party that transferred or participated in the transfer of assets to the issuer prior to satisfaction in full of all securitized products that are backed in whole or in part by the assets transferred by the third party, or

(ii) for the assets in an asset pool of the issuer in which the issuer has a security interest, the issuer will realize against the assets in that asset pool in priority to the claims of other persons;

“CPC instrument” means a rule, regulation or policy of the TSX Venture Exchange Inc. that applies only to capital pool companies, and, in Quebec, includes Policy Statement 41-601Q, Capital Pool Companies (Decision 2011-C-0209, 2011-12-14);

“credit enhancement” means a method used to reduce the credit risk of a series or class of securitized product;

“debt security” means any bond, debenture, note or similar instrument representing indebtedness, whether secured or unsecured;

“designated rating” has the same meaning as in Regulation 81-102 respecting Investment Funds (chapter V-1.1, r. 39);

“designated rating organization” has the same meaning as in Regulation 44-101 respecting Short Form Prospectus Distributions (chapter V-1.1, r. 16);

“director” means

(a) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

“DRO affiliate” has the same meaning as in section 1 of Regulation 25-101 respecting Designated Rating Organizations (chapter V-1.1, r. 8.1);

“eligibility adviser” means

(a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and

(b) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a chartered professional accountant who is a member in good standing of an organization of chartered professional accountants in a jurisdiction of Canada provided that the lawyer or chartered professional accountant does not

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(i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and

(ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

“eligible investor” means

(a) a person whose

(i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000,

(ii) net income before taxes exceeded \$75,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year, or

(iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year,

(b) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors,

(c) a general partnership of which all of the partners are eligible investors,

(d) a limited partnership of which the majority of the general partners are eligible investors,

(e) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors,

(f) an accredited investor,

(g) a person described in section 2.5 [Family, friends and business associates],
or

(h) in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser;

“executive officer” means, for an issuer, an individual who is

(a) a chair, vice-chair or president,

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(b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or

(c) performing a policy-making function in respect of the issuer, other than the individuals referred to in subparagraphs (a) to (c);

“financial assets” means

(a) cash,

(b) securities, or

(c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

“financial statements” includes interim financial reports;

“founder” means, in respect of an issuer, a person who,

(a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and

(b) at the time of the distribution or trade is actively involved in the business of the issuer;

“fully managed account” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;

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

“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);

“liquidity provider” means a person that is obligated to provide funds to a conduit to enable the conduit to pay principal or interest in respect of a maturing securitized product;

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

“market price” means, for securities of a class for which there is a published market,

(a) except as provided in paragraph (b),

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(i) if the published market provides a daily closing price, the average of the daily closing price of securities of that class on the published market for each of the trading days on which there was a daily closing price falling not more than 20 trading days immediately before the day as of which the market price is being determined, or

(ii) if the published market does not provide a daily closing price, but provides only the highest and lowest daily prices of securities of the class traded, the average of the averages of the highest and lowest daily prices of securities of the class on the published market for each of the trading days on which there were highest and lowest daily prices falling not more than 20 trading days immediately before the day as of which the market price is being determined, or

(b) if trading of securities of the class on the published market has occurred on fewer than 10 of the immediately preceding 20 trading days, the average of the following amounts established for each of the 20 trading days immediately before the day as of which the market price is being determined:

(i) the average of the closing bid and closing ask prices for each day on which there was no trading;

(ii) if the published market

(A) provides a closing price of securities of that class on the published market for each day that there was trading, the closing price, or

(B) provides only the highest and lowest prices, the average of the highest and lowest prices of securities of that class on the published market for each day that there was trading;

“material contract” means any contract that an issuer or any of its subsidiaries is a party to, that is material to the issuer;

“MD&A” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations;

“non-redeemable investment fund” has the same meaning as in Regulation 81-106 respecting Investment Fund Continuous Disclosure;

“private enterprise” has the same meaning as in Part 3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;

“professional association” means an association or other organization, whether incorporated or not, of real property appraisers that

(a) has its head office in Canada,

(b) admits its members on the basis of their academic qualifications, experience and ethical fitness,

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(c) requires its members to meet standards of competence and comply with a code of ethics it has established or endorsed,

(d) requires or encourages its members to engage in continuing professional development, and

(e) under the powers conferred by statute or under an agreement, may suspend or expel its members if misconduct occurs;

“publicly accountable enterprise” has the same meaning as in Part 3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards;

“published market” means, for a class of securities, a marketplace on which the securities are traded, if the prices at which they have been traded on that marketplace are regularly

(a) disseminated electronically, or

(b) published in a newspaper or business or financial publication of general and regular paid circulation;

“QT circular” means an information circular or filing statement in respect of a qualifying transaction for a capital pool company filed under a CPC instrument;

“qualified appraiser” means an individual who

(a) regularly performs property appraisals for compensation,

(b) is a member of a professional association and holds the designation, certification or licence to act as an appraiser for the class of property appraised, and

(c) is in good standing with the professional association referred to in paragraph (b);

“qualifying issuer” means a reporting issuer in a jurisdiction of Canada that

(a) (paragraph repealed),

(b) has filed all documents required to be filed under the securities legislation of that jurisdiction, and

(c) if not required to file an AIF, has filed in the jurisdiction,

(i) an AIF for its most recently completed financial year for which annual statements are required to be filed, and

(ii) copies of all material incorporated by reference in the AIF not previously filed;

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“real estate activities” means activities, the primary purpose of which is to generate for security holders income or gain from the lease, sale or other disposition of real property but, for greater certainty, does not include any of the following:

(a) activities in respect of a “mineral project”, as defined in Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (chapter V-1.1, r. 15);

(b) “oil and gas activities” as defined in Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities (chapter V-1.1, r. 23);

(c) in Québec, activities relating to the forms of investments subject to Regulation respecting Real Estate Prospectus and Registration Exemptions (chapter V-1.1, c. 45.1);

“related liabilities” means

(a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(b) liabilities that are secured by financial assets;

“related party” means any of the following:

(a) a director, officer, promoter or control person of an issuer;

(b) in regard to an individual referred to in paragraph (a), a child, parent, grandparent, sibling or other relative living in the same residence;

(c) in regard to an individual referred to in paragraph (a) or (b), the individual’s spouse;

(d) an insider of an issuer;

(e) a person controlled by a person referred to in paragraphs (a) to (d), or controlled by a person referred to in paragraphs (a) to (d) acting jointly or in concert with another person;

(f) in the case of a person referred to in paragraph (a) or (d) that is not an individual, a person that, alone or together with one or more persons acting jointly or in concert, controls that person;

“retrospective” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

“retrospectively” has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

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“RRIF” means a registered retirement income fund as defined in the Income Tax Act;

“RRSP” means a registered retirement savings plan as defined in the Income Tax Act;

“Schedule III bank” means an authorized foreign bank named in Schedule III of the Bank Act;

“securitized product” means a security that

(a) is governed by a trust indenture or similar agreement setting out the rights and protections applicable to a holder of the security;

(b) provides a holder with a direct or indirect ownership or security interest in one or more asset pools, and

(c) entitles a holder to one or more payments of principal or interest primarily obtained from one or more of the following:

(i) the proceeds from the distribution of securitized products;

(ii) the cash flows generated by one or more asset pools;

(iii) the proceeds obtained on the liquidation of one or more assets in one or more asset pools;

“self-directed RESP” means an educational savings plan registered under the Income Tax Act

(a) that is structured so that a contribution by a subscriber to the plan is deposited directly into an account in the name of the subscriber, and

(b) under which the subscriber maintains control and direction over the plan to direct how the assets of the plan are to be held, invested or reinvested subject to compliance with the Income Tax Act;

“short-term securitized product” means a securitized product that is a negotiable promissory note or commercial paper that matures not more than one year from the date of issue;

“spouse” means, an individual who,

(a) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (R.S.C. 1985, c. 3 (2nd Supp.)), from the other individual,

(b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or

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(c) *in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the Adult Interdependent Relationships Act (S.A. 2002, c. A-4.5);*

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

“syndicated mortgage” means a mortgage in which 2 or more persons participate, directly or indirectly, as a lender in a debt obligation that is secured by the mortgage;

“successor credit rating organization” has the same meaning as in Regulation 44-101 respecting Short Form Prospectus Distributions;

“TFSA” means a tax-free savings account as described in the Income Tax Act.

M.O. 2009-05, s. 1.1; M.O. 2010-17, s. 1; M.O. 2013-09, s. 1; M.O. 2015-05, s. 2; M.O. 2015-06, s. 1; M.O. 2016-01, s. 1; M.O. 2018-03, s. 1; M.O. 2021-03, s. 1; M.O. 2021-16, s. 1; M.O. 2022-11, s. 1; M.O. 2023-02, s. 1; M.O. 2023-11, s. 1.

1.1.1. Other definitions

In this Regulation, in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan

“date of transition to IFRS” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24);

“exempt market dealer” has the same meaning as in Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations (chapter V-1.1, r. 10);

“first IFRS financial statements” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations;

“investment dealer” has the same meaning as in Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations;

“new financial year” means the financial year of an issuer that immediately follows a transition year;

“old financial year” means the financial year of an issuer that immediately precedes a transition year;

“OM marketing materials” means a written communication, other than an OM standard term sheet, intended for prospective purchasers regarding a distribution of securities under an offering memorandum delivered under section 2.9 that contains material facts relating to an issuer, securities or an offering;

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“OM standard term sheet” means a written communication intended for prospective purchasers regarding a distribution of securities under an offering memorandum delivered under section 2.9 that

(a) is dated,

(b) includes the following legend, or words to the same effect, on the first page:

“This document does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the offering memorandum, especially the risk factors relating to the securities offered, before making an investment decision.”,

(c) contains only the following information in respect of the issuer, the securities or the offering:

(i) the name of the issuer;

(ii) the jurisdiction or foreign jurisdiction in which the issuer’s head office is located;

(iii) the statute under which the issuer is incorporated, continued or organized or, if the issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists;

(iv) a brief description of the business of the issuer;

(v) a brief description of the securities;

(vi) the price or price range of the securities;

(vii) the total number or dollar amount of the securities, or range of the total number or dollar amount of the securities;

(viii) the names of any agent, finder or other intermediary, whether registered or not, involved with the offering and the amount of any commission, fee or discount payable to them;

(ix) the proposed or expected closing date of the offering;

(x) a brief description of the use of proceeds;

(xi) the exchange on which the securities are proposed to be listed, if any, provided that the OM standard term sheet complies with the requirements of securities legislation for listing representations;

(xii) in the case of debt securities, the maturity date of the debt securities and a brief description of any interest payable on the debt securities;

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(xiii) *in the case of preferred shares, a brief description of any dividends payable on the securities;*

(xiv) *in the case of convertible securities, a brief description of the underlying securities into which the convertible securities are convertible;*

(xv) *in the case of exchangeable securities, a brief description of the underlying securities into which the exchangeable securities are exchangeable;*

(xvi) *in the case of restricted securities, a brief description of the restriction;*

(xvii) *in the case of securities for which a credit supporter has provided a guarantee or alternative credit support, a brief description of the credit supporter and the guarantee or alternative credit support provided;*

(xviii) *whether the securities are redeemable or retractable;*

(xix) *a statement that the securities are eligible, or are expected to be eligible, for investment in registered retirement savings plans, tax-free savings accounts or other registered plans, if the issuer has received, or reasonably expects to receive, a legal opinion that the securities are so eligible;*

(xx) *contact information for the issuer or any registrant involved, and*

(d) *for the purposes of paragraph (c), “brief description” means a description consisting of no more than 3 lines of text in type that is at least as large as that used generally in the body of the OM standard term sheet;*

“portfolio manager” has the same meaning as in Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations;

“SEC issuer” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations;

“specified derivative” has the same meaning as in Regulation 44-102 respecting Shelf Distributions (chapter V-1.1, r. 17);

“structured finance product” has the same meaning as in Regulation 25-101 respecting Designated Rating Organizations (chapter V-1.1, r. 8.1);

“transition year” means the financial year of an issuer in which the issuer has changed its financial year end;

“U.S. laws” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations.”

M.O. 2016-01, s. 2.

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1.2. Interpretation of indirect interest

For the purposes of paragraph (t) of the definition of the expression “accredited investor” in section 1.1, in British Columbia, an indirect interest means an economic interest in the person referred to in that paragraph.

M.O. 2009-05, s. 1.2; M.O. 2015-05, s. 3.

1.3. Affiliate

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.*

M.O. 2009-05, s. 1.3.

1.4. Control

For the purpose of this Regulation, except in Parts 2, Division 4, 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.

M.O. 2009-05, s. 1.4; M.O. 2015-05, s. 4.

1.5. Registration requirement

(1) An exemption in this Regulation 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.

(2) (paragraphe repealed).

M.O. 2009-05, s. 1.5; M.O. 2015-05, s. 5.

1.6. Definition of distribution – Manitoba

For the purpose of this Regulation, in Manitoba, “distribution” means a primary distribution to the public.

M.O. 2009-05, s. 1.6.

1.7. Definition of trade – Québec

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.

M.O. 2009-05, s. 1.7.

1.8. Designation of insider

For the purpose of this Regulation, in Ontario, the following classes of persons are designated as insiders:

(a) a director or an officer of an issuer;

(b) a director or an officer of a person that is an insider or a subsidiary of an issuer;

(c) a person that has

(i) beneficial ownership of, or control or direction over, directly or indirectly, securities of an issuer carrying more than 10% of the voting rights attached to all the issuer’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution, or

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(ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution;

(d) an issuer that has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security.

M.O. 2016-12, a. 1

1.9. Interpretation of "market price"

For the purpose of the definition of "market price", if there is more than one published market for a security and

(a) only one of the published markets is in Canada, the market price is determined solely by reference to that market,

(b) more than one of the published markets are in Canada, the market price is determined solely by reference to the published market in Canada on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the day as of which the market price is being determined, and

(c) none of the published markets are in Canada, the market price is determined solely by reference to the published market on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the day as of which the market price is being determined.

M.O. 2022-11, s. 2

PART 2 PROSPECTUS EXEMPTIONS

DIVISION 1 Capital Raising Exemptions

2.1. Rights offering – reporting issuer

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V 1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

(1) In this section and sections 2.1.1, 2.1.2, 2.1.3 and 2.1.4,

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“additional subscription privilege” means a privilege, granted to a holder of a right, to subscribe for a security not subscribed for by any holder under a basic subscription privilege;

“basic subscription privilege” means a privilege to subscribe for the number or amount of securities set out in a rights certificate held by the holder of the rights certificate;

“closing date” means the date of completion of the distribution of the securities issued upon exercise of the rights issued under this section;

“listing representation” means a representation that a security will be listed or quoted, or that an application has been or will be made to list or quote the security, either on an exchange, or on a quotation and trade reporting system, in a foreign jurisdiction;

“listing representation prohibition” means the provisions of securities legislation set out in Appendix C;

“managing dealer” means a person that has entered into an agreement with an issuer under which the person has agreed to organize and participate in the solicitation of the exercise of the rights issued by the issuer;

“rights offering circular” means a completed Form 45-106F15;

“rights offering notice” means a completed Form 45-106F14;

“secondary market liability provisions” means the provisions of securities legislation set out in Appendix D opposite the name of the local jurisdiction;

“soliciting dealer” means a person whose interest in a distribution of rights is limited to soliciting the exercise of the rights by holders of those rights;

“stand-by commitment” means an agreement by a person to acquire the securities of an issuer not subscribed for under the basic subscription privilege or the additional subscription privilege;

“stand-by guarantor” means a person who agrees to provide the stand-by commitment.

(2) (paragraph repealed).

(3) The prospectus requirement does not apply to a distribution by an issuer, of a right to purchase a security of the issuer’s own issue, to a security holder of the issuer if all of the following apply:

(a) the issuer is a reporting issuer in at least one jurisdiction of Canada;

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(b) if the issuer is a reporting issuer in the local jurisdiction, the issuer has filed all periodic and timely disclosure documents that it is required to have filed in that jurisdiction as required by each of the following:

(i) applicable securities legislation;

(ii) an order issued by the regulator, except in Québec, or the securities regulatory authority;

(iii) an undertaking to the regulator, except in Québec, or the securities regulatory authority;

(c) before the commencement of the exercise period for the rights, the issuer files and sends the rights offering notice to all security holders, resident in Canada, of the class of securities to be issued upon exercise of the rights;

(d) concurrently with filing the rights offering notice, the issuer files a rights offering circular;

(e) the basic subscription privilege is available on a pro rata basis to the security holders, resident in Canada, of the class of securities to be distributed upon the exercise of the rights;

(f) in Québec, the documents filed under paragraphs (c) and (d) are prepared in French or in French and English;

(g) the subscription price for a security to be issued upon the exercise of a right is:

(i) if there is a published market for the security, lower than the market price of the security on the day the rights offering notice is filed, or

(ii) if there is no published market for the security, lower than the fair value of the security on the day the rights offering notice is filed unless the issuer restricts all of its insiders from increasing their proportionate interest in the issuer through the exercise of the rights distributed or through a stand-by commitment;

(h) if the distribution includes an additional subscription privilege, all of the following apply:

(i) the issuer grants the additional subscription privilege to all holders of the rights;

(ii) each holder of a right is entitled to receive, upon the exercise of the additional subscription privilege, the number or amount of securities equal to the lesser of

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(A) the number or amount of securities subscribed for by the holder under the additional subscription privilege; and

(B) the number or amount calculated in accordance with the following formula:

$x(y/z)$ where

x = the aggregate number or amount of securities available through unexercised rights after giving effect to the basic subscription privilege;

y = the number of rights exercised by the holder under the basic subscription privilege;

z = the aggregate number of rights exercised under the basic subscription privilege by holders of the rights that have subscribed for securities under the additional subscription privilege;

(iii) all unexercised rights have been allocated on a pro rata basis to holders who subscribed for additional securities under the additional subscription privilege;

(iv) the subscription price for the additional subscription privilege is the same as the subscription price for the basic subscription privilege;

(i) if the issuer enters into a stand-by commitment, all of the following apply:

(i) the issuer has granted an additional subscription privilege to all holders of the rights;

(ii) the issuer has included a statement in the rights offering circular that the issuer has confirmed that the stand-by guarantor has the financial ability to carry out its stand-by commitment;

(iii) the subscription price under the stand-by commitment is the same as the subscription price under the basic subscription privilege;

(j) if the issuer has stated in its rights offering circular that no security will be issued upon the exercise of a right unless a stand-by commitment is provided, or unless proceeds of no less than the stated minimum amount are received by the issuer, all of the following apply:

(i) the issuer has appointed a depository to hold all money received upon the exercise of the rights until either the stand-by commitment is provided or the stated minimum amount is received and the depository is one of the following:

(A) a Canadian financial institution;

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(B) a registrant in the jurisdiction in which the funds are proposed to be held that is acting as managing dealer for the distribution of the rights or, if there is no managing dealer for the distribution of the rights, that is acting as a soliciting dealer;

(ii) the issuer and the depository have entered into an agreement, the terms of which require the depository to return the money referred to in subparagraph (i) in full to the holders of rights that have subscribed for securities under the distribution of the rights if the stand-by commitment is not provided or if the stated minimum amount is not received by the depository during the exercise period for the rights;

(k) the rights offering circular contains the following statement:

“There is no material fact or material change about [name of issuer] that has not been generally disclosed”.

(4) An issuer must not file an amendment to a rights offering circular filed under paragraph (3)(d) unless

(a) the amendment amends and restates the rights offering circular,

(b) the issuer files the amended rights offering circular before the earlier of

(i) the listing date of the rights, if the issuer lists the rights for trading,
and

(ii) the date the exercise period for the rights commences, and

(c) the issuer issues and files a news release explaining the reason for the amendment concurrently with the filing of the amended rights offering circular.

(5) On the closing date or as soon as practicable following the closing date, the issuer must issue and file a news release containing all of the following information:

(a) the aggregate gross proceeds of the distribution;

(b) the number or amount of securities distributed under the basic subscription privilege to

(i) all persons who were insiders before the distribution or became insiders as a result of the distribution, as a group, to the knowledge of the issuer after reasonable inquiry, and

(ii) all other persons, as a group;

(c) the number or amount of securities distributed under the additional subscription privilege to

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(i) all persons who were insiders before the distribution or became insiders as a result of the distribution, as a group, to the knowledge of the issuer after reasonable inquiry, and

(ii) all other persons, as a group;

(d) the number or amount of securities distributed under any stand-by commitment;

(e) the number or amount of securities of the class issued and outstanding as of the closing date;

(f) the amount of any fees or commissions paid in connection with the distribution.

(6) Subsection (3) does not apply to a distribution of rights if any of the following apply:

(a) there would be an increase of more than 100 % in the number, or, in the case of debt, the principal amount, of the outstanding securities of the class to be issued upon the exercise of the rights, assuming the exercise of all rights issued under a distribution of rights by the issuer during the 12 months immediately before the date of the rights offering circular;

(b) the exercise period for the rights is less than 21 days, or more than 90 days, and commences after the day the rights offering notice is sent to security holders;

(c) the issuer has entered into an agreement that provides for the payment of a fee to a person for soliciting the exercise of rights by holders of rights that were not security holders of the issuer immediately before the distribution under subsection (3) and that fee is higher than the fee payable for soliciting the exercise of rights by holders of rights that were security holders at that time.

M.O. 2009-05, s. 2.1; M.O. 2015-16, s. 1; M.O. 2022-11, s. 3.

2.1.1. Rights offering – stand-by commitment

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V 1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to the distribution of a security by an issuer to a stand-by guarantor as part of a distribution under section 2.1 if the stand-by guarantor acquires the security as principal.

M.O. 2015-16, s. 1.

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2.1.2. Rights offering – issuer with a minimal connection to Canada

(1) The prospectus requirement does not apply to a distribution by an issuer, of a right to purchase a security of the issuer's own issue, to a security holder of the issuer if all of the following apply:

(a) to the knowledge of the issuer after reasonable inquiry,

(i) the number of beneficial holders of the class for which the rights are issued that are resident in Canada does not constitute 10% or more of all holders of that class, and

(ii) the number or amount of securities of the issuer of the class for which the rights are issued that are beneficially held by security holders that are resident in Canada does not constitute, in the aggregate, 10% or more of the outstanding securities of that class;

(b) all materials sent to any other security holders for the distribution of the rights are concurrently filed and sent to each security holder of the issuer that is resident in Canada;

(c) the issuer files a written notice that it is relying on this exemption and a certificate that states that, to the knowledge of the person signing the certificate after reasonable inquiry,

(i) the number of beneficial holders of the class for which the rights are issued that are resident in Canada does not constitute 10 % or more of all holders of that class, and

(ii) the number or amount of securities of the issuer of the class for which the rights are issued that are beneficially held by security holders that are resident in Canada does not constitute, in the aggregate, 10 % or more of the outstanding securities of that class.

(2) For the purposes of paragraph (1)(c), a certificate of an issuer must be signed,

(a) if the issuer is a limited partnership, by an officer or director of the general partner of the issuer,

(b) if the issuer is a trust, by a trustee or officer or director of a trustee of the issuer, or

(c) in any other case, by an officer or director of the issuer.

M.O. 2015-16, s. 1.

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2.1.3. Rights offering – listing representation exemption

The listing representation prohibition does not apply to a listing representation made in a rights offering circular for a distribution of rights conducted under section 2.1.2 if the listing representation is not a misrepresentation.

M.O. 2015-16, s. 1.

2.1.4. Rights offering – civil liability for secondary market disclosure

(1) The secondary market liability provisions apply to

(a) the acquisition of an issuer's security pursuant to the exemption from the prospectus requirement set out in section 2.1, and

(b) the acquisition of an issuer's security pursuant to the exemption from the prospectus requirement set out in section 2.42 if the security previously issued by the issuer was acquired pursuant to the exemption set out in section 2.1.

(2) For greater certainty, in British Columbia, the classes of acquisitions referred to in subsection (1) are prescribed classes of acquisitions under paragraph 140.2(b) of the Securities Act (R.S.B.C. 1996, c. 418)."

M.O. 2015-16, s. 1.

2.2. Reinvestment plan

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

(1) The prospectus requirement does not apply to the following distributions by an issuer, or by a trustee, custodian or administrator acting for or on behalf of the issuer, to a security holder of the issuer if the distributions are permitted by a plan of the issuer:

(a) a distribution of a security of the issuer's own issue if a dividend or distribution out of earnings, surplus, capital or other sources payable in respect of the issuer's securities is applied to the purchase of the security, and

(b) a distribution of a security of the issuer's own issue if the security holder makes an optional cash payment to purchase the security of the issuer that trades on a marketplace.

(2) Subsection (1) does not apply unless the aggregate number of securities issued under the optional cash payment referred to in subsection (1)(b) does not exceed, in the financial year of the issuer during which the distribution takes place, 2% of the issued and

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outstanding securities of the class to which the plan relates as at the beginning of the financial year.

(3) A plan that permits a distribution described in subsection (1)(a) or (b) must be available to every security holder in Canada to which the dividend or distribution out of earnings, surplus, capital or other sources is available.

(4) Subsection (1) does not apply to a distribution of a security of an investment fund.

(5) If the security distributed under a plan described in subsection (1) is of a different class or series than the class or series of the security to which the dividend or distribution is attributable, the issuer or the trustee, custodian or administrator must have provided to each participant that is eligible to receive a security under the plan either a description of the material attributes and characteristics of the security distributed under the plan or notice of a source from which the participant can obtain the information without charge.

M.O. 2009-05, s. 2.2.

2.3. Accredited investor

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

(0.1) In this section, “accredited investor exemption” means

(a) in a jurisdiction other than Ontario, the prospectus exemption under subsection (1); and

(b) in Ontario, the prospectus exemption under subsection 73.3(2) of the Securities Act (R.S.O., 1990, chapter S.5).

(1) The prospectus requirement does not apply to a distribution of a security if the purchaser purchases the security as principal and is an accredited investor.

(2) For the purpose of the accredited investor exemption, a trust company or trust corporation described in paragraph (p) of the definition of “accredited investor” in section 1.1 [Definitions] is deemed to be purchasing as principal.

(3) Subsection (2) does not apply to a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the Trust and Loan Companies Act (R.S. 1991, c. 45) or under comparable legislation in another jurisdiction of Canada.

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(4) For the purpose of the accredited investor exemption, a person described in paragraph (q) of the definition of “accredited investor” in section 1.1 [Definitions] is deemed to be purchasing as principal.

(5) The accredited investor exemption does not apply to a distribution of a security to a person if the person was created, or is used, solely to purchase or hold securities as an accredited investor described in paragraph (m) of the definition of “accredited investor” in section 1.1 [Definitions].

(6) The accredited investor exemption does not apply to a distribution of a security to an individual described in paragraphs (j), (k) or (l) of the definition of “accredited investor” in section 1.1 [Definitions] unless the person distributing the security obtains from the individual a signed risk acknowledgement in the required form at the same time or before that individual signs the agreement to purchase the security.

(7) A person relying on the accredited investor exemption to distribute a security to an individual described in paragraphs (j), (k) or (l) of the definition of “accredited investor” in section 1.1 [Definitions] must retain the signed risk acknowledgement required in subsection (6) of this section for 8 years after the distribution.

(8) Subsection (1) does not apply in Ontario.

M.O. 2009-05, s. 2.3; M.O. 2015-05, s. 6.

2.4. Private issuer

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

(1) In this section, “private issuer” means an issuer

(a) that is not a reporting issuer or an investment fund,

(b) the securities of which, other than non-convertible debt securities,

(i) are subject to restrictions on transfer that are contained in the issuer’s constating documents or security holders’ agreements, and

(ii) are beneficially owned by not more than 50 persons, not including employees and former employees of the issuer or its affiliates, provided that each person is counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of the issuer in which case each beneficial owner or each beneficiary of the person, as the case may be, must be counted as a separate beneficial owner, and

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(c) that

(i) has distributed its securities only to persons described in subsection (2), or

(ii) has completed a transaction and immediately following the completion of the transaction, its securities were beneficially owned only by persons described in subsection (2) and since the completion of the transaction has distributed its securities only to persons described in subsection (2).

(2) The prospectus requirement does not apply to a distribution of a security of a private issuer to a person who purchases the security as principal and is

(a) a director, officer, employee, founder or control person of the issuer,

(b) a director, officer or employee of an affiliate of the issuer,

(c) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer, founder or control person of the issuer,

(d) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer, founder or control person of the issuer,

(e) a close personal friend of a director, executive officer, founder or control person of the issuer,

(f) a close business associate of a director, executive officer, founder or control person of the issuer,

(g) a spouse, parent, grandparent, brother, sister, child or grandchild of the selling security holder or of the selling security holder's spouse,

(h) a security holder of the issuer,

(i) an accredited investor,

(j) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (i),

(k) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (i), or

(l) a person that is not the public.

(2.1) The following persons are prescribed for purposes of subsection 73.4(2) of the Securities Act (R.S.O., 1990, chapter S.5) of Ontario:

(a) a director, officer, employee, founder or control person of the issuer,

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- (b) a director, officer or employee of an affiliate of the issuer,
- (c) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer, founder or control person of the issuer,
- (d) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer, founder or control person of the issuer,
- (e) a close personal friend of a director, executive officer, founder or control person of the issuer,
- (f) a close business associate of a director, executive officer, founder or control person of the issuer,
- (g) a spouse, parent, grandparent, brother, sister, child or grandchild of the selling security holder or of the selling security holder's spouse,
- (h) a security holder of the issuer,
- (i) an accredited investor,
- (j) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (i),
- (k) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (i), or
- (l) a person that is not the public.
- (3) Except for a distribution to an accredited investor, no commission or finder's fee may be paid to any director, officer, founder or control person of an issuer in connection with a distribution under subsection (2) or, in Ontario, a distribution under subsection 73.4(2) of the Securities Act.
- (4) Subsection (2) does not apply to a distribution of a short-term securitized product or a syndicated mortgage.
- (5) Subsection (2) does not apply in Ontario.
- (6) In Ontario, subsection 73.4(2) of the Securities Act does not apply to a distribution of a short-term securitized product or a syndicated mortgage.

M.O. 2009-05, s. 2.4; M.O. 2015-05, s. 7; M.O. 2015-06, s. 2; M.O. 2021-03, s. 3.

2.5. Family, friends and business associates

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

(1) *Subject to section 2.6 [Family, friends and business associates -- Saskatchewan] and section 2.6.1 [Family, friends and business associates – Ontario], the prospectus requirement does not apply to a distribution of a security to a person who purchases the security as principal and is*

(a) *a director, executive officer or control person of the issuer, or of an affiliate of the issuer,*

(b) *a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,*

(c) *a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the issuer or of an affiliate of the issuer,*

(d) *a close personal friend of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,*

(e) *a close business associate of a director, executive officer or control person of the issuer, or of an affiliate of the issuer,*

(f) *a founder of the issuer or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the issuer,*

(g) *a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the issuer,*

(h) *a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (g), or*

(i) *a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (g).*

(2) *No commission or finder's fee may be paid to any director, officer, founder, or control person of an issuer or an affiliate of the issuer in connection with a distribution under subsection (1).*

(3) *Subsection (1) does not apply to a distribution of a short-term securitized product.*

M.O. 2009-05, s. 2.5; M.O. 2015-06, s. 3; I.N. 2018-09-01; M.O. 2021-03, s. 3.

2.6. Family, friends and business associates – Saskatchewan

(1) *In Saskatchewan, section 2.5 [Family, friends and business associates] does not apply unless the person making the distribution obtains a signed risk acknowledgement from the purchaser in the required form for a distribution to*

(a) *a person described in section 2.5(1) (d) or (e) [Family, friends and business associates],*

(b) *a close personal friend or close business associate of a founder of the issuer, or*

(c) *a person described in section 2.5(1)(h) or (i) [Family, friends and business associates] if the distribution is based in whole or in part on a close personal friendship or close business association.*

(2) *The person making the distribution must retain the required form referred to in subsection (1) for 8 years after the distribution.*

(3) *Subsection (1) does not apply to a distribution of a short-term securitized product.*

M.O. 2009-05, s. 2.6; M.O. 2015-06, s. 4.

2.6.1 Family, friends and business associates – Ontario

(1) *In Ontario, section 2.5 [Family, friends and business associates] does not apply to a distribution of a security of an issuer unless all of the following are satisfied:*

(a) *the issuer is not an investment fund;*

(b) *the person making the distribution obtains a risk acknowledgement signed by all of the following:*

(i) *the purchaser;*

(ii) *an executive officer of the issuer other than the purchaser;*

(iii) *if the purchaser is a person referred to under paragraph 2.5(1)(b), the director, executive officer or control person of the issuer or an affiliate of the issuer who has the specified relationship with the purchaser;*

(iv) *if the purchaser is a person referred to under paragraph 2.5(1)(c), the director, executive officer or control person of the issuer or an affiliate of the issuer whose spouse has the specified relationship with the purchaser;*

(v) *if the purchaser is a person referred to under paragraph 2.5(1)(d) or (e), the director, executive officer or control person of the issuer or an affiliate of the issuer who is a close personal friend or a close business associate of the purchaser; and*

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(vi) the founder of the issuer, if the purchaser is a person referred to in paragraph 2.5(1)(f) or (g) other than the founder of the issuer.

(2) The person making the distribution must retain the required form referred to in subsection (1) for 8 years after the distribution.

I.N. 2018-09-01

2.7. (Repealed)

M.O. 2009-05, s. 2.7; M.O. 2015-06, s. 5; I.N. 2018-09-01.

2.8. Affiliates

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution by an issuer of a security of its own issue to an affiliate of the issuer that is purchasing as principal.

M.O. 2009-05, s. 2.8.

2.9. Offering memorandum

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

(1) In British Columbia and Newfoundland and Labrador, the prospectus requirement does not apply to a distribution by an issuer of a security of its own issue to a purchaser if

(a) the purchaser purchases the security as principal, and

(b) at the same time or before the purchaser signs the agreement to purchase the security, the issuer

(i) delivers an offering memorandum to the purchaser in compliance with subsections (5) to (13.3), and

(ii) obtains a signed risk acknowledgement from the purchaser in compliance with subsection (15).

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(2) *In Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, the prospectus requirement does not apply to a distribution by an issuer of a security of its own issue to a purchaser if*

(a) *the purchaser purchases the security as principal,*

(b) *the purchaser is an eligible investor or the acquisition cost to the purchaser does not exceed \$10,000,*

(c) *at the same time or before the purchaser signs the agreement to purchase the security, the issuer*

(i) *delivers an offering memorandum to the purchaser in compliance with subsections (5) to (13.3), and*

(ii) *obtains a signed risk acknowledgement from the purchaser in compliance with subsection (15), and*

(d) *if the issuer is an investment fund, the investment fund is*

(i) *a non-redeemable investment fund, or*

(ii) *a mutual fund that is a reporting issuer.*

(2.1) *In Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan, the prospectus requirement does not apply to a distribution by an issuer of a security of its own issue to a purchaser if*

(a) *the purchaser purchases the security as principal,*

(b) *the acquisition cost of all securities acquired by a purchaser who is an individual under this section in the preceding 12 months does not exceed the following amounts:*

(i) *in the case of a purchaser that is not an eligible investor, \$10 000;*

(ii) *in the case of a purchaser that is an eligible investor, \$30 000;*

(iii) *in the case of a purchaser that is an eligible investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100 000,*

(c) *at the same time or before the purchaser signs the agreement to purchase the security, the issuer*

(i) *delivers an offering memorandum to the purchaser in compliance with subsections (5) to (13.3), and*

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(ii) obtains a signed risk acknowledgement from the purchaser in compliance with subsection (15), and

(d) the security distributed by the issuer is not either of the following:

(i) a specified derivative;

(ii) a structured finance product.

(2.2) The prospectus exemption described in subsection (2.1) is not available

(a) in Alberta, Nova Scotia and Saskatchewan, to an issuer that is an investment fund, unless the issuer is a non-redeemable investment fund, or a mutual fund that is a reporting issuer, or

(b) in New Brunswick, Ontario and Québec, to an issuer that is an investment fund.

(2.3) The investment limits described in subparagraphs (2.1)(b)(ii) and (iii) do not apply if the purchaser is

(a) an accredited investor, or

(b) a person described in subsection 2.5(1).

(3) In Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, this section does not apply to a distribution of a security to a person described in paragraph (a) of the definition of “eligible investor” in section 1.1 [Definitions] if that person was created, or is used, solely to purchase or hold securities in reliance on the exemption from the prospectus requirement set out in subsection (2).

(3.0.1) In Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan, this section does not apply to a distribution of a security to a person that was created, or is used, solely to purchase or hold securities in reliance on the exemption from the prospectus requirement set out in subsection (2.1).

(3.1) Subsections (1), (2) and (2.1) do not apply to a distribution of a short-term securitized product.

(4) No commission or finder’s fee may be paid to any person, other than a registered dealer, in connection with a distribution to a purchaser in the Northwest Territories, Nunavut and Yukon under subsection (2).

(5) An offering memorandum delivered under this section must be in the required form.

(5.1) In Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan, an offering memorandum delivered under subsection (2.1)

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(a) must incorporate by reference, by way of a statement in the offering memorandum, OM marketing materials related to each distribution under the offering memorandum and delivered or made reasonably available to a prospective purchaser before the termination of the distribution, and

(b) is deemed to incorporate by reference OM marketing materials related to each distribution under the offering memorandum and delivered or made reasonably available to a prospective purchaser before the termination of the distribution.”;

(5.2) In Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan, a portfolio manager, investment dealer or exempt market dealer must not distribute OM marketing materials unless the OM marketing materials have been approved in writing by the issuer.

(6) If the securities legislation where the purchaser is resident does not provide a comparable right, an offering memorandum delivered under this section must provide the purchaser with a contractual right to cancel the agreement to purchase the security by delivering a notice to the issuer not later than midnight on the 2nd business day after the purchaser signs the agreement to purchase the security.

(7) If the securities legislation where the purchaser is resident does not provide statutory rights of action in the event of a misrepresentation in an offering memorandum delivered under this section, the offering memorandum must contain a contractual right of action against the issuer for rescission or damages that

(a) is available to the purchaser if the offering memorandum, or any information or documents incorporated or deemed to be incorporated by reference into the offering memorandum, 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 signs the agreement 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 signs the agreement 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

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- (i) must 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.
- (8) An offering memorandum delivered under this section must contain a certificate that states the following: "This offering memorandum does not contain a misrepresentation."
- (9) If the issuer is a company, a certificate under subsection (8) must be 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.
- (10) If the issuer is a trust, a certificate under subsection (8) must be 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.
- (10.1) If a trustee or the manager that is signing the certificate of the issuer is
- (a) an individual, the individual must sign the certificate,
- (b) a company, the certificate must be 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,

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(c) a limited partnership, the certificate must be signed by each general partner of the limited partnership as described in subsection (11.1) in relation to an issuer that is a limited partnership, or

(d) not referred to in paragraphs (a), (b) or (c), the certificate may be signed by any person with authority to act on behalf of the trustee or the manager.

(10.2) Despite subsections (10) and (10.1), if the issuer is an investment fund and the declaration of trust, trust indenture or trust agreement establishing the investment fund delegates the authority to do so, or otherwise authorizes an individual or company to do so, the certificate may be signed by the individual or company to whom the authority is delegated or that is authorized to sign the certificate.

(10.3) Despite subsections (10) and (10.1), if the trustees of an issuer, other than an investment fund, 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 individuals who perform functions for the issuer similar to those performed by the directors of a company sign the certificate.

(11) If the issuer is a limited partnership, a certificate under subsection (8) must be 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.

(11.1) If a general partner of the issuer is

(a) an individual, the individual must sign the certificate,

(b) a company, the certificate must be 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) a limited partnership, the certificate must be signed by each general partner of the limited partnership and, for greater certainty, this subsection applies to each general partner required to sign,

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(d) a trust, the certificate must be signed by the trustees of the general partner as described in subsection (10) in relation to an issuer that is a trust, or

(e) not referred to in paragraphs (a) to (d), the certificate may be signed by any person with authority to act on behalf of the general partner.

(12) If an issuer is not a company, trust or limited partnership, a certificate under subsection (8) must be 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 subsections (9), (10), (10.1), (10.2), (10.3), (11) and (11.1).

(13) (paragraph deleted).

(13.1) An issuer must not make a misrepresentation in its offering memorandum.

(13.2) If a material change with respect to the issuer occurs after the certificate under subsection (8) or (14.1) is signed, and before the issuer accepts an agreement to purchase the security from the purchaser, the issuer must amend the offering memorandum to reflect the material change, and deliver the amended offering memorandum to the purchaser.

(13.3) An issuer must not deliver an offering memorandum under this section unless the offering memorandum contains sufficient information to enable a reasonable purchaser to make an informed investment decision.

(14) (paragraph deleted).

(14.1) An issuer that amends its offering memorandum must include in the amended offering memorandum a newly dated certificate signed in compliance with subsections (9), (10), (10.1), (10.2), (10.3), (11), (11.1) and (12), as applicable.

(15) A risk acknowledgement under subsection (1), (2) or (2.1) must be in the required form and an issuer relying on subsection (1), (2) or (2.1) must retain the signed risk acknowledgement for 8 years after the distribution.

(16) The issuer must

(a) hold in trust all consideration received from the purchaser in connection with a distribution of a security under subsection (1), (2) or (2.1) until midnight on the 2nd business day after the purchaser signs the agreement to purchase the security, and

(b) return all consideration to the purchaser promptly if the purchaser exercises the right to cancel the agreement to purchase the security described under subsection (6).

(17) An issuer must file a copy of an offering memorandum delivered under this section and any amended offering memorandum on or before the 10th day after the distribution under the offering memorandum or the amended offering memorandum.

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(17.0.1) An offering memorandum or amended offering memorandum filed under this section must be in a format that allows for the searching of words electronically using reasonably available technology.

(17.1) In Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan, the issuer must file with the securities regulatory authority a copy of all OM marketing materials required or deemed to be incorporated by reference into an offering memorandum delivered under this section,

(a) if the OM marketing materials are prepared on or before the filing of the offering memorandum, concurrently with the filing of the offering memorandum, or

(b) if the OM marketing materials are prepared after the filing of the offering memorandum, within 10 days of the OM marketing materials being delivered or made reasonably available to a prospective purchaser.

(17.2) OM marketing materials filed under subsection (17.1) must include a cover page clearly identifying the offering memorandum to which they relate.

(17.3) Subsections (17.4) to (17.21) apply to issuers that rely on subsection (2.1) and that are not reporting issuers in any jurisdiction of Canada.

(17.4) In Alberta, an issuer must, within 120 days after the end of each of its financial years, file with the securities regulatory authority annual financial statements and make them reasonably available to each holder of a security acquired under subsection (2.1).

(17.5) In New Brunswick, Ontario, Québec and Saskatchewan, an issuer must, within 120 days after the end of each of its financial years, deliver annual financial statements to the securities regulatory authority and make them reasonably available to each holder of a security acquired under subsection (2.1).

(17.6) In Nova Scotia, an issuer must, within 120 days after the end of each of its financial years, make reasonably available annual financial statements to each holder of a security acquired under subsection (2.1).

(17.7) Despite subsections (17.4), (17.5) and (17.6), as applicable, if an issuer is required to file, deliver or make reasonably available annual financial statements for a financial year that ended before the issuer distributed securities under subsection (2.1) for the first time, those annual financial statements must be filed in Alberta, delivered in New Brunswick, Ontario, Québec and Saskatchewan or made reasonably available in Nova Scotia, as applicable, on or before the later of

(a) the 60th day after the issuer first distributes securities under subsection (2.1), and

(b) the deadline in subsection (17.4), (17.5) or (17.6), as applicable, to file, deliver or make reasonably available the annual financial statements.

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(17.8) The annual financial statements of an issuer referred to in subsections (17.4), (17.5) and (17.6) must include

(a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for

(i) the most recently completed financial year, and

(ii) the financial year immediately preceding the most recently completed financial year, if any,

(b) a statement of financial position as at the end of each of the periods referred to in paragraph (a),

(c) in the following circumstances, a statement of financial position as at the beginning of the financial year immediately preceding the most recently completed financial year:

(i) the issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS, and

(ii) the issuer

(A) applies an accounting policy retrospectively in its annual financial statements,

(B) makes a retrospective restatement of items in its annual financial statements, or

(C) reclassifies items in its annual financial statements,

(d) in the case of the issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS, and

(e) notes to the annual financial statements.

(17.9) If the annual financial statements referred to in subsection (17.8) present the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income referred to in subsection (17.8).

(17.10) The annual financial statements referred to in subsection (17.8) must be audited.

(17.11) Despite subsection (17.10), for the first annual financial statements of an issuer referred to in subsections (17.4), (17.5) and (17.6), comparative information relating to the preceding financial year is not required to be audited if it has not been previously audited.

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(17.12) Any period referred to in subsection (17.8) that has not been audited must be clearly labelled as unaudited.

(17.13) In Alberta, New Brunswick, Ontario, Québec and Saskatchewan, if an issuer decides to change its financial year end by more than 14 days, it must deliver to the securities regulatory authority and make reasonably available to each holder of a security acquired under subsection (2.1) a notice containing the information set out in subsection (17.15) as soon as practicable and, in any event, no later than the earlier of

(a) the deadline, based on the issuer's old financial year end, for the next annual financial statements referred to in subsections (17.4) and (17.5), and

(b) the deadline, based on the issuer's new financial year end, for the next annual financial statements referred to in subsections (17.4) and (17.5).

(17.14) In Nova Scotia, if an issuer decides to change its financial year end by more than 14 days, it must make reasonably available to each holder of a security acquired under subsection (2.1) a notice containing the information set out in subsection (17.15) as soon as practicable and, in any event, no later than the earlier of

(a) the deadline, based on the issuer's old financial year end, for the next annual financial statements referred to in subsection (17.6), and

(b) the deadline, based on the issuer's new financial year end, for the next annual financial statements referred to in subsection (17.6).

(17.15) The notice referred to in subsections (17.13) and (17.14) must state

(a) that the issuer has decided to change its financial year end,

(b) the reason for the change,

(c) the issuer's old financial year end,

(d) the issuer's new financial year end,

(e) the length and ending date of the periods, including the comparative periods, of the annual financial statements referred to in subsections (17.4), (17.5) and (17.6) for the issuer's transition year and its new financial year, and

(f) the filing deadline for the annual financial statements for the issuer's transition year.

(17.16) If a transition year is less than 9 months in length, the issuer must include as comparative financial information to its annual financial statements for its new financial year

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(a) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and notes to the financial statements for its transition year,

(b) a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and notes to the financial statements for its old financial year,

(c) in the following circumstances, a statement of financial position as at the beginning of the old financial year:

(ii) the issuer discloses in its annual financial statements an unreserved statement of compliance with IFRS, and

(iii) the issuer

(A) applies an accounting policy retrospectively in its annual financial statements,

(B) makes a retrospective restatement of items in its annual financial statements, or

(C) reclassifies items in its annual financial statements, and

(d) in the case of the issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS.

(17.17) A transition year must not exceed 15 months.

(17.18) An SEC issuer satisfies subsections (17.13), (17.14) and (17.16) if

(a) it complies with the requirements of U.S. laws relating to a change of fiscal year, and

(b) it delivers a copy of all materials required by U.S. laws relating to a change in fiscal year to the securities regulatory authority at the same time as, or as soon as practicable after, they are filed with or furnished to the SEC and, in any event, no later than 120 days after the end of its most recently completed financial year.

(17.19) The financial statements of an issuer referred to in subsections (17.4), (17.5) and (17.6) must be accompanied by a notice of the issuer disclosing in reasonable detail the use of the aggregate gross proceeds raised by the issuer under section 2.9 in accordance with Form 45-106F16, unless the issuer has previously disclosed the use of the aggregate gross proceeds in accordance with Form 45-106F16.

(17.20) In New Brunswick, Nova Scotia and Ontario, an issuer must make reasonably available to each holder of a security acquired under subsection (2.1) a notice of each of

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the following events in accordance with Form 45-106F17, within 10 days of the occurrence of the event:

- (a) a discontinuation of the issuer's business;
- (b) a change in the issuer's industry;
- (c) a change of control of the issuer.

(17.21) An issuer is required to make the disclosure required respectively by subsections (17.4), (17.5), (17.6), (17.19) and (17.20) until the earliest of

- (a) the date the issuer becomes a reporting issuer in any jurisdiction of Canada, and
- (b) the date the issuer ceases to carry on business.

(17.22) In Ontario, an issuer that is not a reporting issuer in Ontario that distributes securities in reliance on the exemption in subsection (2.1) is designated a market participant under the Securities Act (Ontario) (R.S.O. 1990, c. S.5).

(17.23) In New Brunswick, an issuer that is not a reporting issuer in New Brunswick that distributes securities in reliance on the exemption in subsection (2.1) is designated a market participant under the Securities Act (New Brunswick) (SNB 2004, c S-5.5).

(18) (paragraph revoked).

(19) For the purposes of subsections (19.1), (19.3), (19.6) and (19.7), a qualified appraiser is independent of an issuer if there is no circumstance that, in the opinion of a reasonable person aware of all the relevant facts, could interfere with the qualified appraiser's judgment regarding the preparation of an appraisal for a property.

(19.1) Subsections (1), (2) and (2.1) do not apply to a distribution of a syndicated mortgage by an issuer unless, at the same time or before the issuer delivers an offering memorandum to the purchaser in accordance with subsections (1), (2) or (2.1), the issuer delivers to the purchaser an appraisal of the property subject to the syndicated mortgage that

- (a) is prepared by a qualified appraiser who is independent of the issuer,
- (b) includes a certificate signed by the qualified appraiser stating that the appraisal is prepared in accordance with the standards and the code of ethics established or endorsed by the professional association of which the qualified appraiser is a member,
- (c) provides the appraised fair market value of the property subject to the syndicated mortgage, without considering any proposed improvements or proposed development, and

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(d) provides the appraised fair market value of the property as at a date that is within 6 months preceding the date that the appraisal is delivered to the purchaser.

(19.2) An issuer of a syndicated mortgage relying on an exemption set out in subsection (1), (2) or (2.1) must not make a representation of, or give an opinion as to, the value of a property subject to the syndicated mortgage in any communication related to the distribution under the exemption, unless the issuer has a reasonable basis for that value.

(19.3) If an issuer of a syndicated mortgage relying on an exemption set out in subsection (1), (2) or (2.1) discloses in any communication related to the distribution under the exemption any representation of, or opinion as to, the value of a property subject to the syndicated mortgage, other than the appraised fair market value disclosed in the appraisal referred to in subsection (19.1), the issuer must also disclose in that communication,

(a) with equal or greater prominence as the representation or opinion, the appraised fair market value referred to in subsection (19.1),

(b) the material factors or assumptions used to determine the representation or opinion, and

(c) whether or not the representation or opinion was determined by a qualified appraiser who is independent of the issuer.

(19.4) The issuer must file a copy of an appraisal delivered under subsection (19.1) with the securities regulatory authority concurrently with the filing of the offering memorandum.

(19.5) Subsection (19.6) does not apply to an issuer unless all of the following apply:

(a) the issuer is relying on subsection (1), (2) or (2.1);

(b) the issuer is engaged in real estate activities;

(c) one or both of the following apply:

(i) the issuer proposes to acquire an interest in real property from a related party and a reasonable person would believe that the likelihood of the issuer completing the acquisition is high;

(ii) except in its financial statements contained in the offering memorandum, the issuer discloses in the offering memorandum a value for an interest in real property.

(19.6) An issuer must, at the same time or before the issuer delivers an offering memorandum to the purchaser under subsection (1), (2) or (2.1), deliver to the purchaser an appraisal of the interest in real property referred to in paragraph (19.5)(c) to which all of the following apply:

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(a) the appraisal is prepared by a qualified appraiser that is independent of the issuer;

(b) the appraisal includes a certificate signed by the qualified appraiser stating that the appraisal is prepared in accordance with the standards and the code of ethics established or endorsed by the professional association of which the qualified appraiser is a member;

(c) the appraisal provides the appraised fair market value of the interest in real property without considering any proposed improvements to or proposed development of the interest;

(d) the appraised fair market value referred to in paragraph (c) is as at a date that is within six months preceding the date that the appraisal is delivered to the purchaser.

(19.7) If an issuer relying on subsection (1), (2) or (2.1) is engaged in real estate activities, the issuer must not disclose in any communication related to the distribution a representation of, or opinion as to, a value for an interest in real property referred to in paragraph (19.5)(c), other than the appraised fair market value disclosed in the appraisal referred to in subsection (19.6), unless the issuer has a reasonable basis for that value.

(19.8) If an issuer relying on subsection (1), (2) or (2.1) is engaged in real estate activities, and discloses in any communication related to the distribution a representation of, or opinion as to, a value for an interest in real property referred to in paragraph (19.5)(c), other than the appraised fair market value disclosed in the appraisal referred to in subsection (19.6), the issuer must also disclose in that communication,

(a) with equal or greater prominence as the representation or opinion, the appraised fair market value referred to in subsection (19.6),

(b) the material factors or assumptions used to determine the representation or opinion, and

(c) whether or not the representation or opinion was determined by a qualified appraiser who is independent of the issuer.

(19.9) An issuer must file a copy of any appraisal delivered under subsection (19.6) concurrently with the filing of the offering memorandum or any amended offering memorandum or, if the appraisal is produced after the filing of the offering memorandum or any amended offering memorandum, on or before the 10th day after the first distribution for which the appraisal was required to be delivered to a purchaser.

M.O. 2009-05, s. 2.9; M.O. 2011-02, s. 1; M.O. 2015-06, s. 6; M.O. 2016-01, s. 3; M.O. 2021-03, s. 4; M.O. 2023-02, s. 2.

2.10. Minimum amount investment

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

(1) *The prospectus requirement does not apply to a distribution of a security to a person if all of the following apply:*

- (a) that person is not an individual;*
- (b) that person purchases as principal;*
- (c) the security has an acquisition cost to that person of not less than \$150 000 paid in cash at the time of the distribution;*
- (d) the distribution is of a security of a single issuer.*

(2) *Subsection (1) does not apply to a distribution of a security to a person if the person was created, or is used, solely to purchase or hold securities in reliance on the exemption from the prospectus requirement set out in subsection (1).*

M.O. 2009-05, s. 2.10; M.O. 2015-05, s. 8.

**DIVISION 2
Transaction Exemptions**

2.11. Business combination and reorganization

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution of a security in connection with

- (a) an amalgamation, merger, reorganization or arrangement that is under a statutory procedure,*
- (b) an amalgamation, merger, reorganization or arrangement that*
 - (i) is described in an information circular made pursuant to Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24) or in a similar disclosure record and the information circular or similar disclosure record is*

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delivered to each security holder whose approval of the amalgamation, merger, reorganization or arrangement is required before it can proceed, and

(ii) is approved by the security holders referred to in subparagraph (i),
or

(c) a dissolution or winding-up of the issuer.

M.O. 2009-05, s. 2.11.

2.12. Asset acquisition

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution by an issuer of a security of its own issue to a person as consideration for the acquisition, directly or indirectly, of the assets of the person, if those assets have a fair value of not less than \$150,000.

M.O. 2009-05, s. 2.12.

2.13. Petroleum, natural gas and mining properties

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution by an issuer of a security of its own issue as consideration for the acquisition, directly or indirectly, of petroleum, natural gas or mining properties or any interest in them.

M.O. 2009-05, s. 2.13.

2.14. Securities for debt

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

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The prospectus requirement does not apply to a distribution by a reporting issuer of a security of its own issue to a creditor to settle a bona fide debt of that reporting issuer.

M.O. 2009-05, s. 2.14.

2.15. Issuer acquisition or redemption

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution of a security to the issuer of the security.

M.O. 2009-05, s. 2.15.

2.16 Take-over bid and issuer bid

Refer to section 2.11 or Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale unless the requirements of section 2.11 of Regulation 45-102 are met. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution of a security in connection with a take-over bid in a jurisdiction of Canada or an issuer bid in a jurisdiction of Canada.

M.O. 2009-05, s. 2.16.

2.17. Offer to acquire to security holder outside local jurisdiction

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution by a security holder outside the local jurisdiction to a person in the local jurisdiction if the distribution would have been in connection with a take-over bid or issuer bid made by that person were it not for the fact that the security holder is outside of the local jurisdiction.

M.O. 2009-05, s. 2.17.

DIVISION 3
Investment Fund Exemptions

2.18. Investment fund reinvestment

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

(1) *The prospectus requirement does not apply to the following distributions by an investment fund, and the investment fund manager of the fund, to a security holder of the investment fund if the distributions are permitted by a plan of the investment fund:*

(a) *a distribution of a security of the investment fund's own issue if a dividend or distribution out of earnings, surplus, capital or other sources payable in respect of the investment fund's securities is applied to the purchase of the security that is of the same class or series as the securities to which the dividend or distribution out of earnings, surplus, capital or other sources is attributable, and*

(b) *a distribution of a security of the investment fund's own issue if the security holder makes an optional cash payment to purchase the security of the investment fund that is of the same class or series of securities described in paragraph (a) that trade on a marketplace.*

(2) *The aggregate number of securities issued under the optional cash payment referred to in subsection (1)(b) must not exceed, in any financial year of the investment fund during which the distribution takes place, 2% of the issued and outstanding securities of the class to which the plan relates as at the beginning of the financial year.*

(3) *A plan that permits the distributions described in subsection (1) must be available to every security holder in Canada to which the dividend or distribution out of earnings, surplus, capital or other sources is available.*

(4) *A person must not charge a fee for a distribution described in subsection (1).*

(5) *An investment fund that is a reporting issuer and in continuous distribution must set out in its current prospectus:*

(a) *details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of the security,*

(b) *any right that the security holder has to make an election to receive cash instead of securities on the payment of a dividend or making of a distribution by the investment fund, and*

(c) *instructions on how the right referred to in paragraph (b) can be exercised.*

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(6) *An investment fund that is a reporting issuer and is not in continuous distribution must provide the information required by subsection (5) in its prospectus, annual information form or a material change report.*

M.O. 2009-05, s. 2.18.

2.19. Additional investment in investment funds

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution by an investment fund, or the investment fund manager of the fund, of a security of the investment fund's own issue to a security holder of the investment fund if

(a) *the security holder initially acquired securities of the investment fund as principal for an acquisition cost of not less than \$150,000 paid in cash at the time of the distribution,*

(b) *the distribution is of a security of the same class or series as the securities initially acquired, as described in paragraph (a), and*

(c) *the security holder, as at the date of the distribution, holds securities of the investment fund that have*

(i) *an acquisition cost of not less than \$150,000, or*

(ii) *a net asset value of not less than \$150,000.*

M.O. 2009-05, s. 2.19.

2.20. Private investment club

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution of a security of an investment fund if the investment fund

(a) *has no more than 50 beneficial security holders,*

(b) *does not seek and has never sought to borrow money from the public,*

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- (c) does not distribute and has never distributed its securities to the public,
- (d) does not pay or give any remuneration for investment management or administration advice in respect of trades in securities, except normal brokerage fees, and
- (e) for the purpose of financing the operations of the investment fund, requires security holders to make contributions in proportion to the value of the securities held by them.

M.O. 2009-05, s. 2.20; M.O. 2015-05, s. 9.

2.21. Private investment fund - loan and trust pools

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

- (1) The prospectus requirement does not apply to a distribution of a security of an investment fund if the investment fund
 - (a) is administered by a trust company or trust corporation that is registered or authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada,
 - (b) has no promoter or investment fund manager other than the trust company or trust corporation referred to in paragraph (a), and
 - (c) co-mingles the money of different estates and trusts for the purpose of facilitating investment.
- (2) Despite subsection (1), a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered under the Trust and Loan Companies Act (S.C. 1991, c. 45) or under comparable legislation in another jurisdiction of Canada is not a trust company or trust corporation for the purpose of subparagraph (1)(a).

M.O. 2009-05, s. 2.21.

DIVISION 4

Employee, Executive Officer, Director and Consultant Exemptions

2.22. Definitions

In this Division

“associate”, when used to indicate a relationship with a person, means

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(a) *an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling the person to more than 10% of the voting rights attached to outstanding voting securities of the issuer,*

(b) *any partner of the person,*

(c) *any trust or estate in which the person has a substantial beneficial interest or in respect of which the person serves as trustee or executor or in a similar capacity,*

or

(d) *in the case of an individual, a relative of that individual, including*

(i) *a spouse of that individual, or*

(ii) *a relative of that individual's spouse*

if the relative has the same home as that individual;

“associated consultant” means, for an issuer, a consultant of the issuer or of a related entity of the issuer if

(a) *the consultant is an associate of the issuer or of a related entity of the issuer,*
or

(b) *the issuer or a related entity of the issuer is an associate of the consultant;*

“compensation” means an issuance of securities in exchange for services provided or to be provided and includes an issuance of securities for the purpose of providing an incentive;

“consultant” means, for an issuer, a person, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer, that

(a) *is engaged to provide services to the issuer or a related entity of the issuer, other than services provided in relation to a distribution,*

(b) *provides the services under a written contract with the issuer or a related entity of the issuer, and*

(c) *spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer*

and includes

(d) *for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and*

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(e) for a consultant that is not an individual, an employee, executive officer, or director of the consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer.

“holding entity” means a person that is controlled by an individual;

“investor relations activities” means activities or communications, by or on behalf of an issuer or a security holder of the issuer, that promote or could reasonably be expected to promote the purchase or sale of securities of the issuer, but does not include

(a) the dissemination of information or preparation of records in the ordinary course of the business of the issuer

- (i) to promote the sale of products or services of the issuer, or
- (ii) to raise public awareness of the issuer

that cannot reasonably be considered to promote the purchase or sale of securities of the issuer,

(b) activities or communications necessary to comply with the requirements of

- (i) securities legislation of any jurisdiction of Canada,
- (ii) the securities laws of any foreign jurisdiction governing the issuer, or
- (iii) any exchange or market on which the issuer’s securities trade, or

(c) activities or communications necessary to follow securities directions of any jurisdiction of Canada;

“investor relations person” means a person that is a registrant or that provides services that include investor relations activities;

“issuer bid requirements” means the requirements under securities legislation that apply to an issuer bid;

“listed issuer” means an issuer, any of the securities of which

- (a) are listed and not suspended, or the equivalent, from trading on
 - (i) TSX Inc.,
 - (ii) TSX Venture Exchange Inc.,
 - (ii.1) Aequitas NEO Exchange Inc.;
 - (iii) NYSE Amex Equities,

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- (iv) *The New York Stock Exchange,*
- (v) *the London Stock Exchange, or*
- (b) *are quoted on the Nasdaq Stock Market;*

“permitted assign” means, for a person that is an employee, executive officer, director or consultant of an issuer or of a related entity of the issuer,

- (a) *a trustee, custodian, or administrator acting on behalf of, or for the benefit of the person,*
- (b) *a holding entity of the person,*
- (c) *a RRSP, RRIF, or TFSA of the person,*
- (d) *the spouse of the person,*
- (e) *a trustee, custodian, or administrator acting on behalf of, or for the benefit of the spouse of the person,*
- (f) *a holding entity of the spouse of the person, or*
- (g) *a RRSP, RRIF, or TFSA of the spouse of the person;*

“plan” means a plan or program established or maintained by an issuer providing for the acquisition of securities of the issuer by persons described in section 2.24(1) [Employee, executive officer, director and consultant] as compensation;

“related entity” means, for an issuer, a person that controls or is controlled by the issuer or that is controlled by the same person that controls the issuer;

“related person” means, for an issuer,

- (a) *a director or executive officer of the issuer or of a related entity of the issuer,*
- (b) *an associate of a director or executive officer of the issuer or of a related entity of the issuer, or*
- (c) *a permitted assign of a director or executive officer of the issuer or of a related entity of the issuer;*

“security holder approval” means an approval for the issuance of securities of an issuer as compensation or under a plan

- (a) *given by a majority of the votes cast at a meeting of security holders of the issuer other than votes attaching to securities beneficially owned by related persons to whom securities may be issued as compensation or under that plan, or*

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(b) evidenced by a resolution signed by all the security holders entitled to vote at a meeting, if the issuer is not required to hold a meeting; and

“support agreement” includes an agreement to provide assistance in the maintenance or servicing of indebtedness of the borrower and an agreement to provide consideration for the purpose of maintaining or servicing indebtedness of the borrower.

M.O. 2009-05, s. 2.22; M.O. 2015-05, s. 11; M.O. 2015-15, s. 1.

2.23. Interpretation

(1) In this Division, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of

- (a) ownership of or direction over voting securities in the second person,
- (b) a written agreement or indenture,
- (c) being the general partner or controlling the general partner of the second person, or
- (d) being a trustee of the second person.

(2) In this Division, participation in a distribution is considered voluntary if

(a) in the case of an employee or the employee’s permitted assign, the employee or the employee’s permitted assign is not induced to participate in the distribution by expectation of employment or continued employment of the employee with the issuer or a related entity of the issuer,

(b) in the case of an executive officer or the executive officer’s permitted assign, the executive officer or the executive officer’s permitted assign is not induced to participate in the distribution by expectation of appointment, employment, continued appointment or continued employment of the executive officer with the issuer or a related entity of the issuer,

(c) in the case of a consultant or the consultant’s permitted assign, the consultant or the consultant’s permitted assign is not induced to participate in the distribution by expectation of engagement of the consultant to provide services or continued engagement of the consultant to provide services to the issuer or a related entity of the issuer, and

(d) in the case of an employee of a consultant, the individual is not induced by the issuer, a related entity of the issuer, or the consultant to participate in the distribution by expectation of employment or continued employment with the consultant.

M.O. 2009-05, s. 2.23.

2.24. Employee, executive officer, director and consultant

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

- (1) *The prospectus requirement does not apply to a distribution*
- (a) *by an issuer in a security of its own issue, or*
 - (b) *by a control person of an issuer of a security of the issuer or of an option to acquire a security of the issuer,*
- with*
- (c) *an employee, executive officer, director or consultant of the issuer,*
 - (d) *an employee, executive officer, director or consultant of a related entity of the issuer, or*
 - (e) *a permitted assign of a person referred to in paragraphs (c) or (d)*
- if participation in the distribution is voluntary.*

(2) *For the purposes of subsection (1), a person referred to in paragraph (c), (d) or (e) includes a trustee, custodian or administrator acting as agent for that person for the purpose of facilitating a trade.*

M.O. 2009-05, s. 2.24.

2.25. Unlisted reporting issuer exception

(1) *For the purpose of this section, “unlisted reporting issuer” means a reporting issuer in a jurisdiction of Canada that is not a listed issuer.*

(2) *Section 2.24 [Employee, executive officer, director and consultant] does not apply to a distribution to an employee or consultant of the unlisted reporting issuer who is an investor relations person of the issuer, an associated consultant of the issuer, an executive officer of the issuer, a director of the issuer, or a permitted assign of those persons if, after the distribution,*

- (a) *the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to*
 - (i) *related persons, exceeds 10% of the outstanding securities of the issuer, or*

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(ii) a related person, exceeds 5% of the outstanding securities of the issuer, or

(b) the number of securities, calculated on a fully diluted basis, issued within 12 months to

(i) related persons, exceeds 10% of the outstanding securities of the issuer, or

(ii) a related person and the associates of the related person, exceeds 5% of the outstanding securities of the issuer.

(3) Subsection (2) does not apply to a distribution if the unlisted reporting issuer

(a) obtains security holder approval, and

(b) before obtaining security holder approval, provides security holders with the following information in sufficient detail to permit security holders to form a reasoned judgment concerning the matter:

(i) the eligibility of employees, executive officers, directors, and consultants to be issued or granted securities as compensation or under a plan;

(ii) the maximum number of securities that may be issued, or in the case of options, the number of securities that may be issued on exercise of the options, as compensation or under a plan;

(iii) particulars relating to any financial assistance or support agreement to be provided to participants by the issuer or any related entity of the issuer to facilitate the purchase of securities as compensation or under a plan, including whether the assistance or support is to be provided on a full-, part-, or non-recourse basis;

(iv) in the case of options, the maximum term and the basis for the determination of the exercise price;

(v) particulars relating to the options or other entitlements to be granted as compensation or under a plan, including transferability; and

(vi) the number of votes attaching to securities that, to the issuer's knowledge at the time the information is provided, will not be included for the purpose of determining whether security holder approval has been obtained.

M.O. 2009-05, s. 2.25.

2.26. Distributions among current or former employees, executive officers, directors, or consultants of non-reporting issuer

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

(1) *The prospectus requirement does not apply to a distribution of a security of an issuer by*

(a) *a current or former employee, executive officer, director, or consultant of the issuer or related entity of the issuer, or*

(b) *a permitted assign of a person referred to in paragraph (a),*

to

(c) *an employee, executive officer, director, or consultant of the issuer or a related entity of the issuer, or*

(d) *a permitted assign of the employee, executive officer, director, or consultant.*

(2) *The exemption in subsection (1) is only available if*

(a) *participation in the distribution is voluntary,*

(b) *the issuer of the security is not a reporting issuer in any jurisdiction of Canada, and*

(c) *the price of the security being distributed is established by a generally applicable formula contained in a written agreement among some or all of the security holders of the issuer to which the transferee is or will become a party.*

M.O. 2009-05, s. 2.26.

2.27. Permitted transferees

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale. This text box does not form part of this Regulation and has no official status.

(1) *The prospectus requirement does not apply to a distribution of a security of an issuer acquired by a person described in section 2.24(1) [Employee, executive officer, director and consultant] under a plan of the issuer if the distribution*

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(a) *is between*

(i) *a person who is an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, and*

(ii) *the permitted assign of that person,*

or

(b) *is between permitted assigns of that person.*

(2) *The prospectus requirement does not apply to a distribution of a security of an issuer by a trustee, custodian or administrator acting on behalf, or for the benefit, of employees, executive officers, directors or consultants of the issuer or a related entity of the issuer, to*

(a) *an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, or*

(b) *a permitted assign of a person referred to in paragraph (a),*

if the security was acquired from

(c) *an employee, executive officer, director or consultant of the issuer or a related entity of the issuer, or*

(d) *the permitted assign of a person referred to in paragraph (c).*

(3) *For the purposes of the exemptions in subsection (1) and paragraphs (2) (c) and (d), all references to employee, executive officer, director, or consultant include a former employee, executive officer, director, or consultant.*

M.O. 2009-05, s. 2.27.

2.28. Limitation re: permitted transferees

The exemption from the prospectus requirement under subsection 2.27(1) or (2) is only available if the security was acquired

(a) *by a person described in section 2.24(1) [Employee, executive officer, director, and consultant] under any exemption that makes the resale of the security subject to section 2.6 of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20), or*

(b) *in Manitoba, by a person described in section 2.24(1) [Employee, executive officer, director, and consultant].*

M.O. 2009-05, s. 2.28.

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2.29. Issuer bid

The issuer bid requirements do not apply to the acquisition by an issuer of a security of its own issue that was acquired by a person described in section 2.24(1) [Employee, executive officer, director, and consultant] if

- (a) the purpose of the acquisition by the issuer is to
 - (i) fulfill withholding tax obligations, or
 - (ii) provide payment of the exercise price of a stock option,
- (b) the acquisition by the issuer is made in accordance with the terms of a plan that specifies how the value of the securities acquired by the issuer is determined,
- (c) in the case of securities acquired as payment of the exercise price of a stock option, the date of exercise of the option is chosen by the option holder, and
- (d) the aggregate number of securities acquired by the issuer within a 12 month period under this section does not exceed 5% of the outstanding securities of the class or series at the beginning of the period.

M.O. 2009-05, s. 2.29.

DIVISION 5 Miscellaneous Exemptions

2.30. Isolated distribution by issuer

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a restricted period on resale. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution by an issuer of a security of its own issue if the distribution is an isolated distribution and is not made

- (a) in the course of continued and successive transactions of a like nature, and
- (b) by a person whose usual business is trading in securities.

M.O. 2009-05, s. 2.30.

2.31. Dividends and distributions

Subsection (1) is cited in Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale.

Subsection (2) is cited in Appendix D and Appendix E of Regulation 45-102. Resale restriction is determined by the exemption under which the previously issued security was first acquired.

This text box does not form part of this Regulation and has no official status.

(1) *The prospectus requirement does not apply to a distribution by an issuer of a security of its own issue to a security holder of the issuer as a dividend or distribution out of earnings, surplus, capital or other sources.*

(2) *The prospectus requirement does not apply to a distribution by an issuer to a security holder of the issuer of a security of a reporting issuer as an in specie dividend or distribution out of earnings or surplus.*

M.O. 2009-05, s. 2.31.

2.32. Distribution to lender by control person for collateral

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). Trades by a lender, pledge, mortgage or other encumbrancer to realize on a debt are regulated by section 2.8 of Regulation 45-102. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution of a security of an issuer to a lender, pledgee, mortgagee or other encumbrancer from the holdings of a control person of the issuer for the purpose of giving collateral for a bona fide debt of the control person.

M.O. 2009-05, s. 2.32.

2.33. Acting as underwriter

Refer to Appendix F of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are a distribution. This text box does not form part of this Regulation and has no official status.

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The prospectus requirement does not apply to a distribution of a security between a person and a purchaser acting as an underwriter or between or among persons acting as underwriters.

M.O. 2009-05, s. 2.33.

2.34. Specified debt

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These securities are free trading. This text box does not form part of this Regulation and has no official status.

(1) *In this section, “permitted supranational agency” means*

(a) *the African Development Bank, established by the Agreement Establishing the African Development Bank which came into force on September 10, 1964, that Canada became a member of on December 30, 1982;*

(b) *the Asian Development Bank, established under a resolution adopted by the United Nations Economic and Social Commission for Asia and the Pacific in 1965;*

(c) *the Caribbean Development Bank, established by the Agreement Establishing the Caribbean Development Bank which came into force on January 26, 1970, as amended, that Canada is a founding member of;*

(d) *the European Bank for Reconstruction and Development, established by the Agreement Establishing the European Bank for Reconstruction and Development and approved by the European Bank for Reconstruction and Development Agreement Act (L.C. 1991, c. 12), that Canada is a founding member of;*

(e) *the Inter-American Development Bank, established by the Agreement establishing the Inter-American Development Bank which became effective December 30, 1959, as amended from time to time, that Canada is a member of;*

(f) *the International Bank for Reconstruction and Development, established by the Agreement for an International Bank for Reconstruction and Development approved by the Bretton Woods and Related Agreements Act (R.S.C. 1985, c. B-7); and*

(g) *the International Finance Corporation, established by Articles of Agreement approved by the Bretton Woods and Related Agreements Act.*

(2) *The prospectus requirement does not apply to a distribution of*

(a) *a debt security issued by or guaranteed by the Government of Canada or the government of a jurisdiction of Canada,*

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(b) a debt security issued by or guaranteed by a government of a foreign jurisdiction if the debt security has a designated rating from a designated rating organization or its DRO affiliate,

(c) a debt security issued by or guaranteed by a municipal corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and collectable by or through the municipality in which the property is situated,

(d) a debt security issued by or guaranteed by a Canadian financial institution or a Schedule III bank, other than debt securities that are subordinate in right of payment to deposits held by the issuer or guarantor of those debt securities,

(d.1) in Ontario, a debt security issued by or guaranteed by a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of a jurisdiction of Canada other than Ontario to carry on business in a jurisdiction of Canada, other than debt securities that are subordinate in right of payment to deposits held by the issuer or guarantor of those debt securities,

(e) a debt security issued by the Comité de gestion de la taxe scolaire de l'île de Montréal, or

(f) a debt security issued by or guaranteed by a permitted supranational agency if the debt securities are payable in the currency of Canada or the United States of America.

(3) Paragraphs (2)(a), (c) and (d) do not apply in Ontario.

M.O. 2009-05, s. 2.34; M.O. 2013-09, s. 2

2.35. Short-term debt

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These securities are free trading. This text box does not form part of this Regulation and has no official status.

(1) The prospectus requirement does not apply to a distribution of a negotiable promissory note or commercial paper if all of the following apply:

(a) the note or commercial paper matures not more than one year from the date of issue;

(b) the note or commercial paper has a credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an

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organization listed below or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

- (i) R-1(low) - DBRS Limited;
- (ii) F1 - Fitch Ratings, Inc.;
- (iii) P-1 - Moody's Canada Inc.;
- (iv) A-1(Low) (Canada national scale) - S&P Global Ratings Canada;

(c) the note or commercial paper has no credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is below one of the following corresponding rating categories or that is below a category that replaces one of the following corresponding rating categories:

- (i) R-1(low) - DBRS Limited;
- (ii) F2 - Fitch Ratings, Inc.;
- (iii) P-2 - Moody's Canada Inc.;
- (iv) A-1(Low) (Canada national scale) or A-2 (global scale) - S&P Global Ratings Canada.

(2) Subsection (1) does not apply to a distribution of a negotiable promissory note or commercial paper if either of the following applies:

- (a) the note or commercial paper is a securitized product;
- (b) the note or commercial paper is convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in subsection (1).

M.O. 2009-05, s. 2.35; M.O. 2013-09, s. 3; M.O. 2015-06, s. 7; M.O. 2018-03, s. 2.

2.35.1. Short-term securitized products

The prospectus requirement does not apply to a distribution of a short-term securitized product if all of the following apply:

- (a) the short-term securitized product is a security described in section 2.35.2;
- (b) the conduit issuing the short-term securitized product complies with section 2.35.4;

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(c) the short-term securitized product is not convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in paragraph (a) and for which disclosure is provided pursuant to paragraph (b).

M.O. 2015-06, s. 8.

2.35.1.1. Definition applicable to section 2.35.2

For the purposes of paragraph 2.35.2(a), a reference to “designated rating organization” includes the DRO affiliates of the organization, a designated rating organization that is a successor credit rating organization of the designated rating organization and the DRO affiliates of such successor credit rating organization.

M.O. 2018-03, s. 3.

2.35.2. Limitations on short-term securitized product exemption

All of the following must apply to a short-term securitized product distributed under section 2.35.1:

(a) the short-term securitized product is of a series or class of securitized product to which all of the following apply:

(i) it has a credit rating from not less than two designated rating organizations listed below and at least one of the credit ratings is at or above one of the following corresponding rating categories or is at or above a category that replaces one of the following corresponding rating categories:

(A) R-1(high)(sf) - DBRS Limited;

(B) F1+sf - Fitch Ratings, Inc.;

(C) P-1(sf) - Moody's Canada Inc.;

(D) A-1(High)(sf) (Canada national scale) or A-1+(sf) (global scale) - S&P Global Ratings Canada;

(ii) it has no credit rating from a designated rating organization listed below that is below one of the following corresponding rating categories or that is below a category that replaces one of the following corresponding rating categories:

(A) R-1(low)(sf) - DBRS Limited;

(B) F2sf - Fitch Ratings, Inc.;

(C) P-2(sf) - Moody's Canada Inc.;

(D) A-1(Low)(sf) (Canada national scale) or A-2(sf) (global scale) - S&P Global Ratings Canada;

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(iii) the conduit has entered into one or more agreements that, subject to section 2.35.3, obligate one or more liquidity providers to provide funds to the conduit to enable the conduit to satisfy all of its obligations to pay principal or interest as that series or class of short-term securitized product matures;

(iv) all of the following apply to each liquidity provider:

(A) the liquidity provider is a deposit-taking institution;

(B) the liquidity provider is regulated or approved to carry on business in Canada by one or both of the following:

1. the Office of the Superintendent of Financial Institutions (Canada);

2. a government department or regulatory authority of Canada, or of a jurisdiction of Canada responsible for regulating deposit-taking institutions;

(C) the liquidity provider has a credit rating from each of the designated rating organizations providing a credit rating on the short-term securitized product referred to in subparagraph 2.35.2(a)(i), for its senior, unsecured short-term debt, none of which is dependent upon a guarantee by a third party, and each credit rating from those designated rating organizations is at or above the following corresponding rating categories or is at or above a category that replaces one of the following corresponding rating categories:

1. R-1(low) - DBRS Limited;

2. F2 - Fitch Ratings, Inc.;

3. P-2 - Moody's Canada Inc.;

4. A-1(Low) (Canada national scale) or A-2 (global scale)
- S&P Global Ratings Canada;

(b) if the conduit has issued more than one series or class of short-term securitized product, the short-term securitized product to be distributed under section 2.35.1, when issued, will not in the event of bankruptcy, insolvency or winding-up of the conduit be subordinate in priority of claim to any other outstanding series or class of short-term securitized product issued by the conduit in respect of any asset pool backing the short-term securitized product to be distributed under section 2.35.1;

(c) the conduit has provided an undertaking to or has agreed in writing with the purchaser of the short-term securitized product or an agent, custodian or trustee appointed to act on behalf of purchasers of that series or class of short-term securitized product, that any asset pool of the conduit will consist only of one or more of the following:

- (i) a bond;
- (ii) a mortgage;
- (iii) a lease;
- (iv) a loan;
- (v) a receivable;
- (vi) a royalty;
- (vii) any real or personal property securing or forming part of that asset pool.

M.O. 2015-06, s. 8; M.O. 2018-03, s. 4.

2.35.3. Exceptions relating to liquidity agreements

(1) Despite subparagraph 2.35.2(a)(iii), an agreement with a liquidity provider may provide that a liquidity provider is not obligated to advance funds in respect of a series or class of short-term securitized product distributed under section 2.35.1 if the conduit is subject to any of the following:

(a) bankruptcy, or insolvency proceedings under the Bankruptcy and Insolvency Act (R.S.C. 1985, c. B-3);

(b) an arrangement under the Companies Creditors' Arrangement Act (R.S.C. 1985, c. C-36);

(c) proceedings similar to those referred to in paragraph (a) or (b) under the laws of Canada or a jurisdiction of Canada or a foreign jurisdiction.

(2) Despite subparagraph 2.35.2(a)(iii), an agreement with a liquidity provider may provide that a liquidity provider is not obligated to advance funds in respect of a series or class of short-term securitized product distributed under section 2.35.1 that exceed the sum of the following:

(a) the aggregate value of the non-defaulted assets in the asset pool to which the agreement relates;

(b) the amount of credit enhancement applicable to the asset pool to which the agreement relates.

M.O. 2015-06, s. 8.

2.35.4. Disclosure requirements

(1) A conduit that distributes a short-term securitized product under section 2.35.1 must, on or before the date a purchaser purchases the short-term securitized product, do all of the following:

(a) provide to or make reasonably available to the purchaser an information memorandum prepared in accordance with Form 45-106F7;

(b) provide an undertaking to or agree in writing with the purchaser, or with an agent, custodian or trustee appointed to act on behalf of purchasers of that series or class of securitized product, to

(i) for so long as a short-term securitized product of that class remains outstanding, prepare the documents specified in subsections (5) and (6) within the time periods specified in those subsections, and

(ii) provide to or make reasonably available to each holder of a short-term securitized product of that series or class, the documents specified in subsections (5) and (6).

(2) Subsection (1) does not apply to a conduit distributing a short-term securitized product under section 2.35.1 if

(a) the conduit has previously distributed a short-term securitized product of the same series or class as the short-term securitized product to be distributed;

(b) in connection with that previous distribution the conduit prepared an information memorandum that complied with paragraph (1)(a), and

(c) the conduit, on or before the time each purchaser in the current distribution purchases a short-term securitized product, does each of the following:

(i) provides to or makes reasonably available to the purchaser the information memorandum prepared in connection with the previous distribution;

(ii) provides to or makes reasonably available to the purchaser all documents specified in subsections (5) and (6) that have been prepared in respect of that series or class of short-term securitized product.

(3) A conduit must, on or before the 10th day following a distribution of a short-term securitized product under section 2.35.1, do each of the following:

(a) provide to or make reasonably available to the securities regulator either of the following:

(i) the information memorandum required under paragraph (1)(a);

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(ii) if the conduit is relying on subsection (2), the documents referred to in paragraph (c) of subsection (2);

(b) subject to subsection (4), deliver to the securities regulator an undertaking that it will, in respect of that series or class of short-term securitized product,

(i) provide to or make reasonably available to the securities regulator the documents specified in subsections (5) and (6), and

(ii) promptly deliver to the securities regulator each document specified in subsections (5) and (6) that is requested by the securities regulator.

(4) Paragraph (3)(b) does not apply if

(a) the conduit has delivered an undertaking to the securities regulator under paragraph (3)(b) in respect of a previous distribution of a securitized product that is of the same series or class as the short-term securitized product currently being distributed, and

(b) the undertaking referred to in paragraph (a) applies in respect of the current distribution.

(5) For the purpose of subsection 2.35.4(1), the undertaking or agreement must require the conduit to prepare a monthly disclosure report relating to the series or class of short-term securitized product that is

(a) prepared in accordance with Form 45-106F8,

(b) current as at the last business day of each month, and

(c) no later than 50 days from the end of the most recent month to which it relates, made reasonably available to each holder of that series or class of the conduit's short-term securitized product.

(6) For the purpose of subsection 2.35.4(1), the undertaking or agreement must require the conduit to prepare a timely disclosure report, providing the information specified in subsection (7), in each of the following circumstances:

(a) a downgrade in one or more of the conduit's credit ratings;

(b) failure by the conduit to make any required payment of principal or interest on the series or class of short-term securitized product;

(c) the occurrence of a change or event that the conduit would reasonably expect to have a significant adverse effect on the payment of principal or interest on the series or class of short-term securitized product.

(7) The timely disclosure report referred to in subsection (6) must

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(a) describe the nature and substance of the change or event and the actual or potential effect on any payment of principal or interest to a holder of that series or class of short-term securitized product, and

(b) be provided to or made reasonably available to holders of that series or class of short-term securitized product no later than the second business day after the conduit becomes aware of the change or event.

M.O. 2015-06, s. 8.

2.36. Mortgages

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These securities are free trading. This text box does not form part of this Regulation and has no official status.

(1) (paragraph revoked).

(2) The prospectus requirement does not apply to a distribution of a mortgage on real property in a jurisdiction of Canada by a person who is registered or licensed, or exempted from registration or licensing, under mortgage brokerage or mortgage dealer legislation of that jurisdiction.

(3) Subsection (2) does not apply to the distribution of a syndicated mortgage.

M.O. 2009-05, s. 2.36; N.I. 2017-04-01; M.O. 2021-03, s. 5.

2.37. Personal property security legislation

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These securities are free trading. This text box does not form part of this Regulation and has no official status.

Except in Ontario, the prospectus requirement does not apply to a distribution to a person, other than an individual, in a security evidencing indebtedness secured by or under a security agreement, secured in accordance with personal property security legislation of a jurisdiction of Canada that provides for the granting of security in personal property.

M.O. 2009-05, s. 2.37.

2.38. Not for profit issuer

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These securities are free trading. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution by an issuer that is organized exclusively for educational, benevolent, fraternal, charitable, religious or recreational purposes and not for profit in a security of its own issue if

- (a) no part of the net earnings benefit any security holder of the issuer, and*
- (b) no commission or other remuneration is paid in connection with the sale of the security.*

M.O. 2009-05, s. 2.38.

2.39. Variable insurance contract

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These securities are free trading. This text box does not form part of this Regulation and has no official status.

(1) In this section,

(a) “contract” “group insurance”, “insurance company”, “life insurance” and “policy” have the respective meanings assigned to them in the legislation for a jurisdiction referenced in Appendix A.

(b) “variable insurance contract” means a contract of life insurance under which the interest of the purchaser is valued for purposes of conversion or surrender by reference to the value of a proportionate interest in a specified portfolio of assets.

(2) The prospectus requirement does not apply to a distribution of a variable insurance contract by an insurance company if the variable insurance contract is

- (a) a contract of group insurance,*
- (b) a whole life insurance contract providing for the payment at maturity of an amount not less than 75% of the premium paid up to age 75 years for a benefit payable at maturity,*
- (c) an arrangement for the investment of policy dividends and policy proceeds in a separate and distinct fund to which contributions are made only from policy dividends and policy proceeds, or*

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- (d) *a variable life annuity.*

M.O. 2009-05, s. 2.39.

2.40. RRSP/RRIF/TFSA

Refer to Appendix D and Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). The resale restriction is determined by the exemption under which the security was first acquired. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution of a security between

- (a) *an individual or an associate of the individual, and*
- (b) *a RRSP, RRIF, or TFSA*
- (i) *established for or by the individual, or*
- (ii) *under which the individual is a beneficiary.*

M.O. 2009-05, s. 2.40.

2.41. Schedule III banks and cooperative associations - evidence of deposit

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These securities are free trading. This text box does not form part of this Regulation and has no official status.

Except in Ontario, the prospectus requirement does not apply to a distribution of an evidence of deposit issued by a Schedule III bank or an association governed by the Cooperative Credit Associations Act (S.C. 1991, c. 48).

M.O. 2009-05, s. 2.41.

2.42. Conversion, exchange, or exercise

Subsection (1)(a) is cited in Appendix D and Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). Resale restriction is determined by the exemption under which the previously issued security was first acquired.

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Subsection (1)(b) is cited in Appendix E of Regulation 45-102. First trades are subject to a seasoning period on resale, unless the requirements of section 2.10 of Regulation 45-102 are met.

This text box does not form part of this Regulation and has no official status.

- (1) *The prospectus requirement does not apply to a distribution by an issuer if*
- (a) *the issuer distributes a security of its own issue to a security holder of the issuer in accordance with the terms and conditions of a security previously issued by that issuer, or*
 - (b) *the issuer distributes a security of a reporting issuer held by it to a security holder of the issuer in accordance with the terms and conditions of a security previously issued by that issuer.*
- (2) *Subsection (1)(b) does not apply unless*
- (a) *the issuer has given the regulator, except in Québec, or the securities regulatory authority, prior written notice stating the date, amount, nature and conditions of the distribution, and*
 - (b) *the regulator, except in Québec, or the securities regulatory authority, has not objected in writing to the distribution within 10 days of receipt of the notice referred to in paragraph (a) or, if the regulator or securities regulatory authority objects to the distribution, the issuer must deliver to the regulator or securities regulatory authority information relating to the securities that is satisfactory to and accepted by the regulator or securities regulatory authority.*

M.O. 2009-05, s. 2.42; M.O. 2022-11, s. 4.

2.43. Self-directed registered educational savings plans

This provision is not cited in any Appendix of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These securities are free trading. This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution of a self-directed RESP to a subscriber if

- (a) *the distribution is conducted by*
 - (i) *a dealing representative of a mutual fund dealer who is acting on behalf of the mutual fund dealer,*
 - (ii) *a Canadian financial institution or,*

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(iii) *in Ontario, a financial intermediary, and*

(b) *the self-directed RESP restricts its investments in securities to securities in which the person who distributes the self-directed RESP is permitted to distribute.*

M.O. 2009-05, s. 2.43.

PART 3 **Repealed**

Under section 8.5 of this Regulation, Part 3 was no longer available in any jurisdiction. In British Columbia, Part 3 was repealed by B.C. Reg. 227/2009. In Québec, Part 3 will be repealed by Regulation to amend Regulation 45-106 respecting Prospectus and Registration Exemptions (M.O. 2015-05, 2015 G.O. 2, 745). All other jurisdictions will repeal Part 3 in these amendments. This text box does not form part of this Regulation and has no official status.

3.0. Repealed

M.O. 2009-05, s. 3.0; M.O. 2015-05, s. 12.

DIVISION 1 **Repealed**

3.1. Repealed

M.O. 2009-05, s. 3.1; M.O. 2015-05, s. 12.

3.2. Repealed

M.O. 2009-05, s. 3.2; M.O. 2015-05, s. 12.

3.3. Repealed

M.O. 2009-05, s. 3.3; M.O. 2015-05, s. 12.

3.4. Repealed

M.O. 2009-05, s. 3.4; M.O. 2015-05, s. 12.

3.5. Repealed

M.O. 2009-05, s. 3.5; M.O. 2015-05, s. 12.

3.6. Repealed

M.O. 2009-05, s. 3.6; M.O. 2015-05, s. 12.

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3.7. Repealed

M.O. 2009-05, s. 3.7; M.O. 2015-05, s. 12.

3.8. Repealed

M.O. 2009-05, s. 3.8; M.O. 2015-05, s. 12.

3.9. Repealed

M.O. 2009-05, s. 3.9; M.O. 2015-05, s. 12.

3.10. Repealed

M.O. 2009-05, s. 3.10; M.O. 2015-05, s. 12.

**DIVISION 2
Repealed**

3.11. Repealed

M.O. 2009-05, s. 3.11; M.O. 2015-05, s. 12.

3.12. Repealed

M.O. 2009-05, s. 3.12; M.O. 2015-05, s. 12.

3.13. Repealed

M.O. 2009-05, s. 3.13; M.O. 2015-05, s. 12.

3.14. Repealed

M.O. 2009-05, s. 3.14; M.O. 2015-05, s. 12.

3.15. Repealed

M.O. 2009-05, s. 3.15; M.O. 2015-05, s. 12.

3.16. Repealed

M.O. 2009-05, s. 3.16; M.O. 2015-05, s. 12.

3.17. Repealed

M.O. 2009-05, s. 3.17; M.O. 2015-05, s. 12.

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DIVISION 3

Repealed

3.18. *Repealed*

M.O. 2009-05, s. 3.18; M.O. 2015-05, s. 12.

3.19. *Repealed*

M.O. 2009-05, s. 3.19; M.O. 2015-05, s. 12.

3.20. *Repealed*

M.O. 2009-05, s. 3.20; M.O. 2015-05, s. 12.

3.21. *Repealed*

M.O. 2009-05, s. 3.21; M.O. 2015-05, s. 12.

DIVISION 4

Repealed

3.22. *Repealed*

M.O. 2009-05, s. 3.22; M.O. 2015-05, s. 12.

3.23. *Repealed*

M.O. 2009-05, s. 3.23; M.O. 2015-05, s. 12.

3.24. *Repealed*

M.O. 2009-05, s. 3.24; M.O. 2015-05, s. 12.

3.25. *Repealed*

M.O. 2009-05, s. 3.25; M.O. 2015-05, s. 12.

3.26. *Repealed*

M.O. 2009-05, s. 3.26; M.O. 2015-05, s. 12.

3.27. *Repealed*

M.O. 2009-05, s. 3.27; M.O. 2015-05, s. 12.

3.28. *Repealed*

M.O. 2009-05, s. 3.28; M.O. 2015-05, s. 12.

DIVISION 5

Repealed

3.29. Repealed

M.O. 2009-05, s. 3.29; M.O. 2015-05, s. 12.

3.30. Repealed

M.O. 2009-05, s. 3.30; M.O. 2015-05, s. 12.

3.31. Repealed

M.O. 2009-05, s. 3.31; M.O. 2015-05, s. 12.

3.32. Repealed

M.O. 2009-05, s. 3.32; M.O. 2015-05, s. 12.

3.33. Repealed

M.O. 2009-05, s. 3.33; M.O. 2015-05, s. 12.

3.34. Repealed

M.O. 2009-05, s. 3.34; M.O. 2013-09, s. 4; M.O. 2015-05, s. 12.

3.35. Repealed

M.O. 2009-05, s. 3.35; M.O. 2013-09, s. 5; M.O. 2015-05, s. 12.

3.36. Repealed

M.O. 2009-05, s. 3.36; M.O. 2015-05, s. 12.

3.37. Repealed

M.O. 2009-05, s. 3.37; M.O. 2015-05, s. 12.

3.38. Repealed

M.O. 2009-05, s. 3.38; M.O. 2015-05, s. 12.

3.39. Repealed

M.O. 2009-05, s. 3.39; M.O. 2015-05, s. 12.

3.40. Repealed

M.O. 2009-05, s. 3.40; M.O. 2015-05, s. 12.

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3.41. Repealed

M.O. 2009-05, s. 3.41; M.O. 2015-05, s. 12.

3.42. Repealed

M.O. 2009-05, s. 3.42; M.O. 2015-05, s. 12.

3.43. Repealed

M.O. 2009-05, s. 3.43; M.O. 2015-05, s. 12.

3.44. Repealed

M.O. 2009-05, s. 3.44; M.O. 2015-05, s. 12.

3.45. Repealed

M.O. 2009-05, s. 3.45; M.O. 2015-05, s. 12.

3.46. Repealed

M.O. 2009-05, s. 3.46; M.O. 2015-05, s. 12.

3.47. Repealed

M.O. 2009-05, s. 3.47; M.O. 2015-05, s. 12.

3.48. Repealed

M.O. 2009-05, s. 3.48; M.O. 2015-05, s. 12.

3.49. Repealed

M.O. 2009-05, s. 3.49; M.O. 2015-05, s. 12.

3.50. Repealed

M.O. 2009-05, s. 3.50; M.O. 2015-05, s. 12.

PART 4 CONTROL BLOCK DISTRIBUTIONS

4.1. Control block distributions

(1) In this Part “control block distribution” means a trade to which the provisions of securities legislation listed in Appendix B apply.

(2) Terms defined or interpreted in Regulation 62-103 respecting the Early Warning System and Related Takeover Bid and Insider Reporting Issues (chapter V-1.1, r. 34) and used in this Part have the same meaning as is assigned to them in that Regulation.

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(3) *The prospectus requirement does not apply to a control block distribution by an eligible institutional investor of a reporting issuer's securities if*

(a) *the eligible institutional investor*

(i) *has filed the reports required under the early warning requirements or files the reports required under Part 4 of Regulation 62-103 respecting the Early Warning System and Related Takeover Bid and Insider Reporting Issues,*

(ii) *does not have knowledge of any material fact or material change with respect to the reporting issuer that has not been generally disclosed,*

(iii) *does not receive in the ordinary course of its business and investment activities knowledge of any material fact or material change with respect to the reporting issuer that has not been generally disclosed, and*

(iv) *either alone or together with any joint actors, does not possess effective control of the reporting issuer,*

(b) *there are no directors or officers of the reporting issuer who were, or could reasonably be seen to have been, selected, nominated or designated by the eligible institutional investor or any joint actor,*

(c) *the control block distribution is made in the ordinary course of business or investment activity of the eligible institutional investor,*

(d) *securities legislation would not require the securities to be held for a specified period of time if the trade was not a control block distribution,*

(e) *no unusual effort is made to prepare the market or to create a demand for the securities, and*

(f) *no extraordinary commission or consideration is paid in respect of the control block distribution.*

(4) *An eligible institutional investor that makes a distribution in reliance on subsection (3) must file a letter within 10 days after the distribution that describes the date and size of the distribution, the market on which it was made and the price at which the securities being distributed were sold.*

M.O. 2009-05, s. 4.1.

4.2. Distributions by a control person after a take-over bid

(1) *The prospectus requirement does not apply to a distribution in a security from the holdings of a control person acquired under a take-over bid for which a take-over bid circular was issued and filed if*

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(a) the issuer whose securities are being acquired under the take-over bid has been a reporting issuer for at least 4 months at the date of the take-over bid,

(b) the intention to make the distribution is disclosed in the take-over bid circular issued in respect of the take-over bid,

(c) the distribution is made within the period beginning on the date of the expiry of the bid and ending 20 days after that date,

(d) a notice of intention to distribute securities in Form 45-102F1, Notice of Intention to Distribute Securities under Section 2.8 of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20) under Regulation 45-102 is filed before the distribution,

(e) an insider report of the distribution in Form 55-102F2, Insider Report or Form 55-102F6, Insider Report, as applicable, under National Instrument 55-102, System for Electronic Disclosure by Insiders (SEDI), (chapter V-1.1, r. 30), is filed within 3 days after the completion of the distribution,

(f) no unusual effort is made to prepare the market or to create a demand for the security, and

(g) no extraordinary commission or consideration is paid in respect of the distribution.

(2) A control person referred to in subsection (1) is not required to comply with subsection (1) (b) if

(a) another person makes a competing take-over bid for securities of the issuer for which the take-over bid circular is issued, and

(b) the control person sells those securities to that other person for a consideration that is not greater than the consideration offered by that other person under its take-over bid.

M.O. 2009-05, s. 4.2.

PART 5 OFFERINGS BY TSX VENTURE EXCHANGE OFFERING DOCUMENT

5.1 Application and interpretation

(1) This Part does not apply in Ontario.

(2) In this Part

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“exchange policy” means Exchange Policy 4.6 - Public Offering by Short Form Offering Document and Exchange Form 4H - Short Form Offering Document, of the TSX Venture Exchange as amended from time to time;

“gross proceeds” means the gross proceeds that are required to be paid to the issuer for listed securities distributed under a TSX Venture exchange offering document;

“listed security” means a security of a class listed on the TSX Venture Exchange;

“prior exchange offering” means a distribution of securities by an issuer under a TSX Venture exchange offering document that was completed during the 12-month period immediately preceding the date of the TSX Venture exchange offering document;

“subsequently triggered report” means a material change report that must be filed no later than 10 days after a material change under securities legislation as a result of a material change that occurs after the date the TSX Venture exchange offering document is certified but before a purchaser enters into an agreement of purchase and sale;

“TSX Venture Exchange” means the TSX Venture Exchange Inc.;

“TSX Venture exchange offering document” means an offering document that complies with the exchange policy;

“warrant” means a warrant of an issuer distributed under a TSX Venture exchange offering document that entitles the holder to acquire a listed security or a portion of a listed security of the same issuer.

M.O. 2009-05, s. 5.1.

5.2. TSX Venture Exchange offering

Refer to Appendix D of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). These securities are free trading unless the security is acquired by

(i) a purchaser that, at the time the security was acquired, was an insider or promoter of the issuer of the security, an underwriter of the issuer, or a member of the underwriter's professional group, or

(ii) any other purchaser in excess of \$40,000 for the portion of the securities in excess of \$40,000.

The first trade by purchasers under (i) and (ii) are subject to a restricted period.

This text box does not form part of this Regulation and has no official status.

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The prospectus requirement does not apply to a distribution by an issuer in a security of its own issue if

- (a) the issuer has filed an AIF in a jurisdiction of Canada,*
- (b) (paragraph repealed),*
- (c) the issuer is a reporting issuer in a jurisdiction of Canada and has filed in a jurisdiction of Canada*
 - (i) a TSX Venture exchange offering document,*
 - (ii) all documents required to be filed under the securities legislation of that jurisdiction, and*
 - (iii) any subsequently triggered report,*
- (d) the distribution is of listed securities or units consisting of listed securities and warrants,*
- (e) the issuer has filed with the TSX Venture Exchange a TSX Venture exchange offering document in respect of the distribution, that*
 - (i) incorporates by reference the following documents of the issuer filed with the securities regulatory authority in any jurisdiction of Canada:*
 - A) the AIF,*
 - B) the most recent annual financial statements and the MD&A relating to those financial statements,*
 - C) all unaudited interim financial reports and the MD&A relating to those financial reports, filed after the date of the AIF but before or on the date of the TSX Venture exchange offering document,*
 - D) all material change reports filed after the date of the AIF but before or on the date of the TSX Venture exchange offering document, and*
 - E) all documents required under Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (chapter V-1.1, r. 15) and Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities (chapter. V-1.1, r. 23), filed on or after the date of the AIF but before or on the date of the TSX Venture exchange offering document,*
 - (ii) deems any subsequently triggered report required to be delivered to a purchaser under this Part to be incorporated by reference,*

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(iii) grants to purchasers contractual rights of action in the event of a misrepresentation, as required by the exchange policy,

(iv) grants to purchasers contractual rights of withdrawal, as required by the exchange policy, and

(v) contains all the certificates required by the exchange policy,

(f) the distribution is conducted in accordance with the exchange policy,

(g) the issuer or the underwriter delivers the TSX Venture exchange offering document and any subsequently triggered report to each purchaser

(i) before the issuer or the underwriter enters into the written confirmation of purchase and sale resulting from an order or subscription for securities being distributed under the TSX Venture exchange offering document, or

(ii) not later than midnight on the 2nd business day after the agreement of purchase and sale is entered into,

(h) the listed securities issued under the TSX Venture exchange offering document, when added to the listed securities of the same class issued under prior exchange offerings, do not exceed

(i) the number of securities of the same class outstanding immediately before the issuer distributes securities of the same class under the TSX Venture exchange offering document, or

(ii) the number of securities of the same class outstanding immediately before a prior exchange offering,

(i) the gross proceeds under the TSX Venture exchange offering document, when added to the gross proceeds from prior exchange offerings do not exceed \$2,000,000,

(j) no purchaser acquires more than 20% of the securities distributed under the TSX Venture exchange offering document, and

(k) no more than 50% of the securities distributed under the TSX Venture exchange offering document are subject to section 2.5 of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20).

M.O. 2009-05, s. 5.2; M.O. 2010-17, s. 2; M.O. 2023-11, s. 2.

5.3. Underwriter obligations

An underwriter that qualifies as a “sponsor” under TSX Venture Exchange Policy 2.2 - Sponsorship and Sponsorship Requirements as amended from time to time

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must sign the TSX Venture exchange offering document and comply with TSX Venture Exchange Appendix 4A - Due Diligence Report in connection with the distribution.

M.O. 2009-05, s. 5.3.

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**PART 5A
LISTED ISSUER FINANCING EXEMPTION**

5A.1. Interpretation

(1) *In this Part,*

“listed equity security” means a security of a class of equity securities of an issuer listed for trading on an exchange recognized by a securities regulatory authority in a jurisdiction of Canada;

“restructuring transaction” has the same meaning as in Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24);

“secondary market liability provisions” means the provisions of securities legislation set out in Appendix D opposite the name of the local jurisdiction.

(2) *For the purpose of this Part, the aggregate market value of an issuer’s listed equity securities is calculated by multiplying the total number of listed equity securities outstanding, by the market price.*

(3) *For the purpose of this Part, “cash equivalents” has the same meaning as in the Handbook.*

M.O. 2022-11, s. 5.

5A.2. Listed issuer financing exemption

Refer to Appendix E of Regulation 45-102 respecting Resale of Securities (chapter V-1.1, r. 20). First trades are subject to a seasoning period on resale.

This text box does not form part of this Regulation and has no official status.

The prospectus requirement does not apply to a distribution by an issuer of a security of the issuer’s own issue if all of the following apply:

(a) *the issuer is a reporting issuer and has been a reporting issuer in at least one jurisdiction of Canada for the 12 months immediately before the date that the issuer files the news release referred to in paragraph (k);*

(b) *the issuer has listed equity securities;*

(c) *the issuer is not, or during the 12 months immediately before the date the issuer files the news release referred to in paragraph (k) the issuer or any person with whom the issuer completed a restructuring transaction was not, either of the following:*

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- (i) an issuer whose operations have ceased;*
- (ii) an issuer whose principal asset is cash, cash equivalents, or its exchange listing, including, for greater certainty, a capital pool company, a special purpose acquisition company, a growth acquisition corporation or any similar person;*
- (d) the issuer is not an investment fund;*
- (e) the issuer has filed all periodic and timely disclosure documents that it is required to have filed under each of the following:*
 - (i) applicable securities legislation;*
 - (ii) an order issued by the regulator, except in Québec, or securities regulatory authority;*
 - (iii) an undertaking to the regulator, except in Québec, or securities regulatory authority;*
- (f) the issuer does not allocate the available funds as disclosed in item 9 of the completed form referred to in paragraph (k) to the following:*
 - (i) an acquisition that is a significant acquisition under Part 8 of Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24);*
 - (ii) a restructuring transaction;*
 - (iii) any other transaction for which the issuer seeks approval of any security holder;*
- (g) on the date of the issuance of the news release referred to in paragraph (k), the total dollar amount of the distribution, combined with the dollar amount of all other distributions made by the issuer under this section during the 12 months immediately before the date of the news release, will not, assuming completion of the distribution, exceed the greater of the following:*
 - (i) \$5 000 000;*
 - (ii) 10% of the aggregate market value of the issuer's listed securities, on the date the issuer issues the news release announcing the offering, to a maximum of \$10 000 000;*
- (h) the distribution, combined with all other distributions made by the issuer under this section during the 12 months immediately before the date of the issuance of the news release referred to in paragraph (k), will not result in an increase of more than 50% in the issuer's outstanding listed equity securities, as of the date that is 12 months before the date of the news release;*

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(i) at the time of the distribution, the issuer reasonably expects that the issuer will have available funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution;

(j) the security being distributed is either of the following:

(i) a listed equity security;

(ii) a unit consisting of a listed equity security and a warrant convertible into a listed equity security;

(k) before soliciting an offer to purchase, the issuer

(i) issues and files a news release that

(A) announces the offering, and

(B) includes the following statement: “There is an offering document related to this offering that can be accessed under the issuer’s profile at www.sedarplus.com and at [include website address and provide link, if the issuer has a website]. Prospective investors should read this offering document before making an investment decision.”;

(ii) files a completed Form 45-106F19;

(iii) if the issuer has a website, posts the completed form referred to in subparagraph (ii) on its website;

(l) the completed form referred to in paragraph (k) is filed before soliciting an offer to purchase and no later than 3 business days after the date of the form;

(m) the completed form referred to in paragraph (k), together with any document filed under securities legislation in a jurisdiction of Canada on or after the earlier of the date that is 12 months before the date of the document and the date that the issuer’s most recent audited annual financial statements were filed, contains disclosure of all material facts relating to the securities being distributed under this section and does not contain a misrepresentation;

(n) in Québec, the completed form referred to in paragraph (k) is prepared in French or French and English.

M.O. 2022-11, s. 5; M.O. 2023-11, s. 3.

5A.3. Material changes during distribution

If an issuer issues a news release announcing its intention to make a distribution under section 5A.2 and a material change occurs in respect of the issuer before the completion of the distribution, the issuer must cease the distribution until the issuer

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(a) *complies with Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24) in connection with the material change,*

(b) *files an amendment to the completed form filed under paragraph 5A.2(k), and*

(c) *issues and files a news release that states that an amendment to the completed form referred to in paragraph 5A.2(k) addressing the material change has been filed.*

M.O. 2022-11, s. 5.

5A.4. Additional requirements

(1) *An issuer must*

(a) *take reasonable steps to ensure that a prospective purchaser is aware of the means of accessing the completed form referred to in paragraph 5A.2(k), and*

(b) *include the statement referred to in subparagraph 5A.2(k)(i)(B) in any initial written communication with a prospective purchaser.*

(2) *An issuer must close the distribution referred to in section 5A.2 no later than the 45th day after the date the issuer issues and files the news release referred to in paragraph 5A.2(k).*

M.O. 2022-11, s. 5.

5A.5. Special application – Alberta, British Columbia, New Brunswick and Québec

(1) *In Alberta, a document that purports or appears to be completed in accordance with Form 45-106F19 and is filed with respect to a distribution referred to in section 5A.2 is a prescribed offering document for purposes of section 204 of the Securities Act (R.S.A. 2000, c. S-4).*

(2) *In British Columbia, a document that purports or appears to be completed in accordance with Form 45-106F19 and is filed with respect to a distribution referred to in section 5A.2 is a prescribed disclosure document for purposes of section 132.1 of the Securities Act (R.S.B.C. 1996, c. 418).*

(3) *In New Brunswick, a document that purports or appears to be completed in accordance with Form 45-106F19 and is filed with respect to a distribution referred to in section 5A.2 is an offering memorandum for purposes of section 150 of the Securities Act (S.N.B. 2004, c. S-5.5).*

(4) *In Québec, a document that purports or appears to be completed in accordance with Form 45-106F19 and is filed with respect to a distribution referred to in section 5A.2*

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is a document authorized by the Autorité des marchés financiers for use in lieu of a prospectus under the Securities Act (CQLR, c. V-1.1).

M.O. 2022-11, s. 5.

5A.6. Core document

(1) *A document that purports or appears to be completed in accordance with Form 45-106F19 and is filed with respect to a distribution referred to in section 5A.2 is a “core document” pursuant to the secondary market liability provisions.*

(2) *For greater certainty, in British Columbia, documents that purport or appear to be completed in accordance with Form 45-106F19 and are filed with respect to a distribution referred to in section 5A.2 are a prescribed class of documents for the purpose of the definition of “core document” under section 140.1 of the Securities Act (R.S.B.C. 1996, c. 418).*

M.O. 2022-11, s. 5.

PART 6 REPORTING REQUIREMENTS

6.1. Report of exempt distribution

(1) *Issuers that distribute their own securities and underwriters that distribute securities they acquired under section 2.33 must file a completed report if they make the distribution under one or more of the following exemptions:*

(a) *section 2.3 [Accredited investor] or, in Ontario, section 73.3 of the Securities Act (R.S.O., 1990, chapter S.5) [Accredited investor];*

(b) *section 2.5 [Family, friends and business associates];*

(c) *subsection 2.9 (1), (2) or (2.1) [Offering memorandum];*

(d) *section 2.10 [Minimum amount investment];*

(e) *section 2.12 [Asset acquisition];*

(f) *section 2.13 [Petroleum, natural gas and mining properties];*

(g) *section 2.14 [Securities for debt];*

(h) *section 2.19 [Additional investment in investment funds];*

(i) *section 2.30 [Isolated distribution by issuer];*

(j) *section 5.2 [TSX Venture Exchange offering];*

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(k) section 5A.2.

(2) *The issuer or underwriter must file the report in the jurisdiction where the distribution takes place no later than 10 days after the distribution.*

M.O. 2009-05, s. 6.1; M.O. 2015-05, s. 13; M.O. 2016-01, s. 4. M.O. 2016-12, a. 2; M.O. 2022-11, s. 6.

6.2. **When report not required**

(1) *An issuer is not required to file a report under section 6.1(1)(a) [Report of exempt distribution] for a distribution of a debt security of its own issue or, concurrently with the distribution of the debt security, an equity security of its own issue, to a Canadian financial institution or a Schedule III bank.*

(2) *An investment fund is not required to file a report under section 6.1 [Report of exempt distribution] for a distribution under section 2.3 [Accredited investor], section 2.10 [Minimum amount investment] or section 2.19 [Additional investment in investment funds], or section 73.3 of the Securities Act (R.S.O., 1990, chapter S.5) of Ontario [Accredited investor] if the investment fund files the report not later than 30 days after the end of the calendar year.*

(3) *An issuer or underwriter is not required to file a report under section 6.1 for a distribution of a security if a report has been filed by another issuer or underwriter for the distribution of the same security.*

M.O. 2009-05, s. 6.2; M.O. 2010-17, s. 3; M.O. 2015-05, s. 14. M.O. 2016-12, a. 3; M.O. 2018-04, s. 1.

6.3. **Required form of report of exempt distribution**

(1) *The required form of report under section 6.1 is Form 45-106F1.*

(2) *Except in Manitoba, an issuer that makes a distribution under an exemption from a prospectus requirement not provided for in this Regulation is exempt from the requirements in securities legislation to file a report of exempt trade or exempt distribution in the required form if the issuer files a report of exempt distribution in accordance with Form 45-106F1.*

M.O. 2009-05, s. 6.3.; M.O. 2016-12, a. 4.

6.4. **Required form of offering memorandum**

(1) *The required form of offering memorandum under section 2.9 [Offering memorandum] is Form 45-106F2.*

(2) *Despite subsection (1), a qualifying issuer may prepare an offering memorandum in accordance with Form 45-106F3.*

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(3) Despite subsections (1) and (2), an offering memorandum for the distribution of a syndicated mortgage under section 2.9 must be prepared in accordance with Form 45-106F2 and Form 45-106F18.

(4) An issuer that is engaged in real estate activities must supplement its offering memorandum with Schedule 1 of Form 45-106F2, unless the offering memorandum is prepared under subsection (2).

(5) An issuer that is a collective investment vehicle must supplement its offering memorandum with Schedule 2 of Form 45-106F2, unless the offering memorandum is prepared under subsection (2).

M.O. 2009-05, s. 6.4; M.O. 2015-05, s. 15; M.O. 2021-03, s. 6; M.O. 2023-02, s. 3.

6.5. Required form of risk acknowledgement

(0.1) The required form of risk acknowledgement under subsection 2.3(6) [Accredited investor] is Form 45-106F9.

(1) The required form of risk acknowledgement under subsection 2.9(15) [Offering memorandum] is Form 45-106F4.

(1.1) In Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan, the required form of risk acknowledgement for individual investors includes Schedule 1 and Schedule 2 to Form 45-106F4.

(2) In Saskatchewan, the required form of risk acknowledgement under section 2.6 [Family, friends and business associates - Saskatchewan] is Form 45-106F5.

(3) In Ontario, the required form of risk acknowledgement under section 2.6.1 [Family, friends and business associates] is Form 45-106F12.

M.O. 2009-05, s. 6.5; M.O. 2010-17, s. 4; M.O. 2015-05, s. 16; M.O. 2016-01, s. 5; I.N. 2018-09-01.

6.6. Repealed

N11-316, s. 2; M.O. 2015-05, s. 17.; M.O. 2016-12, a. 5.

PART 7 EXEMPTION

7.1. Exemption

(1) 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.

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(2) *In Ontario, only the regulator may grant an exemption and only from Part 6, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.*

(3) *Except in Alberta and 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.*

M.O. 2009-05, s. 7.1; M.O. 2018-04, s. 2.

PART 8 TRANSITIONAL, COMING INTO FORCE

8.1. Additional investment – investment funds – exemption from prospectus requirement

(1) *The prospectus requirement does not apply to a distribution by an investment fund in a security of its own issue to a purchaser that initially acquired the security as principal before September 28, 2009 if*

(a) *the security was initially acquired under any of the following provisions:*

(i) *in Alberta, sections 86(e) and 131(1)(d) of the Securities Act (R.S.A. 2000, c. S-4) as they existed prior to their repeal by sections 9(a) and 13 of the Securities Amendment Act (Alberta), 2003 SA c.32 and sections 66.2 and 122.2 of the Alberta Securities Commission Rules (General) (Alta. Reg. 46/87);*

(ii) *in British Columbia, sections 45(2) (5) and (22), and 74(2) (4) and (19) of the Securities Act (R.S.B.C. 1996, ch. 418),*

(iii) *in Manitoba, sections 19(3) and 58(1)(a) of the Securities Act (C.C.S.M. c. S50) and section 90 of the Securities Regulation MR 491/88R;*

(iv) *in New Brunswick, section 2.8 of Local Rule 45-501 Prospectus and Registration Exemptions;*

(v) *in Newfoundland and Labrador, sections 36(1)(e) and 73(1)(d) of the Securities Act;*

(vi) *in Nova Scotia, sections 41(1)(e) and 77(1)(d) of the Securities Act (R.S.N.S. 1989, c. 418);*

(vii) *in Northwest Territories, section 3(c) and (z) of Blanket Order No. 1;*

(viii) *in Nunavut, section 3(c) and (z) of Blanket Order No. 1;*

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(ix) in Ontario, sections 35(1)5 and 72(1)(d) of the Securities Act and section 2.12 of Ontario Securities Commission Rule 45-501 Exempt Distributions ((2004) 27 OSCB 433) that came into force on January 12, 2004;

(x) in Prince Edward Island, section 2(3)(d) of the Securities Act (R.S.P.E.I. 1988, c. S-3) and Prince Edward Island Local Rule 45-512 - Exempt Distributions Exemption for Purchase of Mutual Fund Securities;

(xi) in Québec, section 51 and 155.1(2) of the Securities Act (chapter V-1.1) (Québec);

(xii) in Saskatchewan, sections 39(1)(e) and 81(1)(d) of the The Securities Act, 1988 (S.S. 1988, c. S-42.2);

(b) the distribution is of a security of the same class or series as the initial distribution, and

(c) the security holder, as at the date of the distribution, holds securities of the investment fund that have

(i) an acquisition cost of not less than the minimum amount prescribed by securities legislation referred to in paragraph (a) under which the initial distribution was conducted, or

(ii) a net asset value of not less than the minimum amount prescribed by securities legislation referred to in paragraph (a) under which the initial distribution was conducted.

M.O. 2009-05, s. 8.1

8.1.1. Repealed

In British Columbia section 8.1.1 was repealed by B.C. Reg. 227/2009. In Québec, section 8.1.1 will be repealed by Regulation to amend Regulation 45-106 respecting Prospectus and Registration Exemptions (M.O. 2015-05, 2015 G.O. 2, 745). All other jurisdictions will repeal section 8.1.1 in these amendments. This text box does not form part of this Regulation and has no official status.

M.O. 2009-05, s. 8.1.1; M.O. 2015-05, s. 18.

8.2. Definition of “accredited investor” – investment fund

An investment fund that distributed its securities to persons pursuant to any of the following provisions is an investment fund under paragraph (n)(ii) of the definition of “accredited investor”:

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(a) in Alberta, sections 86(e) and 131(1)(d) of the Securities Act as they existed prior to their repeal by sections 9(a) and 13 of the Securities Amendment Act and sections 66.2 and 122.2 of the Alberta Securities Commission Rules (General) (Alta. Reg. 46/87);

(b) in British Columbia, sections 45(2) (5) and (22), and 74(2) (4) and (19) of the Securities Act (R.S.B.C. 1996, c. 418);

(c) in Manitoba, sections 19(3) and 58(1)(a) of the Securities Act and section 90 of the Securities Regulation MR 491/88R;

(d) in New Brunswick, section 2.8 of Local Rule 45-501 Prospectus and Registration Exemptions;

(e) in Newfoundland and Labrador, sections 36(1)(e) and 73(1)(d) of the Securities Act;

(f) in Nova Scotia, sections 41(1)(e) and 77(1)(d) of the Securities Act (R.S.N.S. 1989, c. 418);

(g) in Northwest Territories, section 3(c) and (z) of Blanket Order No. 2;

(h) in Nunavut, section 3(c) and (z) of Blanket Order No. 3;

(i) in Ontario, sections 35(1)5 and 72(1)(d) of the Securities Act and section 2.12 of Ontario Securities Commission Rule 45-501 Exempt Distributions ((2004) 27 OSCB 433) that came into force on January 12, 2004;

(j) in Prince Edward Island, section 2(3)(d) of the Securities Act (R.S.P.E.I. 1988, c. S-3(Prince Edward Island) and Prince Edward Island Local Rule 45-512 -Exempt Distributions - Exemption for Purchase of Mutual Fund Securities;

(k) in Québec, former section 51 and former paragraph 155.1(2) of the Securities Act (chapter V-1.1) as it read prior to September 28, 2009;

(l) in Saskatchewan, sections 39(1)(e) and 81(1)(d) of the The Securities Act (S.S. 1988., c. S-42.2)

M.O. 2009-05, s. 8.2.

8.3. Transition – Closely-held issuer – exemption from prospectus requirement

(1) In this section, “2001 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on November 30, 2001; “2004 OSC Rule 45-501” means the Ontario Securities Commission Rule 45-501 Exempt Distributions that came into force on January 12, 2004; “closely-held issuer” has the same meaning as in 2004 OSC Rule 45-501;

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(2) *The prospectus requirement does not apply to a distribution of a security that was previously distributed by a closely-held issuer under section 2.1 of 2001 OSC Rule 45-501, or under section 2.1 of 2004 OSC Rule 45-501, to a person who purchases the security as principal and is*

- (a) *a director, officer, employee, founder or control person of the issuer,*
- (b) *a spouse, parent, grandparent, brother, sister or child of a director, executive officer, founder or control person of the issuer,*
- (c) *a parent, grandparent, brother, sister or child of the spouse of a director, executive officer, founder or control person of the issuer,*
- (d) *a close personal friend of a director, executive officer, founder or control person of the issuer,*
- (e) *a close business associate of a director, executive officer, founder or control person of the issuer,*
- (f) *a spouse, parent, grandparent, brother, sister or child of the selling security holder or of the selling security holder's spouse,*
- (g) *a security holder of the issuer,*
- (h) *an accredited investor,*
- (i) *a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (h),*
- (j) *a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (h), or*
- (k) *a person that is not the public.*

M.O. 2009-05, s. 8.3.

8.3.1. Repealed

In British Columbia section 8.3.1 was repealed by B.C. Reg. 227/2009. In Québec, section 8.3.1 will be repealed by Regulation to amend Regulation 45-106 respecting Prospectus and Registration Exemptions (M.O. 2015-05, 2015 G.O. 2, 745). All other jurisdictions will repeal section 8.3.1 in these amendments. This text box does not form part of this Regulation and has no official status.

M.O. 2009-05, s. 8.3.1; M.O. 2015-05, s. 19.

8.4. Transition – reinvestment plan

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Despite subsection 2.2(5), if an issuer's reinvestment plan was established before September 28, 2009, and provides for the distribution of a security that is of a different class or series than the class or series of the security to which the dividend or distribution is attributable, the issuer or the trustee, custodian or administrator of the plan must provide to each person who is already a participant the description of the material attributes and characteristics of the securities traded under the plan or notice of a source from which the participant can obtain the information not later than 140 days after the next financial year end of the issuer ending on or after September 28, 2009.

M.O. 2009-05, s. 8.4; M.O. 2015-05, s. 20.

8.4.1. Transition – offering memorandum exemption – update of offering memorandum

Despite subsection 2.9(5.1), in Alberta, New Brunswick, Nova Scotia, Québec and Saskatchewan, an issuer is not required to update an offering memorandum that was filed in the local jurisdiction before April 30, 2016, solely to incorporate the statement required under paragraph 2.9(5.1)(a), unless the offering memorandum would otherwise be required to be updated pursuant to subsection 2.9(14) or Instruction B.12 of Form 45-106F2.

M.O. 2016-01, s. 6

8.4.2. Transition – offering memorandum exemption – marketing materials

Despite paragraph 2.9(17.1)(a), in Alberta, New Brunswick, Nova Scotia, Québec and Saskatchewan, OM marketing materials that relate to an offering memorandum that was filed in the local jurisdiction before April 30, 2016 and that are delivered or made reasonably available after April 30, 2016 must be filed within 10 days from the earlier of delivery to, or being made reasonably available to, a prospective purchaser.

M.O. 2016-01, s. 6

8.4.3. Transition – investment funds – required form of report

Despite section 6.3, an investment fund that files a report on or before the date required by subsection 6.2(2) for a distribution that occurred before January 1, 2017 may file a report prepared in accordance with the version of Form 45-106F1 in force on June 29, 2016.

M.O. 2016-12, s. 6.

8.5. Repealed

In British Columbia section 8.5 was repealed by B.C. Reg. 227/2009. In Québec, section 8.5 will be repealed by Regulation to amend Regulation 45-106 respecting Prospectus and Registration Exemptions (M.O. 2015-05, 2015 G.O. 2, 745). All

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other jurisdictions will repeal section 8.5 in these amendments. This text box does not form part of this Regulation and has no official status.

M.O. 2009-05, s. 8.5; M.O. 2015-05, s. 21.

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8.6. Repeal of former regulation

This Regulation replaces Regulation 45-106 respecting Prospectus Exemptions (M.O. 2005-20, 05-08-12).

M.O. 2009-05, s. 8.6.

8.7. Effective date

(Omitted)

M.O. 2009-05, s. 8.7.

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**APPENDIX A
VARIABLE INSURANCE CONTRACT EXEMPTION (section 2.39)**

JURISDICTION	LEGISLATION REFERENCE
ALBERTA	<p><i>“contract of insurance”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.A. 2000, c. I-3) and the regulations under that Act.</i></p> <p><i>“insurance company” means an insurer as defined in the Insurance Act that is licensed under that Act.</i></p>
BRITISH COLUMBIA	<p><i>“contract”, “group insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.B.C. 1996, c. 226) and the regulations under that Act.</i></p> <p><i>“life insurance” has the respective meaning assigned to it under the Financial Institutions Act (R.S.B.C. 1996, c. 141) and the regulations under that Act.</i></p> <p><i>“insurance company” means an insurance company, or an extraprovincial insurance corporation, authorized to carry on insurance business under the Financial Institutions Act (R.S.B.C. 1996, c. 141).</i></p>
MANITOBA	<p><i>“contract of insurance”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (C.C.S.M. c.I-40) and the regulations under that Act.</i></p> <p><i>“insurance company” means an insurer as defined in the Insurance Act that is licensed under that Act.</i></p>
NEW BRUNSWICK	<p><i>“contract of insurance”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.N.B. 1973, c. I-12) and the regulations under that Act.</i></p> <p><i>“insurance company” means an insurer as defined in the Insurance Act that is licensed under that Act.</i></p>
NORTHWEST TERRITORIES	<p><i>“contract”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.N.W.T. 188, c.I-4).</i></p> <p><i>“insurance company” means an insurer as defined in the Insurance Act that is licensed under that Act.</i></p>
NOVA SCOTIA	<p><i>“contract”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.N.S. 1989, c. 231) and the regulations under that Act.</i></p> <p><i>“insurance company” has the same meaning as in section 3(1)(a) of the General Securities Rules (N.S. Reg. 51/96).</i></p>

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JURISDICTION

LEGISLATION REFERENCE

NUNAVUT

“contract”, “group”, “life insurance” and “policy” have the respective meanings assigned to them under the Insurance Act (RSNWT (NU) 1988, c. I-4).

“insurance company” means an insurer as defined in the Insurance Act that is licensed under that Act.

ONTARIO

“contract”, “group insurance”, and “policy” have the respective meanings assigned to them in section 1 and 171 of the Insurance Act (R.S.O. 1990, c. I-8).

“life insurance” has the respective meaning assigned to it in Schedule 1 by Order of the Superintendent of Financial Services.

“insurance company” has the same meaning as in section 1(2) of the General Regulation (R.R.O. 1990, Reg. 1015).

QUÉBEC

“contract of insurance”, “group insurance”, “life insurance”, and “policy” have the respective meanings assigned to them under the Civil Code of Québec (1991, chapter 64).

“insurance company” means an insurer holding a license under the Act respecting insurance (chapter A-32).

PRINCE EDWARD ISLAND

“contract”, “group insurance”, “insurer”, “life insurance” and “policy” have the respective meanings assigned to them in sections 1 and 174 of the Insurance Act (R.S.P.E.I. 1988, C.I-4).

“insurance company” means an insurance company licensed under the Insurance Act.

SASKATCHEWAN

“contract”, “life insurance” and “policy” have the respective meanings assigned to them in section 2 of The Saskatchewan Insurance Act (S.S. 1978, c. S-26).

“group insurance” has the respective meaning assigned to it in section 133 of The Saskatchewan Insurance Act.

“insurance company” means an issuer licensed under The Saskatchewan Insurance Act.

YUKON

“contract”, “group”, “life insurance” and “policy” have the respective meanings assigned to them under the Insurance Act (R.S.Y. 2002, c. 119) and the regulations made under that Act.

“insurance company” means an insurer as defined in the Insurance Act that is licensed under that Act.

M.O. 2009-05, Sch. A; N.I. 2017-05-01.

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APPENDIX B CONTROL BLOCK DISTRIBUTIONS (Part 4)

JURISDICTION	SECURITIES LEGISLATION REFERENCE
ALBERTA	Section 1(p)(iii) of the Securities Act
BRITISH COLUMBIA	Paragraph (c) of the definition of “distribution” contained in section 1 of the Securities Act
MANITOBA	Section 1(b) of the definition of “primary distribution to the public” contained in subsection 1(1) of the Securities Act
NEW BRUNSWICK	Paragraph (c) of the definition of “distribution” contained in section 1(1) of the Securities Act (S.N.B. 2004, c. S-5.5)
NEWFOUNDLAND AND LABRADOR	Section 2(1)(1)(iii) of the Securities Act
NORTHWEST TERRITORIES	Paragraph (c) of the definition of “distribution” in subsection 1(1) of the Securities Act (R.S.N.W.T. 1988, c. S-5)
NOVA SCOTIA	Section 2(1)(1)(iii) of the Securities Act
NUNAVUT	Paragraph (c) of the definition of “distribution” in subsection 1(1) of the Securities Act (SNU 2008, c. 12)
ONTARIO	Paragraph (c) of the definition of “distribution” contained in subsection 1(1) of the Securities Act
PRINCE EDWARD ISLAND	Section 1(f)(iii) of the Securities Act
QUÉBEC	Paragraph 9 of the definition of “distribution” contained in section 5 of the Securities Act (chapter V-1.1)
SASKATCHEWAN	Section 2(1)(r)(iii) of The Securities Act, 1988
YUKON	Paragraph (c) of the definition of “distribution” in subsection 1(1) of the Securities Act (R.S.Y. 2002, c.201)

M.O. 2009-05, Sch. B; N.I. 2017-05-01.

**APPENDIX C
LISTING REPRESENTATION PROHIBITIONS**

JURISDICTION	SECURITIES LEGISLATION REFERENCE
ALBERTA	Subsection 92(3) of the Securities Act
MANITOBA	Subsection 69(3) of The Securities Act
NEW BRUNSWICK	Subsection 58(3) of the Securities Act
NEWFOUNDLAND AND LABRADOR	Subsection 39(3) of the Securities Act
NORTHWEST TERRITORIES	Subsection 147(1) Securities Act
NOVA SCOTIA	Subsection 44(3) of the Securities Act
NUNAVUT	Subsection 147(1) of the Securities Act
ONTARIO	Subsection 38(3) of the Securities Act
PRINCE EDWARD ISLAND	Subsection 147(1) of the Securities Act
QUÉBEC	Subsection 199(4) of the Securities Act (chapter V-1.1)
SASKATCHEWAN	Subsection 44(3) of The Securities Act, 1988
YUKON	Subsection 147(1) of the Securities Act

M.O. 2015-16, s. 2.

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**APPENDIX D
SECOND MARKET LIABILITY PROVISIONS**

JURISDICTION	SECURITIES LEGISLATION REFERENCE
ALBERTA	Part 17.01 of the Securities Act
BRITISH COLUMBIA	Part 16.1 of the Securities Act
MANITOBA	Part XVIII of The Securities Act
NEW BRUNSWICK	Part 11.1 of the Securities Act
NEWFOUNDLAND AND LABRADOR	Part XXII.1 of the Securities Act
NORTHWEST TERRITORIES	Part 14 of the Securities Act
NOVA SCOTIA	Sections 146A to 146N of the Securities Act
NUNAVUT	Part 14 of the Securities Act
ONTARIO	Part XXIII.1 of the Securities Act
PRINCE EDWARD ISLAND	Part 14 of the Securities Act
QUÉBEC	Division II of Chapter II of Title VIII of the Securities Act
SASKATCHEWAN	Part XVIII.1 of The Securities Act, 1988
YUKON	Part 14 of the Securities Act.

M.O. 2015-16, s. 2.

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**FORM 45-106F1
REPORT OF EXEMPT DISTRIBUTION**

A. General Instructions

1. Filing instructions

An issuer or underwriter that is required to file a report of exempt distribution and pay the applicable filing fee must pay the filing fee and file the information required by this form in the manner and using the templates specified in the System for Electronic Data Analysis and Retrieval + (SEDAR+) in accordance with Regulation 13-103 respecting System for Electronic Data Analysis and Retrieval + (SEDAR+) (chapter V-1.1, r. 2.3).

The issuer or underwriter must file the report in a jurisdiction of Canada if the distribution occurs in the jurisdiction, and the issuer or underwriter is relying on a specific exemption from the prospectus requirement set out in section 6.1 of the Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21). The requirement to file this report might also be a condition of a prospectus exemption provided in a national, multilateral or local rule or instrument, or a condition of an exemptive relief order. If a distribution is made in more than one jurisdiction of Canada, the issuer or underwriter may satisfy its obligation to file the report by completing a single report identifying all purchasers, and file the report in each jurisdiction of Canada in which the distribution occurs. Filing fees payable in a particular jurisdiction are not affected by identifying all purchasers in a single report.

In order to determine the applicable filing fee in a particular jurisdiction of Canada, consult the securities legislation of that jurisdiction. The issuer or underwriter must pay the filing fee through SEDAR+ in accordance with Regulation 13-103 respecting System for Electronic Data Analysis and Retrieval + (SEDAR+).

2. Issuers located outside of Canada

If an issuer located outside of Canada determines that a distribution has taken place in a jurisdiction of Canada, include information about purchasers resident in that jurisdiction only.

3. Multiple distributions

An issuer may use one report for multiple distributions occurring within ten days of each other, provided the report is filed on or before the tenth day following the first distribution date. However, an investment fund issuer that is relying on the exemptions set out in subsection 6.2(2) of Regulation 45-106 respecting Prospectus Exemptions may file the report annually in accordance with that subsection.

4. References to purchaser

References to a purchaser in this form are to the beneficial owner of the securities.

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However, if a trust company, trust corporation, or registered adviser described in paragraph (p) or (q) of the definition of “accredited investor” in section 1.1 of Regulation 45-106 respecting Prospectus Exemptions has purchased the securities on behalf of a fully managed account, provide information about the trust company, trust corporation or registered adviser only; do not include information about the beneficial owner of the fully managed account.

Joint purchasers may be treated as one purchaser for the purposes of Item 7(f) of this form.

5. References to issuer

References to “issuer” in this form include an investment fund issuer and a non-investment fund issuer, unless otherwise specified.

6. Investment fund issuers

If the issuer is an investment fund, complete Items 1-3, 6-8, 10, 11 and Schedule 1 of this form.

7. Mortgage investment entities

If the issuer is a mortgage investment entity, complete all applicable items of this form other than Item 6.

8. Language

The report must be filed in English or in French. In Québec, the issuer or underwriter must comply with linguistic rights and obligations prescribed by Québec law.

9. Currency

All dollar amounts in the report must be in Canadian dollars. If the distribution was made or any compensation was paid in connection with the distribution in a foreign currency, convert the currency to Canadian dollars using the daily exchange rate of the Bank of Canada on the distribution date. If the distribution date occurs on a date when the daily exchange rate of the Bank of Canada is not available, convert the currency to Canadian dollars using the most recent daily exchange rate of the Bank of Canada available before the distribution date. For investment funds in continuous distribution, convert the currency to Canadian dollars using the average daily exchange rate of the Bank of Canada for the distribution period covered by the report.

If the distribution was not made in Canadian dollars, provide the foreign currency in Item 7(a) of the report.

10. Date of information in report

Unless otherwise indicated in this form, provide the information as of the distribution end date.

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11. Date of formation

For the date of formation, provide the date on which the issuer was incorporated, continued or organized (formed). If the issuer resulted from an amalgamation, arrangement, merger or reorganization, provide the date of the most recent amalgamation, arrangement, merger or reorganization.

12. Security codes

Wherever this form requires disclosure of the type of security, use the following security codes:

Security code	Security type
BND	Bonds
CER	Certificates (including pass-through certificates, trust certificates)
CMS	Common shares
CVD	Convertible debentures
CVN	Convertible notes
CVP	Convertible preferred shares
DCT	Digital coins or tokens
DEB	Debentures
DRS	Depository receipts (such as American or Global depository receipts/shares)
FTS	Flow-through shares
FTU	Flow-through units
LPU	Limited partnership units and limited partnership interests (including capital commitments)
MTG	Mortgages (other than syndicated mortgages)
NOT	Notes (include all types of notes except convertible notes)
OPT	Options
PRS	Preferred shares
RTS	Rights
SMG	Syndicated mortgages
SUB	Subscription receipts
UBS	Units of bundled securities (such as a unit consisting of a common share and a warrant)
UNT	Units (exclude units of bundled securities, include trust units and mutual fund units)
WNT	Warrants (including special warrants)
OTH	Other securities not included above (if selected, provide details of security type in Item 7d)

13. Distributions by more than one issuer of a single security

If two or more issuers distributed a single security, provide the full legal names of the co-issuers in Item 3.

B. Terms used in the form

1. For the purposes of this form:

“**designated foreign jurisdiction**” means Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, New Zealand, Singapore, South Africa, Spain, Sweden, Switzerland or the United Kingdom of Great Britain and Northern Ireland;

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“eligible foreign security” means a security offered primarily in a foreign jurisdiction as part of a distribution of securities in either of the following circumstances:

- (a) the security is issued by an issuer
 - (i) that is incorporated, formed or created under the laws of a foreign jurisdiction,
 - (ii) that is not a reporting issuer in a jurisdiction of Canada,
 - (iii) that has its head office outside of Canada, and
 - (iv) that has a majority of the executive officers and a majority of the directors ordinarily resident outside of Canada;
- (b) the security is issued or guaranteed by the government of a foreign jurisdiction;

“foreign public issuer” means an issuer where any of the following apply:

- (a) the issuer has a class of securities registered under section 12 of the 1934 Act;
- (b) the issuer is required to file reports under section 15(d) of the 1934 Act;
- (c) the issuer is required to provide disclosure relating to the issuer and the trading in its securities to the public, to security holders of the issuer or to a regulatory authority and that disclosure is publicly available in a designated foreign jurisdiction;

“legal entity identifier” means a unique identification code assigned to the person

- (a) in accordance with the standards set by the Global Legal Entity Identifier System, or
- (b) that complies with the standards established by the Legal Entity Identifier Regulatory Oversight Committee for pre-legal entity identifiers;

“NRD” means National Registration Database;

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

“SEDAR+” has the same meaning as in Regulation 13-103 respecting System for Electronic Data Analysis and Retrieval + (SEDAR+);

“SEDAR+ profile” means a profile required under section 4 of Regulation 13-103 respecting System for Electronic Data Analysis and Retrieval + (SEDAR+).

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2. For the purposes of this form, a person is connected with an issuer or an investment fund manager if either of the following applies:

- (a) one of them is controlled by the other;*
- (b) each of them is controlled by the same person.*

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**FORM 45-106F1
REPORT OF EXEMPT DISTRIBUTION**

ITEM 1 – REPORT TYPE

New report

Amended report If amended, provide filing date of report that is being amended. (YYYY-MM-DD)

ITEM 2 – PARTY CERTIFYING THE REPORT

Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42) and the Policy Statement to Regulation 81-106 respecting Investment Fund Continuous Disclosure.

Investment fund issuer

Issuer (other than an investment fund)

Underwriter

ITEM 3 – ISSUER NAME AND OTHER IDENTIFIERS

Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.

Full legal name

Previous full legal name

If the issuer's name changed in the last 12 months, provide most recent previous legal name.

Website (if applicable)

If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".

Legal entity identifier

If two or more issuers distributed a single security, provide the full legal name(s) of the co-issuer(s) other than the issuer named above.

Full legal name(s) of co-issuer(s) (if applicable)

ITEM 4 – UNDERWRITER INFORMATION

If an underwriter is completing the report, provide the underwriter's full legal name, firm NRD number, and SEDAR+ profile number.

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Full legal name	<input type="text"/>
Firm NRD number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> (if applicable)
SEDAR+ profile number	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

ITEM 5 – ISSUER INFORMATION

If the issuer is an investment fund, do not complete Item 5. Proceed to Item 6.

a) Primary industry

Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that in your reasonable judgment most closely corresponds to the issuer's primary business activity.

NAICS industry code

If the issuer is in the **mining industry**, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.

Exploration Development Production

Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply.

Mortgages Real estate Commercial/business debt Consumer debt Private companies
 Cryptoassets

b) Number of employees

Number of employees: 0 – 49 50 – 99 100 – 499 500 or more

c) SEDAR+ profile number

Provide the issuer's SEDAR+ profile number

ITEM 6 – INVESTMENT FUND ISSUER INFORMATION

If the issuer is an investment fund, provide the following information.

d) Investment fund manager information

Full legal name

Firm NRD number (if applicable)

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SEDAR + profile number

e) Type of investment fund

Type of investment fund that most accurately identifies the issuer (select only one).

- Money market Equity Fixed income Balanced
- Alternative strategies Cryptoasset Other (describe)

Indicate whether one or both of the following apply to the investment fund.

- Invests primarily in other investment fund issuers
- Is a UCITs Fund¹

¹Undertaking for the Collective Investment of Transferable Securities funds (UCITs Funds) are investment funds regulated by the European Union (EU) directives that allow collective investment schemes to operate throughout the EU on a passport basis on authorization from one member state.

c) Net asset value (NAV) of the investment fund

Select the NAV range of the investment fund as of the date of the most recent NAV calculation (Canadian \$).

- \$0 to under \$5M \$5M to under \$25M \$25M to under \$100M
- \$100M to under \$500M \$500M to under \$1B \$1B or over

Date of NAV calculation:
 YYY M D
 Y M D

ITEM 7 – INFORMATION ABOUT THE DISTRIBUTION

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information about purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees in connection with the distribution, which must be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.

f) Currency

Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.

- Canadian dollar US dollar Euro Other (describe)

g) Distribution date(s)

State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.

Start date End date
 YYYY MM DD YYYY MM DD

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h) Detailed purchaser information

Complete Schedule 1 of this form for each purchaser.

i) Types of securities distributed

Provide the following information for all distributions reported on a per security basis. Refer to Part A(12) of the Instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.

Security code	CUSIP number (if applicable)	Description of security	Number of securities	Canadian \$		
				Single or lowest price	Highest price	Total amount

j) Details of rights and convertible/exchangeable securities

If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.

Convertible / exchangeable security code	Underlying security code	Exercise price (Canadian \$)		Expiry date (YYYY-MM-DD)	Conversion ratio	Describe other terms (if applicable)
		Lowest	Highest			

k) Summary of the distribution by jurisdiction and exemption

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for: (i) each jurisdiction where a purchaser resides, (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Exemption relied on	Number of unique purchasers ^{2a}	Total amount (Canadian \$)
Total dollar amount of securities distributed			
Total number of unique purchasers^{2b}			

^{2a}In calculating the number of unique purchasers per row, count each purchaser only once. Joint purchasers may be counted as one purchaser.

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Country

Postal code/Zip code

Email address

Telephone number

o) Relationship to issuer or investment fund manager

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the Instructions and the meaning of "control" in section 1.4 of Regulation 45-106 respecting Prospectus Exemptions for the purposes of completing this section.

- Connected with the issuer or investment fund manager
- Insider of the issuer (other than an investment fund)
- Director or officer of the investment fund or investment fund manager
- Employee of the issuer or investment fund manager
- None of the above

p) Compensation details

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid

Value of all securities distributed as compensation⁴

Security codes

Security code 1	Security code 2	Security code 3
<input type="text"/>	<input type="text"/>	<input type="text"/>

Describe terms of warrants, options or other rights

Other compensation⁵ Describe

Total compensation paid

Check box if the person will or may receive any deferred compensation (describe the terms below)

⁴Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

⁵Do not include deferred compensation.

ITEM 9 – DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER

If the issuer is an investment fund, do not complete Item 9. Proceed to Item 10.

Indicate whether the issuer is any of the following (select the one that applies – if more than one applies, select only one).

- Reporting issuer in any jurisdiction of Canada

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- Foreign public issuer
- Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada⁶
Provide name of reporting issuer
- Wholly owned subsidiary of a foreign public issuer⁶
Provide name of foreign public issuer
- Issuer distributing only eligible foreign securities and the distribution is to permitted clients only⁷

If the issuer is at least one of the above, do not complete Item 9(a) – (c). Proceed to Item 10.

⁶An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

⁷Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part B(1) of the Instructions.

If the issuer is none of the above, check this box and complete Item 9(a) – (c).

q) Directors, executive officers and promoters of the issuer

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to issuer", "D" – Director, "O" – Executive Officer, "P" – Promoter.

Organization or company name	Family name	First given name	Secondary given names	Business location of non-individual or residential jurisdiction of individual	Relationship to issuer (select all that apply)		
				Province or country	D	O	P

r) Promoter information

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to promoter", "D" – Director, "O" – Executive Officer.

Organization or company name	Family name	First given name	Secondary given names	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)	
				Province or country	D	O

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s) Residential address of each individual

Complete Schedule 2 of this form, including the full residential address of each individual whose name appears in Item 9(a) or (b). Schedule 2 also requires information to be provided about control persons.

ITEM 10 – CERTIFICATION

Provide the following certification and business contact information of an officer, director or agent of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may be delegated, but only to an agent that has been authorized by an officer or director of the issuer or underwriter to prepare and certify the report on behalf of the issuer or underwriter. If the report is being certified by an agent on behalf of the issuer or underwriter, provide the applicable information for the agent in the boxes below.

If the individual completing and filing the report is different from the individual certifying the report, provide the name and contact details for the individual completing and filing the report in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

Securities legislation requires an issuer or underwriter that makes a distribution of securities under certain prospectus exemptions to file a completed report of exempt distribution.

By completing the information below, I certify, on behalf of the issuer/underwriter/investment fund manager, to the securities regulatory authority or regulator, as applicable, that I have reviewed this report and to my knowledge, having exercised reasonable diligence, the information provided in this report is true and, to the extent required, complete.

Name of issuer/underwriter/investment fund manager/agent

Full legal name
 Family name First given name Secondary given names

Title

Telephone number

Email address

Signature

Date
 YYYY MM DD

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ITEM 11 – CONTACT PERSON

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

Same as individual certifying the report

Full legal name Title
Family name First given name Secondary given names

Name of company

Telephone number Email address

Notice – Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- a) has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedule 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the securities regulatory authority's or regulator's indirect collection of the information, and
- b) has authorized the indirect collection of the information by the securities regulatory authority or regulator.

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Schedule 1 to Form 45-106F1 (Confidential Purchaser information)

Schedule 1 must be filed in the format of an Excel spreadsheet in a form acceptable to the securities regulatory authority or regulator.

The information in this schedule will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

a) General information (provide only once)

1. Name of issuer
2. Certification date (YYYY-MM-DD)

Provide the following information for each purchaser that participated in the distribution. For each purchaser, create separate entries for each distribution date, security type and exemption relied on for the distribution.

b) Legal name of purchaser

If two or more individuals have purchased a security as joint purchasers, provide information for each purchaser under the columns for family name, first given name and secondary given names, if applicable, and separate the individuals' names with an ampersand. For example, if Jane Jones and Robert Smith are joint purchasers, indicate "Jones & Smith" in the family name column.

1. Family name
2. First given name
3. Secondary given names (if applicable)
4. Full legal name of non-individual (if applicable)

c) Contact information of purchaser

1. Residential street address
2. Municipality
3. Province/State
4. Postal code/Zip code
5. Country

6. Telephone number
7. Email address (if available)

d) Details of securities purchased

1. Date of distribution (YYYY-MM-DD)
2. Number of securities
3. Security code
4. Amount paid (Canadian \$)

e) Details of exemption relied on

1. Regulation, section and subsection number
2. If relying on section 2.3 of Regulation 45-106 respecting Prospectus Exemptions, provide the paragraph number in the definition of “accredited investor” in section 1.1 of Regulation 45-106 respecting Prospectus Exemptions that applies to the purchaser. (select only one – if the purchaser is a permitted client that is not an individual, “NIPC” can be selected instead of the paragraph number)
3. If relying on section 2.5 of Regulation 45-106 respecting Prospectus Exemptions, provide:
 - a. the paragraph number in subsection 2.5(1) that applies to the purchaser (select only one); and
 - b. if relying on paragraphs 2.5(1)(b) to (i), provide:
 - i. the name of the director, executive officer, control person, or founder of the issuer or affiliate of the issuer claiming a relationship to the purchaser. (Note: if Item 9(a) has been completed, the name of the director, executive officer or control person must be consistent with the name provided in Item 9 and Schedule 2.)
 - ii. the position of the director, executive officer, control person, or founder of the issuer or affiliate of the issuer claiming a relationship to the purchaser.
4. If relying on subsection 2.9(2) or, in Alberta, New Brunswick, Nova Scotia, Ontario, Québec, or Saskatchewan, subsection 2.9(2.1) of Regulation 45-106 respecting Prospectus Exemptions and the purchaser is an eligible investor, provide the paragraph number in

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the definition of “eligible investor” in section 1.1 of Regulation 45-106 respecting Prospectus Exemptions that applies to the purchaser. (select only one)

f) Other information

Paragraphs f)1. and f)2. do not apply if any of the following apply:

- (a) the issuer is a foreign public issuer;*
- (b) the issuer is a wholly owned subsidiary of a foreign public issuer;*
- (c) the issuer is distributing only eligible foreign securities and the distribution is to permitted clients only.*

- 1. Is the purchaser a registrant? (Y/N)*
- 2. Is the purchaser an insider of the issuer? (Y/N) (not applicable if the issuer is an investment fund)*
- 3. Full legal name of person compensated for distribution to purchaser. If a person compensated is a registered firm, provide the firm NRD number only. (Note: the names must be consistent with the names of the persons compensated as provided in Item 8.)*

INSTRUCTIONS FOR SCHEDULE 1

Any securities issued as payment for commissions or finder’s fees must be disclosed in Item 8 of the report, not in Schedule 1.

Details of exemption relied on – *When identifying the exemption the issuer relied on for the distribution to each purchaser, refer to the rule, statute or instrument in which the exemption is provided and identify the specific section and, if applicable, subsection or paragraph. For example, if the issuer is relying on an exemption in a regulation, refer to the number of the regulation, and the subsection or paragraph number of the specific provision. If the issuer is relying on an exemption in a local blanket order, refer to the blanket order by number.*

For exemptions that require the purchaser to meet certain characteristics, such as the exemption in section 2.3, section 2.5 or subsection 2.9(2) or, in Alberta, New Brunswick, Nova Scotia, Ontario, Québec, or Saskatchewan, subsection 2.9(2.1) of Regulation 45-106 respecting Prospectus Exemptions, provide the specific paragraph in the definition of those terms that applies to each purchaser.

Reports filed under paragraph 6.1(1)(j) of Regulation 45-106 respecting Prospectus Exemptions – *For reports filed under paragraph 6.1(1)(j) of Regulation 45-106 respecting Prospectus Exemptions, Schedule 1 must list the total number of purchasers by*

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jurisdiction only, and is not required to include the name, residential address, telephone number or email address of the purchasers.

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Schedule 2 to Form 45-106F1 (Confidential Director, Executive Officer, Promoter and Control Person Information)

Schedule 2 must be filed in the format of an Excel spreadsheet in a form acceptable to the securities regulatory authority or regulator.

Complete the following only if Item 9(a) is required to be completed. This schedule also requires information to be provided about control persons of the issuer at the time of the distribution.

The information in this schedule will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

a) General information (provide only once)

1. Name of issuer
2. Certification date (YYYY-MM-DD)

b) Business contact information of Chief Executive Officer (if not provided in Item 10 or 11 of report)

1. Email address
2. Telephone number

c) Residential address of directors, executive officers, promoters and control persons of the issuer

Provide the following information for each individual who is a director, executive officer, promoter or control person of the issuer at the time of the distribution. If the promoter or control person is not an individual, provide the following information for each director and executive officer of the promoter and control person. (Note: names of directors, executive officers and promoters must be consistent with the information in Item 9 of the report, if required to be provided.)

1. Family name
2. First given name
3. Secondary given names
4. Residential street address

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5. *Municipality*
6. *Province/State*
7. *Postal code/Zip code*
8. *Country*
9. *Indicate whether the individual is a control person, or a director and/or executive officer of a control person (if applicable)*

d) *Non-individual control persons (if applicable)*

If the control person is not an individual, provide the following information. For locations within Canada, state the province or territory, otherwise state the country.

1. *Organization or company name*
2. *Province or country of business location*

Questions:

Refer any questions to:

Alberta Securities Commission

Suite 600, 250 – 5th Street SW

Calgary, Alberta T2P 0R4

Telephone: 403 297-6454

Facsimile: 403 297-6156

Toll free in Canada: 1 877 355-0585

Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre

701 West Georgia Street

Vancouver, British Columbia V7Y 1L2

Inquiries: 604 899-6854

Toll free in Canada: 1 800 373-6393

Facsimile: 604 899-6506

Email: FOI-privacy@bcsc.bc.ca

Public official contact regarding indirect collection of information: Privacy Officer

The Manitoba Securities Commission

500 – 400 St. Mary Avenue

Winnipeg, Manitoba R3C 4K5

Telephone: 204 945-2561

Toll free in Manitoba: 1 800 655-5244

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Facsimile: 204 945-0330

Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300

Saint John, New Brunswick E2L 2J2

Telephone: 506 658-3060

Toll free in Canada: 1 866 933-2222

Facsimile: 506 658-3059

Email: info@fcnb.ca

Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador

Office of the Superintendent

Department of Digital Government and Service NL

P.O. Box 8700

Confederation Building

2nd Floor, West Block

Prince Philip Drive

St. John's, Newfoundland and Labrador A1B 4J6

Attention: Superintendent of Securities

Telephone: 709 729-2571

Facsimile: 709 729-6187

Public official contact regarding indirect collection of information: Superintendent of Securities

Government of the Northwest Territories

Office of the Superintendent of Securities

P.O. Box 1320

Yellowknife, Northwest Territories X1A 2L9

Telephone: 867 767-9305

Facsimile: 867 873-0243

Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street

Duke Tower

P.O. Box 458

Halifax, Nova Scotia B3J 2P8

Telephone: 902 424-7768

Facsimile: 902 424-4625

Public official contact regarding indirect collection of information: Executive Director

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Government of Nunavut Office of the Superintendent of Securities

Legal Registries Division
P.O. Box 1000, Station 570
4th Floor, Building 1106
Iqaluit, Nunavut X0A 0H0
Telephone: 867 975-6590
Facsimile: 867 975-6594
Public official contact regarding indirect collection of information: Superintendent of Securities

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416 593-8314
Toll free in Canada: 1 877 785-1555
Facsimile: 416 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902 368-4569
Facsimile: 902 368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Autorité des marchés financiers

800, rue du Square-Victoria, 22^e étage
C.P. 246, Place Victoria
Montréal, Québec H4Z 1G3
Telephone: 514 395-0337 or 1 877 525-0337
Facsimile: 514 873-6155 (For filing purposes only)
Facsimile: 514 864-6381 (For privacy requests only)
Email: financementdessocietes@lautorite.qc.ca (For corporate finance issuers);
fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)
Public official contact regarding indirect collection of information: Corporate Secretary

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306 787-5842
Facsimile: 306 787-5899
Public official contact regarding indirect collection of information: Executive Director, Securities Division

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Office of the Superintendent of Securities

Government of Yukon

Department of Community Services

307 Black Street, 1st Floor

P.O. Box 2703, C-6

Whitehorse, Yukon Y1A 2C6

Telephone: 867 667-5466

Facsimile: 867 393-6251

Email: securities@yukon.ca

Public official contact regarding indirect collection of information: Superintendent of Securities

M.O. 2009-05, Sch. 45-106F1; M.O. 2015-05, s. 23, M.O. 2015-06, s. 9; M.O 2016-12, s. 7; N.I. 2017-04-01; M.O. 2018-04, s. 3; M.O. 2023-11, s. 4.

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**FORM 45-106F2
OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS**

Date: [Insert the date from the certificate page.]

The Issuer

Name:

Head office:

Address:

Phone #:

Website address:

Email address:

*Currently listed or quoted? [If no, state in bold type: **“These securities do not trade on any exchange or market.”**. If yes, identify the exchange or market.]*

Reporting issuer? [Yes/No. If yes, state where.]

The Offering

Securities offered:

Price per security:

*Minimum/Maximum offering: [If there is no minimum, state in bold type: **“There is no minimum.”** and also state in bold type: **“You may be the only purchaser.”**]*

*Minimum subscription amount: [State the minimum amount each investor must invest, or state **“There is no minimum subscription amount an investor must invest.”**]*

Payment terms:

Proposed closing date(s):

Income tax consequences: There are important tax consequences to these securities. See item 8. [If income tax consequences are not material, delete this item.]

Insufficient Funds

*If item 2.6 applies, state in bold type: **“Funds available under the offering may not be sufficient to accomplish the proposed objectives. See item 2.6.”***

Compensation Paid to Sellers and Finders

*If item 9 applies, state the following: **“A person has received or will receive compensation for the sale of securities under this offering. See item 9.”***

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Underwriter(s)

State the name of any underwriter.

Guidance: The requirements of Regulation 33-105 respecting Underwriting Conflicts (chapter V-1.1, r. 11) may be applicable.

Resale Restrictions

State: “You will be restricted from selling your securities for [four months and a day/an indefinite period]. See item 12.”

Working Capital Deficiency

If the issuer is disclosing a working capital deficiency under item 1.1, state the following, with the bracketed information completed: “[name of issuer] has a working capital deficiency. See item 1.1.”

Payments to Related Party

If the issuer is disclosing payment to a related party under item 1.2, state the following, with the bracketed information completed as applicable: “[All of][Some of] your investment will be paid to a related party of the issuer. See item 1.2.”

Certain Related Party Transactions

If the issuer is making disclosure under item 2.9(b), or subsection 7(2) of Schedule 1, state the following with the bracketed information completed as applicable: “This offering memorandum contains disclosure with respect to one or more transactions between [name of issuer] and a related party, where [name of issuer] [paid more to a related party than the related party paid for a business, asset or real property] [and] [was paid less by a related party for a business, asset or real property than [name of issuer] paid for it]. See [item 2.9(b)] [and] [subsection 7(2) of Schedule 1].”

Certain Dividends or Distributions

If the issuer is making disclosure under item 7, state the following with the bracketed information completed: “[name of issuer] has paid dividends or distributions that exceeded cash flow from operations. See item 7.”

Conditions on Repurchases

If the purchaser will have a right to require the issuer to repurchase the securities and there is any restriction, fee or price associated with this right, state in bold type with the bracketed information completed, as applicable: “**You will have a right to require the issuer to repurchase the securities from you, but this right is qualified by [a specified price] [and] [restrictions] [and] [fees]. As a result, you might not receive the amount of proceeds that you want. See item 5.1.**”

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Purchaser's Rights

State: "You have two business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have a right to damages or to cancel the agreement. See item 13."

State in bold type:

"No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 10."

Instructions

1. Include all of the above information at the beginning of the offering memorandum.
2. After the above information, include a table of contents for the rest of the information in the offering memorandum.

Guidance

Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure (chapter V-1.1, r. 28.1) may be applicable to disclosure in the offering memorandum.

Item 1

Use of Available Funds

1.1. Funds – Using the following table, disclose the funds available as a result of the offering. If the issuer plans to combine additional sources of funding with the available funds from the offering to achieve its principal capital-raising purpose, provide details about each additional source of funding. If there is no minimum offering, state "\$0" as the minimum. Disclose any working capital deficiency of the issuer as at a date not more than 30 days before the date of the offering memorandum. If the working capital deficiency will not be eliminated by the use of available funds, state how the issuer intends to eliminate or manage the deficiency.

		Assuming minimum offering	Assuming maximum offering
A.	Amount to be raised by this offering	\$	\$
B.	Selling commissions and fees	\$	\$
C.	Estimated offering costs (including legal, accounting and audit)	\$	\$
D.	Available funds: $D = A - (B+C)$	\$	\$
E.	Additional sources of funding required	\$	\$

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F.	Working capital deficiency	\$	\$
G.	Total: $G = (D+E) - F$	\$	\$

1.2. Use of Available Funds – Using the following table, provide a detailed breakdown of how the issuer will use the available funds. If any of the available funds will be paid to a related party, disclose in a note to the table the name of the related party, the relationship to the issuer, and the amount. If more than 10% of the available funds will be used by the issuer to pay debt and the issuer incurred the debt within the two preceding financial years, describe why the debt was incurred.

Description of intended use of available funds listed in order of priority	Assuming minimum offering	Assuming maximum offering
	\$	\$
	\$	\$
Total: Equal to G in the Funds table above	\$	\$

1.3. Proceeds Transferred to Other Issuers – If a significant amount of the proceeds of the offering will be invested in, loaned to, or otherwise transferred to another issuer that is not a subsidiary controlled by the issuer, provide the disclosure specified by items 2, 3, 4.1, 4.2, 10 and 14 and, as applicable, Schedule 1 of this form if the other issuer is engaged in real estate activities, and Schedule 2 of this form if the other issuer is a collective investment vehicle, as if each of those other issuers were the issuer preparing the offering memorandum. In addition, describe the relationship between the issuer and each of those other issuers, and supplement the description with a diagram.

Item 2

Business of the Issuer and Other Information and Transactions

2.1. Structure – State whether the issuer is a partnership, corporation or trust, or if the issuer is not a corporation, partnership or trust then state what type of business association the issuer is. State any statute under which the issuer is incorporated, continued or organized, and the date of incorporation, continuance or organization.

2.2. The Business – Describe the issuer’s business.

(a) For a non-resource issuer include in the description the following:

- (i) principal products or services;
- (ii) operations;
- (iii) market, marketing plans and strategies;

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- (iv) a discussion of the issuer's current and prospective competitors.
- (b) For a resource issuer include in the description the following:
 - (i) a description of principal properties (including interest held);
 - (ii) a summary of material information including, as applicable, the stage of development, reserves, geology, operations, production and mineral reserves or mineral resources being explored or developed.

Guidance

1. For a resource issuer disclosing scientific or technical information for a mineral project, see General Instruction A.8 of this Form.

2. For a resource issuer disclosing information about its oil and gas activities, see General Instruction A.9 of this Form.

2.3. Development of Business – Describe the general development of the issuer's business over at least its two most recently completed financial years and any subsequent period. Include any major events that have occurred or conditions that have influenced (favourably or unfavourably) the development or financial condition of the issuer.

2.4. Long Term Objectives – With respect to the issuer's objectives subsequent to the next 12 months after the date of the offering memorandum, describe each significant event associated with those objectives, state the specific time period in which each event is expected to occur, and the costs related to each event.

2.5. Short Term Objectives

(a) Disclose the issuer's objectives for the next 12 months after the date of the offering memorandum.

(b) Using the following table, disclose how the issuer intends to meet those objectives.

Actions to be taken	Target completion date or, if not known, number of months to complete	Cost to complete
		\$
		\$

2.6. Insufficient Funds – If applicable, disclose that the funds available as a result of the offering either may not or will not be sufficient to accomplish all of the issuer's proposed objectives and there is no assurance that alternative financing will be available. With respect to any alternative financing that has been arranged, disclose the amount, source and all outstanding conditions.

2.7. Additional Disclosure for Issuers Without Significant Revenue

(1) *If the issuer has not had significant revenue from operations in either of its two most recently completed financial years, or has not had significant revenue from operations since inception, provide, for each period referred to in subsection (2), a breakdown of the material components of the following:*

(a) *exploration and evaluation assets or expenditures and, if the issuer's business primarily involves mining exploration and development, provide the breakdown on a property-by-property basis;*

(b) *expensed research and development costs;*

(c) *intangible assets arising from development;*

(d) *general and administration expenses;*

(e) *any material costs, whether expensed or recognized as assets, not referred to in paragraphs (a) through (d).*

(2) *Include the disclosure in subsection (1) with respect to each period for which financial statements are included in the offering memorandum.*

(3) *Subsection (1) does not apply to any period for which the information specified under subsection (1) has been disclosed in the financial statements that are included in the offering memorandum.*

2.8. Material Contracts – *Disclose the key terms of all material contracts including, for certainty, the following:*

(a) *if the contract is with a related party, the name of the related party and the relationship to the issuer;*

(b) *a description of any asset, property or interest acquired, disposed of, leased or under option;*

(c) *a description of any service provided;*

(d) *purchase price and payment terms (including payment by instalments, cash, securities or work commitments);*

(e) *the principal amount of any debenture or loan, the repayment terms, security, due date and interest rate;*

(f) *the date of the contract;*

(g) *the amount of any finder's fee or commission paid or payable to a related party in connection with the contract;*

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(h) any material outstanding obligations under the contract.

2.9. Related Party Transactions

With respect to any purchase and sale transaction between the issuer and a related party that does not relate to real property,

(a) using the following table and starting with the most recent transaction, provide the specified information, and

<i>Description of business or asset</i>	<i>Date of transfer</i>	<i>Legal name of seller</i>	<i>Legal name of buyer</i>	<i>Amount and form of consideration exchanged in connection with transfer</i>

(b) explain the reason for any material difference between the amount of consideration paid by the issuer and the amount of consideration paid by a related party for the business or asset.

Item 3

Compensation and Security Holdings of Certain Parties

3.1. Compensation and Securities Held

Using the following table, provide the specified information for the following:

(a) each director, officer and promoter of the issuer;

(b) each person that has beneficial ownership of, or direct or indirect control over, or a combination of beneficial ownership and direct or indirect control over, 10% or more of any class of voting securities of the issuer;

(c) any related party not specified in paragraph (a) or (b) that received compensation in the most recently completed financial year or is expected by the issuer to receive compensation in the current financial year.

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<i>Full legal name and place of residence or, if not an individual, jurisdiction of organization</i>	<i>If paragraph (a) or (b) applies, specify whether the person is a director, officer, promoter or person referred to in paragraph (b); if paragraph (c) applies, specify the person's relationship to the issuer; in all cases, specify the date that the person became a person identified in paragraph (a), (b) or (c)</i>	<i>Compensation paid by issuer or related party in the most recently completed financial year and the compensation expected to be paid in the current financial year</i>	<i>Number, type and percentage of securities of the issuer held after completion of minimum offering</i>	<i>Number, type and percentage of securities of the issuer held after completion of maximum offering</i>

Instructions to Item 3.1

1. If the issuer has not completed its first financial year, disclose for the period from the date of the issuer's inception to the date of the offering memorandum.
2. Compensation includes any form of remuneration including, for certainty, cash, shares and options.
3. If a person identified in paragraph (a), (b) or (c) is not an individual, state in a note to the table the full legal name of any person that has beneficial ownership of, or direct or indirect control over, or a combination of beneficial ownership and direct or indirect control over, more than 50% of the voting rights of the person

3.2. Management Experience – Using the following table, provide the specified information for the directors and executive officers of the issuer for the five years preceding the date of the offering memorandum.

<i>Full Legal Name</i>	<i>Principal occupation and description of experience associated with the occupation</i>

3.3. Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters

(a) If any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to a director, executive officer or control person of the issuer, or an issuer of which any of those persons was a director, executive officer or control person at the time, describe the details of the penalty, other sanction or order, including the reason for it and whether it is currently in effect:

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(i) a penalty or other sanction imposed by a court relating to a contravention of securities legislation;

(ii) a penalty or other sanction imposed by a regulatory body relating to a contravention of securities legislation;

(iii) an order restricting trading in securities, not including an order that was in effect for less than 30 consecutive days.

(b) If any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to a director, executive officer or control person of the issuer, or an issuer of which any of those persons was a director, executive officer or control person at the time, state that it has occurred:

(i) a declaration of bankruptcy;

(ii) a voluntary assignment in bankruptcy;

(iii) a proposal under bankruptcy or insolvency legislation;

(iv) a proceeding, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets.

(c) Disclose and describe the details of the offence, if the issuer or a director, executive officer or control person of the issuer has ever pled guilty to or been found guilty of any of the following:

(i) a summary conviction or indictable offence under the Criminal Code (R.S.C., 1985, c. C-46);

(ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction;

(iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America;

(iv) an offence under the criminal legislation of any other foreign jurisdiction.

3.4. Certain Loans

For any debenture, bond or loan agreement between the issuer and a related party, disclose the following:

(a) as at a date not more than 30 days before the date of the offering memorandum, the parties to the agreement, including which party is lender and which party is borrower, the principal amount, the repayment terms, any security, due date and interest rate;

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(b) during the two most recently completed financial years and up to a date not more than 30 days before the date of the offering memorandum, any material amendment to the agreement, or any release, cancellation or forgiveness.

**Item 4
Capital Structure**

4.1. Securities Except for Debt Securities – Using the following table, provide the specified information about outstanding securities of the issuer, not including debt securities. Add notes to the table to describe the material terms of the securities, including, for certainty, voting rights or restrictions on voting, exercise price and date of expiry, any right of the purchaser to require the issuer to repurchase the securities including any price, fee or restriction associated with that right, and any interest rate or dividend or distribution policy.

Description of security	Number authorized to be issued	Price per security	Number outstanding as at a date not more than 30 days before the date of the offering memorandum	Number outstanding after minimum offering	Number outstanding after maximum offering

4.2. Long Term Debt – Using the following table, provide the specified information about outstanding debt of the issuer for which all or a portion is due, or may be outstanding, more than 12 months from the date of the offering memorandum. Add notes to the table to disclose any amounts of the debt that are due within 12 months of the date of the offering memorandum. In addition, add notes to the table to describe any conversion terms. If the securities being offered are debt securities, complete the applicable parts of the table for the debt, and add columns to the table disclosing the amount of the debt that will be outstanding after both the minimum and maximum offering.

Description of debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at a date not more than 30 days before the date of the offering memorandum
			\$
			\$

4.3. Prior Sales – If the issuer has issued any securities of the class being offered under the offering memorandum (or convertible or exchangeable into the class being

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offered under the offering memorandum) within the 12 months before the date of the offering memorandum, use the following table to provide the information specified. If securities were issued in exchange for assets or services, describe in a note to the table the assets or services that were provided.

<i>Date of issuance</i>	<i>Type of security issued</i>	<i>Number of securities issued</i>	<i>Price per security</i>	<i>Total funds received</i>

Item 5 Securities Offered

5.1. Terms of Securities

(a) Describe the material terms of the securities being offered, including, for certainty, the following:

- (i) voting rights or restrictions on voting;
- (ii) conversion or exercise price and date of expiry;
- (iii) any right of the purchaser to require the issuer to repurchase the securities, including any price, fee or restriction associated with that right;
- (iv) interest rate, and dividend or distribution policy.

(b) Provide a sample calculation in respect of any right of the purchaser to require the issuer to repurchase the securities.

5.2. Subscription Procedure

(a) Describe how a purchaser can subscribe for the securities and the method of payment.

(b) State that the consideration will be held in trust and the period that it will be held (refer at least to the mandatory two day period).

(c) Disclose any conditions to closing, including any receipt of additional funds from other sources. If there is a minimum offering, disclose when consideration will be returned to purchasers if the minimum is not met, and whether the issuer will pay the purchasers interest on consideration.

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Item 6 Repurchase Requests

(1) With respect to any securities of the issuer for which investors have a right to require the issuer to repurchase the securities, disclose the following:

(a) for each of the two most recently completed financial years, the information specified by the following table;

Description of security	Date of end of financial year	Number of securities with outstanding repurchase requests on the first day of the year	Number of securities for which investors made repurchase requests during the year	Number of securities repurchased during the year	Average price paid for the repurchased securities	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the year

(b) for the period after the end of the issuer's most recently completed financial year and up to a date not more than 30 days before the date of the offering memorandum, the information specified by the following table;

Description of security	Beginning and end dates of the period	Number of securities with outstanding repurchase requests on the first day of the period	Number of securities for which investors made repurchase requests during the period	Number of securities repurchased during the period	Average price paid for the securities repurchased	Source of funds used to complete the repurchases	Number of securities with outstanding repurchase requests on the last day of the period

(c) with respect to the periods specified in (a) and (b), the reason for any non-fulfillment of investor repurchase requests, unless the non-fulfillment was in accordance with terms governing the right.

Item 7 Certain Dividends or Distributions

If in the two most recently completed financial years, or any subsequent interim period, the issuer paid dividends or distributions that exceeded cash flow from operations, disclose the source of those payments.

Item 8

Income Tax Consequences and RRSP Eligibility

8.1. State: “You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.”

8.2. If income tax consequences are a material aspect of the securities being offered, provide

(a) a summary of the significant income tax consequences to Canadian residents, and

(b) the name of the person providing the income tax disclosure in (a).

8.3. Provide advice regarding the RRSP eligibility of the securities and the name of the person providing the advice or state “Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.”

Item 9

Compensation Paid to Sellers and Finders

If any person has or will receive any commission, corporate finance fee or finder’s fee or any other compensation in connection with the offering, provide the following information:

(a) a description of each type of compensation and the estimated amount to be paid for each type;

(b) if a commission is being paid, the percentage that the commission will represent of the gross proceeds of the offering (assuming both the minimum and maximum offering);

(c) details of any broker’s warrants or agent’s option (including number of securities under option, exercise price and expiry date);

(d) if any portion of the compensation will be paid in securities, details of the securities (including number, type and, if options or warrants, the exercise price and expiry date).

Item 10

Risk Factors

Describe in order of importance, starting with the most important, the risk factors material to the issuer that a reasonable investor would consider important in deciding whether to buy the issuer’s securities.

Guidance: Risk factors will generally fall into the following three categories:

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(a) *Investment Risk* – risks that are specific to the securities being offered. Some examples include:

- *arbitrary determination of price,*
- *no market or an illiquid market for the securities,*
- *resale restrictions, and*
- *subordination of debt securities.*

(b) *Issuer Risk* – risks that are specific to the issuer. Some examples include

- *insufficient funds to accomplish the issuer’s business objectives,*
- *no history or a limited history of revenue or profits,*
- *lack of specific management or technical expertise,*
- *management’s regulatory and business track record,*
- *dependence on key employees, suppliers or agreements,*
- *dependence on financial viability of guarantor,*
- *pending and outstanding litigation, and*
- *political risk factors.*

(c) *Industry Risk* – risks faced by the issuer because of the industry in which it operates. Some examples include

- *environmental and industry regulation,*
- *product obsolescence, and*
- *competition.*

Item 11 **Reporting Obligations**

11.1. *Disclose the documents, including any financial information required by the issuer’s corporate legislation, constating documents, or other documents under which the issuer is organized, that will be sent to purchasers on an annual or ongoing basis. If the issuer is not required to send any documents to the purchasers on an annual or ongoing basis, state in bold type: “**We are not required to send you any documents on an annual or ongoing basis.**”.*

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11.2. If corporate or securities information about the issuer is available from a government, securities regulatory authority or regulator, SRO or quotation and trade reporting system, disclose where that information can be located (including website address).

Item 12

Resale Restrictions

*12.1. **Restricted Period** – For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon state one of the following, as applicable:*

(a) If the issuer is not a reporting issuer in a jurisdiction at the distribution date state:

“Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date [insert name of issuer] became a reporting issuer in any province or territory of Canada.”;

(b) If the issuer is a reporting issuer in a jurisdiction at the distribution date state:

“Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the distribution date.”.

*12.2. **Manitoba Resale Restrictions** – For trades in Manitoba, if the issuer will not be a reporting issuer in a jurisdiction at the time the security is acquired by the purchaser state:*

“Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless

(a) [name of issuer] has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or

(b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.”.

Item 13

Purchasers’ Rights

*13.1. **Statements Regarding Purchasers’ Rights** – State the following:*

“If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

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(1) **Two Day Cancellation Right** – You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) **Statutory Rights of Action in the Event of a Misrepresentation** – [Insert this section only if the securities legislation of the jurisdiction in which the trade occurs provides purchasers with statutory rights in the event of a misrepresentation in an offering memorandum. Modify the language, if necessary, to conform to the statutory rights.] If there is a misrepresentation in this offering memorandum, you have a statutory right to sue:

(a) [name of issuer] to cancel your agreement to buy these securities, or

(b) for damages against [state the name of issuer and the title of any other person against whom the rights are available].

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within [state time period provided by the securities legislation]. You must commence your action for damages within [state time period provided by the securities legislation.]

(3) **Contractual Rights of Action in the Event of a Misrepresentation** – [Insert this section only if the securities legislation of the jurisdiction in which the purchaser is resident does not provide purchasers with statutory rights in the event of a misrepresentation in an offering memorandum.] If there is a misrepresentation in this offering memorandum, you have a contractual right to sue [name of issuer]:

(a) to cancel your agreement to buy these securities, or

(b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that [name of issuer] proves does not represent the depreciation in value of the securities resulting from the misrepresentation. [Name of issuer] has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the

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misrepresentation and three years after you signed the agreement to purchase the securities.”.

13.2. Cautionary Statement Regarding Report, Statement or Opinion by Expert – *If a report, statement or opinion by a solicitor, auditor, accountant, engineer, appraiser, notary in Québec or other person whose profession or business could, to a reasonable person, be viewed as giving authority to a statement made by that person, is included or referenced in the offering memorandum, and purchasers do not have a statutory right of action in the local jurisdiction against that person for a misrepresentation in the offering memorandum, state the following, with the bracketed information completed, as applicable:*

“This offering memorandum [includes][references] [describe any report, statement or opinion, the party that gave it, and the effective date of the document]. You do not have a statutory right of action against [this party][these parties] for a misrepresentation in the offering memorandum. You should consult with a legal adviser for further information.”.

Item 14 **Financial Statements**

Include in the offering memorandum immediately before the certificate page of the offering memorandum all financial statements specified in the Instructions.

Item 15 **Date and Certificate**

State the following on the certificate page of the offering memorandum:

“Dated [insert the date the certificate page of the offering memorandum is signed].

“This offering memorandum does not contain a misrepresentation.”.

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Instructions for Completing Form 45-106F2 Offering Memorandum for Non-Qualifying Issuers

A. General Instructions

1. Refer to subsections 2.9(13.1), (13.2) and (13.3) of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21) (“Regulation 45-106”), which set out the standard of disclosure for an offering memorandum.
2. Draft the offering memorandum so that it is easy to read and understand. Be concise and use clear, plain language. Avoid technical terms. If technical terms are necessary, provide definitions.
3. Address the items required by the form in the order set out in the form. However, it is not necessary to provide disclosure in response to a requirement or part of a requirement that does not apply.
4. The issuer may include additional information in the offering memorandum other than that specifically required by the form.
5. The issuer may wrap the offering memorandum around a prospectus or similar document. However, all matters required to be disclosed by the offering memorandum must be addressed and the offering memorandum must provide a cross-reference to the page number or heading in the wrapped document where the relevant information is contained. The certificate to the offering memorandum must be modified to indicate that the offering memorandum, including the document around which it is wrapped, does not contain a misrepresentation.
6. It is an offence to make a misrepresentation in the offering memorandum. This applies to both information that is required by the form and additional information that is provided. Include particulars of any material facts, which have not been disclosed under any of the Item numbers and for which failure to disclose would constitute a misrepresentation in the offering memorandum. Refer also to subsection 3.8(3) of Policy Statement to Regulation 45-106 respecting Prospectus Exemptions for additional information.
7. Do not disclose a maximum offering amount unless the issuer reasonably expects, as at the date of the offering memorandum, to distribute that amount under the offering memorandum.
8. Refer to Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (chapter V-1.1, r. 15) (“Regulation 43-101”) when disclosing scientific or technical information for a mineral project of the issuer.
9. If an oil and gas issuer is disclosing information about its oil and gas activities, it must ensure that the information is disclosed in accordance with Part 4 and Part 5 of Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities (chapter V-1.1, r. 23) (“Regulation 51-101”). Under section 5.3 of Regulation 51-101, disclosure of

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reserves or resources must be consistent with the reserves and resources terminology and categories set out in the Canadian Oil and Gas Evaluation Handbook. For the purposes of this instruction, references to reporting issuer in Part 4 and Part 5 of Regulation 51-101 will be deemed to include all issuers.

10. Securities legislation restricts what can be told to investors about the issuer's intent to list or quote securities on an exchange or market. Refer to applicable securities legislation before making any such statements.

11. If an issuer uses this form in connection with a distribution under an exemption other than section 2.9 of Regulation, the issuer must modify the disclosure in item 13 to correctly describe the purchaser's rights. If a purchaser does not have statutory or contractual rights of action in the event of a misrepresentation in the offering memorandum, that fact must be stated in bold on the face page.

12. During the course of a distribution of securities, any material forward-looking information disseminated must only be that which is set out in the offering memorandum. If an extract of FOFI, as defined in Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24) ("Regulation 51-102"), is disseminated, the extract or summary must be reasonably balanced and have a cautionary note in boldface stating that the information presented is not complete and that complete FOFI is included in the offering memorandum.

13. The term "quasi-criminal offence" includes offences under tax, immigration or money laundering legislation.

B. Financial Statements – General

1. All financial statements, operating statements for an oil and gas property that is an acquired business or a business to be acquired, and summarized financial information as to the aggregated amounts of assets, liabilities, revenue and profit or loss of an acquired business or business to be acquired that is, or will be, an investment accounted for by the issuer using the equity method included in the offering memorandum must comply with Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25) ("Regulation 52-107"), regardless of whether the issuer is a reporting issuer or not.

Under Regulation 52-107, financial statements are generally required to be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises. An issuer using this form cannot use Canadian GAAP applicable to private enterprises, except, subject to the requirements of Regulation 52-107, certain issuers may use Canadian GAAP applicable to private enterprises for financial statements for a business referred to in Instruction C.1. An issuer that is not a reporting issuer may prepare acquisition statements in accordance with the requirements of Regulation 52-107 as if the issuer were a venture issuer as defined in Regulation 51-102. For the purposes of this form, the "applicable time" in the definition of a venture issuer is the acquisition date.

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2. *Include all financial statements required by these instructions in the offering memorandum immediately before the certificate page of the offering memorandum.*

3. *If the issuer has not completed one financial year or its first financial year end is less than 120 days from the date of the offering memorandum, include in the offering memorandum financial statements of the issuer consisting of:*

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the period from inception to a date not more than 90 days before the date of the offering memorandum,

(b) a statement of financial position as at the end of the period referred to in paragraph (a), and

(c) notes to the financial statements.

4. *If the issuer has completed one or more financial years, include in the offering memorandum annual financial statements of the issuer consisting of*

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for

(i) the most recently completed financial year that ended more than 120 days before the date of the offering memorandum, and

(ii) the financial year immediately preceding the financial year in subparagraph (i), if any,

(b) a statement of financial position as at the end of each of the periods referred to in paragraph (a),

(c) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the offering memorandum comply with IFRS in the case of an issuer that

(i) discloses in its annual financial statements an unreserved statement of compliance with IFRS, and

(ii) does any of the following:

(A) applies an accounting policy retrospectively in its annual financial statements;

(B) makes a retrospective restatement of items in its annual financial statements;

(C) reclassifies items in its annual financial statements,

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(d) *in the case of an issuer's first IFRS financial statements as defined in Regulation 51-102, the opening IFRS statement of financial position at the date of transition to IFRS as defined in Regulation 51-102, and*

(e) *notes to the financial statements.*

5. *If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under Instruction B.4.*

6. *If the issuer has completed one or more financial years, include in the offering memorandum an interim financial report of the issuer comprised of*

(a) *a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the most recently completed interim period that ended*

(i) *more than 60 days before the date of the offering memorandum, and*

(ii) *after the year-end date of the financial statements required under Instruction B.4(a)(i),*

(b) *a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the corresponding period in the immediately preceding financial year, if any,*

(c) *a statement of financial position as at the end of the period required by paragraph (a) and the end of the immediately preceding financial year,*

(d) *a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the offering memorandum comply with IFRS in the case of an issuer that*

(i) *discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 Interim Financial Reporting, and*

(ii) *does any of the following:*

(A) *applies an accounting policy retrospectively in its interim financial report;*

(B) *makes a retrospective restatement of items in its interim financial report;*

(C) *reclassifies items in its interim financial report,*

(e) *in the case of the first interim financial report in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS,*

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(f) for an issuer that is not a reporting issuer in at least one jurisdiction of Canada immediately before filing the offering memorandum, if the issuer is including an interim financial report of the issuer for the second or third interim period in the year of adopting IFRS,

(i) the issuer's first interim financial report in the year of adopting IFRS,
or

(ii) both

(A) the opening IFRS statement of financial position at the date of transition to IFRS, and

(B) the annual and date of transition to IFRS reconciliations required by IFRS 1 First-time Adoption of International Financial Reporting Standards to explain how the transition from previous GAAP to IFRS affected the issuer's reported financial position, financial performance and cash flows, and

(g) notes to the financial statements.

7. If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under Instruction B.6.

8. An issuer is not required to include the comparative financial information for the period in Instruction B.4.(a)(ii) in an offering memorandum if the issuer includes financial statements for a financial year ended less than 120 days before the date of the offering memorandum.

9. For an issuer that is not an investment fund, the term "interim period" has the meaning set out in Regulation 51-102. In most cases, an interim period is a period ending nine, six, or three months before the end of a financial year. For an issuer that is an investment fund, the term "interim period" has the meaning set out in Regulation 81-106 respecting Investment Fund Continuous Disclosure (chapter V-1.1, r. 42) ("Regulation= 81-106").

10. The comparative financial information required under Instruction B.6(b) and (c) may be omitted if the issuer has not previously prepared financial statements in accordance with its current or, if applicable, its previous GAAP.

11. The financial statements required by Instructions B.3, B.4 and B.14(a) must be audited. The financial statements required by Instructions B.6, B.8, B.14(b) and the comparative financial information required by Instruction B.4 may be unaudited; however, if any of those financial statements have been audited, the auditor's report must be included in the offering memorandum.

12. Refer to Regulation 52-108 respecting Auditor Oversight (chapter V-1.1, r. 26.1) for requirements relating to reporting issuers and public accounting firms.

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13. All unaudited financial statements and unaudited comparatives must be clearly labelled as unaudited.

14. If the distribution is ongoing, and the offering memorandum does not contain audited annual financial statements for the issuer's most recently completed financial year, the issuer must do the following:

(a) amend the offering memorandum to include the audited annual financial statements and the accompanying auditor's report as soon as the issuer has approved the audited financial statements, but in any event no later than the 120th day following the financial year end;

(b) present the amended offering memorandum and the audited annual financial statements in accordance with the instructions in Parts A, B and C and, for that purpose, the reference to the financial year in Instruction B.4(a)(i) shall mean the issuer's most recently completed financial year.

15. If the distribution is ongoing, and the offering memorandum is amended pursuant to subsection 2.9(13.2) of the Regulation to reflect a material change, the issuer must present the amended offering memorandum in accordance with the instructions in Parts A, B and C, including any interim financial report required by Instruction B.6(a).

16. In Ontario, if more than 60 days have elapsed since the end of the second interim period that commenced following the later of the issuer's inception and the issuer's most recently completed financial year, the offering memorandum does not comply with the requirements of this form unless

(a) the offering memorandum, as amended, includes the interim financial report for the most recently completed second interim period,

(b) the interim financial report required by paragraph (a) is presented in accordance with the instructions in Parts A, B and C and, for that purpose, Instruction B.6 shall apply regardless of whether the issuer has completed a financial year and the reference to the interim period in Instruction B.6(a) shall mean the issuer's most recently completed second interim period,

(c) the date of the offering memorandum, as amended, is after the end of this most recently completed second interim period, and

(d) the offering memorandum, as amended, contains all of the disclosure required by this form as of the date in paragraph (c).

17. In Ontario, Instruction B.16 does not apply if the issuer appends to the offering memorandum an additional certificate that

(a) clearly identifies the offering memorandum,

(b) forms part of the offering memorandum,

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(c) certifies all of the following to be true:

(i) the offering memorandum does not contain a misrepresentation when read as of the date in paragraph (d);

(ii) there has been no material change in relation to the issuer that is not disclosed in the offering memorandum;

(iii) the offering memorandum, when read as of the date in paragraph (d), provides a reasonable purchaser with sufficient information to make an informed investment decision,

(d) is dated after the end of the issuer's most recently completed second interim period, and

(e) is signed in accordance with subsections 2.9(9) to (12) of the Regulation.

18. In Ontario, if an issuer appends a certificate referred to in Instruction B.17 to its offering memorandum, it must file with the securities regulatory authority in Ontario a copy of the offering memorandum with the appended certificate on or before the 10th day after the distribution under the offering memorandum.

19. In Ontario, Instruction B.16 does not apply if the offering memorandum complies with all of the following:

(a) the offering memorandum, as amended, includes the interim financial report for the issuer's most recently completed third interim period;

(b) the interim financial report referred to in paragraph (a) is presented in accordance with the instructions in Parts A, B and C and, for that purpose, Instruction B.6 shall apply regardless of whether the issuer has completed a financial year and the reference to the interim period in Instruction B.6(a) shall mean the issuer's most recently completed third interim period;

(c) the date of the offering memorandum, as amended, is after the end of this most recently completed third interim period;

(d) the offering memorandum, as amended, contains all of the disclosure required by this form as of the date in paragraph (c).

20. Forward-looking information, as defined in Regulation 51-102, included in an offering memorandum must comply with section 4A.2 of Regulation 51-102 and must include the disclosure described in section 4A.3 of Regulation 51-102. In addition to the foregoing, FOFI or a financial outlook, each as defined in Regulation 51-102, included in an offering memorandum must comply with Part 4B of Regulation 51-102. For an issuer that is not a reporting issuer, references to "reporting issuer" in section 4A.2, section 4A.3 and Part 4B of Regulation 51-102 must be read as references to an "issuer". Additional

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guidance may be found in Policy Statement to Regulation 51-102 respecting Continuous Disclosure Obligations.

C. Financial Statements - Business Acquisitions

1. If the issuer

(a) has acquired a business during the past two years and the audited financial statements of the issuer included in the offering memorandum do not include the results of the acquired business for nine consecutive months, or

(b) is proposing to acquire a business and the acquisition has progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high,

include the financial statements specified in Instruction C.4 for the business if either of the tests in Instruction C.2 is met, irrespective of how the issuer accounts, or will account, for the acquisition.

2. Include the financial statements specified in Instruction C.4 for a business referred to in Instruction C.1 if either

(a) the issuer's proportionate share of the consolidated assets of the business exceeds 100% of the consolidated assets of the issuer calculated using the annual financial statements of each of the issuer and the business for the most recently completed financial year of each that ended before the acquisition date or, for a proposed acquisition, the date of the offering memorandum, or

(b) the issuer's consolidated investments in and advances to the business as at the acquisition date or the proposed date of acquisition exceeds 100% of the consolidated assets of the issuer, excluding any investments in or advances to the business, as at the last day of the issuer's most recently completed financial year that ended before the date of acquisition or the date of the offering memorandum for a proposed acquisition. For information about how to perform the investment test in this paragraph, please refer to subsections 8.3(4.1) and (4.2) of Regulation 51-102. Additional guidance may be found in the Policy Statement to Regulation 51-102.

3. If an issuer or a business has not yet completed a financial year, or its first financial year ended within 120 days of the offering memorandum date, use the financial statements referred to in Instruction B.3 to make the calculations in Instruction C.2.

4. If under Instruction C.2 you must include in an offering memorandum financial statements for a business, the financial statements must include

(a) if the business has not completed one financial year or its first financial year end is less than 120 days from the date of the offering memorandum

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(i) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows

(A) for the period from inception to a date not more than 90 days before the date of the offering memorandum, or

(B) if the date of acquisition precedes the ending date of the period referred to in clause (A), for the period from inception to the acquisition date or a date not more than 45 days before the acquisition date,

(ii) a statement of financial position dated as at the end of the period referred to in subparagraph (i), and

(iii) notes to the financial statements,

(b) if the business has completed one or more financial years

(i) annual financial statements comprised of

(A) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the following annual periods:

(I) the most recently completed financial year that ended before the acquisition date and more than 120 days before the date of the offering memorandum, and

(II) the financial year immediately preceding the most recently completed financial year specified in subclause (I), if any,

(B) a statement of financial position as at the end of each of the periods specified in clause (A),

(C) notes to the financial statements, and

(ii) an interim financial report comprised of

(A) either

(I) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the most recently completed year-to-date interim period ending on the last date of the interim period that ended before the acquisition date and more than 60 days before the date of the offering memorandum and ended after the date of the financial statements required under subclause (b)(i)(A)(I), and a statement of comprehensive income and a statement of changes in equity for the three-month period ending on the last date of the interim period that ended before the acquisition date and more than 60 days before the date of the offering memorandum and ended after the date of the financial statements required under subclause (b)(i)(A)(I), or

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(II) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the period from the first day after the financial year referred to in subparagraph (b)(i) to a date before the acquisition date and after the period end in subclause (b)(ii)(A)(I),

(B) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the corresponding period in the immediately preceding financial year, if any,

(C) a statement of financial position as at the end of the period required by clause (A) and the end of the immediately preceding financial year, and

(D) notes to the financial statements.

Refer to Instruction B.9 for the meaning of “interim period”.

5. The information for the most recently completed financial period referred to in Instruction C.4(b)(i) must be audited and accompanied by an auditor’s report. The financial statements required under Instruction C.4(a), Instruction C.4(b)(ii) and the comparative financial information required by Instruction C.4(b)(i) may be unaudited; however, if those financial statements or comparative financial information have been audited, the auditor’s report must be included in the offering memorandum.

6. If the offering memorandum does not contain audited financial statements for a business referred to in Instruction C.1 for the business’s most recently completed financial year that ended before the acquisition date and the distribution is ongoing, update the offering memorandum to include those financial statements accompanied by an auditor’s report when they are available, but in any event no later than the date 120 days following the year-end.

7. The term “business” should be evaluated in light of the facts and circumstances involved. Generally, a separate entity or a subsidiary or division of an entity is a business and, in certain circumstances, a lesser component of an entity may also constitute a business, whether or not the subject of the acquisition previously prepared financial statements. The subject of an acquisition should be considered a business where there is, or the issuer expects there will be, continuity of operations. The issuer should consider

(a) whether the nature of the revenue producing activity or potential revenue producing activity will remain generally the same after the acquisition, and

(b) whether any of the physical facilities, employees, marketing systems, sales forces, customers, operating rights, production techniques or trade names are acquired by the issuer instead of remaining with the vendor after the acquisition.

8. If a transaction or a proposed transaction for which the likelihood of the transaction being completed is high has been or will be a reverse takeover as defined in Regulation 51-102, include financial statements for the legal subsidiary in the offering memorandum in accordance with Part A. The legal parent is considered to be the

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business acquired. Instruction C.1 may also require financial statements of the legal parent.

9. *An issuer satisfies the requirements in Instruction C.4 if the issuer includes in the offering memorandum the financial statements required in a business acquisition report under Regulation 51-102.*

D. Financial Statement - Exemptions

1. *Notwithstanding the requirements in subparagraph 3.3(1)(a)(i) of Regulation 52-107, an auditor's report that accompanies financial statements of an issuer or a business contained in an offering memorandum of a non-reporting issuer may express a qualification of opinion relating to inventory if*

(a) the issuer includes in the offering memorandum a statement of financial position that is for a date that is after the date to which the qualification relates,

(b) the statement of financial position referred to in paragraph (a) is accompanied by an auditor's report that does not express a qualification of opinion relating to closing inventory, and

(c) the issuer has not previously filed financial statements for the same entity accompanied by an auditor's report for a prior year that expressed a qualification of opinion relating to inventory.

2. *If an issuer has, or will account for a business referred to in Instruction C.1 using the equity method, then financial statements for a business required by Part C are not required to be included if*

(a) the offering memorandum includes disclosure for the periods for which financial statements are otherwise required under Part C that

(i) summarizes information as to the aggregated amounts of assets, liabilities, revenue and profit or loss of the business, and

(ii) describes the issuer's proportionate interest in the business and any contingent issuance of securities by the business that might significantly affect the issuer's share of profit or loss,

(b) the financial information provided under paragraph (a) for the most recently completed financial year has been audited, or has been derived from audited financial statements of the business, and

(c) the offering memorandum discloses that

(i) the financial information provided under paragraph (a) for any completed financial year has been audited, or identifies the audited financial statements from which the financial information provided under paragraph (a) has been derived, and

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(ii) the audit opinion with respect to the financial information or financial statements referred to in subparagraph (i) was an unmodified opinion.

3. Financial statements relating to the acquisition or proposed acquisition of a business that is an interest in an oil and gas property are not required to be included in an offering memorandum if either of the following apply:

(a) the acquisition is significant based only on the asset test;

(b) the issuer is unable to provide the financial statements in respect of the significant acquisition otherwise required because those financial statements do not exist or the issuer does not have access to those financial statements, and the following apply:

(i) the acquisition was not or will not be a reverse takeover, as defined in Regulation 51-102;

(ii) the following apply:

(A) the offering memorandum includes an operating statement for the business or related businesses for each of the financial periods for which financial statements would, but for this section, be required under Instruction C.4 prepared in accordance with subsection 3.11(5) of Regulation 52-107;

(B) the operating statement for the most recently completed financial period referred to in Instruction C.4(b)(i) is audited;

(C) the offering memorandum includes a description of the property or properties and the interest acquired by the issuer;

(D) the offering memorandum includes information with respect to the estimated reserves and related future net revenue attributable to the business, the material assumptions used in preparing the estimates and the identity and relationship to the issuer or to the seller of the person who prepared the estimates;

(E) the offering memorandum includes actual production volumes of the property for the most recently completed year;

(F) the offering memorandum includes estimated production volumes of the property for the first year reflected in the estimate disclosed under clause (D).

4. Financial statements for a business that is an interest in an oil and gas property, or for the acquisition or proposed acquisition by an issuer of an oil and gas property, are not required to be audited if, during the 12 months preceding the acquisition date or the proposed acquisition date, the average daily production of the property is less than 20% of the average daily production of the seller for the same or similar periods and

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(a) *despite reasonable efforts during the purchase negotiations, the issuer was prohibited from including in the purchase agreement the rights to obtain an audited operating statement of the property,*

(b) *the purchase agreement includes representations and warranties by the seller that the amounts presented in the operating statement agree to the seller's books and records, and*

(c) *the offering memorandum discloses*

(i) *that the issuer was unable to obtain an audited operating statement,*

(ii) *the reasons for that inability,*

(iii) *the fact that the purchase agreement includes the representations and warranties referred to in paragraph (b), and*

(iv) *that the results presented in the operating statements may have been materially different if the statements had been audited.*

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SCHEDULE 1 TO FORM 45-106F2 ADDITIONAL DISCLOSURE REQUIREMENTS FOR AN ISSUER ENGAGED IN REAL ESTATE ACTIVITIES

Guidance

For an issuer engaged in real estate activities, see subsection 6.4(4) of Regulation 45-106 with respect to the completion of this schedule.

Instructions

1. Despite General Instruction A.3, an issuer may choose where to integrate the disclosure specified by this schedule within the offering memorandum.
2. Information specified by this schedule that is disclosed in the offering memorandum in response to another provision of this form need not be repeated.

1. Definitions

In this schedule

“rental management agreement” means an agreement, other than a rental pool agreement, under which a person manages the generation of revenue from real property for another person;

“rental pool agreement” means an agreement creating a rental pool;

“rental pool” means an arrangement under which revenues derived from, or expenses relating to, two or more properties are pooled and shared among the owners of the properties in accordance with their proportionate interests in the pool.

2. Application

(1) This schedule applies to the following:

- (a) each interest in real property held by the issuer;
- (b) each interest in real property proposed to be acquired by the issuer, if the proposed acquisition has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high.

(2) Despite subsection (1), and except in the circumstances described in sections 4, 5, 10 and 11, this schedule does not apply in respect of an interest in real property, or more than one interest in real property taken together, that when considered in relation to all interests in real property held by the issuer, is not significant enough to influence a decision by a reasonable investor to buy, hold or sell a security of the issuer.

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3. *Description of Real Property*

(1) *Describe the following with respect to each interest in real property:*

- (a) *the real property's location, by address or other description;*
- (b) *the nature of the interest;*
- (c) *any encumbrances that would be material to a reasonable investor;*
- (d) *any restriction on sale or disposition;*
- (e) *any environmental liabilities, hazards or contamination;*
- (f) *any tax arrears;*
- (g) *if utilities and other services are not currently being provided, describe how they will be provided and who will provide them;*
- (h) *the current use;*
- (i) *the proposed use and why the issuer considers the real property to be suitable for its plans;*
- (j) *with respect to any buildings affixed to the real property, the type of construction, age and condition, and a description of any units for sale or rental;*
- (k) *for real property that the issuer leases to others, the occupancy level as at a date not more than 60 days before the date of the offering memorandum.*

(2) *If the issuer is providing disclosure on 10 or more interests in real property, it may for the purposes of subsection (1) disclose the information on a summarized basis with respect to either of the following:*

- (a) *the portfolio of real property interests as a whole;*
- (b) *the portfolio of real property interests broken into subgroups.*

(3) *Describe any current legal proceedings, or legal proceedings that the issuer knows to be contemplated, relating to each interest in real property, that would be material to a reasonable investor, including, for each proceeding, the name of the court, the date instituted, the parties to the proceeding, the nature of the claim, any amount claimed, whether the proceeding is being contested, and the present status of the proceeding.*

Instruction to Section 3

With respect to a proposed acquisition of one or more interests in real property, disclose the issuer's expectations regarding the matters set out in paragraphs (1)(b), (c) and (d).

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4. Appraisal

(1) If subsection 2.9(19.6) of Regulation 45-106 applies, disclose the following for any appraisal:

(a) the appraised fair market value of the interest in real property that is the subject of the appraisal;

(b) the effective date of the appraisal;

(c) that the appraisal is required to be delivered to the purchaser at the same time or before the offering memorandum is delivered to the purchaser.

(2) For each interest in real property to which subsection (1) applies, provide the most recent assessment by any assessing authority.

5. Purchaser's Interest in Real Property

If the purchaser will acquire an interest in real property, disclose the following:

(a) a description of the interest;

(b) how the interest will be evidenced in a public registry;

(c) any existing or anticipated encumbrances on the interest.

6. Developer, or Manager under a Rental Management Agreement or Rental Pool Agreement, Organization, Occupation and Experience, and Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters

(1) Subsection (2) applies for the following persons:

(a) a person other than the issuer that is or will be acting in the role of developer in respect of an interest in real property;

(b) in respect of real property in which the purchaser will acquire an interest, a person other than the issuer that will be acting in the role of manager under a rental management agreement, or manager under a rental pool agreement.

(2) For each person described in subsection (1)

(a) state the legal name of the person, describe the business of the person and any experience that the person has in similar projects or a similar business, and, if the person is not an individual, the laws under which the person is organized or incorporated and the date that the person was organized or incorporated,

(b) if the person is not an individual, in the form of the following table, provide the specified information for any directors and executive officers of the person for the five years preceding the date of the offering memorandum,

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<i>Full legal name</i>	<i>Principal occupation and description of experience associated with the occupation</i>

(c) if any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to the person, a director, executive officer or control person of the person, or an issuer of which any of those persons was a director, executive officer or control person at the time, describe the details of the penalty, sanction or order, including the reason for it and whether it is currently in effect:

(i) a penalty or other sanction imposed by a court relating to a contravention of securities legislation;

(ii) a penalty or other sanction imposed by a regulatory body relating to a contravention of securities legislation;

(iii) an order restricting trading in securities, not including an order that was in effect for less than 30 consecutive days,

(d) if any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to the person, a director, executive officer or control person of the person, or an issuer of which any of those persons was a director, executive officer or control person at the time, state that it has occurred:

(i) a declaration of bankruptcy;

(ii) a voluntary assignment in bankruptcy;

(iii) a proposal under bankruptcy or insolvency legislation;

(iv) a proceeding, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, and

(e) disclose and describe the details of the offence, if the person, or a director, executive officer or control person of the person has ever pled guilty to or been found guilty of any of the following:

(i) a summary conviction or indictable offence under the Criminal Code;

(ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction;

(iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America;

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(iv) an offence under the criminal legislation of any other foreign jurisdiction.

7. Transfers

(1) For each interest in real property, for any transaction that a related party was party to, using the following table, starting with the most recent transaction and specifying which party was the related party, disclose the following:

Date of transfer	Legal name of seller	Legal name of buyer	Amount and form of consideration

(2) Explain the reason for any material difference between the amount of consideration paid by the issuer and the amount of consideration paid by a related party for the interest in real property.

8. Approvals

For each interest in real property, if that real property is being developed, disclose the following:

(a) any approval required from a regulatory body or any level of government that would be material to a reasonable investor;

(b) the anticipated cost and timing of the approval;

(c) any reports required as part of the approval process, including the anticipated cost and timing of producing or procuring those reports;

(d) what will happen if the approval is not obtained, including the effect on the following:

(i) the project;

(ii) the purchaser's investment;

(iii) if applicable, the purchaser's interest in the real property.

9. Costs and Objectives

For each interest in real property, if that real property is being developed, disclose the following:

(a) estimated costs to complete the development;

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- (b) *any significant assumptions that underlie the cost estimates;*
- (c) *when significant costs will be incurred;*
- (d) *the objectives of the project that are expected to be met within the 24 months following the date of the offering memorandum, including the following:*
 - (i) *the expected timeline for meeting each objective;*
 - (ii) *how the issuer will meet each objective;*
 - (iii) *the estimated cost of meeting each objective;*
 - (iv) *how the issuer will fund the cost of meeting each objective;*
- (e) *the objectives for the project that are expected to be met after the 24-month period following the date of the offering memorandum, including the following:*
 - (i) *the expected timeline for meeting each objective;*
 - (ii) *how the issuer will meet each objective;*
 - (iii) *if the objectives are to be completed in phases, details about each phase;*
 - (iv) *the estimated cost of meeting each objective;*
 - (v) *how the issuer will fund the cost of meeting each objective;*
- (f) *what reasonably might happen if any of the stated objectives are not met, including the effect of not meeting the objective on the following:*
 - (i) *the project;*
 - (ii) *the purchaser's investment;*
 - (iii) *if applicable, the purchaser's interest in the real property.*

10. Future Cash Calls

If the purchaser is required to contribute additional funds in the future, disclose the following:

- (a) *the amount the purchaser is required to contribute;*
- (b) *when the purchaser will be required to contribute;*
- (c) *the effect on the purchaser's investment and, if applicable, the purchaser's interest in the real property, if the purchaser fails to contribute;*

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(d) *the effect on the purchaser's investment and, if applicable, the purchaser's interest in the real property, if the purchaser contributes, but other purchasers fail to contribute.*

11. Rental Pool Agreement or Rental Management Agreement

If the purchaser will acquire an interest in real property, and that interest will be or could be subject to a rental pool agreement or a rental management agreement, disclose the following:

(a) *the key terms of the agreement, including, for certainty, those provisions dealing with whether the agreement is mandatory or optional, the duration of the agreement, opting out of the agreement, termination of the agreement, the sharing of revenues and losses, the payment of expenses, and any fees payable under the agreement;*

(b) *whether financial or other information about the rental pool or the results arising from the rental management agreement will be made available to purchasers, and if so, include the following:*

(i) *a description of the information;*

(ii) *if the information will include financial information, whether that financial information will be audited or subject to an independent review;*

(iii) *the frequency with which the information will be made available;*

(iv) *whether the information will be delivered to purchasers or whether access will be provided to it;*

(v) *if purchasers are to be provided access to the information, a description of the means of gaining access to it;*

(c) *the following statement, with the bracketed information completed as applicable:*

"The success or failure of the [rental pool][arrangement resulting from the rental management agreement] will depend in part on the abilities of the manager";

(d) *if the purchaser will be responsible for paying any loss arising pursuant to the rental pool agreement or rental management agreement, the following statement, with the bracketed information completed as applicable:*

"If the [rental pool][rental management agreement] generates a loss, the purchaser must contribute further funds in addition to the purchaser's initial investment.".

12. Information Statements

If the purchaser will acquire an interest in real property, state the following in bold type:

“Your rights relating to your interest in real property will be those provided under the laws of the jurisdiction in which the real property is located. Therefore, it is prudent to consult a lawyer who is familiar with the laws of that jurisdiction before making an investment.

“All real estate investments are subject to significant risk arising from changing market conditions.”.

13. Risk Factors Relating to Real Property

With respect to the issuer’s interests in real property, and any interest in real property to be acquired by the purchaser, describe the risk factors that would influence a reasonable investor’s decision whether to invest, including, if applicable:

- (a) risks associated with the following:
 - (i) the development of undivided real property into subdivisions;
 - (ii) the leasing of real property;
 - (iii) the holding of real property for sale or development;
- (b) risks associated with encumbrances, conditions or covenants on the real property that could affect the following:
 - (i) the purchaser’s interest in the real property, if applicable;
 - (ii) the completion of the development of real property;
- (c) risks pertaining to the development of real property, including the following:
 - (i) a right or lack of right of the purchaser with respect to the management and control of the real property;
 - (ii) a right or lack of right of the purchaser to change the developer of the property;
- (d) risks pertaining to potential liability for the following:
 - (i) environmental damage;
 - (ii) unpaid obligations to builders, contractors and tradespersons;
- (e) risks associated with litigation that relates to the real property.

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SCHEDULE 2 TO FORM 45-106F2 ADDITIONAL DISCLOSURE REQUIREMENTS FOR AN ISSUER THAT IS A COLLECTIVE INVESTMENT VEHICLE

Guidance

For an issuer that is a collective investment vehicle, see subsection 6.4(5) of Regulation 45-106 with respect to the completion of this schedule.

Instructions

1. Despite General Instruction A.3, an issuer may choose where to integrate the disclosure specified by this schedule within the offering memorandum.
2. Information specified by this schedule that is disclosed in the offering memorandum in response to another provision of this form need not be repeated.

1. Investment Objectives and Strategy

(1) Except with respect to mortgage lending, describe the following:

(a) the issuer's investment objectives, investment strategy and investment criteria;

(b) any limitations or restrictions on investments, including concentration limits and use of leverage;

(c) how securities are identified, selected and approved for purchase or sale.

(2) For any mortgage lending by the issuer, describe the following:

(a) the issuer's investment objectives with respect to the following:

(i) the type of properties for which the issuer lends money;

(ii) the issuer's geographical focus;

(iii) the material mortgage terms, including range of interest rates and length of term;

(iv) the priority ranking of mortgages, in terms of first priority, second priority and third or lower priority;

(b) any policies or practices of the issuer with respect to the following:

(i) after initial funding of a mortgage, conducting any subsequent valuation of a property;

(ii) loaning money to a related party;

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(iii) renewals;

(iv) concentrating funds in a single mortgage or lending funds to a single borrower or group of affiliated borrowers;

(v) determining that a borrower has the ability to repay a mortgage.

2. Portfolio Management and Penalties, Sanctions, Bankruptcy, Insolvency and Criminal or Quasi-Criminal Matters

(1) Identify the person responsible for the following:

(a) establishing and implementing the issuer's investment objectives and investment strategy;

(b) setting any limitations or restrictions on investments;

(c) monitoring the performance of the portfolio;

(d) making any adjustments to the issuer's portfolio.

(2) For each person described in subsection (1) that is not registered under the securities legislation of a jurisdiction of Canada,

(a) in the form of the following table, provide the specified information for the person and any directors and executive officers of the person for the five years preceding the date of the offering memorandum,

<i>Full legal name</i>	<i>Principal occupation and description of experience associated with the occupation</i>

(b) if any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to the person, or an issuer of which the person was a director, executive officer or control person at the time, describe the penalty, sanction or order, including the reason for it and whether it is currently in effect:

(i) a penalty or other sanction imposed by a court relating to a contravention of securities legislation;

(ii) a penalty or other sanction imposed by a regulatory body relating to a contravention of securities legislation;

(iii) an order restricting trading in securities, not including an order that was in effect for less than 30 consecutive days,

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(c) *if any of the following have occurred during the 10 years preceding the date of the offering memorandum with respect to the person, or an issuer of which the person was a director, executive officer or control person at the time, state that it has occurred:*

(i) *a declaration of bankruptcy;*

(ii) *a voluntary assignment in bankruptcy;*

(iii) *a proposal under bankruptcy or insolvency legislation;*

(iv) *a proceeding, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets,*

(d) *disclose and describe the details of the offence, if the person has ever pled guilty to or been found guilty of any of the following:*

(i) *a summary conviction or indictable offence under the Criminal Code;*

(ii) *a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction;*

(iii) *a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory of the United States of America;*

(iv) *an offence under the criminal legislation of any other foreign jurisdiction, and*

(e) *disclose any exemption relied on by the person from the requirement to be registered under the securities legislation of a jurisdiction of Canada.*

(3) *For any person identified in subsection (1) that is not an employee of the issuer, disclose any remuneration paid to the person, and how the remuneration is calculated.*

(4) *Identify any person that is not an employee of the issuer, other than a person identified under subsection (1), that performs a significant role or provides a significant service for the issuer with respect to the securities in the issuer's portfolio, and describe the following:*

(a) *the role performed or service provided;*

(b) *the remuneration paid to the person and how that remuneration is calculated.*

3. Portfolio Summary

(1) *Except with respect to mortgage lending, as at a date not more than 60 days before the date of the offering memorandum, disclose the following:*

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(a) a description of the portfolio, or a description of the portfolio divided into subgroups including the percentage of the net asset value in each subgroup;

(b) the percentage of the net asset value that is impaired;

(c) the total number of positions held in securities.

(2) Except with respect to mortgage lending, if a security comprises 10% or more of the issuer's net asset value, disclose the following with respect to the security:

(a) the percentage of net asset value represented;

(b) a description of the security;

(c) any security interest held against the security;

(d) the amount of any impairment assigned to the security.

(3) For any mortgage lending by the issuer, disclose the following:

(a) the average of the interest rates payable under the mortgages, weighted by the principal amount of the mortgages;

(b) the average of the terms to maturity of the mortgages, weighted by the principal amount of the mortgages;

(c) the average loan-to-value ratio of the mortgages, calculated for each mortgage by dividing the total principal amount of the issuer's mortgage and all other loans ranking in equal or greater priority to the issuer's mortgage by the fair market value of the property, weighted by the principal amount of each mortgage;

(d) the principal amount, and the percentage of the total principal amount of the mortgages, that rank in the following:

(i) first priority;

(ii) second priority;

(iii) third or lower priority;

(e) the principal amount, and the percentage of the total principal amount of the mortgages, that is attributable to each jurisdiction of Canada, each state or territory of the United States of America and each other foreign jurisdiction;

(f) a breakdown by property type, and the principal amount, and the percentage of the total principal amount of the mortgages, that is attributable to each property type;

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(g) *with respect to mortgages that will mature in less than one year of the date of the summary provided in subsection (1), the percentage that those mortgages represent of the total principal amount of the mortgages;*

(h) *with respect to mortgages with payments more than 90 days overdue, the number of those mortgages, the principal amount of those mortgages, and the percentage that those mortgages represent of the total principal amount of the mortgages;*

(i) *with respect to mortgages that have an impaired value, the principal amount, and the percentage that those mortgages represent of the total principal amount of the mortgages;*

(j) *for any mortgages that are not impaired or in default, but for which the issuer has made accommodations to respond to financial difficulties of the borrower, if the accommodations would be material to a reasonable investor, a summary of the accommodations, and the principal amount, and the percentage that those mortgages represent of the total principal amount of the mortgages;*

(k) *if known by the issuer, or if reasonably available to the issuer, the average credit score of the borrowers, weighted by the principal amount of the mortgages;*

(l) *if a mortgage comprises 10% or more of the total principal amount of the mortgages, disclose the following with respect to the mortgage:*

(i) *the principal amount, and the percentage of the total principal amount of the mortgages;*

(ii) *the interest rate payable;*

(iii) *the term to maturity;*

(iv) *the loan-to-value ratio, calculated by dividing the total principal amount of the issuer's mortgage and all other loans ranking in equal or greater priority to the issuer's mortgage by the fair market value of the property;*

(v) *whether the mortgage ranks in first, second, or third or lower priority;*

(vi) *the property type;*

(vii) *where the property is located;*

(viii) *any payment that is more than 90 days overdue;*

(ix) *any impairment of the mortgage;*

(x) *if known by the issuer, or if reasonably available to the issuer, the credit score of each borrower.*

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(4) If the issuer's portfolio includes self-liquidating financial assets other than mortgages, with respect to those assets, and for any subgroups identified in paragraph (1)(a), disclose the following:

(a) the collection rate for each of the issuer's two most recently completed financial years that ended more than 120 days before the date of the offering memorandum;

(b) the issuer's reasonably anticipated loss and collection rate for the current financial year.

Instruction to Section 3

Calculate impairment in accordance with the accounting standards applicable to the issuer, and in a manner that is consistent with the disclosure in the issuer's financial statements.

4. Portfolio Performance

(1) For the 10 most recently completed financial years of the issuer ended more than 120 days before the date of the offering memorandum, provide performance data for the issuer's portfolio.

(2) Describe the methodology used with respect to the following:

(a) determining the value of the securities in the portfolio for the purposes of calculating the performance data;

(b) calculating the performance data of the portfolio.

Instruction to Section 4

The methodology described in paragraph (2)(a) must be the same as the methodology used in the issuer's financial statements.

5. Ongoing Disclosure

Describe any information that purchasers will receive on an ongoing basis about the issuer's portfolio. If none, state that fact.

6. Conflicts of Interest

Describe any conflicts of interest, including, for certainty, with respect to related parties, that a reasonable purchaser would need to be made aware of to make an informed investment decision.

M.O. 2009-05, Sch. 45-106F2; M.O. 2010-17, s. 6; M.O. 2015-05, s. 23; M.O. 2016-01, s. 7; M.O. 2023-02, s. 4.

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**FORM 45-106F3
OFFERING MEMORANDUM FOR QUALIFYING ISSUERS**

Date: [Insert the date from the certificate page.]

The Issuer

Name:

Head office: Address:

Phone #:

E-mail address:

Fax #:

Where currently listed or quoted? [e.g., TSX/TSX Venture Exchange]

Jurisdictions in which the issuer is a reporting issuer:

The Offering

Securities offered:

Price per security:

Minimum/Maximum offering: [If there is no minimum state in bold: "**There is no minimum.**" and also state in bold type: "**You may be the only purchaser.**"]

State in bold type: **Funds available under the offering may not be sufficient to accomplish our proposed objectives.**

Minimum subscription amount: [State the minimum amount each investor must invest, or state "There is no minimum subscription amount an investor must invest."]

Payment terms:

Proposed closing date(s):

Income Tax consequences: "There are important tax consequences to these securities. See item 6." [If income tax consequences are not material, delete this item.]

Selling agent? [Yes/No. If yes, state "See item 7". The name of the selling agent may also be stated.]

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Resale restrictions

State: "You will be restricted from selling your securities for 4 months and a day. See item 10".

Purchaser's rights

State: "You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11."

State in bold type:

"No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8."

[All of the above information must appear on a single cover page.]

Item 1 Use of Available Funds

1.1. Available Funds – Using the following table, disclose the funds available as a result of the offering. If the issuer plans to combine additional sources of funding with the available funds from the offering to achieve its principal capital-raising purpose, please provide details about each additional source of funding. If there is no minimum offering, state "\$0" as the minimum.

Disclose also the amount of any working capital deficiency, if any, of the issuer as at a date not more than 30 days prior to the date of the offering memorandum. If the working capital deficiency will not be eliminated by the use of available funds, state how the issuer intends to eliminate or manage the deficiency.

		Assuming min. offering	Assuming max. offering
A	Amount to be raised by this offering	\$	\$
B	Selling commissions and fees	\$	\$
C	Estimated offering costs (e.g., legal, accounting, audit)	\$	\$
D	Available funds: $D = A - (B+C)$	\$	\$
E.	Additional sources of funding required	\$	\$
F.	Working capital deficiency	\$	\$
H.	Total: $G = (D+E) - F$	\$	\$

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

1.2. Use of Available Funds – Using the following table, provide a detailed breakdown of how the issuer will use the available funds. If any of the available funds will be paid to an insider, associate or affiliate of the issuer, disclose in a note to the table the name of the insider, associate or affiliate, the relationship to the issuer, and the amount. If the issuer has a working capital deficiency, disclose the portion, if any, of the available funds to be applied against the working capital deficiency. If more than 10% of the available funds will be used by the issuer to pay debt and the issuer incurred the debt within the 2 preceding financial years, describe why the debt was incurred.

Description of intended use of available funds listed in order of priority.	Assuming min. offering	Assuming max. offering
	\$	\$
	\$	\$
Total: Equal to G in the Funds table above	\$	\$

1.3. Reallocation – The available funds must be used for the purposes disclosed in the offering memorandum. The board of directors can reallocate the proceeds to other uses only for sound business reasons. If the available funds may be reallocated, include the following statement:

“We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.”

1.4. Insufficient Funds – If applicable, disclose that the funds available as a result of the offering either may not or will not be sufficient to accomplish all of the issuer's proposed objectives and that there is no assurance that alternative financing will be available. If alternative financing has been arranged, disclose the amount, source and any outstanding conditions that must be satisfied.

Item 2 Information About [name of issuer or other term used to refer to issuer]

2.1. Business Summary – Briefly (in 1 or 2 paragraphs) describe the business intended to be carried on by the issuer over the next 12 months. State whether this represents a change of business. The disclosure must provide sufficient information to enable a prospective purchaser to make an informed investment decision. If the issuer is a non-resource issuer, describe the products that the issuer is or will be developing or producing and the stage of development of each of the products. If the issuer is a resource issuer, state: whether the issuer's principal properties are primarily in the exploration or in the development or production stage; what resources the issuer is engaged in exploring, developing or producing; and the locations of the issuer's principal properties. A resource issuer who discloses information about its oil and gas activities must follow General Instruction A-9 of this Form.

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2.2. Existing Documents Incorporated by Reference – State:

“Information has been incorporated by reference into this offering memorandum from documents listed in the table below, which have been filed with securities regulatory authorities or regulators in Canada. The documents incorporated by reference are available for viewing on the SEDAR+ website at www.sedarplus.com. In addition, copies of the documents may be obtained on request without charge from [insert complete address and telephone and the name of a contact person].

Documents listed in the table and information provided in those documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement in this offering memorandum or in any other subsequently filed document that is also incorporated by reference in this offering memorandum.”

Using the following table, list all of the documents incorporated by reference (as required by Instruction D.1):

<i>Description of document (In the case of material change reports, provide a brief description of the nature of the material change)</i>	<i>Date of document</i>

2.3. Existing Documents Not Incorporated by Reference – State:

“Other documents available on the SEDAR+ website (for example, most press releases, take-over bid circulars, prospectuses and rights offering circulars) are not incorporated by reference into this offering memorandum unless they are specifically referenced in the table above. Your rights as described in item 11 of this offering memorandum apply only in respect of information contained in this offering memorandum and documents or information incorporated by reference.”

2.4. Existing Information Not Incorporated by Reference – Certain specified information (as outlined in Instruction D.2) contained in the documents incorporated by reference may be, but is not required to be, incorporated by reference into the offering memorandum. If the issuer does not wish to incorporate that information into the offering memorandum, the issuer must state that and include a statement in the offering memorandum identifying:

- (a) the information that is not being incorporated by reference, and
- (b) the document in which the information is contained.

2.5. Future Documents Not Incorporated by Reference – State:

“Documents filed after the date of this offering memorandum are not deemed to be incorporated into this offering memorandum. However, if you subscribe for securities and

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

an event occurs, or there is a change in our business or affairs, that makes the certificate to this offering memorandum no longer true, we will provide you with an update of this offering memorandum, including a newly dated and signed certificate, and will not accept your subscription until you have re-signed the agreement to purchase the securities.”

Item 3 Interests of Directors, Executive Officers, Promoters and Principal Holders

3.1. Using the following table, provide information about each director, executive officer, promoter and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the issuer (a “principal holder”). If the principal holder is not an individual, state in a note to the table the name of any person that, directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the principal holder.

<i>Name and municipality of principal residence</i>	<i>Position(s) with the issuer</i>

3.2. State: “You can obtain further information about directors and executive officers from [insert the name and date of the document(s) with the most current information, e.g., management information circular, annual information form or material change report].”

3.3. State: “Current information regarding the securities held by directors, executive officers and principal holders can be obtained from [refer to the SEDI website at www.sedi.ca or, if information cannot be obtained from the SEDI website, refer to the securities regulatory authority(ies) or regulator(s) from which the information can be obtained, including any website(s)]. [Name of issuer or other term used to refer to issuer] can not guarantee the accuracy of this information.”

*3.4. **Loans** – Disclose the principal amount of any debenture or loan, the repayment terms, security, due date and interest rate due to or from the directors, management, promoters and principal holders as at a date not more than 30 days prior to the date of the offering memorandum.*

Item 4 Capital Structure

Using the following table, provide the required information about outstanding securities of the issuer (including options, warrants and other securities convertible into shares). If necessary, notes to the table may be added to describe the material terms of the securities.

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Description of security	Number authorized to be issued	Price per security	Number outstanding as at [a date not more than 30 days prior to the offering memorandum date]	Number outstanding after min. offering	Number outstanding after max. offering

Item 5 Securities Offered

5.1. Terms of Securities – Describe the material terms of the securities being offered, including:

- (a) voting rights or restrictions on voting,
- (b) conversion or exercise price and date of expiry,
- (c) rights of redemption or retraction, and
- (d) interest rates or dividend rates.

5.2. Subscription Procedure

- (a) Describe how a purchaser can subscribe for the securities and the method of payment.
- (b) State that the consideration will be held in trust and the period that it will be held (refer at least to the mandatory 2 day period).
- (c) Disclose any conditions to closing e.g., receipt of additional funds from other sources. If there is a minimum offering, disclose when consideration will be returned to purchasers if the minimum is not met.

Item 6 Income Tax Consequences and RRSP Eligibility

6.1. State: “You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you”.

6.2. If income tax consequences are a material aspect of the securities being offered (e.g., flow-through shares), provide

- (a) a summary of the significant income tax consequences to Canadian residents, and
- (b) the name of the person providing the income tax disclosure in (a).

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6.3. Provide advice regarding the RRSP eligibility of the securities and the name of the person providing the advice or state "Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities."

Item 7 Compensation Paid to Sellers and Finders

If any person has or will receive any compensation (e.g., commission, corporate finance fee or finder's fee) in connection with the offering, provide the following information to the extent applicable:

(a) a description of each type of compensation and the estimated amount to be paid for each type,

(b) if a commission is being paid, the percentage that the commission will represent of the gross proceeds of the offering (assuming both the minimum and maximum offering),

(c) details of any broker's warrants or agent's option (including number of securities under option, exercise price and expiry date), and

(d) if any portion of the compensation will be paid in securities, details of the securities (including number, type and, if options or warrants, the exercise price and expiry date).

Item 8 Risk Factors

Describe in order of importance, starting with the most important, the risk factors material to the issuer that a reasonable investor would consider important in deciding whether to buy the issuer's securities.

Risk factors will generally fall into the following 3 categories:

(a) **Investment Risk** - risks that are specific to the securities being offered. Some examples include

- arbitrary determination of price,
- no market or an illiquid market for the securities,
- resale restrictions, and
- subordination of debt securities.

(b) **Issuer Risk** - risks that are specific to the issuer. Some examples include

- insufficient funds to accomplish the issuer's business objectives,
- no history or a limited history of revenue or profits,

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- *lack of specific management or technical expertise,*
- *management's regulatory and business track record,*
- *dependence on key employees, suppliers or agreements,*
- *dependence on financial viability of guarantor,*
- *pending and outstanding litigation, and*
- *political risk factors.*

(c) *Industry Risk - risks faced by the issuer because of the industry in which it operates. Some examples include*

- *environmental and industry regulation,*
- *product obsolescence, and*
- *competition.*

Item 9 Reporting Obligations

9.1. *Disclose the documents that will be sent to purchasers on an annual or on-going basis.*

9.2. *If corporate or securities information about the issuer is available from a government, securities regulatory authority or regulator, SRO or quotation and trade reporting system, disclose where that information can be located (including website address).*

Item 10 Resale Restrictions

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon, state:

"These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the distribution date."

Item 11 Purchasers' Rights

State the following:

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“If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

(1) **2-Day Cancellation Right** – You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) **Statutory Rights of Action in the Event of a Misrepresentation** – [Insert this section only if the securities legislation of the jurisdiction in which the trade occurs provides purchasers with statutory rights in the event of a misrepresentation in an offering memorandum. Modify the language, if necessary, to conform to the statutory rights.] If there is a misrepresentation in this offering memorandum, you have a statutory right to sue:

(a) [name of issuer or other term used to refer to issuer] to cancel your agreement to buy these securities, or

(b) for damages against [state the name of issuer or other term used to refer to issuer and the title of any other person against whom the rights are available].

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within [state time period provided by the securities legislation]. You must commence your action for damages within [state time period provided by the securities legislation].

(3) **Contractual Rights of Action in the Event of a Misrepresentation** - [Insert this section only if the securities legislation of the jurisdiction in which the purchaser is resident does not provide purchasers with statutory rights in the event of a misrepresentation in an offering memorandum.] If there is a misrepresentation in this offering memorandum, you have a contractual right to sue [name of issuer or other term used to refer to issuer]:

(a) to cancel your agreement to buy these securities, or

(b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that [name of issuer or other term used to refer to issuer] proves does not represent the depreciation in value of the securities resulting from the misrepresentation. [Name of issuer or other term used to refer to issuer] has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

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If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.”

Item 12 Date and Certificate

State the following on the certificate page of the offering memorandum: “Dated [insert the date the certificate page of the offering memorandum is signed].”

This offering memorandum does not contain a misrepresentation.”

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Instructions for Completing Form 45-106F3

Offering Memorandum for Qualifying Issuers

A. General Instructions

1. Only a “qualifying issuer” may use this form.
2. An issuer using this form to draft an offering memorandum must incorporate by reference certain parts of its existing continuous disclosure base. An issuer that does not want to do this must use Form 45-106F2 Offering Memorandum for Non-Qualifying Issuers.
3. Draft the offering memorandum so that it is easy to read and understand. Be concise and use clear, plain language. Avoid technical terms. If technical terms are necessary, provide definitions.
4. Address the items required by the form in the order set out in the form. However, it is not necessary to provide disclosure about an item that does not apply.
5. The issuer may include additional information in the offering memorandum other than that specifically required by the form. The offering memorandum is generally not required to contain the level of detail and extent of disclosure required by a prospectus. However, an offering memorandum must provide a prospective purchaser with sufficient information to make an informed investment decision.
6. The issuer may wrap the offering memorandum around a prospectus or similar document. However, all matters required to be disclosed by the offering memorandum must be addressed and the offering memorandum must provide a cross-reference to the page number or heading in the wrapped document where the relevant information is contained. The certificate to the offering memorandum must be modified to indicate that the offering memorandum, including the document around which it is wrapped, does not contain a misrepresentation.
7. It is an offence to make a misrepresentation in the offering memorandum. This applies both to information that is required by the form and to additional information that is provided. Include particulars of any material facts, which have not been disclosed under any of the Item numbers and for which failure to disclose would constitute a misrepresentation in the offering memorandum. Refer also to section 3.8(3) of Policy Statement to Regulation 45-106 respecting Prospectus Exemptions (Decision 2009-PDG-0119, 2009-09-04) for additional information.
8. Refer to Regulation 43-101 respecting Standards of Disclosure for Mineral Projects (chapter V-1.1, r. 15) (Regulation 43-101) when disclosing scientific or technical information for a mineral project of the issuer.
9. If an oil and gas issuer is disclosing information about its oil and gas activities, it must ensure that the information is disclosed in accordance with Part 4 and Part 5 of

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Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities (chapter V-1.1, r. 23) (Regulation 51-101). Under section 5.3 of Regulation 51-101 disclosure of reserves or resources must be consistent with the reserves and resources terminology and categories set out in the Canadian Oil and Gas Evaluation Handbook. For the purposes of this instruction, references to reporting issuer in Part 4 and Part 5 of Regulation 51-101 will be deemed to include all issuers.

10. *Securities legislation restricts what can be told to investors about the issuer's intent to list or quote securities on an exchange or market. Refer to applicable securities legislation before making any such statements.*

11. *If an issuer uses this form in connection with a distribution under an exemption other than section 2.9 (offering memorandum) of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21), the issuer must modify the disclosure in item 12 to correctly describe the purchaser's rights. If a purchaser does not have statutory or contractual rights of action in the event of a misrepresentation in the offering memorandum, that fact must be stated in bold on the face page.*

12. *During the course of a distribution of securities, any material forward-looking information disseminated must only be that which is set out in the offering memorandum. If an extract of FOFI, as defined in Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24) (Regulation 51-102), is disseminated, the extract or summary must be reasonably balanced and have a cautionary note in boldface stating that the information presented is not complete and that complete FOFI is included in the offering memorandum.*

B. Financial Statements

1. *All financial statements incorporated by reference into the offering memorandum must comply with Regulation 51-102 and Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25).*

2. *Forward-looking information included in an offering memorandum must comply with section 4A.2 of Regulation 51-102 and must include the disclosure described in section 4A.3 of Regulation 51-102. In addition to the foregoing, FOFI or a financial outlook, each as defined in Regulation 51-102, included in an offering memorandum must comply with Part 4B of Regulation 51-102. Additional guidance may be found in the Policy Statement to Regulation 51-102 respecting Continuous Disclosure Obligations (Decision 2006-PDG-0223, 2006-12-12).*

C. Required Updates to the Offering Memorandum

1. *If the offering memorandum does not incorporate by reference the issuer's AIF, and audited financial statements for its most recently completed financial year, update the offering memorandum for any financial statements that are required to be filed prior to the distribution to incorporate by reference the documents as soon as the documents are filed on SEDAR+.*

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2. Except for documents referred to in C.1, the offering memorandum does not have to be updated to incorporate by reference interim financial reports or other documents referred to in D.1 unless it is necessary to do so to prevent the offering memorandum from containing a misrepresentation.

D. Information about the Issuer

1. **Existing Documents Incorporated by Reference** - In addition to any other document that an issuer may choose to incorporate by reference, the issuer must incorporate the following documents:

(a) the issuer's AIF for the issuer's most recently completed financial year for which annual financial statements are either required to be filed or have been filed,

(b) material change reports, except confidential material change reports, filed since the end of the financial year in respect of which the issuer's AIF is filed,

(c) the interim financial report for the issuer's most recently completed interim period for which the issuer prepares an interim financial report that is required to be filed or have been filed and which ends after the most recently completed financial year referred to in (d),

(d) the comparative financial statements, together with the accompanying auditor's report, for the issuer's most recently completed financial year for which annual financial statements are required to be filed or have been filed,

(e) if, before the offering memorandum is filed, financial information about the issuer for a financial period more recent than the period for which financial statements are required under D.1(c) and (d) is publicly disseminated by, or on behalf of, the issuer through news release or otherwise, the content of the news release or public communication,

(f) management's discussion and analysis (MD&A) as required under Regulation 51-102 for the period specified in D.1(c) and D.1(d),

(g) each business acquisition report required to be filed under Regulation 51-102 for acquisitions completed since the beginning of the financial year in respect of which the issuer's AIF is filed, unless the issuer incorporated the business acquisition report by reference into its AIF for its most recently completed financial year for which annual financial statements are either required to be filed or have been filed, or incorporated at least 9 months of the acquired business or related businesses operations into the issuer's most recent audited financial statements,

(h) any information circular filed by the issuer since the beginning of the financial year in respect of which the issuer's most recent AIF is filed, other than an information circular prepared in connection with an annual general meeting if the issuer has filed and incorporated by reference an information circular for a subsequent annual general meeting,

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(i) if the issuer has oil and gas activities, as defined in Regulation 51-101 respecting Standards of Disclosure for Oil and Gas Activities, the most recent Form 51-101F1, Form 51-101F2 and Form 51-101F3, filed by an SEC issuer, unless

(i) the issuer's current AIF is in the form of Form 51-102F2; or

(ii) the issuer is otherwise exempted from the requirements of Regulation 51-101,

(j) any other disclosure document which the issuer has filed pursuant to an undertaking to a provincial and territorial securities regulatory authority or regulator since the beginning of the financial year in respect of which the issuer's most recent AIF is filed, and

(k) any other disclosure document of the type listed above that the issuer has filed pursuant to an exemption from any requirement under securities legislation since the beginning of the financial year in respect of which the issuer's most recent AIF is filed.

2. **Mineral Property** – If a material part of the funds available as a result of the distribution is to be expended on a particular mineral property and if the issuer's most recent AIF does not contain the disclosure required under section 5.4 of Form 51-102F2 for the property or that disclosure is inadequate or incorrect due to changes, disclose the information required under section 5.4 of Form 51-102F2.

An issuer may incorporate any additional document provided that the document is available for viewing on the SEDAR+ website and that, on request by a purchaser, the issuer provides a copy of the document to the purchaser, without charge.

M.O. 2009-05, Sch. 45-106F3; M.O. 2010-17, s. 7; M.O. 2015-05, s. 23; M.O. 2016-01, s. 8; M.O. 2023-11, s. 5.

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**FORM 45-106F4
RISK ACKNOWLEDGEMENT**

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

1. Risks and other information	Your Initials
<p><i>The issuer must delete any rows required to be deleted</i></p> <p><i>The purchaser must initial each statement to confirm understanding</i></p>	
Risk of loss – You could lose your entire investment of \$ _____. [Instruction: Insert the total dollar amount of the investment.]	
No approval – No securities regulatory authority or regulator has evaluated or approved the merits of these securities or the disclosure in the offering memorandum.	
No registration – The person selling you these securities is not registered with a securities regulatory authority or regulator and has no duty to tell you whether this investment is suitable for you. [Instruction: Delete if sold by registrant]	
Liquidity risk – You will not be able to sell these securities except in very limited circumstances. You may never be able to sell these securities. [Instruction: Delete if issuer is reporting]	
Repurchase – You have a right to require the issuer to repurchase the securities, but there are limitations on this right. [Instruction: Delete if inapplicable]	
Four month hold – You will not be able to sell these securities for four months. [Instruction: Delete if issuer is not reporting or if the purchaser is a Manitoba resident]	
<p>You are buying Exempt Market Securities</p> <p><i>They are called exempt market securities because the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections). Exempt market securities are more risky than other securities.</i></p>	
<p>You will not receive advice – [Instruction: Delete if sold by registrant]</p> <p><i>You will not get professional advice about whether the investment is suitable for you, but you can still seek that advice from a registered adviser or registered dealer. In Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon to qualify as an eligible investor, you may be required to obtain that advice.</i></p>	
The securities you are buying are not listed [Instruction: Delete if securities are listed or quoted]	

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<p><i>The securities you are buying are not listed on any stock exchange, and they may never be listed.</i></p>	
<p>The issuer of your securities is a non-reporting issuer [Instruction: Delete if issuer is reporting]</p> <p><i>A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.</i></p> <p><i>For more information on the exempt market, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</i></p>	
<p>Total investment – You are investing \$ _____ [Instruction: total consideration] in total; this includes any amount you are obliged to pay in future. _____ [Instruction: name of issuer] will pay \$ _____ [Instruction: amount of fee or commission] of this to _____ [Instruction: name of person selling the securities] as a fee or commission.</p>	
<p>Your name and signature</p>	
<p><i>By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.</i></p>	
<p><i>First and last name (print):</i></p>	
<p><i>Signature:</i></p>	<p><i>Date:</i></p>
<p><i>[Instruction: Sign two copies of this document. Keep one copy for your records.]</i></p>	

2. Salesperson information

Below information must be completed by the salesperson

<p><i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer, a registrant or a person who is exempt from the registration requirement.]</i></p>	
<p><i>First and last name of salesperson (print):</i></p>	
<p><i>Telephone:</i></p>	<p><i>Email:</i></p>
<p><i>Name of firm:</i></p>	

3. Additional information

The issuer must complete the required information in this section before giving the form to the purchaser

<p>You have two business days to cancel your purchase</p> <p><i>To do so, send a notice to [name of issuer] stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to</i></p>

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

purchase the securities. You can send the notice by fax or email or deliver it in person to [name of issuer] at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Fax:

Email:

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

**SCHEDULE 1
CLASSIFICATION OF INVESTORS UNDER THE OFFERING MEMORANDUM
EXEMPTION**

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 2 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21) (Regulation 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

How you qualify to buy securities under the offering memorandum exemption

Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
ELIGIBLE INVESTOR	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of Regulation 45-106 or, as applicable in Ontario, section 73.3 of the Securities Act (Ontario) (R.S.O. 1990, c. S.5), because:		Your initials
ACCREDITED INVESTOR	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

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C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of Regulation 45-106, because:		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	<p>You are:</p> <p>1) [check all applicable boxes]</p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) [check all applicable boxes]</p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____ [Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You are the _____ of that person or that person's spouse. [Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</p>	
	<p>You are a close personal friend of _____ [Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____ [Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	

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<i>D. You are not an eligible investor.</i>		<i>Your initials</i>
<i>NOT AN ELIGIBLE INVESTOR</i>	<i>You acknowledge that you are not an eligible investor.</i>	

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**SCHEDULE 2
INVESTMENT LIMITS FOR INVESTORS UNDER THE OFFERING MEMORANDUM
EXEMPTION**

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 1 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21) (Regulation 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

SECTION 1 TO BE COMPLETED BY THE PURCHASER
1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption
You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.

A. You are an eligible investor.		Your initials
ELIGIBLE INVESTOR	As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable. Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable.	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.	

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B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of Regulation 45-106 or, as applicable in Ontario, section 73.3 of the Securities Act (Ontario) (R.S.O. 1990, c. S.5).		Your initials
ACCREDITED INVESTOR	<p style="color: red;">You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [Accredited investor], you are not subject to investment limits.</p>	
C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of Regulation 45-106.		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	<p style="color: red;">You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [Family, friends and business associates], you are not subject to investment limits.</p>	
D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	<p style="color: red;">You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p> <p style="color: red;">You confirm that, after taking into account your investment of \$ _____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	

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SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<i>[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]</i>	
First and last name of registrant (please print):	
Registered as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name of firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	

M.O. 2009-05, Sch. 45-106F4; M.O. 2016-01, s. 9; M.O. 2023-02, s. 5.

FORM 45-106F5

WARNING

Risk Acknowledgement Saskatchewan Close Personal Friends and Close Business Associates

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me. [Instruction: Delete if sold by registrant]
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities. [Instruction: Delete if issuer is reporting]
- The securities are redeemable, but I may only be able to redeem them in limited circumstances. [Instruction: Delete if securities are not redeemable]
- I will not be able to sell these securities for 4 months. [Instruction: Delete if issuer is not reporting]
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus. I do have a 2-day right to cancel my purchase of these securities if I receive an amended offering document.

I am investing \$ _____ [total consideration] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of _____ [state name], who is a _____ [state title - founder, director, executive officer or control person] of _____ [state name of issuer or its affiliate – if an affiliate state “an affiliate of the issuer” and give the issuer’s name].

I acknowledge that I am purchasing based on my close relationship with _____ [state name of founder, director, executive officer or control person] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

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I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

You are buying Exempt Market Securities

They are called exempt market securities because 2 parts of securities law do not apply to them. If an issuer wants to sell exempt market securities to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell exempt market securities. Exempt market securities are more risky than other securities.

You may not receive any written information about the issuer or its business

If you have any questions about the issuer or its business, ask for written clarification before you purchase the securities. You should consult your own professional advisers before investing in the securities.

You will not receive advice [Instruction: Delete if sold by registrant]

Unless you consult your own professional advisers, you will not get professional advice about whether the investment is suitable for you.

The issuer of your securities is a non-reporting issuer [Instruction: Delete if issuer is reporting]

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer. You can only sell the securities of a non-reporting issuer in very limited circumstances. You may never be able to sell these securities.

The securities you are buying are not listed [Instruction: Delete if securities are listed or quoted]

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

The securities you are buying are not listed on any stock exchange, and they may never be listed. There may be no market for these securities. You may never be able to sell these securities.

For more information on the exempt market, refer to the Saskatchewan Financial Services Commission's website at <http://www.sfsc.gov.sk.ca>.

[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]

M.O. 2009-05, Sch. 45-106F5.

IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

**FORM 45-106F6
REPEALED**

N11-316, s. 2; M.O. 2015-05, s. 23; M.O. 2015-06, s. 10.; M.O. 2016-12, s. 8

IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

**FORM 45-106F7
INFORMATION MEMORANDUM FOR SHORT-TERM SECURITIZED PRODUCTS
DISTRIBUTED UNDER SECTION 2.35.1**

Instructions

(1) Using language that is plain and easy to understand by the type of purchaser to whom the issuer's short-term securitized products are offered, provide the information required by this form. No reference need be made to inapplicable items and, unless otherwise required by this form, negative answers may be omitted.

(2) An information memorandum may be used to disclose information about more than one series or class of short-term securitized product. If so, the disclosure required by this form must be provided for each series or class of short-term securitized product distributed under the information memorandum.

(3) This form requires disclosure of certain items, matters or other information referred to as "material". Information is "material" if knowledge of it could reasonably be expected to affect a reasonable investor's decision whether to buy, sell or hold a short-term securitized product.

(4) Include a glossary that defines all technical terms, and includes the following definition:

"sponsor" means a person or group of affiliated persons that organizes or initiates the formation of a conduit.

Item 1 Significant Parties

1.1. Provide the conduit's legal name.

1.2. Disclose the conduit's jurisdiction and form of organization.

1.3. Identify each sponsor of the conduit and disclose

(a) whether or not it is a Canadian bank, Schedule II foreign bank subsidiary or Schedule III bank, and

(b) if it is not a financial institution referred to in paragraph (a), whether there is a government department or regulatory authority responsible for overseeing it and, if applicable, the name of the government department or regulatory authority.

1.4. Briefly describe the conduit's structure, business and operations and the key documents that establish the conduit and govern its business and operations.

1.5. Identify each other party, excluding any liquidity provider or any credit enhancement provider for whom disclosure is not required under item 4, that is primarily responsible under the terms of the key documents referred to in section 1.4 for a

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

significant role in the conduit's structure or operations and briefly describe that party's role.

Item 2 Structure

Include one or more diagrams or descriptions that provide the following information in summary form:

- (a) how the conduit acquires assets and issues securitized product;
- (b) liquidity facilities available to the conduit as disclosed in item 4;
- (c) credit enhancements available to the conduit as disclosed in item 4;
- (d) material agreements as disclosed in item 9;
- (e) the structure of one or more common types of asset transactions into which the conduit may enter.

Item 3 Eligible assets and asset transactions

3.1. Briefly describe the types of asset transactions into which the conduit expects to enter. If applicable, state that the conduit expects to finance the acquisition, origination or refinancing of asset pools from the proceeds of issuing short-term securitized products. Describe any other methods the conduit expects to employ to finance the acquisition, origination or refinancing of asset pools.

3.2. Briefly describe the types of asset eligibility criteria the conduit applies or anticipates applying when entering into asset transactions.

3.3. Briefly describe the types of due diligence or verification procedures that the conduit applies or anticipates applying to asset transactions and asset pools.

3.4. Briefly describe the conduit's approach to concentration limits, liquidity support and credit enhancement in respect of its asset transactions and asset pools.

3.5. Disclose the types of assets that the conduit is permitted to hold in its asset pools.

3.6. Briefly describe how the conduit uses or anticipates using derivatives for the purpose of hedging.

Item 4 Interest alignment, program-wide liquidity support and program-wide credit enhancement

4.1. Briefly describe how the interests of investors are aligned with the interests of the conduit, the sponsor and the parties to asset transactions entered into by the conduit, including any requirement of law that the conduit or the sponsor retain an interest in one

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

or more of the conduit's asset pools or be exposed to the credit risk of assets in one or more of the conduit's asset pools.

4.2. Briefly describe any standard liquidity support arrangements the conduit has entered into or anticipates entering into, excluding liquidity support arrangements that are particular to an asset transaction or asset pool. Include the following information in the description:

- (a) the name of each existing liquidity provider;*
- (b) any minimum credit rating a liquidity provider must have under the terms of the key documents referred to in section 1.4;*
- (c) the nature of the liquidity support;*
- (d) a summary of the material terms of each liquidity agreement, including all material conditions to or limitations on the obligation of a liquidity provider to provide liquidity support;*
- (e) any limitations on the obligation of a liquidity provider to provide same-day funding.*

4.3. Briefly describe any standard credit enhancement arrangements that the conduit has entered into or anticipates entering into, excluding credit enhancement arrangements that are particular to an asset transaction or asset pool. Include the following information in the description:

- (a) the name of each existing credit enhancement provider;*
- (b) any minimum credit rating a credit enhancement provider must have under the terms of the key documents referred to in section 1.4;*
- (c) the form of the credit enhancement;*
- (d) a summary of the material terms of each credit enhancement agreement, including all material conditions to or limitations on the obligation of a credit enhancement provider to provide credit support.*

Item 5 Ownership or security interests in asset pool and priority of payments

5.1. Disclose the ownership or security interest a holder of a short-term securitized product will have in the conduit's asset pools.

5.2. If any other party other than the conduit has or is anticipated to have an ownership or security interest in one or more of the conduit's asset pools, briefly describe the following:

- (a) the party's role in the conduit's structure or operations;*

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- (b) *the nature of its interest in the asset pool;*
- (c) *the priority of its claims in the event of the conduit's insolvency.*

Item 6 Compliance or termination events

6.1. *Briefly describe any events or circumstances that would, pursuant to the terms of the conduit's governing documents or material agreements in item 9, constitute an event of default or require the conduit to cease issuing short-term securitized products.*

6.2. *Briefly describe the types of methods the conduit will use to monitor the performance of or identify adverse changes to an asset pool, such as portfolio performance tests.*

6.3. *Briefly describe any other structural features that are intended to reduce the risk of loss for a holder of the series or class of short-term securitized products or to protect the holder from material deterioration in respect of either or both of the following:*

- (a) *the credit quality or performance of assets in an asset pool;*
- (b) *the ability of a party in Item 4 to perform its obligations to the conduit.*

Item 7 Description of short-term securitized product and offering

Describe the short-term securitized products to be distributed and the distribution procedure and include the following information:

(a) *whether short-term securitized products will be issued in certificated (registered or bearer) form or book-entry form and the delivery procedures;*

(b) *whether short-term securitized products will be sold on a discount basis or on an interest-bearing basis;*

(c) *the denominations in which short-term securitized products may be issued;*

(d) *the permitted maturity period for the short-term securitized products, and the ability of the conduit to extend maturity;*

(e) *the ability of either an investor to redeem prior to maturity or of the conduit to repay prior to maturity;*

(f) *the maximum aggregate principal amount of short-term securitized products permitted to be outstanding at any one time, or a statement that there is no limit on the maximum aggregate principal amount of short-term securitized products outstanding at any one time;*

(g) *the key risks related to the conduit that could cause a delay in or non-payment of principal or interest on the short-term securitized product.*

Item 8 Additional information about the conduit

8.1. *Disclose if the conduit has issued and outstanding, or anticipates issuing, any securities other than the series or class of short-term securitized product to which the information memorandum relates. If the conduit has issued and outstanding, or anticipates issuing, any security other than the series or class of short-term securitized product to which the information memorandum relates, describe that other security, its credit rating, if applicable, and how it will rank, in the event of insolvency of the conduit, relative to the series or class of the conduit's short-term securitized product to which the information memorandum relates.*

8.2. *Disclose how a potential purchaser can obtain access to disclosure that the conduit is required to provide or make reasonably available in connection with a purchase of a short-term securitized product of the conduit.*

8.3. *Disclose how a holder of a short-term securitized product of the conduit can obtain access to the disclosure the conduit is required to provide or make reasonably available to a holder of a short-term securitized product of the conduit.*

Item 9 Material agreements

9.1. *If not disclosed elsewhere in the information memorandum, identify and summarize each agreement to which the conduit is a party and that is material to the conduit's business and operations, excluding agreements that are particular to an asset transaction or asset pool.*

9.2. *If material and not disclosed elsewhere in the information memorandum, describe the ability of a person to waive or modify the requirements, activities or standards that would apply under an agreement referred to in section 9.1.*

Item 10 Date of information memorandum

State the date of the information memorandum.

Item 11 Representation that no misrepresentation

State the following in the information memorandum:

"This information memorandum does not contain a misrepresentation regarding the conduit, its structure, or operations.

M.O. 2015-06, s. 11.

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FORM 45-106F8

MONTHLY DISCLOSURE REPORT FOR SHORT-TERM SECURITIZED PRODUCTS DISTRIBUTED UNDER SECTION 2.35.1

Instructions

(1) Using language that is plain and easy to understand by the type of purchaser to whom the issuer's short-term securitized products are offered, provide the information required by this form. No reference need be made to inapplicable items and, unless otherwise required by this form, negative answers may be omitted.

(2) A monthly disclosure report may be used to disclose information about more than one series or class of short-term securitized product. If so, the disclosure required by this form must be provided for each series or class of short-term securitized product to which the monthly disclosure report relates.

(3) This form requires disclosure of certain items, matters or other information referred to as "material". Information is "material" if knowledge of it could reasonably be expected to affect a reasonable investor's decision whether to buy, sell or hold a short-term securitized product.

(4) Include or incorporate by reference a glossary that defines all technical terms, and includes each of the following definitions:

"seller" means, in connection with an asset transaction, a person or group of affiliated persons that originates or acquires cash-flow generating assets and sells or otherwise transfers, either directly or indirectly, an ownership or security interest in such assets to a conduit, which assets form one or more asset pools of the conduit.

"sponsor" means a person or group of affiliated persons that organizes or initiates the formation of a conduit.

Item 1 Summary of conduit operations and asset pools

Provide a summary of the conduit's operations and asset pools as at the last day of the month for which the monthly disclosure report applies that includes the following:

- (a) the total face value of securitized product outstanding;
- (b) the aggregate outstanding asset balance of the asset pools;
- (c) the number of asset pools in which the conduit has an ownership or security interest;
- (d) the number and dollar amount of new asset pools added during the month or other information that in conjunction with information in the report for the prior monthly period will permit an investor to easily calculate such amounts;

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(e) the number and dollar amount of asset pools repaid during the month or other information that in conjunction with information in the report for the prior monthly period will permit an investor to easily calculate such amounts;

(f) each type of asset in the conduit's asset pools, expressed as a percentage of the total assets of the conduit's asset pools.

Item 2 Asset transaction information

Provide the following information regarding each of the conduit's asset pools in one or more tables or diagrams as at the last day of the month to which the monthly disclosure report applies:

(a) the type of assets in the asset pool, including whether the assets are revolving or amortizing;

(b) an identifier such as an asset pool, asset transaction or seller number;

(c) the industry of the person or group of affiliated persons that originated the assets;

(d) whether each seller or applicable performance guarantor has an investment grade rating;

(e) the amount of any conduit commitment to acquire assets from a seller for the asset pool;

(f) the balance outstanding on the asset pool;

(g) if available, the number of assets or obligors in the asset pool.

Item 3 Asset transaction credit enhancement

Provide the following information regarding each of the conduit's asset transactions in one or more tables as at the last day of the month to which the monthly disclosure report applies:

(a) the form of each credit enhancement;

(b) the amount of credit enhancement expressed in either of the following forms:

(i) a dollar amount;

(ii) a percentage, including the basis of presentation.

Item 4 Asset transaction performance

Provide the following information regarding each of the conduit's asset transactions in one or more tables as at the last day of the month to which the monthly disclosure report applies:

- (a) the default or loss ratio for the month, including the basis of presentation;
- (b) information with respect to default experience both for the most recent period and over an extended period of time in the form of ratios or otherwise, provided on a consistent basis for that asset transaction in each monthly disclosure report;
- (c) defaults for the month relative to available credit enhancement.

Item 5 Compliance and termination events

Disclose the occurrence of any events or circumstances that the conduit would reasonably expect to have a significant adverse effect on the payment of principal or interest on the series or class of short-term securitized product or require the conduit to cease issuing short-term securitized products.

Item 6 Report Information

State each of the following:

- (a) date of the report;
- (b) period covered by the report;
- (c) contact information, including name, phone number and email address of a contact person for the conduit.

M.O. 2015-06, s. 11.

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

**FORM 45-106F9
FORM FOR INDIVIDUAL ACCREDITED INVESTORS**

WARNING!
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: [Instruction: Include a short description, e.g., common shares.]	Issuer:
Purchased from: [Instruction: Indicate whether securities are purchased from the issuer or a selling security holder.]	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____. [Instruction: Insert the total dollar amount of the investment.]	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials

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<ul style="list-style-type: none">Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
<ul style="list-style-type: none">Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
<ul style="list-style-type: none">Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
<ul style="list-style-type: none">Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	
4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
For investment in a non-investment fund	

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[Insert name of issuer/selling security holder]

[Insert address of issuer/selling security holder]

[Insert contact person name, if applicable]

[Insert telephone number]

[Insert email address]

[Insert website address, if applicable]

For investment in an investment fund

[Insert name of investment fund]

[Insert name of investment fund manager]

[Insert address of investment fund manager]

[Insert telephone number of investment fund manager]

[Insert email address of investment fund manager]

[If investment is purchased from a selling security holder, also insert name, address, telephone number and email address of selling security holder here]

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

Form instructions:

1. This form does not mandate the use of a specific font size or style but the font must be legible.
2. The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.
3. The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.

M.O. 2015-05, s. 22.

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

FORM 45-106F12

RISK ACKNOWLEDGEMENT FORM FOR FAMILY, FRIEND AND BUSINESS ASSOCIATE INVESTORS

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER

1. About your investment

Type of securities: [Instruction: Include a short description, e.g., common shares.]

Issuer:

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER

2. Risk acknowledgement

This investment is risky. Initial that you understand that:

Your initials

Risk of loss – You could lose your entire investment of \$ _____. [Instruction: Insert the total dollar amount of the investment.]

Liquidity risk – You may not be able to sell your investment quickly – or at all.

Lack of information – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.

3. Family, friend or business associate status

You must meet one of the following criteria to be able to make this investment. Initial the statement that applies to you:

Your initials

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

<p>A) You are:</p> <p>1) [check all applicable boxes]</p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) [check all applicable boxes]</p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors</p>	
<p>B) You are a family member of _____ [Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You are the _____ of that person or that person's spouse.</p> <p>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</p>	
<p>C) You are a close personal friend of _____ [Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
<p>D) You are a close business associate of _____ [Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
<p>4. Your name and signature</p>	
<p>By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.</p>	
<p>First and last name (please print):</p>	
<p>Signature:</p>	<p>Date:</p>
<p>SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE</p>	
<p>5. Contact person at the issuer or an affiliate of the issuer</p>	

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]

By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: [check the box that applies]

- family relationship as set out in section 3B of this form*
- close personal friendship as set out in section 3C of this form*
- close business associate relationship as set out in section 3D of this form*

First and last name of contact person [please print]:

Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):

Telephone:

Email:

Signature:

Date:

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SECTION 6 TO BE COMPLETED BY THE ISSUER	
6. For more information about this investment	
<p><i>[Insert name of issuer] [Insert address of issuer] [Insert contact person name] [Insert telephone number] [Insert email address]</i></p> <p><i>[Insert website address, if applicable]</i></p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	
Signature of executive officer of the issuer (other than the purchaser):	Date:

Form instructions:

1. This form does not mandate the use of a specific font size or style but the font must be legible.
2. The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.
3. The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.
4. The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of Regulation 45-106 respecting Prospectus and Registration Exemptions. For guidance on the meaning of “close personal friend” and “close business associate”, please refer to sections 2.7 and 2.8, respectively, of Policy Statement to Regulation 45-106 respecting Prospectus and Registration Exemptions.

I.N. 2018-09-01.

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

FORM 45-106F14 RIGHTS OFFERING NOTICE FOR REPORTING ISSUERS

This is the form of notice you must use for a distribution of rights under section 2.1 of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21). In this form, a distribution of rights is sometimes referred to as a “rights offering”.

PART 1 GENERAL INSTRUCTIONS

Deliver this rights offering notice to each security holder eligible to receive rights under the rights offering. Using plain language, prepare the rights offering notice using a question-and-answer format.

Guidance

We do not expect the rights offering notice to be longer than 2 pages in length.

PART 2 THE RIGHTS OFFERING NOTICE

1. Basic information

State the following with the bracketed information completed:

“[Name of issuer]

Notice to security holders – [Date]”

If you have less than 12 months of working capital and are aware of material uncertainties that may cast significant doubt upon your ability to continue as a going concern, include the following language in bold immediately below the date of the rights offering notice:

“We currently have sufficient working capital to last [insert the number of months of working capital as at the date of the rights offering circular] months. We require [insert the percentage of the rights offering required to be taken up]% of the offering to last 12 months.”

2. Who can participate in the rights offering?

State the record date and identify which class of securities is subject to the offering.

3. Who is eligible to receive rights?

List the jurisdictions in which the issuer is offering rights.

REGULATION IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

Explain how a security holder in a foreign jurisdiction can acquire the rights and the securities issuable upon the exercise of the rights.

4. How many rights are we offering?

State the total number of rights offered.

5. How many rights will you receive?

State the number of rights a security holder on the record date will receive for every security held as of the record date.

6. What does one right entitle you to receive?

State the number of rights required to acquire a security upon the exercise of the rights. Also state the subscription price.

7. How will you receive your rights?

Include a rights certificate with the rights offering notice if the rights offering notice is being delivered to a registered security holder and direct the security holder's attention to this certificate.

If you are delivering the rights offering notice to a security holder in a foreign jurisdiction, provide instructions on how that security holder can receive its rights certificate.

8. When and how can you exercise your rights?

State when the exercise period ends for security holders who have their rights certificate.

Also, provide instructions on how to exercise the rights to security holders whose securities are held in a brokerage account.

9. What are the next steps?

Include the following statement, using wording substantially similar to the following:

"This document contains key information you should know about [insert name of issuer]. You can find more details in the issuer's rights offering circular. To obtain a copy, visit [insert name of issuer]'s profile on the SEDAR+ website, visit [insert the website of the issuer], ask your dealer representative for a copy or contact [insert name of contact person of the issuer] at [insert the phone number or email of the contact person of the issuer]. You should read the rights offering circular, along with [insert name of issuer]'s continuous disclosure record, to make an informed decision."

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10. Signature

Sign the rights offering notice. State the name and title of the person signing the rights offering notice.

M.O. 2015-16, s. 3; M.O. 2023-11, s. 6.

IN FORCE FROM JUNE 9, 2023 TO SEPTEMBER 12, 2023

**FORM 45-106F15
RIGHTS OFFERING CIRCULAR FOR REPORTING ISSUERS**

PART 1 INSTRUCTIONS

1. Overview of the rights offering circular

This is the form of circular you must use for a distribution of rights under section 2.1 of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21). In this form, a distribution of rights is sometimes referred to as a “rights offering”.

The objective of the rights offering circular is to provide information about the rights offering and details on how an existing security holder can exercise the rights.

Prepare the rights offering circular using a question-and-answer format.

Guidance

We do not expect the rights offering circular to be longer than 10 pages.

2. Incorporating information by reference

You must not incorporate information into the rights offering circular by reference.

3. Plain language

Use plain, easy to understand language in preparing the rights offering circular. Avoid technical terms but if they are necessary, explain them in a clear and concise manner.

4. Format

Except as otherwise stated, use the questions presented in this form as headings in the rights offering circular. To make the rights offering circular easier to understand, present information in tables.

5. Omitting information

Unless this form indicates otherwise, you are not required to complete an item in this form if it does not apply.

6. Date of information

Unless this form indicates otherwise, present the information in this form as of the date of the rights offering circular.

7. Forward-looking information

If you disclose forward-looking information in the rights offering circular, you must comply with Part 4A.3 of Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24).

PART 2 SUMMARY OF OFFERING

8. Required statement

State in italics, at the top of the cover page, the following:

“This rights offering circular is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this circular. Any representation to the contrary is an offence.

This is the circular we referred to in the [insert date of the rights offering notice] rights offering notice, which you should have already received. Your rights certificate and relevant forms were enclosed with the rights offering notice. This circular should be read in conjunction with the rights offering notice and our continuous disclosure prior to making an investment decision.”

Guidance

We remind issuers and their executives that they are liable under secondary market liability provisions for the disclosure in this rights offering circular.

9. Basic disclosure about the distribution

Immediately below the statement referred to in item 8, state the following with the bracketed information completed:

“Rights offering circular [Date]

[Name of Issuer]”

If you have less than 12 months of working capital and are aware of material uncertainties that may cast significant doubt upon your ability to continue as a going concern, state the following in bold immediately below the name of the issuer:

“We currently have sufficient working capital to last [insert the number of months of working capital as at the date of the rights offering circular] months. We require [insert the percentage of the rights offering required to be taken up]% of the offering to last 12 months.”

10. Purpose of the rights offering circular

State the following in bold:

“Why are you reading this circular?”

Explain the purpose of the rights offering circular. State that the rights offering circular provides details about the rights offering and refer to the rights offering notice that you sent to security holders.

11. Securities offered

State the following in bold:

“What is being offered?”

Provide the number of rights you are offering to each security holder under the rights offering. If your outstanding share capital includes more than one class or type of security, identify which security holders are eligible to receive rights. Include the record date the issuer will use to determine which security holders are eligible to receive rights.

12. Right entitlement

State the following in bold:

“What do[es] [insert number of rights] right[s] entitle you to receive?”

Explain what the security holder will receive upon the exercise of the rights. Also include the number of rights needed to acquire the underlying security.

13. Subscription price

State the following in bold:

“What is the subscription price?”

Provide the price a security holder must pay to exercise the rights. If there is no published market for the securities, either explain how you determined the fair value of the securities or explain that no insider will be able to increase their proportionate interest through the rights offering.

Guidance

Refer to paragraph 2.1(3)(g) of Regulation 45-106 respecting Prospectus Exemptions which provides that the subscription price must be lower than the market price if there is a published market for the securities. If there is no published market, either the subscription price must be lower than the fair value of the securities or insiders are not permitted to increase their proportionate interest in the issuer through the rights offering.

14. Expiry of offer

State the following in bold:

“When does the offer expire?”

Provide the date and time that the offer expires.

Guidance

Refer to paragraph 2.1(6)(b) of Regulation 45-106 respecting Prospectus Exemptions which provides that the prospectus exemption is not available where the exercise period for the rights is less than 21 days or more than 90 days after the day the rights offering notice is sent to security holders.

15. Description of the securities

State the following in bold:

“What are the significant attributes of the rights issued under the rights offering and the securities to be issued upon the exercise of the rights?”

Describe the significant attributes of the rights and securities to be issued upon exercise of the rights. Include in the description the number of outstanding securities of the class of securities issuable upon exercise of the rights, as of the date of the rights offering circular.

16. Securities issuable under the rights offering

State the following in bold:

“What are the minimum and maximum number or amount of [insert type of security issuable upon the exercise of the rights] that may be issued under the rights offering?”

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Provide the minimum, if any, and maximum number or amount of securities that may be issuable upon the exercise of the rights.

17. Listing of securities

State the following in bold:

“Where will the rights and the securities issuable upon the exercise of the rights be listed for trading?”

Identify the exchange(s) and quotation system(s), if any, on which the rights and underlying securities are listed, traded or quoted. If no market exists, or is expected to exist, state the following in bold:

“There is no market through which these [rights and/or underlying securities] may be sold.”

PART 3 USE OF AVAILABLE FUNDS

18. Available funds

State the following in bold:

“What will our available funds be upon the closing of the rights offering?”

Using the following table, disclose the available funds after the rights offering. If you plan to combine additional sources of funding with the offering proceeds to achieve your principal capital-raising purpose, provide details about each additional source of funding.

If there is no minimum offering or stand-by commitment, or if the minimum offering or stand-by commitment represents less than 75% of the rights offering, include threshold disclosure if only 15%, 50% or 75% of the entire offering is taken up.

Disclose the amount of working capital deficiency, if any, of the issuer as of the most recent month end. If the available funds will not eliminate the working capital deficiency, state how you intend to eliminate or manage the deficiency. If there has been a significant change in the working capital since the most recently audited annual financial statements, explain those changes.

Guidance

We would consider a significant change to include a change in the working capital that results in material uncertainty regarding the issuer’s going concern assumption, or a change in the working capital balance from positive to deficiency or vice versa.

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		<i>Assuming minimum offering or stand-by commitment only</i>	<i>Assuming 15% of offering</i>	<i>Assuming 50% of offering</i>	<i>Assuming 75% of offering</i>	<i>Assuming 100% of offering</i>
<i>A</i>	<i>Amount to be raised by this offering</i>	\$	\$	\$	\$	\$
<i>B</i>	<i>Selling commissions and fees</i>	\$	\$	\$	\$	\$
<i>C</i>	<i>Estimated offering costs (e.g., legal, accounting, audit)</i>	\$	\$	\$	\$	\$
<i>D</i>	<i>Available funds: D = A - (B+C)</i>	\$	\$	\$	\$	\$
<i>E</i>	<i>Working capital as at most recent month end (deficiency)</i>	\$	\$	\$	\$	\$
<i>F</i>	<i>Additional sources of funding</i>	\$	\$	\$	\$	\$
<i>G</i>	<i>Total: G = D+E+F</i>	\$	\$	\$	\$	\$

19. Use of available funds

State the following in bold:

“How will we use the available funds?”

Using the following table, provide a detailed breakdown of how you will use the available funds. Describe in reasonable detail each of the principal purposes, with approximate amounts.

<i>Description of intended use of available funds listed in order of priority.</i>	<i>Assuming minimum offering or stand-by commitment only</i>	<i>Assuming 15% of offering</i>	<i>Assuming 50% of offering</i>	<i>Assuming 75% of offering</i>	<i>Assuming 100% of offering</i>
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
<i>Total: Equal to G in the available funds in item 18</i>	\$	\$	\$	\$	\$

If there is no minimum offering or stand-by commitment, or if the minimum offering or stand-by commitment represents less than 75% of the rights offering, include threshold disclosure if only 15%, 50% or 75% of the entire offering is taken up.

Instructions:

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1. If the issuer has significant short-term liquidity requirements, discuss, for each threshold amount (i.e., 15%, 50% and 75%), the impact, if any, of raising that amount on its liquidity, operations, capital resources and solvency. Short-term liquidity requirements include non-discretionary expenditures for general corporate purposes and overhead expenses, significant short-term capital or contractual commitments, and expenditures required to achieve stated business objectives.

When discussing the impact of raising each threshold amount on your liquidity, operations, capital resources and solvency, include all of the following in the discussion:

- which expenditures will take priority at each threshold, and what effect this allocation would have on your operations and business objectives and milestones;
- the risks of defaulting on payments as they become due, and what effect the defaults would have on your operations;
- an analysis of your ability to generate sufficient amounts of cash and cash equivalents from other sources, the circumstances that could affect those sources and management's assumptions in conducting this analysis.

State the minimum amount required to meet the short-term liquidity requirements. In the event that the available funds could be less than the amount required to meet the short-term liquidity requirements, describe how management plans to discharge its liabilities as they become due. Include the assumptions management used in its plans.

If the available funds could be insufficient to cover the issuer's short-term liquidity requirements and overhead expenses for the next 12 months, include management's assessment of the issuer's ability to continue as a going concern. If there are material uncertainties that cast significant doubt upon the issuer's ability to continue as a going concern, state this fact in bold.

2. If you will use more than 10% of available funds to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the indebtedness was used. If the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and disclose the outstanding amount owed.

3. If you will use more than 10% of available funds to acquire assets, describe the assets. If known, disclose the particulars of the purchase price being paid for or being allocated to the assets or categories of assets, including intangible assets. If the vendor of the asset is an insider, associate or affiliate of the issuer, identify the vendor and nature of the relationship to the issuer, and disclose the method used to determine the purchase price.

4. If any of the available funds will be paid to an insider, associate or affiliate of the issuer, disclose in a note to the use of available funds table in item 19 the name of the insider, associate or affiliate, the relationship to the issuer, and the amount to be paid.

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5. If you will use more than 10% of available funds for research and development of products or services,

a. describe the timing and stage of research and development that management anticipates will be reached using the funds,

b. describe the major components of the proposed programs you will use the available funds for, including an estimate of anticipated costs,

c. state if you are conducting your own research and development, are subcontracting out the research and development or are using a combination of those methods, and

d. describe the additional steps required to reach commercial production and an estimate of costs and timing.

6. If you may reallocate available funds, include the following statement:

“We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.”

20. How long will the available funds last?

State the following in bold:

“How long will the available funds last?”

Explain how long management anticipates the available funds will last. If you do not have adequate funds to cover anticipated expenses for the next 12 months, state the sources of financing that the issuer has arranged but not yet used. Also, provide an analysis of the issuer’s ability to generate sufficient amounts of cash and cash equivalents in the short term and the long term to maintain capacity, and to meet planned growth or to fund development activities. You should describe sources of funding and circumstances that could affect those sources that are reasonably likely to occur. If this results in material uncertainties that cast significant doubt upon the issuer’s ability to continue as a going concern, disclose this fact.

If you expect the available funds to last for more than 12 months, state this expectation.

PART 4 INSIDER PARTICIPATION

21. Intention of insiders

State the following in bold:

“Will insiders be participating?”

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Provide the answer. If “yes”, provide details of insiders’ intentions to exercise their rights, to the extent known to the issuer after reasonable inquiry.

22. Holders of at least 10% before and after the rights offering

State the following in bold:

“Who are the holders of 10% or more of our securities before and after the rights offering?”.

Provide this information in the following tabular form, to the extent known to the issuer after reasonable inquiry:

Name	Holdings before the offering	Holdings after the offering
[Name of security holder]	[State the number or amount of securities held and the percentage of security holdings this represents]	[State the number or amount of securities held and the percentage of security holdings this represents]

PART 5 DILUTION

23. Dilution

State the following in bold:

“If you do not exercise your rights, by how much will your security holdings be diluted?”.

Provide a percentage in the rights offering circular and state the assumptions used, as appropriate.

PART 6 STAND-BY COMMITMENT

24. Stand-by guarantor

State the following in bold:

“Who is the stand-by guarantor and what are the fees?”.

Explain the nature of the issuer’s relationship with the stand-by guarantor including whether, and the basis on which, if applicable, the stand-by guarantor is a related party of the issuer. Describe the stand-by commitment and the material terms of the basis on which the stand-by guarantor may terminate the obligation under the stand-by commitment.

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Instructions:

In determining if a stand-by guarantor is a related party, you should refer to the issuer's GAAP which has the same meaning as in Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25).

25. Financial ability of the stand-by guarantor

State the following in bold:

“Have we confirmed that the stand-by guarantor has the financial ability to carry out its stand-by commitment?”

If the offering has a stand-by commitment, state that you have confirmed that the stand-by guarantor has the financial ability to carry out its stand-by commitment.

26. Security holdings of the stand-by guarantor

State the following in bold:

“What are the security holdings of the stand-by guarantor before and after the rights offering?”

Provide this information in the following tabular form, to the extent known to the issuer after reasonable inquiry:

Name	Holdings before the offering	Holdings after the offering if the stand-by guarantor takes up the entire stand-by commitment
<i>[Name of stand-by guarantor]</i>	<i>[State the number or amount of securities held and the percentage of security holdings this represents]</i>	<i>[State the number or amount of securities held and the percentage of security holdings this represents]</i>

PART 7 MANAGING DEALER, SOLICITING DEALER AND UNDERWRITING CONFLICTS

27. The managing dealer, the soliciting dealer and their fees

State the following in bold:

“Who is the [managing dealer/soliciting dealer] and what are its fees?”

Identify the managing dealer, if any, and the soliciting dealer, if any, and describe the commissions or fees payable to them.

28. Managing dealer/soliciting dealer conflicts

State the following in bold:

“Does the [managing dealer/soliciting dealer] have a conflict of interest?”.

If disclosure is required by Regulation 33-105 respecting Underwriting Conflicts (chapter V-1.1, r. 11), include that disclosure.

PART 8 HOW TO EXERCISE THE RIGHTS

29. Security holders who are registered holders

State the following in bold:

“How does a security holder that is a registered holder participate in the rights offering?”.

Explain how a registered holder can participate in the rights offering.

30. Security holders who are not registered holders

State the following in bold:

“How does a security holder that is not a registered holder participate in the rights offering?”.

Explain how a security holder who is not a registered holder can participate in the rights offering.

31. Eligibility to participate

State the following in bold:

“Who is eligible to receive rights?”.

List the jurisdictions in which you are making the rights offering.

Explain how a security holder in a foreign jurisdiction can acquire the rights and securities issuable upon the exercise of the rights.

32. Additional subscription privilege

State the following in bold:

“What is the additional subscription privilege and how can you exercise this privilege?”.

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Describe the additional subscription privilege and explain how a holder of rights who has exercised the basic subscription privilege can exercise the additional subscription privilege.

33. Transfer of rights

State the following in bold:

“How does a rights holder sell or transfer rights?”

Explain how a holder of rights can sell or transfer rights. If the rights will be listed on an exchange, provide further details related to the trading of the rights on the exchange.

34. Trading of underlying securities

State the following in bold:

“When can you trade securities issuable upon the exercise of your rights?”

State when a security holder can trade the securities issuable upon the exercise of the rights.

35. Resale restrictions

State the following in bold:

“Are there restrictions on the resale of securities?”

If the issuer is offering rights in one or more jurisdictions where there are restrictions on the resale of securities, include a statement disclosing when those rights and underlying securities will become freely tradable and that until then such securities may not be resold except pursuant to a prospectus or prospectus exemption, which may be available only in limited circumstances.

36. Fractional securities upon exercise of the rights

State the following in bold:

“Will we issue fractional underlying securities upon exercise of the rights?”

Respond “yes” or “no” and explain (if necessary).

PART 9 APPOINTMENT OF DEPOSITORY

37. Depository

State the following in bold:

“Who is the depository?”.

If the rights offering is subject to a minimum offering amount, or if there is a stand-by commitment, state the name of the depository you appointed to hold all money received upon exercise of the rights until the minimum offering amount or stand-by commitment is received or until the money is returned.

38. Release of funds from depository

State the following in bold:

“What happens if we do not raise the [minimum offering amount] or if we do not receive funds from the stand-by guarantor?”.

If the offering is subject to a minimum offering amount, or if there is a stand-by commitment, state that you have entered into an agreement with the depository under which the depository will return the money held by it to holders of rights that have already subscribed for securities under the offering, if you do not raise the minimum offering amount or receive funds from the stand-by guarantor.

PART 10 FOREIGN ISSUERS

39. Foreign issuers

State the following in bold:

“How can you enforce a judgment against us?”.

If the issuer is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following:

“[The issuer] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. It may not be possible for investors to enforce judgments obtained in Canada against any person that is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.”.

PART 11 ADDITIONAL INFORMATION

40. Additional information

State the following in bold:

“Where can you find more information about us?”.

Provide the SEDAR+ website address and state that a security holder can access the issuer’s continuous disclosure from that site. If applicable, provide the issuer’s website address.

PART 12 MATERIAL FACTS AND MATERIAL CHANGES

41. Material facts and material changes

State the following in bold:

“There is no material fact or material change about the issuer that has not been generally disclosed.”

If there is a material fact or material change about the issuer that has not been generally disclosed, add disclosure of that material fact or material change.

Guidance

Issuers should be aware that disclosing a material change in the rights offering circular does not relieve the issuer of the requirement to issue a news release and file a material change report as required by Part 7 of Regulation 51-102 respecting Continuous Disclosure Obligations.

M.O. 2015-16, s. 3; M.O. 2022-11, s. 7; M.O. 2023-11, s. 7.

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**FORM 45-106F16
NOTICE OF USE OF PROCEEDS**

[Insert issuer name]

For the financial year ended [Insert end date of most recently completed financial year]

Date: [Specify the date of the Notice. The date must be no earlier than the date of the auditor's report on the financial statements for the issuer's most recently completed financial year.]

[Provide the information specified in the following table.]

1 Opening Proceeds		
(A)	Closing unused proceeds balance from the last Notice in Form 45-106F16, if any	\$
(B)	Proceeds raised in the most recently completed financial year	\$
(C)	Total opening proceeds [Line (C) = Line (A) + Line (B)]	\$
2 Proceeds Used During the Most Recently Completed Financial Year		
	<p>[Provide in reasonable detail a breakdown of all proceeds used in the most recently completed financial year, including proceeds used to pay the following, as applicable:</p> <ul style="list-style-type: none">i. selling commissions and feesii. other offering costsiii. amounts paid in respect of each use of available funds identified in the offering memorandumiv. each other principal use of proceeds, identified separately]	\$
(D)	Total used proceeds [Line (D) is the sum of the uses of proceeds itemized in this section 2 of the table, and must equal the aggregate gross proceeds used during the most recently completed financial year.]	\$
3 Closing Unused Proceeds		
(E)	Closing unused proceeds [Line (E) = Line (C) – Line (D)]	\$

[If any of the proceeds required to be disclosed in this table were paid directly or indirectly to a related party (as defined in Instruction A.6 of Form 45-106F2, Offering Memorandum Form for Non-Qualifying Issuers) of the issuer, state in each case the name of the related party to whom the payment was made, their relationship to the issuer and the amount paid to the related party.]

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Instructions for Completing Form 45-106F16 Notice of Use of Proceeds

1. *The amount for Line (A) is taken from Line (E) in the prior year's Notice of Use of Proceeds (Notice), if applicable. If a Notice was not required in the prior year, then the amount for Line (A) is \$nil.*
2. *The amount for Line (B) is the aggregate gross proceeds raised in all jurisdictions in Canada under section 2.9 of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21) (the OM exemption) during the most recently completed financial year. If an issuer raised funds in reliance on other prospectus exemptions concurrently with the OM exemption during the year and it is impractical to separately track proceeds raised only under the OM exemption, the issuer can provide the disclosure outlined in the table for the aggregate gross proceeds raised under all prospectus exemptions during the most recently completed financial year.*
3. *If Line (C) is \$nil, then the issuer does not have an obligation to file, deliver or make reasonably available the Notice for that financial year.*
4. *In Section 2 of the table, the issuer must provide a breakdown in reasonable detail of the uses of the aggregate gross proceeds during the most recently completed financial year. Issuers should ensure that the disclosure is specific enough and provides sufficient detail for an investor to understand how the proceeds have been used.*
5. *Both direct and indirect payments to related parties must be disclosed. An example of an indirect payment could include repayment of a debt that was incurred for a prior payment to a related party.*
6. *Proceeds invested on a temporary basis would not generally be considered to have been used.*

M.O. 2016-01, s. 10; I.N. 2016-04-01.

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FORM 45-106F17 NOTICE OF SPECIFIED KEY EVENTS

This is the form required under subsection 2.9(17.20) of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21) (Regulation 45-106) in New Brunswick, Nova Scotia and Ontario to make available notice of specified key events to holders of securities acquired under subsection 2.9(2.1) of Regulation 45-106.

1. Issuer Name and Address			
Provide the following information.			
Full legal name	<input type="text"/>		
Street address	<input type="text"/>	Province/State	<input type="text"/>
Municipality	<input type="text"/>	Postal code/Zip code	<input type="text"/>
Website	<input type="text"/>	Country	<input type="text"/>
2. Specified Key Event			
Provide the following information.			
The event, as described in section 3, is: [Select one or more type of event from the list below]			
<input type="checkbox"/>	a discontinuation of the issuer's business		
<input type="checkbox"/>	a change in the issuer's industry		
<input type="checkbox"/>	a change of control of the issuer		
Date on which the event occurred (yyyy/mm/dd):	<input type="text" value=" / /"/>		
3. Event Description			
Provide a brief description of the event identified in section 2.			
4. Contact Person			
Provide the following information for a person at the issuer who can be contacted regarding the event described in section 3.			
Name	<input type="text"/>	Title	<input type="text"/>
Email address	<input type="text"/>	Telephone number	<input type="text"/>
Date of notice (yyyy/mm/dd):	<input type="text"/>		

M.O. 2016-01, s. 10.

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FORM 45-106F18 SUPPLEMENTAL OFFERING MEMORANDUM DISCLOSURE FOR SYNDICATED MORTGAGES

INSTRUCTIONS

1. Provide all disclosure required under Form 45-106F2, as supplemented by this form, including information about the borrower under the syndicated mortgage. Where the headings in Form 45-106F2 and this form are the same, provide all of the required disclosure under the Form 45-106F2 heading.
2. You do not need to follow the order of items in this form. Information required in this form that has already been disclosed in response to the requirements of Form 45-106F2 need not be repeated.
3. You do not need to respond to any item in this form that is inapplicable.
4. Certain items in this form require disclosure about the issuer of a syndicated mortgage and the borrower under a syndicated mortgage. In some cases, the borrower is the issuer of the syndicated mortgage. In these circumstances, the terms “issuer” and “borrower” are interchangeable and there is no requirement to duplicate information.
5. In this form, the distribution of a syndicated mortgage is also referred to as the “offering”. The lenders or investors in a syndicated mortgage are also referred to in this form as the “purchasers”.
6. In this form, “principal holder” means each person who beneficially owns, or directly or indirectly has control or direction over, 10% or more of any class of voting securities of another person. If a principal holder is not an individual, in addition to the other disclosure requirements, provide the information required for the principal holder for any person that beneficially owns, or directly or indirectly has control or direction over more than 50% of the voting rights of the principal holder.
7. (paragraph deleted).
8. Where this form requires an issuer to indicate that copies of a document are available on request, the issuer must provide a copy of such document when requested.

Item 1 Description of the Offering

(1) Provide the following information about the investment being offered and the legal rights of the purchaser:

(a) the nature of the investment, i.e., whether it is a participation in a mortgage, an assignment of a participation in a mortgage, a mortgage unit or some other direct or indirect interest or participation in a mortgage over real property and the legal rights of the purchaser attaching to the investment;

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(b) *the rights of the purchaser on default by the borrower and the rights of the purchaser to share in the proceeds of any recovery from the borrower, in particular the purchaser's voting rights and whether the purchaser has the right to institute individual legal action against the borrower and, if not, the person or persons who may institute or coordinate the institution of legal action against the borrower;*

(c) *if the issuer of the syndicated mortgage is not the borrower under the syndicated mortgage, the rights of the purchaser against the issuer of the syndicated mortgage on default by the borrower, if any;*

(d) *any other material information about the investment or the legal rights of the purchaser.*

(2) *Describe the project and the plans for the use of the funds.*

Item 2 Raising of Funds

(1) *If the funds to be raised through the offering are required to be raised in stages, disclose the period over which the funds will be raised and the factors that determine when they will be raised.*

(2) *If there are any arrangements under which any part of the funds raised will only become available to the borrower if certain conditions are fulfilled, describe those conditions, the procedure for the return of funds to the purchaser if the conditions are not met and any deduction or penalty imposed on the borrower or any other person for not meeting the conditions. Disclose details of the arrangements made for, and the persons responsible for, the supervision of the trust or escrow account or the investment of unreleased funds, and the investment policy to be followed.*

Item 3 Other Risk Factors Specific to Syndicated Mortgages

(1) *State in bold:*

“Investments in syndicated mortgages are speculative and involve a high degree of risk. You should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments, but also additional risks associated with syndication.”

(2) *If the syndicated mortgage includes a personal covenant, guarantee or other financial commitment, state in bold:*

“The ability of the person providing the personal covenant, guarantee or other financial commitment to perform under the personal covenant, guarantee or other financial commitment will depend on the financial strength of the person. There is no assurance that the person will have the financial ability to be able to satisfy the person's obligations under the personal covenant, guarantee or other financial commitment. You might not receive any return from your investment or the initial amount invested.”

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(3) *Disclose any material risk factors associated with the offering.*

INSTRUCTIONS

Potential risk factors include, but are not limited to, any of the following:

(a) *the reliance on the ability of the borrower to make payments under the mortgage;*

(b) *the financial strength of any person offering a personal covenant, guarantee or other financial commitment;*

(c) *the ability to raise further funds as progress in development or construction takes place;*

(d) *changes in land value;*

(e) *unanticipated construction and development costs or delays;*

(f) *the expertise of the parties involved in administering the syndicated mortgage or operations involving the property;*

(g) *the ability to recover one's investment in the event of foreclosure;*

(h) *operational risks involving the businesses of any tenants of the property;*

(i) *restrictions on the ability of purchasers to take action individually if the borrower defaults;*

(j) *whether there are other liabilities secured against the mortgaged property and their maturity schedule;*

(k) *the ranking of the syndicated mortgage in relation to other mortgages and liabilities secured against the mortgaged property, including any potential for future subordination;*

(l) *conflicts of interest between the borrower, purchasers, issuer or others involved in the offering;*

(m) *inadequate insurance coverage;*

(n) *inability to change the trustee (if any);*

(o) *the restrictions imposed by securities legislation on the resale of the syndicated mortgage and the resulting lack of liquidity.*

Item 4 Administration of the Mortgage

(1) Describe how the syndicated mortgage will be administered as well as all parties involved, including the name, address, contact person and any relevant licences or registration held by each party.

(2) Provide the following information about the specific responsibilities of all parties involved in the administration of the syndicated mortgage:

(a) collection responsibility for payments due under the syndicated mortgage;

(b) commencement of legal action on default;

(c) follow-up on insurance expirations or cancellations;

(d) all other material matters of administration to be provided by the person administering the syndicated mortgage.

(3) Describe the material terms of any administration agreement related to the syndicated mortgage.

(4) Disclose all fees and expenses to be charged to the purchaser under the administration agreement and how they are to be calculated.

(5) Disclose that copies of the administration agreement are available from the issuer on request and explain how to request a copy.

Item 5 Trust or Other Agreement

(1) Disclose whether there is any trust or other agreement that provides for any person to make advances of the funds to the borrower and to distribute the proceeds of repayments made by the borrower.

(2) Provide the following information about any agreement disclosed under subsection (1):

(a) whether the purchaser is required to grant a power of attorney to the trustee and the terms of that power of attorney;

(b) all fees and expenses to be charged to the purchaser under the agreement;

(c) the specific responsibilities of all parties to the agreement regarding the following:

(i) the opening of a trust account into which all investment proceeds must be paid until advanced to the borrower and into which all proceeds received in repayment of the syndicated mortgage must be paid before distribution to the purchasers;

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(ii) details of how payments related to the syndicated mortgage will be made;

(iii) the mechanism for replacing the trustee and the procedures for dispute resolution;

(d) any other material terms of the agreement.

(3) Disclose that copies of any agreement disclosed under subsection (1) are available from the issuer on request and explain how to request a copy.

Item 6 Property Subject to the Mortgage

Provide the following information about the property subject to the mortgage:

(a) the address and legal description;

(b) the past, current and intended use;

(c) any proposed improvements;

(d) the date of acquisition of the property and the purchase price paid;

(e) the details, including the purchase price, of any other transactions involving the property known to the borrower, any related party of the borrower or any of their respective partners, directors, officers or principal holders;

(f) if the borrower is not the issuer of the syndicated mortgage, the details, including the purchase price, of any other transactions involving the property known to the issuer, any related party of the issuer or any of their respective partners, directors, officers or principal holders;

(g) any material contractual arrangements relating to the property;

(h) any insurance policies applicable to the property and their status;

(i) any material claims or litigation;

(j) any known contamination or environmental concerns;

(k) any other material facts.

Item 7 Description of the Syndicated Mortgage

(1) Provide the following information about the syndicated mortgage:

(a) the principal amount, term, amortization period, interest rate, maturity date, any prepayment entitlement, the ranking of the syndicated mortgage (i.e., first, second, etc.) and any ability of the borrower to subordinate the syndicated mortgage to other

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indebtedness or to require the purchaser to consent to the subordination of the syndicated mortgage;

(b) the material terms and relative priority of any other mortgages or liabilities secured against the mortgaged property;

(c) the loan-to-value ratio of the property, calculated on an aggregate basis using the following formula:

$$A \div B$$

where A is the aggregate of the following:

(i) the loan value of the syndicated mortgage and

(ii) the loan value of all other mortgages or liabilities secured against the mortgaged property with priority that is equal to or greater than the syndicated mortgage, assuming in all cases that the maximum amount of any such mortgage or liability is fully drawn,

and B is the appraised value of the property described under item 8;

(d) the impact on the loan-to-value ratio of any potential future subordination of the syndicated mortgage;

(e) the aggregate dollar amount of the funds being raised under the offering;

(f) the status of the syndicated mortgage, including whether there are any arrearages and, if so, the amount and due dates of outstanding payments;

(g) the means by which the repayments by the borrower will be distributed and the procedure for establishing the proportion to which each purchaser is entitled to share in the distribution;

(h) the source of funds that the borrower will use to make payments on the syndicated mortgage, including any reserve accounts or other fund maintained by the borrower or any other person;

(i) any other material terms.

(2) Describe the material terms of any commitment letter, or other commitment document, that sets out the terms of the commitment to advance funds to the borrower.

(3) Disclose that copies of the commitment letter, or other commitment document, are available from the issuer on request and explain how to request a copy.

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Item 8 Appraisal

(1) Provide the following information about the most recent appraisal of the value of the property subject to the mortgage, prepared by a qualified appraiser in accordance with subsection 2.9(19.1) of Regulation 45-106 respecting Prospectus Exemptions (chapter V-1.1, r. 21):

- (a) the method used;
- (b) all assumptions made;
- (c) any qualifications or limitations;
- (d) the date of the valuation.

(2) Describe the most recent assessment of the property subject to the mortgage, including existing improvements by any provincial or municipal assessment authority.

Item 9 Exemptions

Disclose any statutory or discretionary exemption from the registration requirement that is being relied upon by any person involved in the offering of the syndicated mortgage.

Item 10 Guarantees or Other Similar Financial Commitments

(1) Summarize the terms of any personal covenant, guarantee or other financial commitment provided in connection with the syndicated mortgage. Explain how the personal covenant, guarantee or financial commitment works.

(2) Disclose that copies of the personal covenant, guarantee or other financial commitment are available from the issuer on request and explain how to request a copy.

(3) Describe the business experience of the person providing any personal covenant, guarantee or other financial commitment.

(4) Describe the financial resources of the person providing the personal covenant, guarantee or other financial commitment. The description must enable a reasonable purchaser applying reasonable effort to understand the person's ability to meet the obligations under the personal covenant, guarantee or other financial commitment.

(5) Disclose whether the purchasers will be entitled to ongoing disclosure of the financial position of the person providing any personal covenant, guarantee or other financial commitment during the period of the personal covenant, guarantee or other financial commitment, and the nature, verification, timing and frequency of any disclosure that will be provided to purchasers.

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Item 11 Organization of Mortgage Broker, Mortgage Brokerage or Mortgage Agency

State the laws under which any firm acting as a mortgage broker, mortgage brokerage or mortgage agency is organized and the date of formation of the mortgage broker, mortgage brokerage or mortgage agency.

Item 12 Borrower Information

If the borrower is not the issuer of the syndicated mortgage, provide the disclosure required under items 2, 3, 4 and 12 of Form 45-106F2 as if the borrower were the issuer of the syndicated mortgage.

Item 13 Developer

If the property subject to the syndicated mortgage is being developed, state the laws under which the developer is organized and the date of formation of the developer. Describe the business of the developer and any prior experience of the developer in similar projects.

Item 14 Mortgage Broker, Mortgage Brokerage or Mortgage Agency, Partners, Directors, Officers and Principal Holders

(1) Disclose the name, municipality of residence and principal occupation for the 5 years preceding the date of the offering memorandum of any individual mortgage broker involved in the offering and the partners, directors, officers and any principal holders of any firm acting as a mortgage broker, mortgage brokerage or mortgage agency involved in the offering.

(2) Disclose any penalty or sanction, including the reason for it and whether it is currently in effect, that has been in effect during the 10 years preceding the date of the offering memorandum, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the 10 years preceding the date of the offering memorandum against any of the following:

(a) a mortgage broker, mortgage brokerage or mortgage agency involved in the offering;

(b) a director, officer or principal holder of a firm acting as a mortgage broker, mortgage brokerage or mortgage agency involved in the offering;

(c) any issuer of which a person referred to above was a director, officer or principal holder at the time of the penalty or sanction.

(3) Disclose any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to

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hold assets that has been in effect during the 10 years preceding the date of the offering memorandum with respect to any of the following:

- (a) a mortgage broker, mortgage brokerage or mortgage agency involved in the offering;
- (b) a director, officer or principal holder of a firm acting as a mortgage broker, mortgage brokerage or mortgage agency involved in the offering;
- (c) any issuer of which a person referred to above was a director, officer or principal holder at the time of the declaration, assignment, proposal, proceedings, arrangement, compromise or appointment.

Item 15 Developer, Partners, Directors, Officers and Principal Holders

(1) Disclose the name and address of any developer of the property subject to the syndicated mortgage.

(2) Disclose any penalty or sanction, including the reason for it and whether it is currently in effect, that has been in effect during the 10 years preceding the date of the offering memorandum, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the 10 years preceding the date of the offering memorandum against any of the following:

- (a) a developer of the property subject to the syndicated mortgage;
- (b) a director, officer or principal holder of a developer of the property subject to the syndicated mortgage;
- (c) any issuer of which a person referred to above was a director, officer or principal holder at the time of the penalty or sanction.

(3) Disclose any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets that has been in effect during the 10 years preceding the date of the offering memorandum with respect to any of the following:

- (a) a developer of the property subject to the syndicated mortgage;
- (b) a director, officer or principal holder of a developer of the property subject to the syndicated mortgage;
- (c) any issuer of which a person referred to above was a director, officer or principal holder at the time of the declaration, assignment, proposal, proceedings, arrangement, compromise or appointment.

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Item 16 Conflicts of Interest

- (1) Describe any existing or potential conflicts of interest among any of the following:
- (a) the borrower;
 - (b) the issuer;
 - (c) a mortgage broker, mortgage brokerage or mortgage agency involved in the offering;
 - (d) a developer of the property subject to the syndicated mortgage;
 - (e) any partners, directors, officers or principal holders of the borrower, issuer, mortgage broker, mortgage brokerage or mortgage agency, or developer;
 - (f) the trustee, administrator of the mortgage, or any other person providing goods or services to the borrower, issuer, mortgage broker, mortgage brokerage or mortgage agency or developer in connection with the syndicated mortgage.
- (2) Describe any direct or indirect interest in the property subject to the syndicated mortgage, the borrower or the business of the borrower held by any of the following:
- (a) any mortgage broker, mortgage brokerage or mortgage agency, developer, trustee or administrator involved in the offering;
 - (b) a director, officer or principal holder of a person listed above.

Item 17 Material Contracts

- (1) To the extent not already disclosed elsewhere in the offering memorandum, describe each material contract relating to the offering or the syndicated mortgage that is in force or is to be entered into by the borrower, issuer, mortgage broker, mortgage brokerage, mortgage agency or developer, or any related party of the foregoing.
- (2) Disclose that copies of the material contracts are available from the issuer on request and explain how to request a copy.

Item 18 Disclosure of Fees

- (1) Disclose whether a mortgage broker, mortgage brokerage or mortgage agency has provided a disclosure statement under mortgage legislation to the borrower concerning all fees, by whatever name those fees are called, to be charged to the borrower. Disclose that copies of the disclosure statement are available from the issuer on request and explain how to request a copy.
- (2) If no mortgage broker, mortgage brokerage or mortgage agency has provided a disclosure statement to the borrower, describe the fees, by whatever name those fees

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are called, that are to be charged to the borrower, how they are to be calculated and paid and when any person involved in the distribution is entitled to payment.

(3) Disclose all fees, by whatever name those fees are called, to be paid by the purchaser, directly or indirectly, in connection with the syndicated mortgage.

Item 19 Registration Documentation

State:

“In addition to all other documentation received, the purchaser should request from the borrower, issuer or any mortgage broker, mortgage brokerage or mortgage agency involved in the distribution, the following documentation:

(a) a copy of the certificate of mortgage interest or assignment of the mortgage or any other document evidencing the investment;

(b) a copy of any confirmation signed by any secured party with priority over the syndicated mortgage confirming the outstanding balance of its encumbrance over the property and confirming that the borrower is not in arrears with any payments;

(c) written confirmation of valid insurance on the property and disclosure of the interest of the purchaser in the insurance;

(d) written confirmation that there are no outstanding arrears or delinquent municipal property taxes on the property;

(e) a state of title certificate or equivalent, showing the registration of the syndicated mortgage;

(f) a copy of any administration agreement or trust indenture;

(g) a copy of any agreement the purchaser entered into in connection with the distribution of the syndicated mortgage.

M.O. 2021-03, s. 7.

**FORM 45-106F19
LISTED ISSUER FINANCING DOCUMENT**

INSTRUCTIONS

1. Overview of the offering document

This is the form an issuer must use as the offering document for a distribution under section 5A.2 of the Regulation. In these instructions, the form is also referred to as the “offering document.”

The objective of the offering document is to provide information about the offering.

Present information in the offering document using a question-and-answer format.

2. Incorporating information by reference

Do not incorporate information into the offering document by reference.

3. Plain language

Use plain, easy to understand language in preparing the offering document. Avoid technical terms but if they are necessary, explain them in a clear and concise manner.

4. Format

Except as otherwise stated, use the questions presented in this form as headings in the offering document. To make the document easier to understand, present information in tables.

5. Date of information

Unless this form indicates otherwise, present the information in this form as of the date of the offering document.

6. Forward-looking information

If the issuer discloses forward-looking information in the offering document, the issuer must comply with Part 4A.3 of Regulation 51-102 respecting Continuous Disclosure Obligations (chapter V-1.1, r. 24).

PART 1 SUMMARY OF OFFERING

1. Basic disclosure about the distribution

On the cover page, state the following with the bracketed information completed:

“Offering Document under the Listed Issuer Financing Exemption [Date]
[Name of Issuer]”

2. Details of the offering

On the cover page, state the following in bold:

“What are we offering?”.

Provide the following details about the offering:

- (a) the type and number of securities the issuer is offering, and a description of all significant attributes of the securities;
- (b) the offering price;
- (c) the minimum and maximum amount of securities that the issuer may offer;
- (d) whether the offering may close in one or more closings and the date by which the offering is expected to close (if known);
- (e) the exchange and quotation system, if any, on which the securities are listed, traded or quoted;
- (f) the closing price of the issuer’s securities on the most recent trading day before the date of the offering document.

3. Required statement

On the cover page, state the following in bold with the bracketed information completed:

“No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

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[Name of issuer] is conducting a listed issuer financing under section 5A.2 of Regulation 45-106 respecting Prospectus Exemptions. In connection with this offering, the issuer represents the following is true:

- The issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.*
- The issuer has filed all periodic and timely disclosure documents that it is required to have filed.*
- The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed [Insert the greater of \$5 000 000 and the amount that is equal to 10% of the issuer's market capitalization, to a maximum of \$10 000 000].*
- The issuer will not close this offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.*
- The issuer will not allocate the available funds from this offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.”.*

PART 2 SUMMARY DESCRIPTION OF BUSINESS

4. Summary description of business

State the following in bold:

“What is our business?”.

Provide a brief summary of the business the issuer carries on or intends to carry on.

5. Recent developments

State the following in bold:

“Recent developments”.

Provide a brief summary of key recent developments involving or affecting the issuer.

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6. **Material facts**

If there is a material fact about the securities being distributed that has not been disclosed elsewhere in this offering document or in any other document filed since the date that is the earlier of the date that is 12 months before the date of this offering document and the date that the issuer's most recent audited annual financial statements were filed, disclose that material fact.

7. **Business objectives and milestones**

State the following in bold:

"What are the business objectives that we expect to accomplish using the available funds?".

State the business objectives that the issuer expects to accomplish using the available funds disclosed under item 8. Describe each significant event that must occur for the business objectives described to be accomplished and state the specific period in which each event is expected to occur and the cost related to each event.

PART 3 USE OF AVAILABLE FUNDS

8. **Available funds**

State the following in bold:

"What will our available funds be upon the closing of the offering?".

Using the following table, disclose what the issuer's available funds will be after the offering. If the issuer plans to combine additional sources of funding with the offering proceeds to achieve its principal purpose for raising capital, provide details about each additional source of funding.

If there has been a significant decline in working capital since the most recently audited annual financial statements, explain the decline.

		Assuming minimum offering only	Assuming 100% of offering
A	Amount to be raised by this offering	\$	\$
B	Selling commissions and fees	\$	\$

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<i>C</i>	<i>Estimated offering costs (e.g., legal, accounting, audit)</i>	<i>\$</i>	<i>\$</i>
<i>D</i>	<i>Net proceeds of offering: $D = A - (B+C)$</i>	<i>\$</i>	<i>\$</i>
<i>E</i>	<i>Working capital as at most recent month end (deficiency)</i>	<i>\$</i>	<i>\$</i>
<i>F</i>	<i>Additional sources of funding</i>	<i>\$</i>	<i>\$</i>
<i>G</i>	<i>Total available funds: $G = D+E+F$</i>	<i>\$</i>	<i>\$</i>

9. Use of available funds

State the following in bold:

“How will we use the available funds?”.

Using the following table, provide a detailed breakdown of how the issuer will use the available funds. Describe in reasonable detail each of the principal purposes, with approximate amounts.

<i>Description of intended use of available funds listed in order of priority</i>	<i>Assuming minimum offering only</i>	<i>Assuming 100% of offering</i>
	<i>\$</i>	<i>\$</i>
	<i>\$</i>	<i>\$</i>
<i>Total: Equal to G in the available funds in item 8</i>	<i>\$</i>	<i>\$</i>

Instructions:

1. If the issuer will use more than 10% of available funds to reduce or retire indebtedness and the indebtedness was incurred within the 2 preceding years, describe the principal purposes for which the indebtedness was used. If the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and disclose the outstanding amount owed.

2. If the issuer will use more than 10% of available funds to acquire assets, describe the assets. If known, disclose the particulars of the purchase price being paid for or being

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allocated to the assets or categories of assets, including intangible assets. If the vendor of the asset is an insider, associate or affiliate of the issuer, identify the vendor and nature of the relationship to the issuer, and disclose the method used to determine the purchase price.

3. If any of the available funds will be paid to an insider, associate or affiliate of the issuer, disclose in a note to the table the name of the insider, associate or affiliate, the relationship to the issuer, and the amount to be paid.

4. If the issuer will use more than 10% of available funds for research and development of products or services,

(a) describe the timing and stage of research and development that management anticipates will be reached using the funds,

(b) describe the major components of the proposed programs the issuer will use the available funds for, including an estimate of anticipated costs,

(c) state if the issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and

(d) describe the additional steps required to reach commercial production and an estimate of costs and timing.

5. If the issuer's most recently filed audited annual financial statements or interim financial report included a going concern note, disclose that fact and explain how this offering is anticipated to address any uncertainties that affect the decision on whether a going concern note is included in your next annual financial statements.

10. Use of funds from previous financings

State the following in bold:

"How have we used the other funds we have raised in the past 12 months?"

Provide a comparison, in tabular form, of disclosure the issuer previously made about how the issuer would use available funds or proceeds from any financing in the past 12 months, an explanation of the variances, and the impact of the variances, if any, on the issuer's ability to achieve its business objectives and milestones.

PART 4 FEES AND COMMISSIONS

11. Involvement of dealers or finders and their fees

State the following in bold:

“Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?”

If any dealer, finder or other person has or will receive any compensation (e.g., commission, corporate finance fee or finder’s fee) in connection with the offering, provide the following information to the extent applicable:

- (a) the name of the dealer, finder, or other person;
- (b) a description of each type of compensation and the estimated amount to be paid for each type;
- (c) if a commission is being paid, the percentage that the commission will represent of the gross proceeds of the offering (assuming both the minimum and maximum offering);
- (d) details of any broker’s warrants or agent’s option (including number of securities under the warrants or option, exercise price and expiry date);
- (e) if any portion of the compensation will be paid in securities, details of the securities (including number, type and, if options or warrants, the exercise price and expiry date).

12. Dealer conflicts

If the issuer has engaged a dealer in connection with the offering, state the following in bold with the bracketed information completed:

“Does [identify dealer(s)] have a conflict of interest?”

If disclosure is required under Regulation 33-105 respecting Underwriting Conflicts (chapter V-1.1, r. 11), include that disclosure.

PART 5 PURCHASERS’ RIGHTS

13. Purchasers’ rights

State the following in bold with the bracketed information completed:

“Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

(a) to rescind your purchase of these securities with [insert name of issuer or other term used to refer to the issuer], or

(b) to damages against [insert name of issuer or other term used to refer to the issuer] and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.”.

PART 6 ADDITIONAL INFORMATION

14. Additional information

State the following in bold:

“Where can you find more information about us?”.

State that a security holder can access the issuer’s continuous disclosure at www.sedarplus.com. If applicable, provide the issuer’s website address.

PART 7 DATE AND CERTIFICATE

15. Certificate

Include the following statement in bold with the bracketed information completed:

“This offering document, together with any document filed under Canadian securities legislation on or after [insert the date which is the earlier of the date that is 12 months before the date of this offering document and the date that the issuer’s most recent audited annual financial statements were filed], contains disclosure of

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all material facts about the securities being distributed and does not contain a misrepresentation.”.

16. Date and signature

Provide the signature, date of the signature, name and position of the chief executive officer and chief financial officer of the issuer.”.

M.O. 2022-11, s. 8; M.O. 2023-11, s. 8.

TRANSITIONAL PROVISIONS

M.O. 2023-02, 2023 G.O. 2, 328

7. Paragraphs (1), (4) and (5) of section 6.4 of the Regulation do not apply to an issuer in respect of an offering memorandum if both of the following apply:

(a) the date of the certificate required under paragraph (8) or (14.1) of section 2.9 of the Regulation is before 8 March 2023;

(b) the offering memorandum was prepared in accordance with the version of Form 45-106F2 in force on 7 March 2023.

M.O. 2015-06, 2015 G.O. 2, 755

12. Transitional provisions

(1) An information memorandum that is provided to or made reasonably available to a purchaser pursuant to paragraph 2.35.4(1)(a), as enacted by section 8 of this Regulation, need only be prepared in accordance with Form 45-106F7 for a distribution of a short term securitized product that takes place on or after November 5, 2015.

(2) A monthly disclosure report that is provided to or made reasonably available to a holder of a short-term securitized product pursuant to an undertaking or agreement in writing required by paragraph 2.35.4(1)(b), as enacted by section 8 of this Regulation, need not be prepared in accordance with Form 45-106F8 for an asset transaction that a conduit entered into on or before November 5, 2015.

M.O. 2015-05, 2015 G.O. 2, 745

24. Except in Ontario, this Regulation comes into force on May 5, 2015.

25. In Ontario, this Regulation comes into force on the later of the following:

(1) May 5, 2015 and

(2) the day on which subsection 12(2) of Schedule 26 of the Budget Measures Act, 2009 is proclaimed in force.

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M.O. 2010-17, 2010 G.O. 2, 3918

8. This Regulation only applies in respect of an offering memorandum or an amendment to an offering memorandum of an issuer if that offering memorandum or amendment includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011.

However, this Regulation may be applied by an issuer to a document referred to in the first paragraph which includes or incorporates by reference financial statements of the issuer in respect of periods relating to a financial year that begins before January 1, 2011 if the immediately preceding financial year ends no earlier than December 21, 2010 and if the issuer is relying on the exemption in section 5.3 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards.

Decision 2009-PDG-0117, 2009-09-04
Bulletin de l'Autorité: 2009-09-25, Vol. 6 n° 38
M.O. 2009-05, 2009 G.O. 2, 3362A

Amendments

Decision 2010-PDG-0216, 2010-11-22
Bulletin de l'Autorité: 2010-12-17, Vol. 7 n° 50
M.O. 2010-17, 2010 G.O. 2, 3918

Decision 2011-PDG-070, 2011-05-30
Bulletin de l'Autorité: 2011-07-01, Vol. 8 n° 26
A.M. 2011-02, 2011 G.O. 2, 1418

Decision 2013-PDG-0068, 2013-04-24
Bulletin de l'Autorité: 2013-05-30, Vol. 10, n° 21
M.O. 2013-09, 2013 G.O. 2, 1386

Decision 2015-PDG-0037, 2015-03-17
Bulletin de l'Autorité : 2015-04-30, Vol. 12 n° 17
M.O. 2015-05, 2015 G.O. 2, 745

Decision 2015-PDG-0041, 2015-03-24
Bulletin de l'Autorité : 2015-04-30, Vol. 12 n° 17
M.O. 2015-06, 2015 G.O. 2, 755

Decision 2015-PDG-0152, 2015-09-30
Bulletin de l'Autorité: 2015-11-05, Vol. 12 n° 44
M.O. 2015-15, 2015 G.O. 2, 2911

Decision 2015-PDG-0166, 2015-10-26
Bulletin de l'Autorité: 2015-12-03, Vol. 12 n° 48
M.O. 2015-16, 2015 G.O. 2, 3191

Decision 2016-PDG-0001, 2016-01-11
Bulletin de l'Autorité: 2016-02-11, Vol. 13 n° 6
M.O. 2016-01, 2016 G.O. 2, 951

Decision 2016-PDG-0067, 2016-05-18
Bulletin de l'Autorité: 2016-06-23, Vol. 13 n° 25
M.O. 2016-12, 2016 G.O. 2, 2237

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N.I. 2017-04-01

N.I. 2017-05-01

Decision 2018-PDG-0035, 2018-05-02
Bulletin de l'Autorité: 2018-06-07, Vol. 15 n° 22
M.O. 2018-03, 2018 G.O 2, 2356

Decision 2018-PDG-0060, 2018-08-27
Bulletin de l'Autorité: 2018-10-04, Vol. 15 n° 39
M.O. 2018-04, 2018 G.O 2, 5001

I.N. 2018-09-01

Decision 2021-PDG-0020, 2021-05-25
Bulletin de l'Autorité : 2021-06-17, Vol. 18 n° 24
M.O. 2021-03, 2021 G.O. 2, 1686

Decision 2021-PDG-0056, 2021-11-17
Bulletin de l'Autorité, 2021-12-23, Vol. 18, n° 51
M.O. 2021-16, 2021 G.O. 2, 5161

Decision 2022-PDG-0042, 2022-10-14
Bulletin de l'Autorite, 2022-11-24, Vol. 19, n° 46
M.O. 2022-11, 2022 G.O. 2, 3880

Decision 2023-PDG-0003, 2023-02-01
Bulletin de l'Autorite, 2023-03-09, Vol. 20, n° 9
M.O. 2023-02, 2023 G.O. 2, 328

Decision 2023-PDG-0016, 2023-04-27
Bulletin de l'Autorite, 2023-06-01, Vol. 20 n° 21
M.O. 2023-11, 2023 G.O. 2, 1046